

## **Fin Min detects Rs 400 cr custom duty, tax evasion**

In its bid to plug revenue leakage, the Finance Ministry has detected custom duty and service tax evasion of at least Rs 400 crore between January and March this year.

The detection came after the Directorate General of Central Excise Intelligence (DGCEI) and Directorate General of Revenue Intelligence (DRI) -- two leading financial intelligence agencies under the Revenue department of the Ministry -- tracked over 2,300 dubious banking transactions, official sources said.

The Financial Intelligence Unit-India (FIU), an agency tasked with analysing and disseminating information relating to dubious exchanges, had sent 1,443 Suspicious Transaction Reports (STRs) to DGCEI and 904 to DRI during the first three months of 2013.

Taking leads from these STRs, the DGCEI has detected tax evasion of at least Rs 50 crore and recovered Rs 28 crore, the sources said.

The DRI, on the other hand, detected Rs 350 crore being remitted through banking channels by various importers and exporters using bogus invoices and effected a recovery of Rs 1.16 crore as duties in these cases, they said.

Acting on the intelligence following suspicious Cash Transaction Reports (CTRs), the DRI also detected possible diversion of duty-free imported goods of Rs 400 crore.

"The officials have recovered cash of Rs 17 crore while following these cases," the sources said.

Both STRs and CTRs are transactions of Rs 10 lakh and above with some of them believed to be related to proceeds of crimes including drug trafficking and black money.

These two agencies were looking into the cases of misuse of exemption notifications and undervaluation of imports involving evasion of customs duty of several hundred crores, the sources said.

The DRI and DGCEI are also keeping an eye on transactions by a host of export and import firms for alleged money laundering and tax evasion.

Indirect tax evasion of Rs 2,600 crore was detected between October and December last year by both these agencies.

The cases of evasion of service tax had involved an amount of nearly Rs 1,700 crore, those of customs duty evasion to the tune of Rs 701.17 crore and of central excise duty Rs 268.80 crore.

DRI has detected 143 cases of customs duty evasion to the tune of Rs 701.17 crore during Oct-Dec 2012. The agency has arrested as many as 62 persons for their alleged involvement in the evasion during this period.

The DGCEI, responsible for checking evasion of central excise duty and service tax evasion, had detected 315 cases involving amount of Rs 1,700 crore between October and December last year.

The DGCEI has detected 97 cases involving evasion of central excise duty of Rs 268.80 crore during the period, the sources said.

The Finance Ministry has early this year strongly advocated government's zero tolerance policy against tax evaders and cautioned customs, central excise and service tax defaulters of stringent action.

*(Financial Express)*