

**IMPACT OF GST ON PESTICIDES AND FERTILIZERS
AT “SHIVA FERTILISERS”****Nashara Khan. H**Assistant Professor, Master of Business Administration,
MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS), Secundrabad.**ABSTRACT**

The implementation of GST will have its impact on every sector, and quite large at the Indian Agricultural Sector as it accounts for approximately 16% of the national GDP and employs around 60% of the population. GST will improve the transparency, reliability, timeline of supply chain mechanism for the agri – products, which have various interpretations. This survey report tries to explore all the possible impacts of the GST on the agri – input market. Agri inputs are important for agriculture and their timely supply is vital for enhancing crop productivity. Agri inputs include a variety of products like, seeds, fertilizers, pesticides etc., for this survey a range of agri inputs were taken into consideration. As per proposed GST regime, the GoI has decided different rate for different categories of inputs like seeds (exempted), fertilizers (12%), tractors (12%), crop protection (18%) etc. depriving the industry of equal treatment vis-a-vis other agricultural inputs. This change in tax regime will consequently result in changes in price structure of inputs, manufacturer and dealer margin, imports and exports and ultimately farmers' income and country's economy. Overall, it seems, from the inputs side, that the cost of cultivation for farmers may increase marginally, which in turn may put mild pressure on agri-prices. But the story is not complete unless we see the taxation structure on agri-output prices.

Key words: GST ,Agricultural Sector, transparency, survey, fertilizers, pesticides

INTRODUCTION

The Research Project was carried out in 2019 in shiva fertilizers, The study is completely based on secondary data.

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different rate for different categories of inputs like seeds (exempted), fertilizers (12%), tractors (12%), crop protection (18%) etc. depriving the industry of equal treatment vis-a-vis other agricultural inputs. This change in tax regime will consequently result in changes in price structure of inputs, manufacturer and dealer margin, imports and exports and ultimately farmers' income and country's economy. Overall, it seems, from the inputs side, that the cost of cultivation for farmers may increase marginally, which in turn may put mild pressure on agri-prices. But the story is not complete unless we see the taxation structure on agri-output prices.

K. Ravichandran, senior vice-president and group head, corporate ratings, ICRA, said, (**THE ECONOMIC TIMES, jan.22.2018**)the government has partially paid heed to the industry's demand for reduction of the GST rate for key raw material for manufacturing of di-ammonium phosphate (DAP) and complexes (fertilizers).

“While fertilizers are taxed at 5%, taxation of inputs at 18% had led to an inverted duty structure and blockage of working capital due to large unused input tax credits. The reduction in the tax rate on phosphor .

Mr. Anjaneya said (**BENGALURU, DECEMBER 17, 2017, THE HINDU**)

“The department recommends spraying insecticide once or twice depending on the need. However, farmers end up spraying anywhere from 4 to 8 times. While the department recommends one-and-a-half quintal of NPK (Nitrogen, Phosphorous and Potassium) per acre, farmers apply at least four-and-a-half quintals.” In fact, he said that though the department does not always advice use of systemic pesticides (which remain in the plant for a long time), farmers use them at their discretion.

OBJECTIVES OF THE STUDY

- To study the impact of GST on pesticides and fertilizers.
- To know about the goods and services tax benefits on pesticides and fertilizers
- To analyse the difference in tax percentage in gst and earlier taxing system in pesticides and fertilizers
- To observe the merits and demerits of the gst in the pesticides and fertilizers in agricultural

Scope of GST

GST shall cover all goods and services, except alcoholic liquor for human consumption, for the levy of goods and services tax. In case of petroleum and petroleum products, it has been provided that these goods shall not be subject to the levy of Goods and Services Tax till a date .

LIMITATIONS OF THE STUDY

- The study is conducted in a short period, which was not detailed in all aspects
- Non-availability of accurate data in united phosphorus limited[UPL]
- Data in one secondary source do not match with that of another source

