

Tax evasion of over Rs 2,600 crore detected

Revenue and excise intelligence officials have detected Rs 2,600-crore tax and duty evasion in the quarter to December. Data released by the Directorate General of Central Excise Intelligence (DGCEI) and the Directorate General of Revenue Intelligence (DRI), agencies under the finance ministry's revenue department, pegs the evasion in service tax, central excise and customs duty at Rs 2,670.51 crore. Of this, over Rs 880 crore has been recovered, the agencies said on Thursday.

While unpaid **service tax** amounts to Rs 1,700 crore, customs and excise duty evasion is pegged at Rs 701.17 crore and Rs 268.80 crore, respectively.

During the quarter, the DRI seized contraband worth Rs 504.39 crore and detected 143 cases of duty evasion, its director-general, **Najib Shah**, said in a statement. Sixty-two persons were arrested under the Customs Act, 1962.

During the quarter, the DRI recovered Rs 369.34 crore in customs duties, compared with Rs 362.04 crore in the year-ago period, the statement said, adding that the agency is probing cases of misuse of exemption notifications and undervaluation of imports, which together amount to over Rs 1,000 crore in customs duty evasion. In the year-ago quarter, the agency had detected duty evasion of Rs 172 crore and recovered Rs 85 crore.

According to Shah, 13 preventive detentions were made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. The trend is indicative of illegal trade in gold not only by way of outright smuggling but also through commercial manipulations, including misuse of the free trade agreement with Thailand, Shah said.

Other trends detected include influx of fake currency from Bangladesh, heroin from Pakistan, hashish from Nepal, miscellaneous contraband like cigarettes, branded shoes and ozone-depleting refrigerant gases from China, and high-end watches from Europe.

The DRI also detected cases of under-valuation of imports and overvaluation of exports, under-valuation and misuse of exemptions relating to import of aircraft by non-scheduled operators, money laundering by way of over-invoicing of imported drawings or designs, and illegal export of urea.

The DGCEI detected 315 cases of **service tax evasion** involving Rs 1,700 crore, its director-general, J Chaturvedi, said. Of this, about Rs 445 crore has either been recovered or commitment for payment secured.

(Economic Times)