

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

New Delhi, 10th October, 2021

PRESS RELEASE

**Income Tax Department conducts searches in Kanchipuram, Chennai and
Vellore**

The Income Tax Department conducted searches on **05/10/2021** in two cases of Kanchipuram, one being a Chit Fund and Financing Group and the other a retailer of Silk Sarees and other garments. The search operations were carried out at **34 premises** located in Kanchipuram, Chennai and Vellore.

In the case of Chit Fund group, it was found that this group was running an unauthorised chit fund business, and all the investments and pay-outs of more than Rs. **400 crore**, in the last few years, were done entirely in cash. Evidences revealed that the group had earned unaccounted income by way of commission and dividends.

Numerous Promissory notes, signed post-dated cheques and power of attorney documents kept as collateral for the loans given or from chit subscribers have also been seized. The group had also earned unaccounted interest income from cash financing and had huge unaccounted investments and expenses.

Many property documents registered in the names of group members and their associates have been found and seized. Properties owned by this group's members include palatial homes, farm houses and lands, luxury vehicles, etc. whereas they were either non-filers or had disclosed negligible income in their tax returns, so far.

Many associates and investors of the chit fund were investigated and they have also admitted to have made unaccounted investments and earned unaccounted income. Unaccounted cash of **Rs. 1.35 crore** and gold jewellery of about **7.5 kg** has been

seized. The undisclosed income detected, so far, in this group is more than **Rs. 150 crore.**

In the case of the other group, engaged in business of Silk Sarees and other garments, evidences were found relating to sales suppression during the last 4 years. The manipulation of sales figures through a customized software application was detected. Post such manipulations, the group members used to take out the unaccounted cash on a regular basis, and made unaccounted investments in land and buildings. The group members also used to incur huge cash expenses on lavish lifestyle, give/ repay cash loans, make Chit investments, etc.

Unaccounted cash of **Rs. 44 lakh** and gold jewellery of about **9.5 kg** has been seized. The undisclosed income detected, so far, in this group is more than **Rs. 100 crore.**

Further investigations in both these cases are in progress.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT