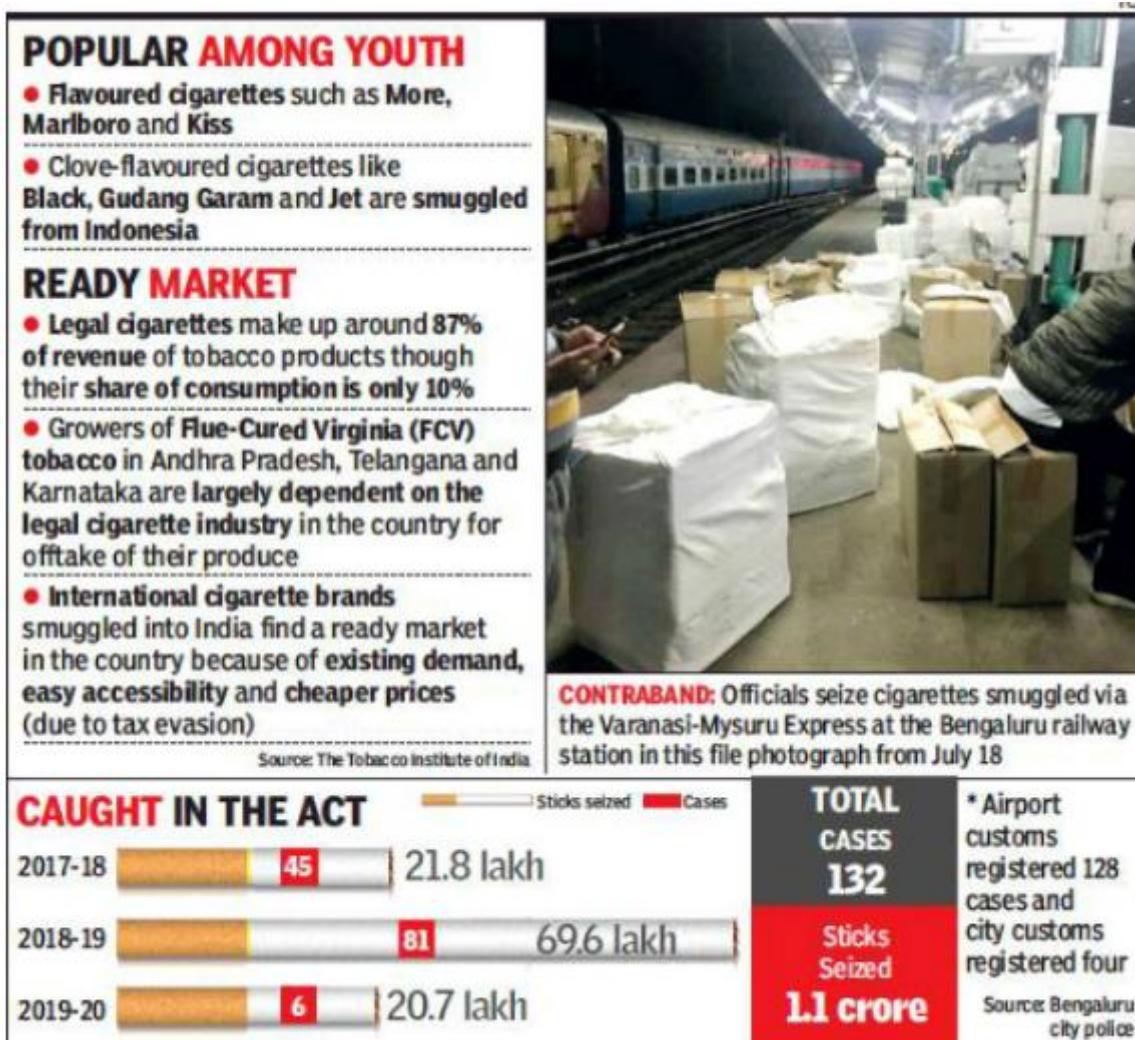


Cigarette smugglers make base in Bengaluru, push fakes

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BENGALURU: Given the massive demand for cigarettes coupled with racketeers trying to evade duties, Bengaluru has become a hub for smugglers to push illegal cigarettes. In the past month, customs authorities have, in two major operations, seized 13 lakh cigarettes worth an estimated ₹2.6 crore from the city's Krantiveera Sangolli Rayanna Railway Station.



