

**THE MODUS OPERANDI** explains how significant tranches of unofficial gold entered India since 2013

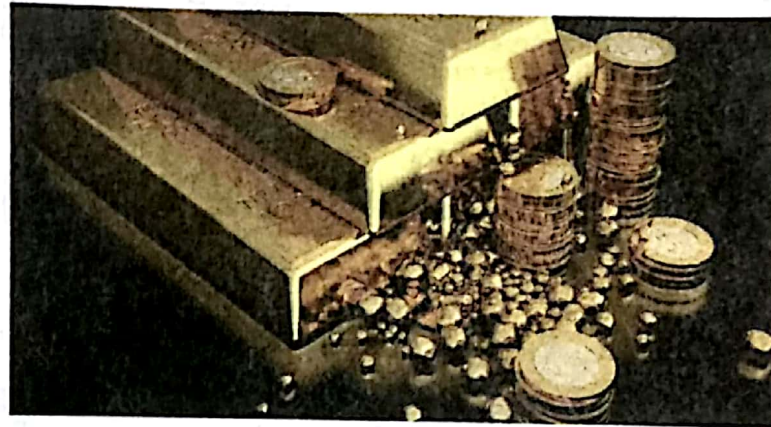
# DRI Sniffs out Trail of Smuggled Gold Trade

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**Mumbai:** The Directorate of Revenue Intelligence (DRI) appears to have cracked the method certain resident Indians have employed to allegedly smuggle gold into the country, evading the 10% customs duty in the bargain.

The modus operandi is for the relevant entities carrying undeclared forex to book domestic flights plying from T-1 terminal around the same time international flights to Dubai and Thailand depart. They then stash the foreign currency and hand it over to those taking international flights inside the airport. This is because residents flying international airlines cannot carry more than \$10,000 each – half through hard currency and the rest in travellers cheques.

DRI sources believe this could be the route through which significant tranches of unofficial gold have entered the country since 2013, when gold duty was



raised to 10% from 1% to rein in the current account deficit and arrest the slide in the rupee.

The huge, undeclared currency is allegedly used to buy jewellery overseas and bring it back in person by the same or unrelated parties. The jewellery is sold domestically, melted into gold and sold at a small discount to the bank rate. Trade estimates gold smuggling at 150-200 tonnes annually against 500-600 tonnes imported officially.

DRI is investigating how these

people procured the forex, according to senior officials. Trade sources believe that havala operators open several shell companies which procure forex through authorised dealers for business purposes such as overseas travel.

The DRI's Mumbai Zonal Unit recently arrested four persons – two flying Jet Airways to Dubai and two from an AI flight to Bangkok with around \$100,000 each. The unit believes that the currency was intended for gold purchase.



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