

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

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PRESS RELEASE

Income Tax Department conducts searches in Tamil Nadu

The Income Tax Department carried out search and seizure operations on 09.12.2020 on premises of a leading business group operating from Chennai, based on intelligence input about tax evasion. The searches covered 60 premises located in Chennai, Trichy, Coimbatore, various places in Andhra Pradesh, Karnataka and Mumbai. The business activities include cement manufacturing, logistics, construction, among others.

The highlight of the search includes seizure of unaccounted cash of Rs. 23 crore from various locations. Foreign assets to the extent of Rs.110 crore in the form of Fixed Deposits have been found during the search, which were not disclosed in the return, and will attract action under the Black Money Act. Inflation of expenditure to take out cash and also to reduce profits, receipts not accounted fully, bogus claim of depreciation etc. amounting to Rs. 435 crore were also identified. There are indications of capitation fee receipts for medical admissions to post-graduate programmes.

During the search, details of the actual financial transaction between the searched group and another group for the sale of three infrastructure facilities at various ports were found. Complex financial arrangements creating bogus liabilities from their own concerns were also seen to be made, ostensibly, to reduce the capital gains arising out of this transfer. Capital gains amounting to approximately Rs. 280 crore have been arrived at. Similarly, huge capital introduction through a web of bogus inter corporate transactions within the group is also under the scanner.

A large number of lockers belonging to the group have been identified, which will be operated in due course. As of now, the Department has succeeded in detecting evasion of income of over Rs. 700 crore.

The search is temporarily concluded and investigations are still in progress.

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Official Spokesperson, CBDT