

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 2412 TO BE ANSWERED ON : 17.12.2024

Inverted duty structure on fertilizer industry

2412. SHRI YERRAM VENKATA SUBBA REDDY:

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

- (a) whether it is a fact that fertilizer industry is facing inverted duty structure;
- (b) whether it is also a fact that higher GST is imposed on raw material than finished product used to manufacture fertilizers;
- (c) whether the GST Council has constituted a Group of Ministers (GoM) to study the above issue; and
- (d) if so, whether the GoM submitted its report and if so, the outcome of the same?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (d): GST rates are prescribed on the recommendations of GST Council which is a constitutional body comprising of representatives of States/UTs and Centre. Presently, fertilizers attract a GST rates of 5% and fertilizer grade phosphoric acid also attracts GST rate at 5%. The raw materials like Ammonia, Sulphuric Acid and Nitric Acid attract a GST rate of 18%. The GST Council in its 53rd meeting on 22.06.2024 referred the matter of reduction of GST on fertilizers, raw materials and micronutrients to Group of Ministers (GoM) on Rate Rationalisation for a holistic view. The GoM on Rate Rationalization has not yet submitted its report to the GST Council.
