

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**STARRED QUESTION NO-26**  
ANSWERED ON-30/11/2021

**RELEASE OF GST COMPENSATION ON A MONTHLY BASIS**

26. DR. SANTANU SEN:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the GST compensation pending from the Union Government, State and UT-wise;
- (b) whether Government is planning to release the compensation on a monthly basis to the States and UTs;
- (c) if so, the details with timeline for doing the same; and
- (d) if not, the reasons for the same as major development work in various States are getting delayed due to delay in payments by the Union Government?

**ANSWER**

THE MINISTER OF FINANCE  
(MS. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

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**STATEMENT REFERRED TO RAJYA SABHA STARRED QUESTION No. 26 FOR ANSWER ON 30<sup>th</sup> NOVEMBER,2021**

(a) to (d):- As per provisions in Section 7 of the GST (Compensation to States) Act, 2017 loss of revenue to the States shall be provisionally calculated and released at the end of every two months' period and shall be finally calculated for every financial year after receipt of final revenue figures as audited by the Comptroller and Auditor General of India for five years. For providing such compensation to the States, compensation cess is being levied on certain luxury and demerit goods and credited into a non-lapsable Fund known as Goods and Services Tax Compensation Fund which forms part of the Public Account of India. GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to the states. 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 Rs.1,30,464 crore has been released to all States/UTs 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. The detail of the GST compensation pending to States/UTs is as per Annexure.

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, Rs.1.1 lakh crore for FY 2020-21 & Rs. 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. Release of this amount has been front loaded during the financial year to enable States/UTs to undertake capital expenditure. 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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(in Rs. Crore)

| S. No. | Name of State/UT  | Provisional GST compensation yet to be released for FY 2020-21 | Provisional GST compensation yet to be released for FY 2021-22 |
|--------|-------------------|--|--|
| (1)    | (2)               | (3)  | (4)  |
| 1      | Andhra Pradesh    | 1195   | 387  |
| 2      | Arunachal Pradesh | 0  | 0  |
| 3      | Assam             | 351  | 79   |
| 4      | Bihar             | 754  | 0  |
| 5      | Chhattisgarh      | 309  | 0  |
| 6      | Delhi             | 2543   | 2104   |
| 7      | Goa               | 360  | 394  |
| 8      | Gujarat           | 3145   | 0  |
| 9      | Haryana           | 1141   | 0  |
| 10     | Himachal Pradesh  | 391  | 0  |
| 11     | J & K             | 371  | 0  |
| 12     | Jharkhand         | 582  | 87   |
| 13     | Karnataka         | 3528   | 0  |
| 14     | Kerala            | 1484   | 0  |
| 15     | Madhya Pradesh    | 1194   | 0  |
| 16     | Maharashtra       | 6723   | 6430   |
| 17     | Manipur           | 0  | 0  |
| 18     | Meghalaya         | 61   | 61   |
| 19     | Mizoram           | 0  | 0  |
| 20     | Nagaland          | 0  | 0  |
| 21     | Odisha            | 630  | 0  |
| 22     | Puducherry        | 134  | 0  |
| 23     | Punjab            | 1838   | 0  |
| 24     | Rajasthan         | 1439   | 0  |
| 25     | Sikkim            | 1  | 0  |
| 26     | Tamil Nadu        | 2894   | 2049   |
| 27     | Telangana         | 615  | 0  |
| 28     | Tripura           | 37   | 0  |
| 29     | Uttar Pradesh     | 3120   | 2321   |
| 30     | Uttarakhand       | 595  | 0  |
| 31     | West Bengal       | 1699   | 751  |
|        | <b>Total</b>      | <b>37134</b>   | <b>14664</b>   |