

**GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA  
UNSTARRED QUESTION NO. 1995  
ANSWERED ON 14<sup>TH</sup> DECEMBER, 2023**

**GST ON NATIONAL HIGHWAY PROJECTS**

**1995. DR. K. JAYAKUMAR:**

**Will the Minister of ROAD TRANSPORT AND HIGHWAYS**

सड़क परिवहन और राजमार्ग मंत्री

**be pleased to state:**

**(a) the share of Union and State Governments in the cost of execution of National Highway Projects;**

**(b) the mechanism for levying percentage of GST and SGST;**

**(c) whether in high value road projects, the Union Government insists on the State Government not to levy State share of SGST;**

**(d) if so, the number of the State Governments so far agreed to avoid levying SGST; and**

**(e) whether the State Governments are advised not to levy their share of SGST and if so, the rationale to levy Central GST?**

**ANSWER**

**THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS**

**(SHRI NITIN JAIRAM GADKARI)**

**(a) Ministry is primarily responsible for development of National Highways (NH) in India. Generally entire cost of execution of NH projects is borne by Central Government. In some cases, State Governments share part of the some cost component of the projects.**

**(b) The Goods and Service Tax (GST) and State Goods and Service Tax (SGST) are levied as per the provision of The Central Goods And Services Tax Act, 2017**

**(c) to (e) Levying of GST is decided by the GST Council as per the above Act. However in some high cost projects, sometimes agreement is reached with State Government to reimburse the State share of GST to get higher priority.**

**So far, State Government of Assam has agreed to reimburse the state share of GST in respect of one project. Government of Kerala has also agreed in-principle to reimburse the state share of GST in 3 projects; however agreement has not been signed for the same.**

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