Customs officials say smugglers lease containers on goods trains to escape scrutiny while transporting cigarettes from the Northeast and northern states to Bengaluru. Enforcement agencies are not able to track the senders and this poses a major challenge in cracking cases.

Cartels reportedly smuggle cigarette consignments into the country mostly from Bangladesh and Myanmar via road and then load them on trains. Customs sleuths say smugglers not only about evade duty but also push substandard cigarettes into the market.

Tacking illegal cigarettes, customs officials found that huge consignments are hoarded in godowns in Chickpet before they find their way to pubs, bars and other places of high-volume sales.

Holes in security that enable cigarette smuggling — and point to graver risks — include the absence of checks of cargo on goods trains. On July 18, 3 lakh cigarettes of the brand 'Paris' found their way to Bengaluru from Varanasi in the guise of a consignment of saris. The 'M+' insignia on the parcels raised suspicion and officials, who had inputs about possible smuggling,

seized the shipment. At the end of June, officials found a consignment marked 'YKR' but without any name consisted of 10 lakh cigarettes worth ₹2 crore.

Bengaluru is now in the same league as Mumbai, Chennai, Hyderabad and Delhi in terms of demand for cigarettes, experts say. The illegal cigarette trade has reached smaller cities and rural areas. The Paris cigarette consignment seized in Bengaluru was being smuggled to Mysuru. More than 100 brands of cigarettes are available in Bengaluru — some not legally available in India. The smuggled packets also don't carry the mandatory pictorial warnings.

Dealers of smuggled brands made by multinational companies distribute the cigarettes in fake packaging. Officials say substantial investment must go into the infrastructure needed for such operations. "These are not fly-by-night operations. Even legitimate businesses could be involved," a customs official said on condition of anonymity.

Railway Police Force security commissioner Debasmita Chattopadhyay said the force does not have the power to check leased containers on goods trains. After the Centre empowered the force to book cases under the Narcotic Drugs and Psychotropic Substances Act a month ago, the RPF in coordination with other agencies busted highvalue shipments, she said.

She said the commercial taxes department collects details about senders and it shares the information with the force on specific request.

Illegal biz grows rapidly

With taxes on tobacco products rising every year, the illegal cigarette trade has grown rapidly. It is now the equivalent of a fourth of the legitimate industry in the country, stakeholders say.

Tobacco Institute of India director Syed Mahmood Ahmad says the rise in tax on cigarettes between 2012-13 and 2017-18, including increase in GST and Compensation Cess imposed in July 2017, have resulted in illegal cigarettes, other tax-inefficient and evasion-prone tobacco products taking over 25% of duty-paid cigarette volumes.

Seizures of smuggled cigarettes across India have more than doubled to 3,108 in 2016-17 from 1,312 in 2014-15. However, these only make up the tip of the iceberg, Ahmad says, adding that for every seizure, dozens of other consignments go undetected.

When cigarettes are sold legally at a price of ₹300 per pack, it is only natural that illegal cigarettes costing ₹50-₹60 per packet will find their way into the market, he added.

According to Euromonitor International, India is now the fourth-largest illegal cigarette market in the world with trade in illicit cigarettes more than doubling from 11.1 billion sticks in 2004 to 25.7 billion sticks in 2017, resulting in an annual revenue loss of ₹13,000 crore to the government.

Source: https://timesofindia.indiatimes.com/city/bengaluru/cigarette-smugglers-make-base-in-bengaluru-push-fakes/articleshow/70528760.cms?utm_campaign=andapp&utm_medium=referral&utm_source=native_share_tray