

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO.2094

TO BE ANSWERED ON MONDAY, AUGUST 5, 2024

GST ON FERTILIZER RAW MATERIAL

2094. SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the constraints that the Government has to bring down GST on fertilizers raw material;
- (b) whether it is not true that GST Council has many times discussed this issue but no decision has been taken;
- (c) if so, the details thereof;
- (d) whether it is also true that the Standing Committee on Chemicals & Fertilizers of Parliament also recommended reduction of GST from 18% to 5% on fertilizers raw material, if so, the details thereof; and
- (e) whether it is true that GST Council has forwarded this issue to the Group of Ministers and, if so, the details thereof along with the findings and outcome of the Group of Ministers?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c): GST rates are prescribed on the recommendation of GST Council, which is a constitutional body comprising of representatives from States/UTs and Centre.

The issue of reduction of GST on fertilizer raw materials has been discussed by the GST Council in its 25th, 28th, 31st, 45th 47th and 53rd.

In its 25th meeting, the GST Council recommended to reduce GST on 12 Bio-pesticides from 18% to 12%. In its 28th meeting, the GST Council recommended to reduce GST on fertilizer grade Phosphoric Acid from 12% to 5%. These recommendations were implemented by the Government.

(d): Yes, the Standing Council on Chemicals & Fertilizers of Parliament in its 43rd Report had *interalia* recommended reduction of GST on fertilizer raw materials like Sulphuric Acid and Ammonia.

(e): The GST Council in its recent 53rd meeting held on 22nd June, 2024 has referred the matter to Group of Ministers on Rate Rationalisation.
