

Ships with 40t red sanders to return

Pic: J Jackson

In Middle Of Smuggling Boom, Revenue Sleuths Force Freighters With Protected Wood To U-Turn Mid-Sea, Head To TN

Arun Janardhanan | TNN

In the first week of May, two container ships carrying more than 40 tonnes of smuggled red sanders set sail for Dubai and Hong Kong from a port in Tamil Nadu. By the time enforcement agencies received information about the consignments of contraband worth at least ₹18 crore, they had crossed international borders.

But directorate of revenue intelligence (DRI) sleuths acted swiftly and alerted their counterparts in the ships' ports of call. Now, in the first instance of an anti-smuggling operation of this magnitude, the two freighters — the Dubai-bound ship carrying two containers filled with logs of red sanders and the other with one container — have been

CHANGE OF COURSE

forced to turn around mid-sea and head to Chennai port with the contraband they are carrying. They are expected to arrive within a week.

The operation is being carried out even as smuggling cartels based in Chennai, Tuticorin and ports in Andhra Pradesh have stepped up operations to cart away huge quantities of red sanders — the timber of which is highly valued in China and Southeast Asia for its purported medicinal qualities and its use in the manufacture of musical instruments and furniture — ahead of a proposed government move to sell seized logs in the international market.

Revenue officers sent alerts to keep tabs on the multimillion dollar business in the trade of red sanders from ports in south India and from Mumbai following a Union government notification per-

mitting the export of more than 9,700 tonnes of red sanders from stock confiscated by the Andhra Pradesh government and the directorate of revenue intelligence.

The sale of red sanders (*Pterocarpus santalinus*) is banned under the Wildlife Protection Act as well as Section 29(4)(a)(i) of the Andhra Pradesh Forest Act. Red sanders are native to a small geographic area in the districts of Kadapa and Chittoor in Andhra Pradesh.

"We have activated advanced security measures and intelligence mechanism at all these ports. But seizures are still mostly based on tips and, more rarely, through random checks. This is because it is impossible to screen hundreds of containers physically every day," a senior DRI officer said.

DRI officers estimate that smuggling of red sanders has doubled in the past three months. DRI and customs have seized over 40 tonnes of red sanders each in this period, or more than half of the total seizures in the past. Red sanders are worth ₹45 lakh or more per tonne in the international market.

In their last major seizure, DRI sleuths confiscated logs of red sanders weighing nearly 2.2 tonnes from a vessel which was to be loaded on a vessel at Chennai port. The consignment, marked as ragi (finger millet), was bound for China.

arun.j@timesgroup.com

TREE OF LIFE

Used to make medicines, furniture and fragrances, this rare wood is one of the most smuggled commodities today

RED SANDERS

- ▶ Also called red sandalwood, red gold
- ▶ Species of *Pterocarpus* that is native to India
- ▶ Found only in Kadapa and Chittoor districts of Andhra Pradesh
- ▶ In international market, one tonne of red sander logs is worth ₹45 lakh

USES

Source: Free Software Foundation



Rich in medicinal value, carries fragrance, used to make furniture

DEMAND

China, Japan, Middle East, Sri Lanka, Bhutan and Nepal

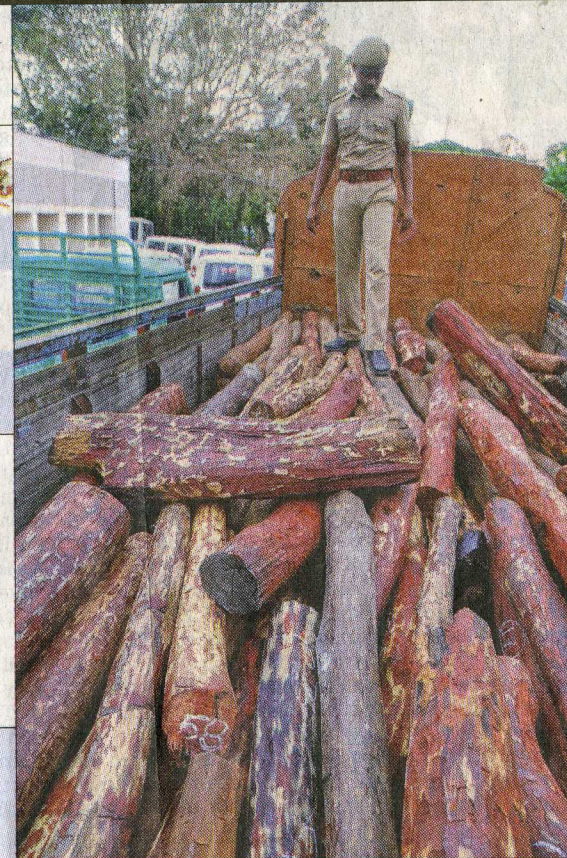
SEIZURES

Mar 2013 to Mar 2014 - Logs worth **₹350 CRORE**

Feb 2014 to April 2014 - Logs worth **₹100 CRORE**

EXPORT

Foreign Trade (Development & Regulation) Act, 1992: Red sanders is classified under restricted category for export from India



MODUS OPERANDI

- ▶ After customs clearance and before loading into the vessel, **smugglers open the top and bottom parts of the container.** This ensures that the clearance seal on the container lock is intact
- ▶ **Cargo items in the container are replaced with red sander logs** and then loaded into the vessel

WHY THE SURGE IN SMUGGLING

- ▶ DRI and Andhra Pradesh forest department will legally export around 9,800 tonnes of seized red sander logs before October 2014
- ▶ Smuggling cartels fear this massive export would reduce the price of red sanders in the international market, leading to a surge in smuggling attempts

Seizures are mostly based on tips as it is impossible to screen hundreds of containers physically

DRI OFFICER

Smugglers make merry as customs dept short-staffed

TIMES NEWS NETWORK

Done in by the dearth of basic infrastructure and minimum manpower, customs and security officials at Chennai and other ports are almost watching helplessly when smugglers ship away red sanders, gold and contraband. While the menace of smuggling increases steadily, most containers at ports are left unchecked as the customs department does not have the manpower to conduct even basic inspection and random checks.

According to officials, the central government has not recruited customs officers despite earning a revenue of more than ₹25,000 crore annually from the Chennai customs house zone itself.

With large-scale smuggling, officials estimate a revenue loss. However, a senior customs official said that if red sanders and other contraband could be smuggled easily through the ports, smuggling arms and drugs were also possible. "We would never know until we receive there is a tip-off," he said.

Three years ago, there were plans to install a scanner at the Chennai port, through which trucks would pass for clearance. When physical scanning of all containers seemed impossible, installation of a fixed scanner looked like a solution. However, three years after the announcement, it is yet to be installed.

Recently, the Chennai port received another scanner with robotic arms to screen containers. This robotic scanner can spot special nuclear material, besides detecting suspicious cargo inside a container. The scanner reached the port several months ago, but the commissioning has been delayed as there is confusion over the location to install it.

"It needs a safe location as the scanner contains radioactive elements. We are talking to experts from the Bhabha Atomic Research Centre for its commissioning," an official said.

Lack of customs and an inefficient clearance mechanism has also affected trade. P S Krishnan, president of the Chennai Customs House Agents Association, said recruitment of customs officials should be one of the highest priorities for the new finance ministry at the Centre. "Staff shortage at the Chennai customs is more than 60%. It has already hampered the growth of trade volumes," he said.