RESEARCH METHODOLOGY

Area of Research: Miryalguda Agricultural Yard, Nalgonda

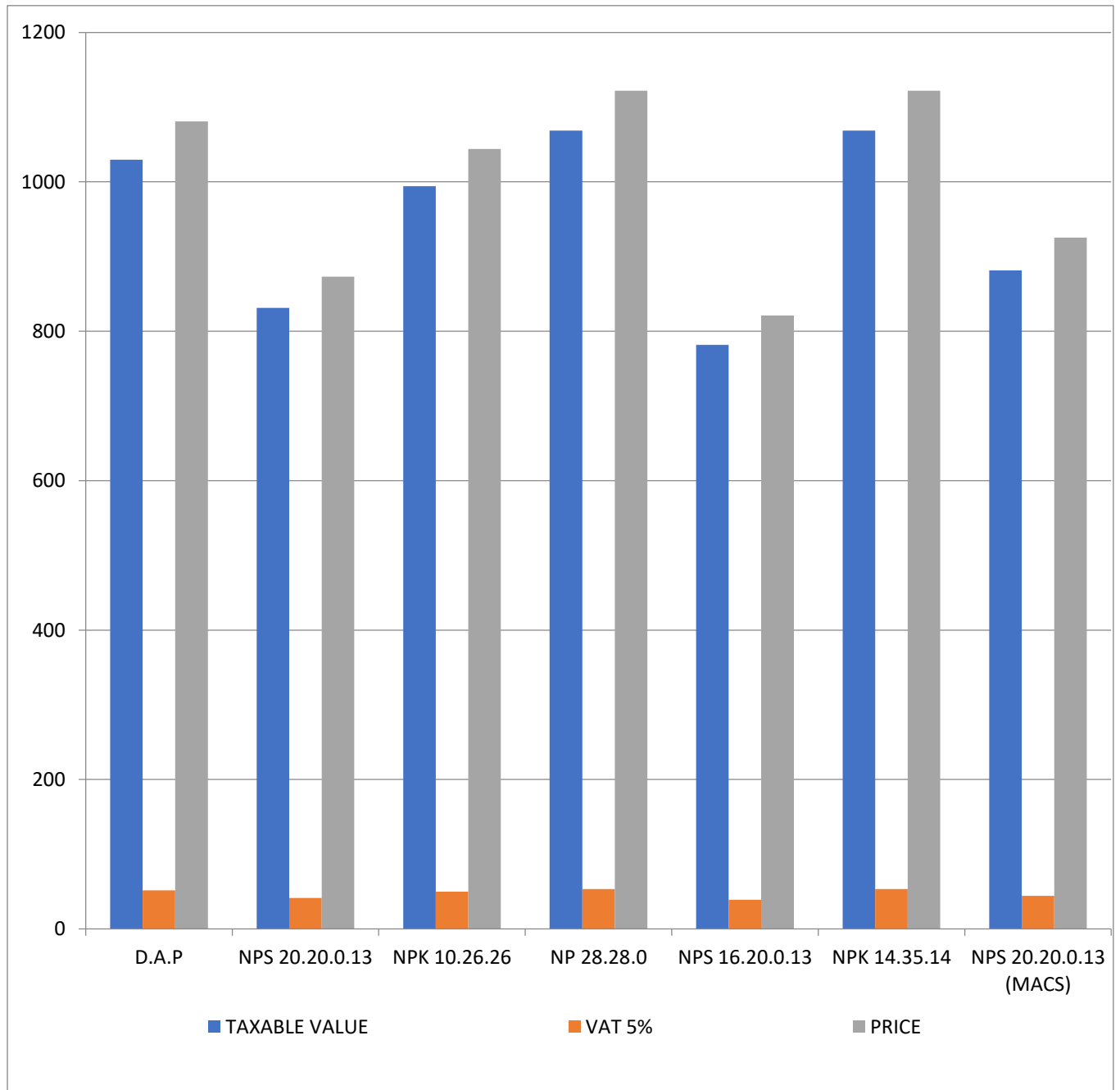
Sources of data: the study uses secondary data

Primary data: primary data is not used

Secondary data: the emphasis of the present study is done based on secondary data i.e. By using the price changes in pesticides and fertilizers gathered from the records of Shiva fertilizers and information collected from different sources like news paper, different web sites

BEFORE IMPLEMENTATION OF GST RATE'S ON FERTILIZERS

PRODUCT NAME	TAXABLE VALUE	VAT 5%	PRICE
D.A.P	1029.524	51.47619	1081
NPS 20.20.0.13	831.4286	41.57143	873
NPK 10.26.26	994.2857	49.71429	1044
NP 28.28.0	1068.571	53.42857	1122
NPS 16.20.0.13	781.9048	39.09524	821
NPK 14.35.14	1068.571	53.42857	1122
NPS 20.20.0.13 (MACS)	881.4286	44.07143	925.5



