**Impact of GST on domestic production of fertilizers**

1971. PROF. M. V. RAJEEV GOWDA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether high GST rates on chemical inputs for fertilizers have impacted their domestic production;

(b) if so, the details thereof;

(c) whether the Ministry has made any recommendation to the GST Council to lower GST rates on such chemicals;

(d) if so, the details thereof;

(e) if not, the reasons therefor; and

(f) the volume of imports of chemicals used to manufacture fertilizers since 2014, month-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (RAO INDERJIT SINGH): (a) and (b) There are 31 Urea manufacturing units in the country, out of which 28 use Natural Gas as feedstock while 3 urea units use Naphtha. The Natural Gas is out of the purview of Goods and Services Tax (GST). Naphtha/Furnace Oil which are used as raw material for producing urea are levied 18% GST and the Urea units get benefit of Input Tax Credit. Post implementation of GST w.e.f. 1st July 2017, the production of urea from, the three Naphtha based Urea units was 14.98 LMT (2017-18) *vis-a-vis* 14.11 LMT (2016-17). The production of P&K fertilizers during the year 2016-17 and 2017-18 were 172.39 LMT and 173.39 LMT respectively. Accordingly, GST rates have not impacted domesfic production of fertilizers.

(c) to (e) The following recommendations have been made by the Department of Fertilizers to GST council to lower GST rates on such chemicals:–

- Reduction in rate of GST on Phosphoric Acid from 12% to 5%.
- Reduction in rate of GST on Naphtha from 18% to 5%.
- Reduction in rate of GST on Ammonia from 18% to 5%.
- Rate of 5% on Urea and Muriate of Potash (MOP) used as input for manufacture of complex fertilizers.

(f) The data related to import of chemicals used to manufacture fertilizers is not maintained by the Government.

**Institutional audit of CIPET**

1972. DR. VINAY P. SAHASRABUDDHE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total budget for the Central Institute of Plastics Engineering and Technology (CIPET) for the year 2018-19;

(b) the details pertaining to the total number of staff, number of officers and activities or projects undertaken along with other relevant aspects of the CIPET;

(c) whether Government has, at any point of time, undertaken institutional audit or review of CIPET and if so, the details thereof along with the major observations and recommendations that emerged out of such review; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY CHEMICALS AND FERTILIZERS (RAO INDERJIT SINGH): (a) The total budget allocation from the Department of Chemicals and Petrochemicals to Central Institute of Plastics Engineering and Technology (CIPET) for 2018-19 is ₹83.64 crore.

(b) The total number of working regular staff is 1,013, out of which 314 are officers. The activities and projects undertaken by CIPET include Long-Term Professional Skill Development Programmes *i.e.* Ph.D., Post-Graduate, Undergraduate, Post Diploma, Diploma and Short-Term Skill Training Programmes in different job roles of plastics industry. CIPET also offers Technology Support Services to industries, especially Micro, Small and Medium Enterprises (MSME) in the key sectors of Indian Economy through Design, Tooling, Processing and Testing and Quality Assurance to the plastics and its allied industry. CIPET has successfully accomplished a number of R&D projects through their laboratories in the field of Polymer Science and Technology which include filing of 21 patents in polymeric materials and technology and publication of more than 350 research papers.

(c) Following institutional audit systems are in place in CIPET for the purpose of auditing of various activities:–

(i) All the CIPET Centres are audited by Comptroller and Auditor General (C&AG) of India and CIPET has reported that no adverse remark/irregularities have been pointed out in the audit report.