

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

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PRESS RELEASE

Income-tax Department's searches in NCR, Haryana & WB reveal large scale under-invoicing of imports

The Income Tax Department carried out search and seizure operations on an importer and trader of laptops, mobile phones and peripheral parts. The search operations commenced on **10.10.2021** and were spread across the National Capital Region, Haryana and West Bengal.

During the course of the search, several incriminating documents, diaries and digital evidences have been found which reveal that the group is entrenched into large scale under-invoicing and wrongful declaration of goods imported by it. Large number of evidences indicating unrecorded transactions, unaccounted investment in properties, bogus loans taken, etc. have also been gathered.

The modus operandi involves import of goods in the name of shell entities at under-valued and/or wrongful declaration of description of goods imported, with an intent to evade customs duty. Upon clearance at port(s), such goods have been found to be distributed throughout India by way of out-of-books cash transactions. This aspect has been fortified while searching one of the containers at Kolkata Port, where the bill of lading declared the goods as 'HDMI cables' valued at Rs **3.8 lakh**. However, on de-sealing and searching the same, it has been revealed that the actual goods imported are high value items like laptops, mobile phones etc which are valued at Rs. **64 crore**.

The evidences found and seized during the course of the search reveal that the payments for such under-invoiced goods to the foreign consigners have been made through hawala channels. Almost the entire business has been found to be run through such modus-operandi.

Though the value of imports declared at the port of entry by the use of such shell entities in the past **3 years** is about Rs. **20 crore**, it is estimated that the actual value during this period could be more than Rs. **2000 crore**, given the scale of massive under-valuation detected.

The wealth, so generated, has been used for acquisition of high value immovable properties; disguising of cash introduced in the form of bogus rental income and bogus unsecured loans; and deposits in foreign bank accounts.

During the course of the search, unaccounted cash of Rs. **2.75 crore** has been seized.

Further investigations are in progress.

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