

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UN-STARRED QUESTION NO- 2634**  
ANSWERED ON-21/12/2021

**GST DUES PENDING TO GOVERNMENT OF TAMIL NADU**

2634. DR. KANIMOZHI NVN SOMU

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Union Government has any GST pending dues and funds for already implementing schemes under various heads to Government of Tamil Nadu;
- (b) if so, the details of the pending dues to be paid to Government of Tamil Nadu and its breakup; and
- (c) the effective steps taken by the Union Government for the timely payment of GST dues and funds to Government of Tamil Nadu in the future?

**ANSWER**

THE MINISTER OF STATE IN MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (c): As per provisions in Goods and Services Tax (Compensation to States) Act, 2017, GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to all States including Tamil Nadu. However, the economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess. GST compensation of ₹ 9,845 crore has been released to Tamil Nadu to partly meet the compensation payable for the period April'20 to March'21 as the amount in GST Compensation Fund was not adequate to meet the full compensation requirement.

In so far as, funds for already implementing schemes to Govt. of Tamil Nadu is concerned, it is submitted that the Department of Economic Affairs, provides allocation to line Ministries/Departments to release funds to State Governments for implementation of various Central and Centrally sponsored schemes (CSS) as per their eligibility and functional requirements. Implementation/administration of the schemes and allocation/releases to States is decided by respective Ministries/Departments. Releases of States share from the divisive pool of Central Taxes/Duties is being made on monthly basis and there is no pendency for release of CGST from the aforesaid divisive pool of Central Taxes/duties to Government of Tamil Nadu.

The issue of shortfall of cess collection into Compensation Fund and GST compensation to States/UTs due to economic impact of the pandemic has been deliberated in 41st, 42nd & 43rd GST council meetings. As per the decision of GST Council, ₹ 1.1 lakh crore for FY 2020-21 & ₹ 1.59 lakh crore for FY 2021-22 has been released to States/ UTs as back to back loan to meet the

resource of the States/UTs due to shortfall in GST compensation. This arrangement has been finalized after detailed deliberations with the States and all States have opted for this arrangement.

The quantum of funds released to Tamil Nadu as back to back loan was ₹ 6,241 crore for FY 2020-21 and ₹ 8,095 crore for FY 2021-22. Release of this amount has been front loaded during the financial year to enable States/UTs to undertake capital expenditure. 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. Taking into account, the GST compensation released from Compensation Fund as well as back-to-back loan released in FY 2020-21 and FY 2021-22, GST compensation of ₹ 2,894 crore for period April'20 to March'21 and ₹ 2,049 crore for period April-September, 2021 is due to Tamil Nadu as per provisional figures. Centre is committed to release full GST Compensation to the States/UTs 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.

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