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IT Dept conducts searches on coaching institute and a business group

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Income Tax Department conducts searches on coaching institutes in Namakkal, Tamil Nadu

The Income Tax Department, conducted a search action on 11th October, 2019 in the case of a business group based in Namakkal, Tamil Nadu. The group is mainly into running of educational institutions, and coaching institutes for competitive exams like NEET, etc. The group comprises several partnership firms and a trust controlled by a closely knit group of individuals. The search action covered 17 premises including residential premises of the group's

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promoters. The premises are located in Namakkal, Perundurai, Karur and Chennai in Tamil Nadu.

The search was undertaken on the basis of intelligence that the group was indulging in substantial tax evasion by suppression of fee receipts received from students. The modus operandi was to receive part of the fees in cash and such cash receipts were invariably not entered in the regular books of accounts. Instead, such receipts were maintained in separate set of accounts. Incriminating evidence of such suppression of receipts has been found during the search in the form of accounts maintained in diaries, in electronic storage devices and also in the form of huge sums of unaccounted cash. It was found that cash was kept in lockers in banks in the names of employees who acted as benami or name lenders.

Significant amount of cash was found in a safe inside an auditorium in the main school premises. Unaccounted cash of about Rs 30 crore has been found and seized. The unaccounted receipts are deployed for acquiring immovable properties as personal investments which are then leased for long term to the trust for expanding to other towns. It was also found that highly priced faculty are hired and employed in the coaching institutes and they are paid outside the books. Based on preliminary findings, the undisclosed income of the group is estimated at more than Rs 150 crore. The search is still in progress.

Income Tax Department conducts searches on business group in Goa

The Income Tax Department carried out search operation on 10th October 2019 covering six premises of two groups involved in the sale-purchase of hotel resort at Goa.


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One of the groups covered currently owns a large property at Goa on which a 5 star resort project is being built. The group is engaged primarily in hotels & hospitality, real estate and construction. The buyer, a Delhi Based group of companies is into catering, restaurant and hotel business.

Search operations have been concluded. The search resulted in seizure of undisclosed assets of Rs 4.39 crore comprising undisclosed cash of Rs 2.55 crore and jewellery/valuables worth Rs 1.84 crore. The group made a disclosure of a total amount of Rs 124.41 crore representing undisclosed income and also committed to pay taxes immediately.

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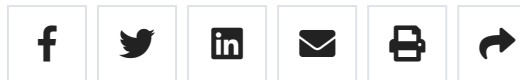
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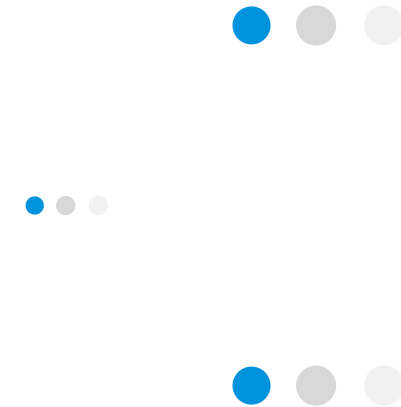
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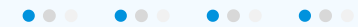
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