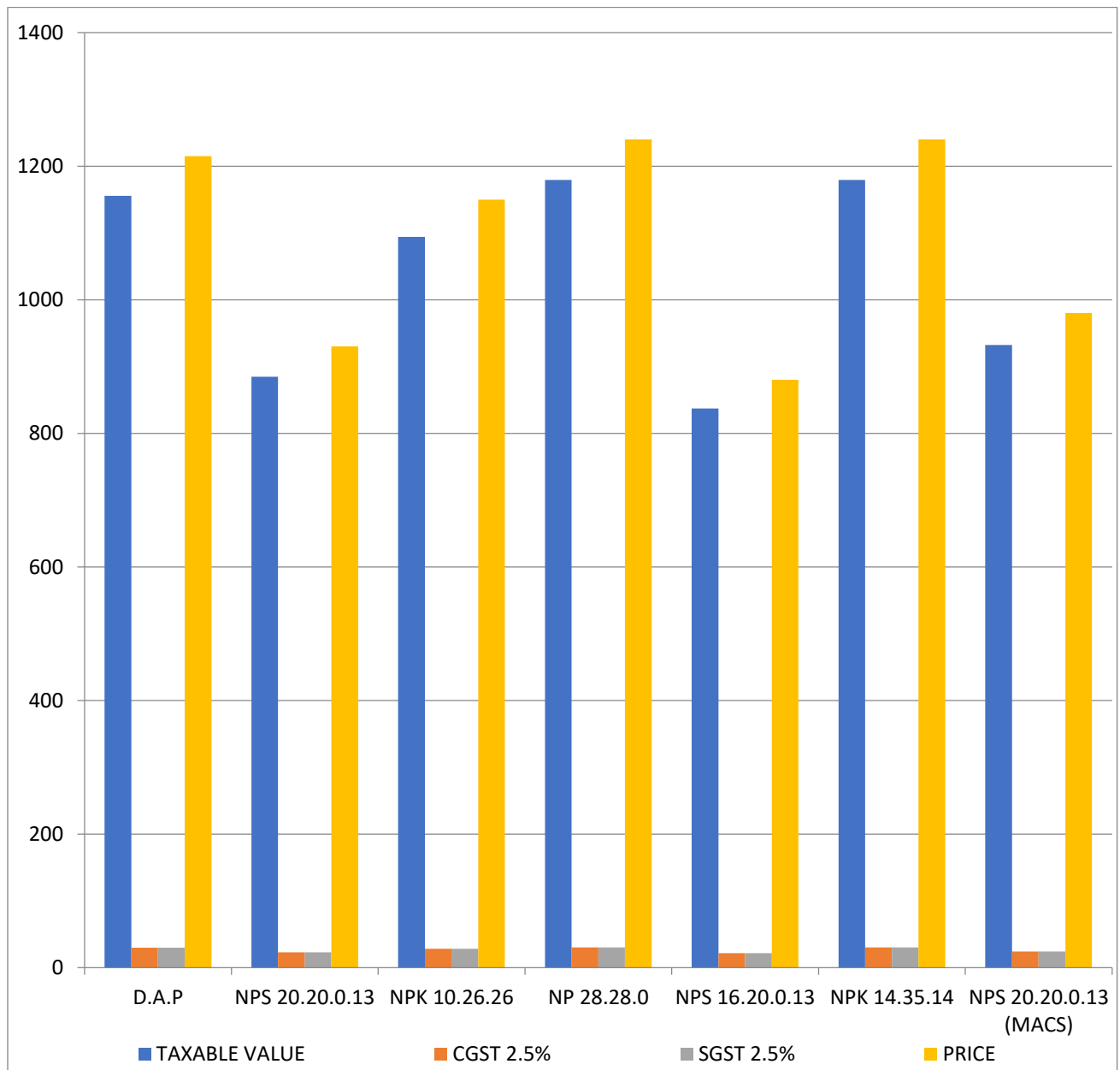
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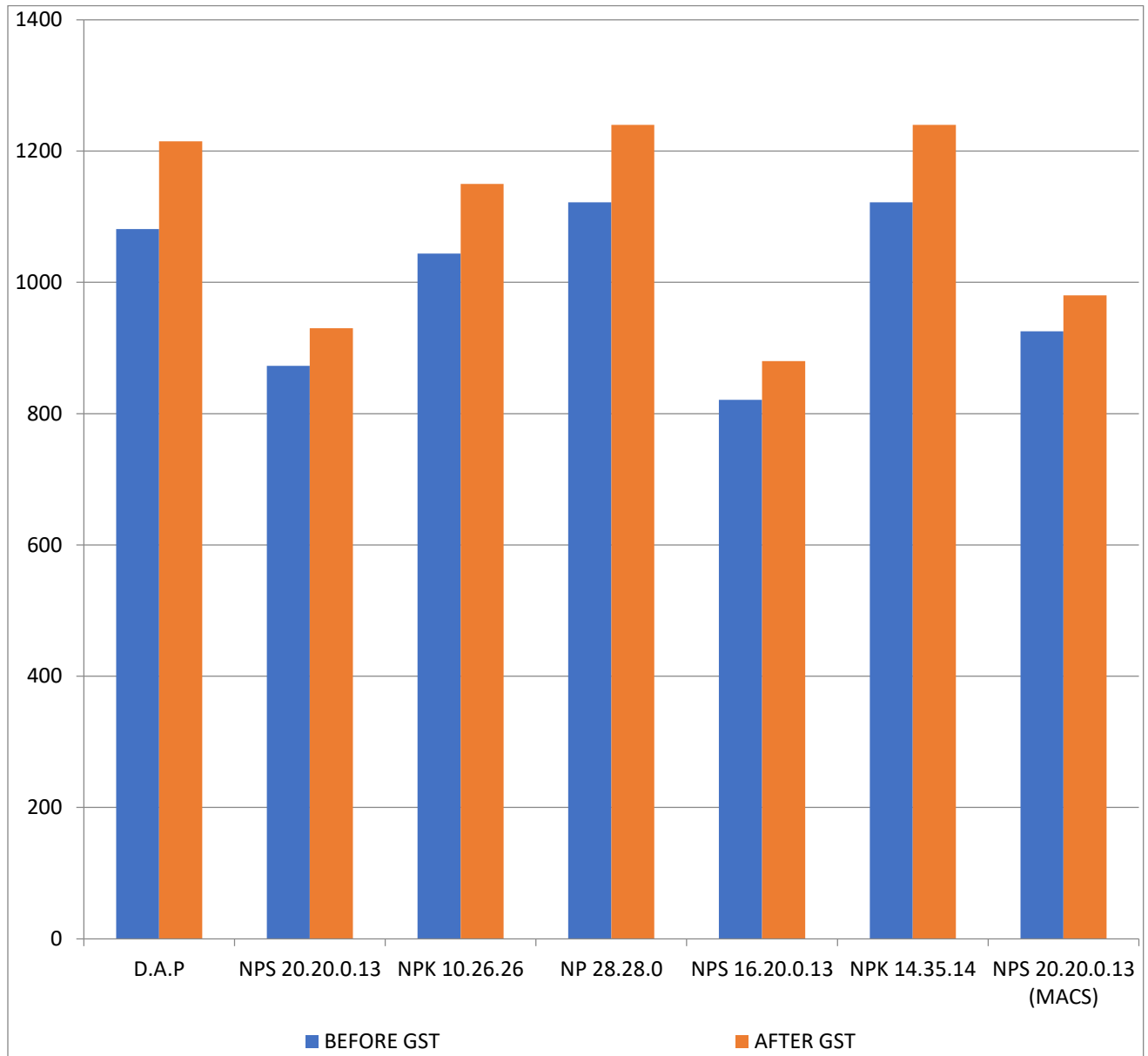
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PRODUCT NAME	TAXABLE VALUE	CGST 2.5%	SGST 2.5%	PRICE
D.A.P	1155.732	29.63415	29.63415	1215
NPS 20.20.0.13	884.6341	22.68293	22.68293	930
NPK 10.26.26	1093.902	28.04878	28.04878	1150
NP 28.28.0	1179.512	30.2439	30.2439	1240
NPS 16.20.0.13	837.0732	21.46341	21.46341	880
NPK 14.35.14	1179.512	30.2439	30.2439	1240
NPS 20.20.0.13 (MACS)	932.1951	23.90244	23.90244	980



