

PRESS NOTE

DRI, Ahmedabad busts large scale Advance Authorisation Scheme fraud involving goods of over Rs. 173 Crores

Acting upon specific intelligence, the officers of Directorate of Revenue Intelligence, Surat, Vapi, Mumbai, Pune & Chandigarh Unit & officers of Pune Customs searched the premises of a Pune based Copper Wire manufacturing Company located at Kurkumbh, Pune, its another unit located at Baddi, Himachal Pradesh, residential premises of its Directors at Ghorpade Peth, Pune and Undri Pune and its office at Kondhwa, Pune. During the search operation it was found that the said firm was indulging in evasion of the Customs duties by way of fraudulent availment of Advance Authorization Scheme. Their declared manufacturing unit at Baddi, Himachal Pradesh was found to be in non-existent. Under the Advance Authorization scheme (Duty Exemption Scheme), the company was intended to import duty free raw materials and bring it to their factory premises for further manufacturing and subsequently to export the finished goods. But the said company imported around 4600 Metric Tons of raw materials viz Copper Rods during the period from Sep 2015 to Jun 2017 and diverted the same to open market without bringing it in their factory/registered manufacturing premises, in contravention of the provisions of the Customs Act, 1962 and in gross mis-use the Advance Authorization scheme. In such manner, the company evaded the Customs Duties payment to the tune of Rs. 40 Crores (approx.) on the duty free imported goods valued at Rs. 173 Crores (approx.) leviable on diversion of around 4600 Metrics Tons (MTs) of imported raw materials. The Directors of the said company in their statements have admitted that they have diverted and sold the entire qty of duty free imported Copper Rods in open market and have not done any export of the goods manufactured out of these materials and took the responsibility for evasion of Customs duty. Both the Directors of the said company, by this act, have defrauded the Government Exchequer and have committed an offence of the nature described under the Customs Act, 1962. The Directorate of Revenue Intelligence, Vapi unit has arrested both the Directors of the said Company on Friday for their act of omission and commission and Hon'ble Court has remanded them to judicial custody of two weeks. Further investigation of the case is in progress.