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# The Soybean Processors Association of India

(An Apex Organization Dedicated for the Development & Welfare of Soya Sector)

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April 26, 2019

Mr. Pranab K. Das,  
Chairman,  
Central Board of Indirect Taxes & Customs,  
North Block,  
New Delhi - 110 001

## Illegal import of Edible oils from Nepal

Dear Sir,

Goods exported to India by 5 Least Developed SAARC Countries are fully exempt from customs duty, vide Notification No. 99/2011-Customs, dated 9th November, 2011. Taking advantage of this exemption, imports of palm and soybean oil have started from Nepal at zero duty in substantial quantities. Nepal has no production of soybean and a very small capacity for crushing imported soybean. Nepal does not produce any palm oil. The Palm olein being imported from Nepal is of Indonesian and Malaysian origin and soybean oil is of South American origin, routed through Nepal by flouting the Rules of Origin for getting the duty exemption for such imports. **This amounts to evasion of custom duty.**

At current tariff value of US\$ 573 per ton for Refined Palm olein, the amount of customs duty being evaded is Rs. 19968/- per ton. Similarly, the duty on Refined Soybean oil would be Rs. 25195/- per ton. The loss to the exchequer because of this duty evasion would be huge. Also, the imported soybean oil is selling Rs. 5000/- per ton cheaper as compared to indigenous soybean oil and this puts the industry at a financial loss which it cannot bear.

The import duty on edible oils was increased to ensure a remunerative price to the farmers and encourage them to produce more oilseeds, and consequently reduce our import dependency of edible oils. We are afraid that this import of large quantities of edible oil at zero duty will totally negate the advantage to the farmers and also affect the industry adversely, in addition to the revenue loss to the government.

We would request you to kindly restrict the imports from Nepal only to those edible oils which are produced there and the Rules of Origin should be strictly enforced for all imports at zero duty. As the imports are causing tremendous harm to the farmers and the industry, an early action is solicited.

Thanking you,

Yours very truly,  
The Soybean Processors Association of India

Dr. Davish Jain  
Chairman