

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

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PRESS RELEASE

Income Tax Department conducts searches in Jharkhand

Income Tax Department carried out a search operation on 28.07.2021 on a prominent group in Jharkhand dealing in building construction and real estate. The search began on 28.07.2021 in Ranchi and Kolkata. More than 20 premises were covered.

During the search, it was found that the group was not maintaining regular books of account. In view thereof, the audit certificates and statements submitted to the Income Tax Department are under investigation for genuineness. As per details found during the search operation, it was seen that the group has been undertaking huge outside-the-books transactions in the building construction business and a large portion of sale proceeds is received in cash which remains unaccounted. Part of the cash generated has been brought into the business through bogus share capital and unsecured loans from shell companies. Investigations have revealed that at least 8 shell companies were involved. Relatives and persons of no means were appointed as directors of these 'companies' which existed only on paper. These 'directors' have admitted that they were only 'dummy directors' and would sign wherever the group told them to do so. Transactions of unsecured loan and bogus share capital to the tune of Rs. 25 crore have been detected. Shell companies investing money in the group have been found to be non-existent in Kolkata. Incriminating documents about front companies having employees as directors that received share capital and unsecured loan from shell companies have been seized.

The group has purchased a very large tract of land measuring 1458 acres on the outskirts of Ranchi and is developing the same by constructing and selling residential apartments. It was seen that the land has been registered at a consideration of one-tenth of the value for stamp duty purposes. Brokers have been paid fee in cash running into crores. Other expenses with regard to the purchase of land also are in crores. The sellers of the land have also been searched and they have admitted that more than 25% of land included in the registered document is forest land, not owned by them and for which they have received no consideration. Evidence gathered during the search established that the group had fraudulently got more than 300 acres of forest land registered in its name.

Unexplained cash of Rs. 50 lakh has been seized and three lockers have been found and placed under restraint. Preliminary evidence found suggests evasion of tax of more than Rs. 50 crore.

Post search investigations are going on and tax evasion figures may go up substantially.

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