CST payments to Chhattisgarh

†2836. DR. BHUSHAN LAL JANGDE: Will the Minister of FINANCE be pleased to state:

(a) whether 4 to 3 percent less Central Sale Tax (CST) is payable to Chhattisgarh by the Central Government out of which it had to pay 2 percent since 2008;

(b) whether it is a fact Chhattisgarh has received only ₹ 634 crores out of ₹ 933 crores which was payable to it for the years 2010-11 and 2011-12 and whether the Central Government will pay the outstanding amount to the State; and

(c) whether along with the payment of outstanding amount of CST, the Central Government will transfer power of levy of service tax to the State Government ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Ministry of Finance in consultation with States decided to phase out the Central Sales Tax (CST) to facilitate introduction of Goods & Services Tax (GST) and to give compensation to the States for revenue loss on this account. Hence, the rate of CST was reduced from 4% to 3% *w.e.f.* 01.04.2007, and further reduced to 2% *w.e.f.* 01.06.2008. Chhattisgarh has been paid an amount of ₹ 634.02 crore for the year 2010-11 on account of CST Compensation by reducing the additional revenue gain due to increase in lower VAT rate from 4% to 5%. Balance amount of CST compensation to the States along with Chhattisgarh for the year 2010-11 and CST Compensation for the year 2011-12 and 2012-13 is under consideration as per Empowered Committee recommendation.

(c) GST is likely to be introduced shortly which will subsume service tax and thereby enable States to levy and collect this tax. Also, at present, States are receiving their share from the service tax under the devolution formula.

Privatisation of PSUs

2837. SHRI MADHUSUDAN MISTRY: Will the Minister of FINANCE be pleased to state:

(a) whether Government intends to privatise the Public Sector Undertakings (PSUs), if so, the details thereof; and

(b) the measures to be taken to safeguard the interests of the labourers working in these PSU's?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) As per the current policy on

†Original notice of the question was received in Hindi.