

**R K Trivedi**  
Executive Director

Ref. NSAI/2022/025

June 01, 2022

To,  
**Ms. Sangeeta Singh**  
Chairman, CBDT  
New Delhi

**Respected Madam,**

**Subject: Request for notification in the Income-tax Rules, 1962 for Seed production on the lines of Rules for manufacture of Rubber, Coffee and Tea.**

1. **CBDT**, on **12<sup>th</sup> November 2014**, realising the potential revenue loss and unwarranted litigation leading to avoidable compliance cost to seed producers and administrative cost to government, directed its Directorate of Income Tax (Risk Assessment) to undertake a study for determination of non-agricultural income in the total income of seed industry.

2. The comprehensive study report of **March, 2015**, "Estimating Non-agricultural Income: Case of Seed Industry" by the Directorate of Income Tax (Risk Assessment), CBDT, recommended amendment in the Income-tax Rules, 1962 to "**provide that 20 percent of combined profits of an assessee engaged in the production and distribution of seed should be deemed to be non-agricultural income**" as in cases of Tea, Coffee and Rubber.

3. It is requested that a rule for income from seed production in the Income-tax Rules may kindly be notified at the earliest possible in view of detailed reasons contained in the March 2015's Study report of the Directorate of Income Tax (Risk Assessment), CBDT & the enclosed Note.

With regards,

Yours sincerely,



**R K Trivedi**

Copy to:

- Ms. Pragya Sahay Saksena, IRS, Member (Legislation), CBDT, New Delhi

Encl.

1. **CBDT Report**
2. **Note for notification of Rule for share of Non-agricultural Income of Seed Industry**