

DRI cracks down on dollar-gold smuggling syndicates

TNN | Sep 9, 2018, 08.49 PM IST

NEW DELHI: To curb the growing outflow of the greenback through illegal channels and stem its rising influence on the Indian economy, the Directorate of Revenue Intelligence (DRI) has launched a nationwide crackdown on foreign exchange smuggling, particularly US dollars.

The Customs and DRI together seized over Rs 140 crore in foreign currency, mainly dollars, since April 2017 in 584 interceptions at major international airports, of which more than 167 cases were booked in the last six months. The illicit outflow of foreign exchange, which doesn't include hawala transactions, had doubled since demonetisation, sources said.

The smuggling of forex is being linked to gold worth around Rs 10,000 crore a year being smuggled into the country. Between April 2017 and March 2018, Customs and DRI seized 3.1 tonnes of smuggled gold worth around Rs 1,000 crore, which is considered 5-10% of the actual illegal trade.

On Friday, DRI raided some commercial premises in Karol Bagh in the national capital and seized over 35 kg of smuggled gold and Rs 3.25 crore in cash, together valued at over Rs 14 crore in one of the biggest seizures in recent months.

Sources said the illicit gold consignments were sourced from Bangkok, Dubai and Hong Kong through land, air and sea routes while foreign exchange was illegally taken out of the country to the three destinations through international airports in Delhi, Mumbai, Kolkata and Kochi. Officials are also looking at busting international syndicates which may have created "assets" at major international airports in India leading to large scale physical smuggling of foreign exchange.

On August 6, DRI and Customs officials arrested seven Chinese nationals at Indira Gandhi International (IGI) Airport in Delhi and recovered \$892,000 from their possession. All the passengers were flying to Hong Kong. On June 22, two Bhutanese nationals were arrested from IGI airport and \$530,000 recovered from them. They were flying to Bangkok. In two other major cases between November 2017 and June 2018, an Afghan national and three Indians were arrested with over Rs 15 crore worth of foreign currency from Kochi and Delhi airports.

DRI and Customs officials have booked as many as 167 cases of foreign exchange smuggling across the country between April/July 2018 and seized over Rs 54 crore worth of dollars. The forex seizures were less than half at Rs 21 crore worth during April/July 2017 period in about 100 cases booked by the agency. In financial year 2017-18, the total seizures of foreign exchange, mostly US dollars, was close to Rs 90 crore in as many as 417 cases of interceptions.

After demonetisation in 2016, the interceptions and seizures indicated gold smuggled into the country had doubled. In 2016-17, the total seizure of gold by the agency was 1.4 tonnes, worth about Rs 470 crore. This went up to 3.1 tonnes in 2017-18 worth over Rs 940 crore.