

Ministry of Finance



Income Tax Department conducts search operations in Mumbai

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Income Tax Department initiated search and seizure operations in the case of a group, engaged in the manufacturing of wires and cables and other electrical items on 22.12.2023. Some of the authorised distributors of the group were also covered in the search. The search action was conducted at more than 50 premises located in Mumbai, Pune, Aurangabad, Nasik, Daman, Halol and Delhi.

During the course of the search operation, a large number of incriminating evidences in the form of documents and digital data have been found & seized. These evidences reveal modus-operandi of tax evasion adopted by the group in connivance with some of the authorised distributors. Preliminary analysis suggests that the flagship company indulged in unaccounted cash sales, cash payments for unaccounted purchases, non-genuine transport and sub-contracting expenses, etc for suppression of its taxable income.

Credible evidences recovered during the search have established that the flagship company has made unaccounted cash sales of around Rs. 1,000 crore which are not recorded in the books of accounts. Evidences of unaccounted cash payments of more than Rs. 400 crore made by a distributor, on behalf of the flagship company towards purchases of raw materials, have also been seized. Further, non-genuine expenses in the nature of sub-contracting expenses, purchases and transport expenses, etc. aggregating to about Rs. 100 crore have also been identified in the seized evidences from the premises of the flagship company.

The search action also resulted in determination of unexplained transactions undertaken by the distributor for issuing bills without genuine supply of goods whereas such goods have been sold in open market in cash. Thus, the authorised distributor facilitated certain parties to inflate their purchase accounts, which aggregate to about Rs. 500 crore. This distributor exclusively sells products of the flagship company.

During the course of search operation, unaccounted cash exceeding Rs. 4 crore, has been seized and more than 25 bank lockers have been put on restraint.

Further investigations are in progress.

NB/VM/KMN

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