COMPARISION IN PRICES BEFORE AND AFTER GST RATE'S ON FERTLIZERS

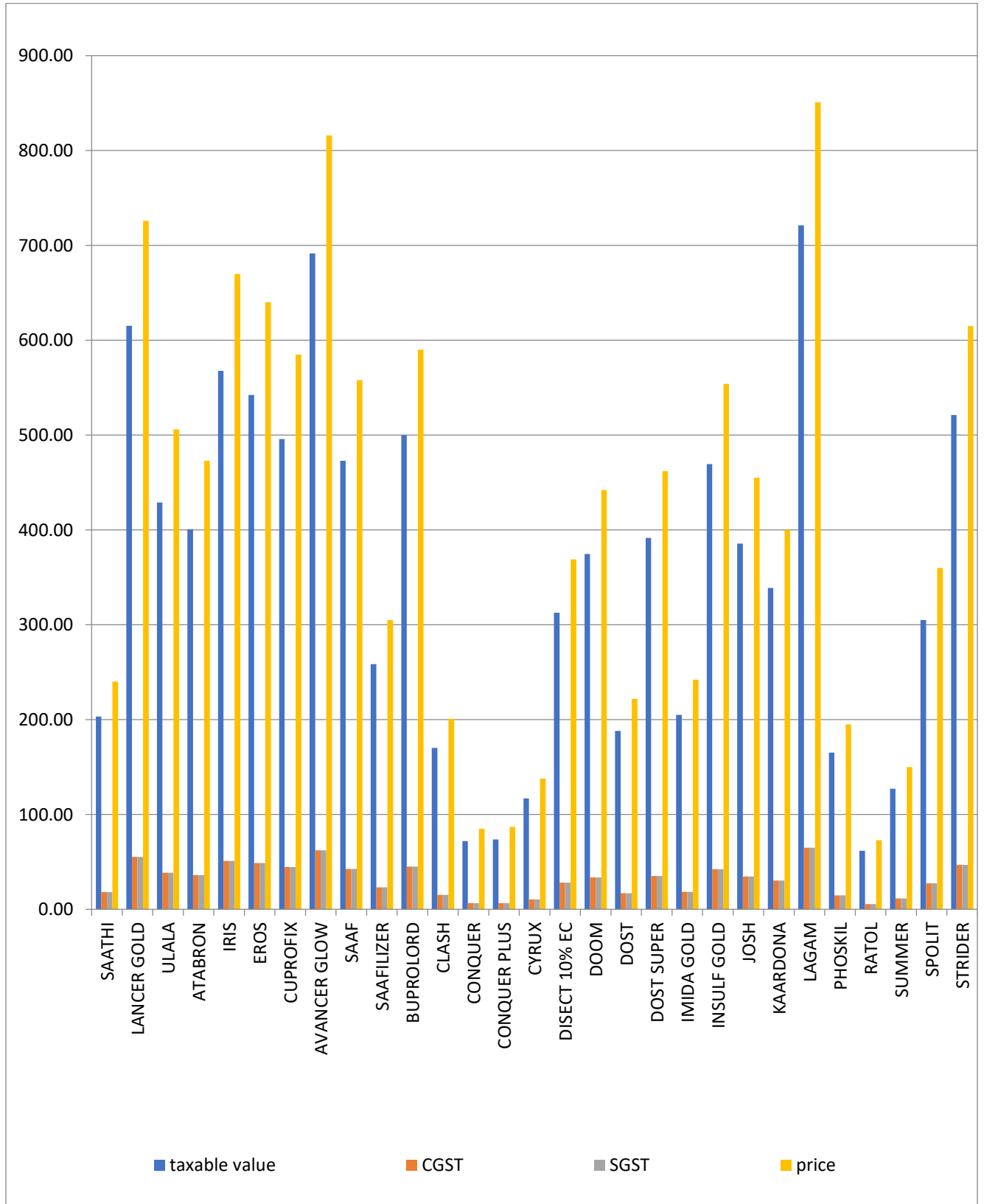
PRODUCT NAME	BEFORE GST PRICE	AFTER GST PRICES	NET INCREASE IN PRICE
D.A.P	1081	1215	134
NPS 20.20.0.13	873	930	57
NPK 10.26.26	1044	1150	106
NP 28.28.0	1122	1240	118
NPS 16.20.0.13	821	880	59
NPK 14.35.14	1122	1240	118
NPS 20.20.0.13 (MACS)	925.5	980	54.5



AFTER IMPLEMENTING GST IN PRICE CHANGES IN PESTICIDES

S.NO	PRODUCT DESCRIPTION	TAXABLE VALUE	SGST 9%	CGST 9%	NET DEALER PRICE
1	SAATHI	203.39	18.31	18.31	240.00
2	LANCER GOLD	615.25	55.37	55.37	726.00
3	ULALA	428.81	38.59	38.59	506.00
4	ATABRON	400.85	36.08	36.08	473.00

