

Money Laundering - Huge transactions in HK and US Dollars unearthed

By TIOL News Service

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In a press release issued late last night, the CBDT has claimed that based on credible information that few Chinese individuals and their Indian associates were involved in money laundering and hawala transactions through a series of shell entities, a search action was mounted at various premises of these Chinese entities, their close confederates and couple of bank employees.

Search action revealed that at the behest of Chinese individuals, more than 40 bank accounts were created in various dummy entities, entering into credits of more than Rs. 1000 crores over the period. A subsidiary of Chinese company and its related concerns have taken over Rs. 100 crores bogus advances from shell entities for opening businesses of retail showrooms in India. Further, incriminating documents in respect of hawala transactions and laundering of money with active involvement of bank employees and Chartered accountants has been found as a result of search action. Evidences of foreign hawala transactions involving Hongkong and US dollars have also been unearthed. Further investigations are under progress.