

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO-3078
ANSWERED ON- 23/03/2021

GST DUES TO ANDHRA PRADESH

3078. SHRI PRABHAKAR REDDY VEMIREDDY:

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that still ₹ 5,269 crore GST dues of Andhra Pradesh are to be paid till November, 2020;
- (b) if so, the details of amount to be paid between December, 2020 to March, 2021; and
- (c) the steps taken by Government to release the above dues to the State which is reeling under severe financial constraints?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (b):- As per provisions in Goods and Services Tax (Compensation) Act, 2017, GST compensation has already been released to the States for the FY 2017-18, 2018-19 and 2019-20 for loss of revenue due to implementation of GST (w.e.f. 01.07.2017). Further, GST compensation of ₹ 1360 crore has been released to Andhra Pradesh to partly meet the bi-monthly compensation for period April-May, 2020 as GST Compensation Fund was not adequate to meet the full compensation for period April-May, 2020. However, part GST Compensation dues for the bi-monthly period April-May, 2020 and full GST Compensation for June'20-January'21 of Rs. 5393 crore including Rs. 5269 for April-Nov'20 is pending to the State of Andhra Pradesh due to inadequate amount in GST Compensation Fund during current Financial Year. This has happened mainly due to the economic impact of the pandemic that has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST Compensation Cess. GST compensation for bi-monthly period Feb'21-Mar'21 will become due for payment in the next financial year.

(c):- The issue of pending GST compensation to States/UTs due to inadequate balance in the Compensation Fund and future course of action was discussed in 41st GST Council meeting on 27.08.2020 in the light of the opinion given by Ld. Attorney General of India.

As per deliberation in 42nd GST Council meeting, Central Government has decided to borrow to meet the shortfall in GST compensation to be paid to States using a special window. Under the Special Window, ₹ 1.1 lakh crore has been borrowed by Government of India in appropriate tranches. The amount so borrowed has been passed on to the States as loan on back-to-back basis to help the States to meet the resource gap due to non-release of compensation due to inadequate balance in the Compensation Fund. As per this decision, Central Government has released ₹ 2311 crores to the State of Andhra Pradesh. All States have decided to take benefit of this assistance to tide over the temporary resource gap. In addition, depending on the amount available in the Compensation Fund, Centre has also been releasing the regular GST compensation to States to make up for GST revenue shortfall. The States will be paid full GST Compensation as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme.