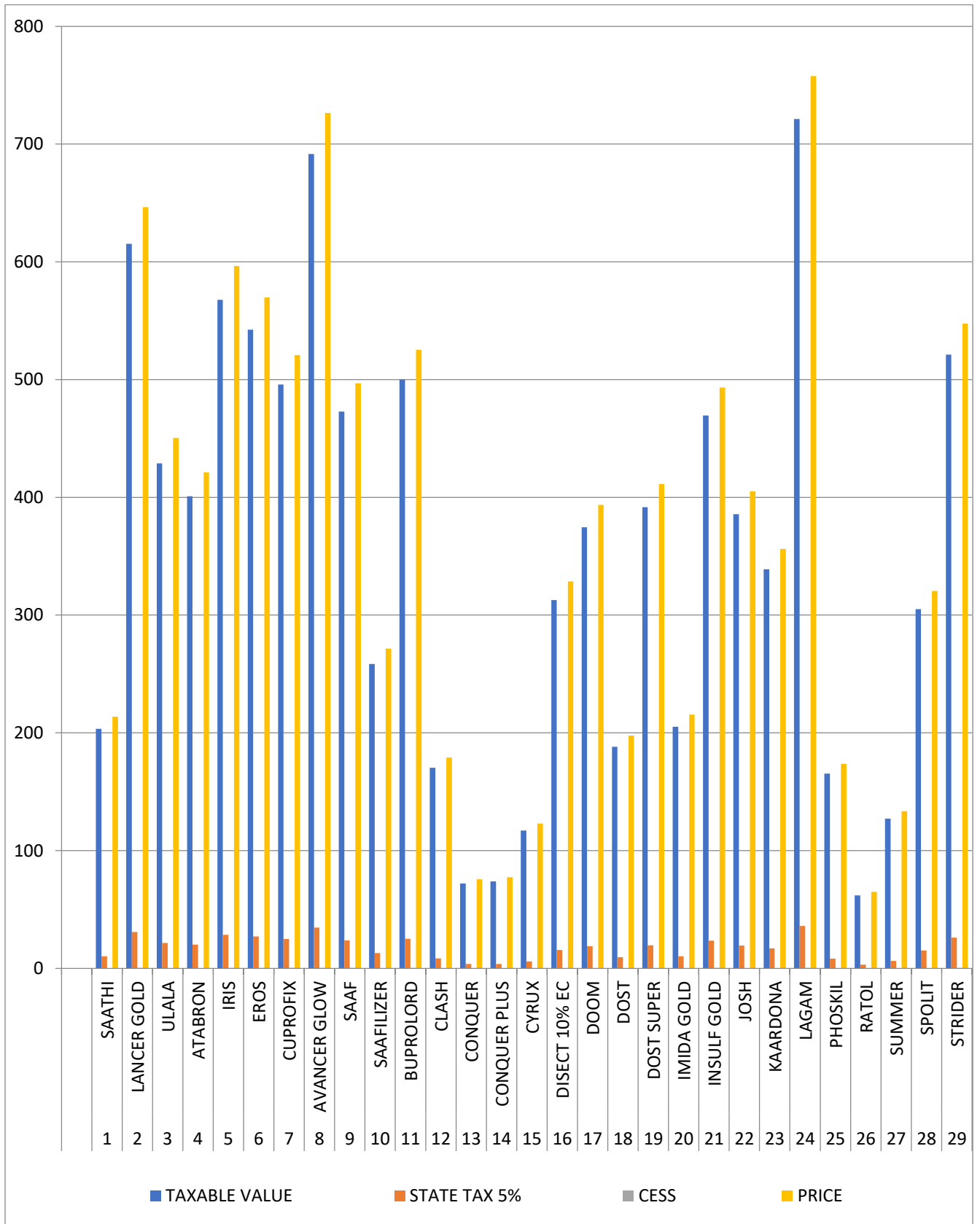
5	IRIS	567.80	51.10	51.10	670.00
6	EROS	542.37	48.81	48.81	640.00
7	CUPROFIX	495.76	44.62	44.62	585.00
8	AVANCER GLOW	691.53	62.24	62.24	816.01
9	SAAF	472.88	42.56	42.56	558.00
10	SAAFILIZER	258.47	23.26	23.26	304.99
11	BUPROLORD	500.00	45.00	45.00	590.00
12	CLASH	170.34	15.33	15.33	201.00
13	CONQUER	72.03	6.48	6.48	85.00
14	CONQUER PLUS	73.73	6.64	6.64	87.00
15	CYRUX	116.95	10.53	10.53	138.00
16	DISECT 10% EC	312.71	28.14	28.14	369.00
17	DOOM	374.58	33.71	33.71	442.00
18	DOST	188.14	16.93	16.93	222.01
19	DOST SUPER	391.53	35.24	35.24	462.01
20	IMIDA GOLD	205.07	18.46	18.46	241.98
21	INSULF GOLD	469.49	42.25	42.25	554.00
22	JOSH	385.59	34.70	34.70	455.00
23	KAARDONA	338.98	30.51	30.51	400.00
24	LAGAM	721.19	64.91	64.91	851.00
25	PHOSKIL	165.25	14.87	14.87	195.00
26	RATOL	61.86	5.57	5.57	72.99
27	SUMMER	127.12	11.44	11.44	150.00
28	SPOLIT	305.08	27.46	27.46	359.99
29	STRIDER	521.19	46.91	46.91	615.00



