

PRESS NOTE**11 CRORE WORTH UNDECLARED ARECANUT FOUND BY COMMERCIAL TAX DEPARTMENT DURING RAIDS AT 13 LOCATIONS IN SHIVAMOGGA AND SAGARA.**

The officers of Commercial Taxes Department of Karnataka raided undeclared godowns and business premises of Areca Merchants in Shivamogga and Sagara. Levied tax and penalty of Rs. 1.1 Crore under GST.

Based on the credible information that during Covid-19 lock down large quantity of arecanut is being purchased and stored by some traders without valid documents. The officers kept a close watch on the godowns and movement of goods. A team of officers headed by Sri. Nitesh K Patil, IAS, Additional Commissioner, Enforcement, South Zone, Bangalore, raided 09 places in Shivamogga and 04 places in Sagara in early hours on 03-06-2020 of Tuesday.

During the course of inspection the officers noticed two undeclared godowns and levied penalty on the goods stored therein. The officers noticed transactions outside the regular books of accounts and total suppressed turnover quantified so far is at Rs.11.02 crore and penalty and tax of Rs.1.10 crore is levied. Rs.86 lakhs is already recovered and further investigation is in progress. Since the transactions are outside the books of accounts the information will be shared with APMC authorities for appropriate action.



During investigation, it is also suspected that some of the traders have obtained tax invoices from fictitious traders in Tamil Nadu in order to claim

fake input tax credit. All necessary documents are obtained and detailed interstate investigation is in progress.

Large quantity of good quality Arecanut is grown in Shivamogga, Chitradurga and Davanagere districts of Karnataka and most of the produce is sold to northern states. It is informed that the department is closely watching the movement and storage of Areca nut and stringent action will be initiated on the persons/transporters violating GST Law.



(M.S.SRIKAR)

Commissioner of Commercial Taxes
(Karnataka), Bengaluru.