

Dr. Kalyan B. Goswami
Executive Director



Ref. NSAI/2016/0146

Date- 26-12.2016

Shri R. K. Singh
Joint Secretary (Seeds)
Department of Agriculture & Cooperation
Ministry of Agriculture & Farmers Welfare
New Delhi

Dear Sir,

Subject: Request you to recommend GST Council to keep seeds, seedlings and planting materials including that of oilseeds, spice crop seeds used for sowing purposes in the Negative List under the proposed GST Act

References:

1. NSAI Letter to Union Minister for Finance & Chairman, Empowered Committee of State Finance Ministers, dated, 22.11.2016
2. NSAI letter to Secretary Revenue dated, 15.09.2016
3. NSAI letter to Chairman Central Board of Excise and Customs, dated, 15.09.2016
4. NSAI letter to Union Minister for Finance and Chairman Empowered Committee of State Finance Ministers, dated, 16.08.2016
5. NSAI letter to Member Secretary of Empowered committee, dated, 29.06.2016.
6. NSAI letter to Chairman GST, dated, 21.06.2016
7. NSAI letter to Member Secretary of Empowered committee, dated, 11.01.2016
8. Reply of finance Minister to Agriculture Minister, dated, 22.12.2015
9. Recommendation letter from Minister for Agriculture to Finance Minister, dated 07. 12.2015
10. NSAI letter to Union Minister for Agriculture, dated, 01.12.2015
11. NSAI letter to Union Minister for Finance, dated, 31.07.2015

Greeting from NSAI!!

This is with reference to the **Model GST Law/Draft/June-2016** and our earlier representations on the above subject.

We would respectfully like to bring to your kind notice that the **distribution of quality seeds and planting materials has not attracted any form of CST, State sales tax or VAT** so far. We would like to request you to recommend GST Council, so that the same situation continues in the GST Bill. We understand that there is going to be a Negative List in the proposed GST Act, containing items that will not be affected by GST and that can be transported anywhere within the country, free of any tax burden.

Since quality seeds and planting materials are so essential to any agricultural activity, it is only fit and proper that they should not be burdened by any tax whatsoever during inter-state, and even, intra-state movement, as that would inevitably raise the prices at which they will be made available to the farmers.

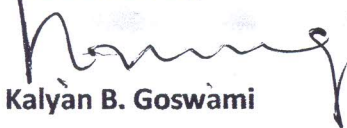
In view of the above, NSAI would humbly request you to recommend GST Council to kindly include the following proposals in the GST Act:

- To keep seeds, seedlings and planting materials including that of oilseeds, spice crop seeds used for sowing purposes in the Negative List of the GST Act;
- To allow zero-rating benefit which would allow seed companies to claim credit / refund of GST incurred on expenses (so that additional taxes on these expenses do not increase the cost) which would consequently lead to zero rated supplies to farmers.

In effect, what we are requesting for is continuation of the status quo as at present when GST Bill gets enacted and the GST regime sets in. Since the Central Government and all states have been completely exempting seeds from the levy of any tax whatsoever during intra- and inter- state movement, the same practice should be continued under the GST regime.

Thanking you in anticipation of getting your support & guidance.

Yours sincerely,



Kalyan B. Goswami