

## **PRESS NOTE**

### **DRI Ahmedabad busts racket of evasions of Customs duty on imports of goods valued approx. Rs.1300 Crores by firms located at Nashik and Pune**

On receipt of specific intelligence, sleuths of DRI Ahmedabad, Surat & Vapi conducted searches and busted a racket of evasion of huge amount of Customs duty by firms located at Nashik and Pune. Three proprietorship firms located at Nashik and Pune engaged in manufacturing of Copper Wires were fraudently availing the benefit of Notification 25/99- Customs dated 28.02.1999. Under the said Notifications, they were importing Electrolytic Tough Pitch (ETP) Copper Wire Rods 8 MM under the concessional rate of duty. As per the said notification, they were required to manufacture Lead Wire for Electronic Parts (LWEP) from the imported Electrolytic Tough Pitch Copper Wire Rods 8 MM. However, none of the factory premises of above said firms were having any facilities/machineries to manufacture Lead Wires for electronic parts (LWEP). The proprietors / General Manager of the firms have admitted/confessed they have never manufactured Lead Wire for Electronic Parts (LWEP) in their respective factory premises and most of the imported ETP Copper Wire Rods 8 MM have been sold in open market as such without any processing and only a fraction of the imported ETP Copper Wires Rods was used for manufacturing of bare Copper Wires. During preliminarily investigation, it is noticed that the masterminds of the duty evasion are persons located at Mumbai and Pune. Further, 544 MTs of Copper Wires / ETP Copper Rods having value Rs. 25.31 Crores (approx.) were seized / put on hold at JNCH Port / factories under Section 111 of the Customs Act, 1962 as these consignments were imported under the said concessional rate of duty. Investigation carried out so far reveals that these three firms have totally imported 27700.0 MTs of ETP Copper Wire Rods 8 MM having value approx. Rs.1300.0 Crores under the said Notification wherein duty foregone amount is estimated to Rs. 80.0 Crores. Further Investigation of the case is in progress.