

Dr. Kalyan B. Goswami
Director General

Ref. NSAI/2018/022

January 29, 2018

Shri Arun Jaitely
Hon'ble Finance Minister of India
Ministry of Finance,
North Block, New Delhi

Subject: Grievance against Customs officials for harassment – Reg

Respected Sir,

Greetings from National Seed Association of India!!

National Seed Association of India (NSAI) is the apex organization of the Indian Seed Industry, having a member base of 505 seed companies. We actively contribute to seed Industry policy development, with the concerned governments, to ensure that the policies and regulation create an enabling environment, including public acceptance.

Some of our member Seed companies who are the importers of Seeds of Fruits & Vegetables into India facing problem with reference to the custom duty on import of Seeds of fruits and vegetables.

The stated aim of the present Government of India is to double the farmer's income by 2022. One of the major raw materials for farmers is the hybrid seeds, which are imported from various countries. As is well known, Watermelon etc are grown as a side crop under other horticulture trees to enhance the income of farmers. Whilst this is the endeavour of the Government to reduce price of inputs, the Customs Department in Mumbai are bent on harassing our members to pay more duty without even understanding the crux of the issue. They are issuing summons & threats of stoppage of clearance to increase the demurrage charges so that the illegal duty is paid on the imports of seeds, without bothering as to the effect, it can have on the stated objective of providing cheaper high-quality seeds to Indian farmers.

The Members are importing Seeds of Watermelon & Muskmelon, which has always been classified under Chapter heading 1209.99 of the Customs Tariff till 2017. Now the new set of Customs officers have stumbled upon an unrelated Customs heading 'Melon Seeds', which is actually an Oil Seed falling under heading 1207.70 of the Customs Tariff and insisting upon our members to pay the higher rate of duty meant for such Oilseeds. It bears mention at this point that this particular heading 1207.70 came into existence in the year 2012 and in spite of which, the Customs formations have always been classifying the Watermelon & Muskmelon seeds under heading 1209.99 of the Customs Tariff right up to 2017.

We do understand that the Customs are well within their rights to harbour doubts about classification of goods. The Central Intelligence Unit of the Air Cargo Complex, Mumbai issued identical letters to all the members

requesting them to pay the differential duty based on their understanding that these goods merit classifications under heading 1207.70 of the Customs Tariff. **(a copy of the letter enclosed).**

The members replied with all supporting evidences that the goods falling under heading 1207.70 are actually Melon Seed found in Nigeria, Cameroon, Sudan, Iran etc and belong to a different species in botanical terms. The goods imported by our members are Watermelon Seeds (*Citrullus lanata*) and Musk Melon (*Cucumis melo*) fall under the heading 1209.99 of the Customs Tariff. The members also submitted supporting evidences as to how the said heading 1207.70 was created in 2012 on basis of Food & Agriculture Organization (FAO) recommendations to the World Customs Organization (WCO). It was shown that the FAO itself classifies Melon Seeds under their classification system, CPC V2.1 under heading **01499** whereas Watermelon is classified under heading **0567** & Musk Melon under heading **0568**, thus conclusively proving that Melon Seeds are a different species from Watermelon & Musk Melon. **(A copy of the reply is enclosed)**

In terms of Customs Rules/regulations, where the department is not satisfied with the reply, they are supposed to issue a Show Cause Notice and thereafter, the matter is carried forward in appellate proceedings. The Central Intelligence Unit, instead of issuing any such notice and following the customs laws, has issued Summons to various members through its officer, Mr Kambhoj Kumar calling for the Directors/Proprietors/Partners to come to Mumbai to give statement **(A copy of such summons is enclosed)**. When all the investigations are completed by the Central Intelligence Unit of Air Cargo Complex and replies have been given by our members, it appears that the said Summons are being issued to force the members to state that the seeds imported by them, Watermelon Seeds & Musk Melon seeds are Melon Seeds and pay the duty by intimidating them by such tactics and threats.

We request you for your kind intervention in this matter to suitably advise the concerned Custom Formations to stop harassing our members by such intimidating tactics and to issue show cause notice, if they have any proof that Melon Seeds are nothing but Watermelon & Musk Melon Seeds. We seek protection for our members from your kind self from such pressure tactics by Customs officials.

Thanking You,

Yours sincerely,



Kalyan B Goswami

Encl: As above