

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:3099

ANSWERED ON:11.02.2014

EXPENDITURE ON RESEARCH AND DEVELOPMENT

Ponnam Shri Prabhakar;Thamaraiselvan Shri R.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) Whether it is true that at present the Research & Development (R&D) expenditure is less than 0.5 per cent of the revenues accrued to the Chemicals and Fertilizers Industry;
- (b) If so, the reasons therefor;
- (c) Whether there is need to increase the expenditure on Research and Development in the chemical industry;
- (d) If so, the details thereof; and
- (e) The estimated expenditure incurred on R&D during the 11th and 12th Five Year Plan?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIKANT KUMAR JENA).

(a) Yes, Sir.

(b) The expenditure on Research and Development (R&D) for Chemicals and Fertilizers Industry is less than 0.5% of its revenue. After liberalization, the expenditure for R&D to be incurred by an industrial unit, depends on its plans and priorities, keeping in view the commercial interests. The Government has no direct control in this regard.

(c) Yes, Sir.

(d) With a view to promote Research and Development in the country, the Government allows weighted deduction up to 200% on the expenditure incurred on in-house R&D units under Income Tax Act. This incentive has been initiated to facilitate the setting up of state-of-the-art laboratories.

(e) During the 11th Five Year Plan (2007-12), the estimated expenditure was Rs. 15,577.22 crore against the 'Department of Science and Technology and Department of Scientific and Industrial Research (DSIR) Schemes on R&D', including Chemical and Fertilizer sector. During the 12th Five Year Plan (2012-17), an outlay of Rs. 39,492 crore has been made against these Schemes.