

# Income Tax Department conducts searches in Tamil Nadu

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The Income Tax Department has carried out searches on 28.10.2020 at 22 premises in Coimbatore, Erode, Chennai and Namakkal on a group engaged in the running of Educational Institutions and their associates, including a civil contractor. The search was carried out on the basis of information that fees collected from students were not fully accounted for in the regular books of accounts.

Evidences found during the search reveal that the allegations regarding suppression of fees received are true and the unaccounted receipts are siphoned off to the personal accounts of the trustees, which in turn are invested in real estate through a company. The other shareholders of the company, viz., an architect from Tirupur and a textile businessman were also covered. Electronic devices seized during the course of search are being examined.

During the searches in the case of the civil contractors from Namakkal, inflation of expenditure by booking bogus expenses under labour charges, material purchase, etc. has been found.

The search has led to identification of unaccounted investments and on-money payments to the extent of around Rs.150 crore. Cash amounting to Rs. 5 crore has been seized. Some lockers are yet to be operated. Search is still continuing.

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