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## **DRI arrests two businessmen for ‘evading Rs 19 cr in customs taxes’**

DRI officials said investigation had revealed that the accused had imported motors, tyres and alloy rims without correctly declaring them in the relevant import documents.

By: **Express News Service** | Kolkata | Published: July 25, 2018 5:07:53 am

The accused, Golam Moinuddin and Mazibur Biswas, have allegedly confessed to fraud. (Representational Image)

The Directorate of Revenue Intelligence on Monday arrested two directors of a company for allegedly misusing the government’s policy of encouraging local manufacturing of e-rickshaws to evade Rs 19 crore in customs taxes. In a statement issued by the agency, officials said M/s Zeniak Innovation India Ltd had illegally imported materials worth Rs 150 crore through Kolkata Port. According to the statement, the company would import complete e-rickshaws in a completely knocked down (CKD) condition, staggered over a number of consignments.

As each individual consignment did not contain all the parts required to assemble an e-rickshaw, the company mislabelled them as spare parts instead of complete vehicles. This allowed them to pay only 10 per cent in customs duty instead of the full 30 per cent. According to officials, the decision to charge only 10 per cent for spare parts was part of the government’s initiative to promote ‘Make in India’.

“M/s Zeniak Innovation India Limited, a Kolkata based importer have imported ‘Electric-Three Wheeled Vehicles’ (e-rickshaws), commonly known as TOTO, in completely knocked down (CKD) condition, by grossly mis-declaring such goods as ‘spare parts of electric tricycle’ and paying the lesser 10 per cent of customs duty leviable on such parts, whereas, they had actually been importing electric tricycles in CKD condition, with pre-assembled transmission mechanism, which attract the much higher rate of 30% of customs duty,” read the statement.

The accused, Golam Moinuddin and Mazibur Biswas, have allegedly confessed to fraud. They were arrested under the provisions of Customs Act 1962 and

were produced before a magistrate, who remanded them to six days' judicial custody.

DRI officials said the company would also import preassembled differentials by falsely declaring them as rear axles. They also said investigation had revealed that the accused had imported motors, tyres and alloy rims without correctly declaring them in the relevant import documents.

Agency officials who searched the premises of the company in Howrah found that in the entire factory, there were only a few machines and tools — one machine for tightening of bolts and drilling, one for laser printing and another for embossing plates.

“It was found, that the said premises was basically meant for warehousing of imported goods. No infrastructure of a factory or any plant or machinery could be found except the ones mentioned above... The employees including the manager of the factory have been questioned and it has emerged that the company has been importing electrical tricycles in CKD condition for long,” said the statement.