

**Government of India  
Ministry of Finance  
Department of Revenue**

**LOK SABHA  
UNSTARRED QUESTION NO. 3413  
TO BE ANSWERED ON MONDAY, DECEMBER 9, 2019**

**AGRAHAYANA 18, 1941 (SAKA)**

**CUSTOM DUTY ON CASHEW IMPORTS**

3413. SHRI T R V S RAMESH: Will the Minister of FINANCE be pleased to state:

- (a) whether the cashew export Promotion Council has represented before the Central Board of Indirect Taxes and Customs (CBIC) that minimum Import Price and Basic Custom Duty of 70% is not followed by the Customs;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details of actions taken by the Customs on such imports and the steps taken to rectify the same;
- (d) whether the Cashew Export Promotion Council has represented the Government to introduce separate HS codes to shelled cashew kernels (with skin), husk and other products and impose minimum import price to avoid duty evasion; and
- (e) if so, the details thereof along with the progress made in this regard?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)**

- (a) Yes.
- (b) Vide Notification No. 25/2019-Cus dated 06.07.2019, Basic Customs duty rate on Cashew Kernel broken [08013210], Cashew kernel whole [08013220] and others [08013290] was increased to 70%. However, due to inadvertent error in the ICEGATE system, the tariff rate on the above goods reflected as 30%.
- (c) The error has been rectified and ICES Advisory No. 28/2019 was issued by Directorate General of Systems in this regard. Moreover, a D.O. letter dated 28.10.2019 was written by Member (Tax Policy), Central Board of Indirect Taxes and Customs, to all Chief Commissioners to take suitable measures to protect revenue in such cases.
- (d) The Cashew Export Promotion Council has represented the Government to introduce separate HS Code with respect to cashew kernels, husk and other products.
- (e) The Cashew EPC of India has requested for creation of new H.S. Code for cashew products. The details of the requests are as follows:
  - (i) The Cashew EPC has requested to allot separate H.S. Code for Cashew husk stating that it is creating confusion, providing opportunity for mis-declaration and substantial duty evasion due to usage of single HS Code (08013100) for Cashew Nuts and Husk.
  - (ii) The Cashew EPC has requested to separate one of the items as 'Roasted Cashew' stating that a large quantity of plain cashew kernel is getting imported in the name of 'Roasted Cashew'.

Creation/Amendment of HS Code in this regard is under examination. Post examination, if required, necessary changes in the HS Code would be considered during the next parliamentary budget session.

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