



DRI unearths Customs duty evasion of Rs. 4389 crore by Oppo India



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During an investigation pertaining to M/s Oppo Mobiles India Private Limited (hereinafter referred to as 'Oppo India'), a subsidiary company of "Guangdong Oppo Mobile Telecommunications Corporation Ltd", China (hereinafter referred to as 'Oppo China'), the Directorate of Revenue Intelligence (DRI) has detected **Customs duty evasion of around Rs 4,389 crore**. Oppo India is engaged in the business of manufacturing, assembling, wholesale trading, distribution of mobile handsets and accessories thereof, across India. Oppo India deals in various brands of mobile phones, including **Oppo, OnePlus and Realme**.

During the course of investigation, searches were conducted by DRI at the office premises of Oppo India and residences of its key management employees, which led to the recovery of incriminating evidence indicating wilful mis-declaration in the description of certain items imported by Oppo India for use in the manufacture of mobile phones. This mis-declaration resulted in wrongful availment of ineligible duty exemption benefits by Oppo India amounting to **Rs 2,981 crore**. Among others, senior management employees and domestic suppliers of Oppo India were questioned, who in their voluntary statements accepted the submission of wrongful description before the Customs Authorities at the time of import.

Investigation also revealed that Oppo India had remitted / made provisions for payment of 'Royalty' and 'Licence Fee' to various multinational companies, including those based in China, in lieu of use of proprietary technology/brand/IPR license etc. The said 'Royalty' and 'Licence Fees' paid by Oppo India were not being added in the transaction value of the goods imported by them, in violation of Section 14 of the Customs Act, 1962, read with Rule 10 of the Customs Valuation (Determination of Value of Imported Goods) Rules 2007. The alleged duty evasion by M/s Oppo India on this account is **Rs. 1,408 crore**.

A sum of **Rs 450 crore** has been voluntarily deposited by Oppo India, as partial differential Customs duty short paid by them.

After completion of the investigation, a Show Cause Notice has been issued to Oppo India demanding Customs duty amounting to **Rs. 4,389 crore**. The said Notice also proposes relevant penalties on Oppo India, its employees and Oppo China, under the provisions of the Customs Act, 1962.



RM/MV/KMN



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