

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:295
ANSWERED ON:12.12.2014
MONEY LAUNDERING
Charitra Shri Ram

Will the Minister of FINANCE be pleased to state:

- (a) the number of cases registered by the Directorate of Revenue Intelligence (DRI) during each of the last three years and the current year;
- (b) whether the DRI had detected trade based money laundering cases recently, if so, the details thereof; and
- (c) the measures taken/proposed to be taken to prevent trade based money laundering and other revenue pilferage cases in future?

Answer

FINANCE MINISTER (SHRI ARUNJAITLEY)

(a) to (c): A statement is placed on the Table of the House.

Statement in reply to Lok Sabha Starred Question No.295 for Answer on 12-12-2014:

Details of cases registered by the Directorate of Revenue Intelligence during the last three years and current year (upto October, 2014) are as below:-

Year	No. of cases	Value of outright smuggling cases (Rs. in crore)	Duty amount detected (Rs. in crore)	Remarks
2011-12	738	1847.58	1841.48	Cases include commercial
2012-13	927	366.68	5067.66	frauds and outright
2013-14	1002	648.80	3446.54	smuggling cases
2014-15	446	323.96	15368.17	

(upto Oct, 2014)

The Directorate of Revenue Intelligence (DRI) has detected major trade based money laundering cases recently in respect of:

- (i) Overvaluation in imports of equipments/rough diamonds, wherein an amount of Rs.13,116 crore, in 25 different cases, appears to have been remitted in excess of the cost of the imported items;
- (ii) Undervaluation in export of iron ore, wherein an amount of Rs.449 crore, in 16 different cases, has been retained overseas by undervaluing the export of iron ore;
- (iii) Remittance of foreign exchange equivalent of Rs.1045 crore in 3 different cases, on the strength of forged import documents/proforma invoice, without corresponding physical import of goods.

Directorate of Revenue Intelligence is investigating these cases in time bound manner. Show Cause Notices have been issued under the provision of the Customs Act in cases where investigations have been completed. Directorate of Revenue Intelligence is making all possible efforts to prevent smuggling and trade based money laundering, which include gearing up of the organizational machinery, strengthening of professional networking, broadening of informal intelligence networking and developing actionable intelligence.