

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UN-STARRED QUESTION NO. 239
ANSWERED ON-02.12.2025

Pending GST compensation Dues

239. Dr. Ashok Kumar Mittal:

Will the Minister of Finance be pleased to state:

- (a) whether any States still await pending GST compensation dues, if so, the reasons therefor, if not, the details thereof;
- (b) the total amount yet to be disbursed along with reasons for the delay;
- (c) whether frequent GST portal glitches have affected filings, if so, the reasons therefor, if not, the details thereof; and
- (d) the steps being taken to simplify compliance for small taxpayers, the details thereof?

ANSWER

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

(a) & (b) As per the provisions of section 7(2) of Goods and Services Tax (Compensation to States) Act, 2017, enacted by Parliament, the compensation payable to a State shall be provisionally calculated and released at the end of every two months period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the concerned State AG. Centre has already released the entire amount of provisionally admissible GST compensation to all States/UTs for loss of revenue arising on account of implementation of Goods and Services Tax for five years i.e., from 1st July, 2017 to 30th June, 2022. Final Compensation arising out of reconciliation of provisional figures with audited figures is released on receipt of AG's certificate. No amount is pending for release of the final compensation to the State/UTs except Arunachal Pradesh and Manipur as the AG certificates have not been received from these States.

(c) GST portal does not have frequent glitches. The factual position is as per **Annexure 'A'**.

(d) Goods and Services Tax Network (GSTN) incorporates system improvements on regular basis. The details of recent compliance simplification undertaken in the system as per directions of the Government and the major policy measures under taken/being taken by the Government to simplify compliance for small taxpayers are as per **Annexure 'B'**.

‘Annexure A’ in respect of point (c) of Rajya Sabha Un-starred Q. No. 239 for answer on 02.12.2025 regarding “Pending GST compensation Dues”.

The factual position is as follows:-

- (i) For GSTR-1, the number of documents filed from July 2024 to June 2025 was 12,61,24,728, against which 54,869 tickets were raised — amounting to 0.04%.
- (ii) For GSTR-3B, the number of documents filed during the same period was 11,90,58,719, against which 5,306 tickets were raised — again 0.04%.

These figures demonstrate that the incidence of user-reported issues is extremely low relative to the overall volume of filings.

‘Annexure B’ in respect of point (d) of Rajya Sabha Un-starred Q. No. 239 for answer on 02.12.2025 regarding “Pending GST compensation Dues”.

1. The details of recent compliance simplification as per directions of the Government is as follows:-

(i) Grant of registration electronically on the common portal, within three working days, based on successful authentication of Aadhar number as per provisions contained under newly notified Rule 14A of the CGST Rules, 2017, has been implemented in the system.

(ii) Provisional refund processing for inverted duty structure has also been enabled in system, based on risk parameters.

(iii) A dedicated mobile app for e-invoice verification and search GSTIN has been rolled out for stakeholders.

2. The major policy measures under taken/being taken by the Government to simplify compliance for small taxpayers are as follows:-

(i) The threshold limit of annual turnover for registration under GST for entities engaged in supply of goods has been increased to Rs. 40 lakhs (other than some special category States) effective from April 1, 2019, which was initially Rs. 20 lakhs. This ensures that no GST compliance is required by such small units below the above threshold turnover and no GST is required to be paid by such units upto the said threshold turnover.

(ii) The threshold limit of annual turnover for supply of goods under composition scheme has been increased to Rs. 1.5 crore (other than some special category States) effective from 1st April 2019, which was initially Rs. 75 lakhs. Such taxpayers under composition scheme are required to file a return on annual basis, thus reducing their compliance burden substantially.

(iii) A scheme of quarterly return filing and monthly payment (QRMP) has been introduced where small taxpayers with turnover up to Rs. 5 crores have an option to file returns on quarterly basis, instead of monthly return.

(iv) Functionality for filing of NIL GST monthly return through SMS has been created for benefit of taxpayers.

(v) Refund process has been made completely electronic with the process of filing, processing and sanction of refund done completely electronically.

(vi) To reduce compliance burden on small taxpayers, exemption has been provided from filing annual return to taxpayers having annual Aggregate Turnover upto Rs. 2 crores.

(vii) To facilitate and ease return filing process, an auto-generated return with editing facility is being provided to the taxpayers on the portal based on details of the outward supplies furnished by the taxpayer and their suppliers.

(viii) UPI, Credit Card and IMPS have been provided as additional modes for payment of GST to facilitate taxpayers and to further encourage digital payment.

(ix) To facilitate small taxpayers in making supply of goods through e-commerce operators (ECOs), the requirement of mandatory registration for intra-state supply of goods through ECOs has been waived off with effect from 01.10.2023 subject to fulfillment of certain conditions.

(x) Retrospective amendment w.e.f. 01.07.2017 has been made to increase the time limit to avail input tax credit in respect of any invoice or debit note pertaining to the financial years 2017-18, 2018-19, 2019-20 and 2020-21, through any GSTR 3B return filed upto 30.11.2021.

(xi) Section 128A has been inserted in Central Goods and Services Tax Act, 2017, leading to waiver of interest and penalties for demand notices issued under Section 73 of the CGST Act for the fiscal years 2017-18, 2018-19 and 2019-20, in cases where the taxpayer pays the full amount of tax demanded in the notice upto 31.03.2025.

(xii) Amendment has been made in Section 107 and Section 112 of Central Goods and Services Tax Act, 2017, for reducing the amount of pre-deposit required to be paid for filing of appeals under GST.

(xiii) To reduce burden of late fee on smaller taxpayers, late fee structure has been rationalized, from June, 2021 tax period onwards, by aligning the upper cap of late fee with tax liability/ turnover of the taxpayer.

(xiv) Decriminalization of certain offences have been carried out in Central Goods and Services Tax Act, 2017.

(xv) In order to simplify the registration process, an optional simplified GST registration scheme has been introduced wherein registration shall be granted on an automated basis within three working days from the date of submission of application in case of low risk applicants and applicants who based on their own assessment, determine that their output tax liability on supplies to registered persons will not exceed Rs. 2.5 lakh per month.