BEFORE IMPLEMENTATING GST VARY IN PRICES OF PESTICIDES

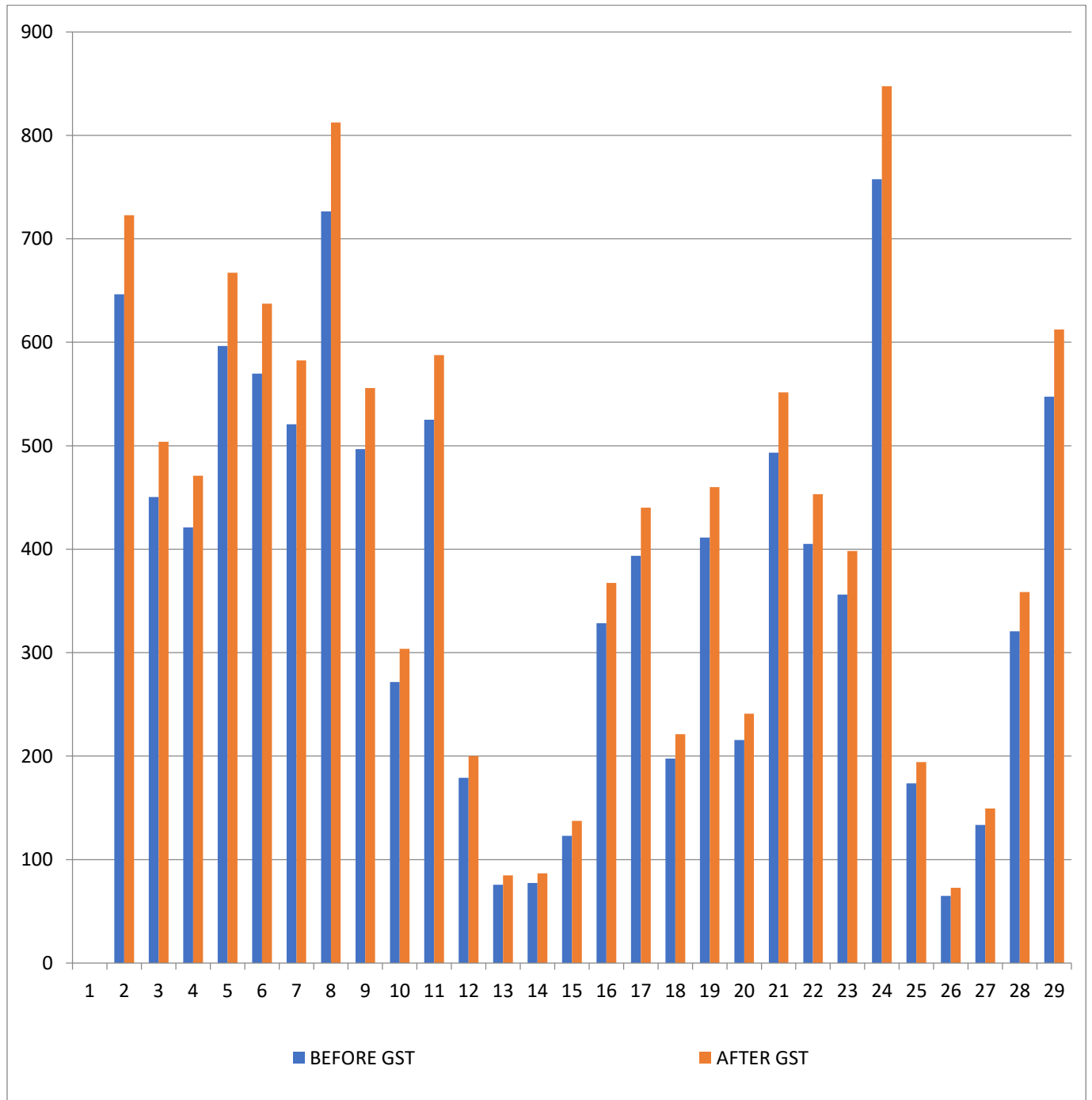
S.N O	PRODUCT DESCRIPTION	TAXABLE VALUE	STATE TAX 5%	CESS 1%	PRICE
1	SAATHI	203.39	10.1695	0.101695	213.661 2
2	LANCER GOLD	615.25	30.7625	0.307625	646.320 1
3	ULALA	428.81	21.4405	0.214405	450.464 9
4	ATABRON	400.85	20.0425	0.200425	421.092 9
5	IRIS	567.80	28.39	0.2839	596.473 9
6	EROS	542.37	27.1185	0.271185	569.759 7
7	CUPROFIX	495.76	24.788	0.24788	520.795 9
8	AVANCER GLOW	691.53	34.5765	0.345765	726.452 3
9	SAAF	472.88	23.644	0.23644	496.760 4
10	SAAFILIZER	258.47	12.9235	0.129235	271.522 7
11	BUPROLORD	500.00	25	0.25	525.25
12	CLASH	170.34	8.517	0.08517	178.942 2
13	CONQUER	72.03	3.6015	0.036015	75.6675 2
14	CONQUER PLUS	73.73	3.6865	0.036865	77.4533 7
15	CYRUX	116.95	5.8475	0.058475	122.856
16	DISECT 10% EC	312.71	15.6355	0.156355	328.501 9
17	DOOM	374.58	18.729	0.18729	393.496 3
18	DOST	188.14	9.407	0.09407	197.641 1

