Chennai Customs detects mega drawback fraud involving exports of Rs 200 Crore
By TIOL News Service

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keep the exporting community happy the Government has hugely liberalised the exports benefits procedures. But it also offers huge opportunities to fraudsters to take the exchequer for a ride. And this is what has happened here in Chennai Air Cargo Customs. One exporter named K Gunasekhar from Coimbatore floated as many as 46 fake firms here in India and just one firm in Dubai for receiving the junk goods and made exports worth more than Rs 200 Crore in the past two years and claimed duty drawback benefits of Rs 19 Crore.

The scam was detected by the ACIU when it intercepted two consignments of 127 packages declared to contain leather shoe uppers for adults. These consignments were covered by 10 shipping bills - five filed by M/s R G Impex of Mumbai and rest by M/s Poppy Leather and Apparel from Coimbatore. The total value declared was Rs 1.8 Crore. On examination except for 16 packages all of them had only torn / used shoe uppers worth not a penny.

After seizing the consignments for misdeclaration a manhunt was launched to locate the mastermind. A detailed scrutiny revealed that 46 firms were floated by the alleged fraudster who had done exports worth Rs 200 Cr since 2003. And all the exports went to just one Dubai-based firm M/s Fild Line Trading LLC in which he was a partner. Obviously no payment was ever received in India for all these consignments.

Out of a total drawback benefits of Rs 19 Crore the Customs had blocked Rs 2.5 Crore and recovered Rs 6 lakh but the rest are gone. Nine persons were arrested in this connection. And finally the Customs managed to nab the mastermind who had been evading arrest.

Finally it was revealed that Gunasekhar in association with his borther-in-law Divakar and one Jayaraman used to procure goods from various places in Tamil Nadu and export them through various ports like Chennai, Coimbatore ICD and Tirupur ICD.