

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO-303
ANSWERED ON-MONDAY, FEBRUARY 5, 2024/MAGHA 16, 1945 (SAKA)

ILLEGAL IMPORT OF ARECA NUT

303. SHRI NALIN KUMAR KATEEL:

Will the **Minister of FINANCE** be pleased to state:

- (a) whether the Government has taken serious note about illegal import of Areca nut in the country and if so, the details thereof;
- (b) whether the Government has also considered that illegal trade is causing severe impacts on the domestic Areca nut market, putting farmers at disadvantage and also results in substantial revenue loss for the Government as the importers are exploiting deceptive methods, such as disguising Areca nut as dry fruits etc., to avoid detection; and
- (c) if so, the steps being taken/to be taken by the Government to protect the interest of Areca nut growers and avoid revenue losses to the Government?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The field formations and Directorate of Revenue Intelligence (DRI) under Central Board of Indirect Taxes and Customs (CBIC) keep constant vigil for thwarting illegal import of areca nut into the country and take appropriate action as per the provisions of law to prevent imports through adoption of various deceptive methods by unscrupulous elements.

The details of seizure of areca nut attempted to be illegally imported or being smuggled effected during the last three financial years and in the current financial year (upto December 2023) are as follows:

F.Y.	No. of cases	Quantity seized (in MTs)
2020-21	278	3449.6
2021-22	260	3388.4
2022-23	454	3400.3
2023-24 (Upto December 2023)	416	6760.8

(c): Apart from thwarting attempts of illegal import of areca nut into the country as described at part (a) and (b) above, the following steps have, inter-alia, also been taken:

- (i) The field formations of CBIC are sensitized about new methods of smuggling by way of Alert/ Modus Operandi Circulars and the National Customs Targeting Centre (NCTC) flags risky imports for purposes of suitable checks.
- (ii) CBIC periodically revises the Tariff Value under section 14 of the Customs Act, 1962 for import of areca nut. The Tariff Value is presently at US \$ 8140 per MT [CBIC Notification No. 09/2024-Customs (N.T.) dated 31.01.2024] and the Basic Customs Duty is 100% ad-valorem.
- (iii) Import of areca nut is prohibited if CIF value is below Rs 351/- per Kg except when imported by 100% EOU and units in the SEZ, subject to the condition that no DTA sale is allowed [DGFT Notification No. 57/2015-2020 dated 14.02.2023].
- (iv) The Food Safety and Standards Authority of India (FSSAI) has advised its field offices to stringently adhere to the quality standards of areca nut before clearing import consignments.