19	DOST SUPER	391.53	19.5765	0.195765	411.302 3
20	IMIDA GOLD	205.07	10.2535	0.102535	215.426
21	INSULF GOLD	469.49	23.4745	0.234745	493.199 2
22	JOSH	385.59	19.2795	0.192795	405.062 3
23	KAARDONA	338.98	16.949	0.16949	356.098 5
24	LAGAM	721.19	36.0595	0.360595	757.610 1
25	PHOSKIL	165.25	8.2625	0.082625	173.595 1
26	RATOL	61.86	3.093	0.03093	64.9839 3
27	SUMMER	127.12	6.356	0.06356	133.539 6
28	SPOLIT	305.08	15.254	0.15254	320.486 5
29	STRIDER	521.19	26.0595	0.260595	547.510 1



COMPARISION IN PRICES OF PESTICIDES BEFORE AND AFTER GST

NET DEALER PRICE BEFORE GST	NET DEALER PRICE AFTER GST
213.6612	238.98
646.3201	722.92
450.4649	503.85
421.0929	471.00
596.4739	667.17
569.7597	637.28
520.7959	582.52
726.4523	812.55
496.7604	555.63
271.5227	303.70
525.25	587.50
178.9422	200.15
75.66752	84.64
77.45337	86.63
122.856	137.42
328.5019	367.43
393.4963	440.13
197.6411	221.06
411.3023	460.05
215.426	240.96
493.1992	551.65
405.0623	453.07
356.0985	398.30
757.6101	847.40
173.5951	194.17
64.98393	72.69
133.5396	149.37
320.4865	358.47
547.5101	612.40



FINDINGS

- The rates of fertilizers and pesticides are increased.
- Before GST the tax rate was only 5% on pesticides.

- After GST the tax rate was increased to 18% on pesticides.(SGST-9%&CGST-9%)
- Before GST and after GST the tax rate on fertilizers is same, only the prices change.
- Fertilizers prices are not constant every month the rates will change.
- On zinc (soil application) before GST the tax rate is 5%, After GST the tax rate is 12%.

CONCLUSION

The government needs to be very cautious in implementing the new tax system and should have extra concern towards the farmers. Even a slightest burden on farmers will result in manifold distress and misery.

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