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DRI detects customs duty evasion in import of e-rickshaws worth Rs 150 cr, 2 held

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Kolkata, Jul 24 () The Directorate of Revenue Intelligence (DRI) has detected a huge duty evasion by a company here in the import of e-rickshaws worth around Rs 150 crore and arrested two promoters of the firm, according to an official statement issued today.

The Kolkata-based firm has imported 'Electric-Three-Wheeled Vehicles (E-Rickshaws)' commonly known as 'Toto' in completely knocked down (CKD) condition, by "grossly misdeclaring" goods as 'spare parts of electric tricycle', it said.

The importer paid 10 per cent 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 per cent customs duty, the statement said.

Their omission and commission have resulted in short-payment of customs duty to the extent of Rs 19 crore on the import of e-rickshaws in the last four years valued at approximately Rs 150 crore, it said.

"Therefore, taking into consideration the present as well as the past imports made by the said importer, by resorting to such gross misdeclaration, the short-payment of duty comes to the extent of Rs 19 crores," the statement said.

The importer actually imported complete e-rickshaws (Toto) in completely knocked down (CKD) condition, which were split over a number of consignments, it said.

As the individual consignment did not contain all parts of an e-rickshaw, they claimed benefit of exemption by declaring such goods as parts and spares of electrical tricycle, the DRI said.

"When collectively considered, it is seen that sets of E-rickshaws were imported in CKD condition, but the importer by deliberately misclassifying the same as parts/spares of electrical tricycle, paid customs duty only at the rate of 10 per cent, resulting in evasion of huge amount of customs duty," it said.

DRI officials searched the premises known to be the 'factory' of the firm at Sankrail industrial park at Mouza Bhagabatipur in Howrah.

"During a search of the factory premises, it was found that in the entire facility, they had only a few machines and tools. One machine was tightening bolts and drilling, one for laser printing and another machine for embossing plate," the statement said, adding, it was found that the premises was basically meant for warehousing imported goods.

The two directors of the company, who were the main persons behind the whole scam of evasion of customs duty, have accepted their involvement in the fraud and they have been arrested, the DRI said.

"Detection by DRI of this modus operandi of import of misdeclared E-rickshaws will not only boost the 'Make in India' campaign of the government by discouraging such fraudulent imports by unscrupulous traders but will also provide a level playing field to the domestic manufacturer vis-a-vis imported e-rickshaws," it said. AKV AKV NSD NSD NSD