DRI arrests 1 on charges of duty evasion for 5 years

The DRI has alleged that Shree Chamunda is importing secondary CRGO coils by "misdeclaring" the product and showing "forged" Bureau of Indian Standards (BIS) certificates.

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Shree Chamunda, according to a statement issued by the DRI, has allegedly evaded duty on imports worth Rs 100 crore. (Representational)

THE DIRECTORATE of Revenue Intelligence (DRI) on Friday arrested the proprietor of Mumbai-based Shree Chamunda Enterprises for alleged duty evasion for five years (between 2014-15 and 2018-19) on imports of secondary or defective cold-rolled grain-oriented (CRGO) coils or sheets used in power transformers.

CRGO is a critical component of transformers. The government has banned the import of secondary or defective CRGO since July 2014 to reduce power breakdowns and cut the high commercial losses suffered by electricity transmission and distribution companies. Power distribution transformers, using second grade or defective CRGO coils, run for just three to four years compared to the industry norm of 20 to 25 years.

Shree Chamunda, according to a statement issued by the DRI, has allegedly evaded duty on imports worth Rs 100 crore. The agency has also seized 27 metric tonnes of CRGO sheets imported by Shree Chamunda from the office of a container freight station at Nhava Sheva.

According to the agency, a search on Shree Chamunda has led to "recovery of unsigned/unstamped certificate of magnetic testing and voluminous documents related to various import/sales/ purchase pertaining to various IECs registered in the names of relatives, employees" of the company.

The DRI has alleged that Shree Chamunda is importing secondary CRGO coils by "misdeclaring" the product and showing "forged" Bureau of Indian Standards (BIS) certificates. The agency said that two sister concerns of Shree Chamunda — Mayur Enterprises and Pneumatic Sales and Services — have also allegedly imported CRGO coils in the same manner.