

PRESS NOTE

Interstate Illegal Arecanut Shipment Unearthed at Kempegowda International Airport, Bengaluru

Officers from the Vigilance wing of State Commercial Taxes Department of Karnataka detained shipments of 460 bags containing 11500 Kgs of Arecanut at the Cargo Terminal of Kempegowda International Airport in Bangalore in 4 different air consignments. At the time of interception, these consignments lacked the requisite valid documents, raising concerns about its origin and legality.

Preliminary investigations revealed that the Arecanut shipments originated from the northeast part of the country, specifically from Assam and Manipur, with a destination marked for Madhya Pradesh and Local unregistered Persons in Bengaluru. The airway bills contained individual names and their mobile numbers who are suspected to being used as conduit by the certain traders who are at large on both sides. The authorities have initiated a comprehensive investigation, in coordination with local GST authorities at Assam, Manipur and Madhya Pradesh.

The ongoing investigation has raised suspicions of potential smuggling activities involving Arecanut from Myanmar. It is understood that the smuggled low-quality Arecanut, available at a lower price is mixed with locally sourced Arecanut in Karnataka by local traders. The Arecanuts were billed at Rs. 25/- to 50/- per kg, whereas the market rate of low to medium quality is approximately at Rs.250/- to 300/- per kg.

After this action by the Department, Arecanuts are being transported through Aircargo complex with valid documents leading to accounting of transactions and related taxes.

In another incident related to Arecanut commodity, the Vigilance wing of the Commercial Taxes Department has noticed recycling of E-way bills and detained the goods and conveyance.

The tax evaders resorted to mis-representing the facts that the detained goods belong to the farmers and gave false statements. They mislead the farmers representatives into protesting against the detention of goods and conveyance.

Thanks to an exhaustive investigation backed by digital evidence, the truth has come to light. The tax evaders have acknowledged their wrongdoing and, discharged the fine and penalty of Rs. 24.26 lakhs as per the KGST Act 2017.

In light of this, the Department urges farmers to utilize the "Citizen E-way Bill", an option available in E-way bill Portal or approach the nearest office/helpdesk for assistance. And also suggested to carry supporting documents for E-way bill like RTC for transporting their own taxable goods like Arecanut, Copra, Cashew, Tobacco leaves, dry chilly, oil seeds, spices, cotton etc., ensuring transparency and fairness in tax compliance.

The State Commercial Taxes Department remains committed to ensuring the enforcement of tax regulations and preventing illegal trade activities. It shall undertake required Search and investigation in cases where tax evasion are noticed.



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