

Undisclosed income of Rs 1,000Cr found in tax raids on Chennai-based jewellery, bullion groups

By TIOL News Service

NEW DELHI, MAR 08, 2021: THE Income Tax Department carried out searches on two Chennai-based groups, one of which is a leading bullion trader in Tamil Nadu and the other is one of the biggest jewellery retailers in South India, and detected undisclosed income of more than Rs. 1,000 crore.

The search operation was carried out at 27 premises located in Chennai, Mumbai, Coimbatore, Madurai, Trichy, Trissur, Nellore, Jaipur and Indore on March 4.

"The searches, so far, have resulted in the detection of undisclosed income of more than Rs. 1,000 crore. Unaccounted cash of Rs. 1.2 crore has been seized so far," said the officials.

The evidence found in the premises of the bullion trader revealed that there were unaccounted cash sales, bogus cash credits from its branches, cash credits in dummy accounts in the guise of advance for purchases, unexplained cash deposits during the demonetisation period, bogus outstanding sundry creditors and huge unexplained stock variations.

The evidence found in the premises of the jewellery retailer revealed that the taxpayer received and repaid cash loans from local financiers, had given cash loans to builders and made cash investments in real estate properties, made unaccounted gold bullion purchases, claimed wrongful bad debts, and inflated wastages in conversion of old gold to fine gold and jewellery making.

Further investigations are in progress.