

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

LOK SABHA  
UNSTARRED QUESTION NO. 1770  
TO BE ANSWERED ON MONDAY, THE 2<sup>nd</sup> MARCH, 2020  
Phalguna 12, 1941 (Saka)

**GST Compensation to Kerala**

**1770. SHRI N.K. PREMACHANDRAN:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Union Government has disbursed GST compensation to the States till this date without arrears and if so, the details thereof;
- (b) the total amount of arrears under the head GST Compensation to the State of Kerala which is pending with the Union Government;
- (c) whether the Union Government has cut the borrowing ceiling for Government of Kerala from 3 per cent of GST Bill and if so, the details thereof;
- (d) whether it has come to the notice of the Government that the deduction in GST compensation and cutting of borrowing ceiling has adversely affected the fiscal and cash position of Kerala;
- (e) if so, the action taken for extending assistance for Kerala to overcome the crisis; and
- (f) whether the Union Government has received representation from the State Government of Kerala requesting for transfer of GST compensation amount and if so, the action taken thereon?

**ANSWER**

**MINISTER OF STATE IN MINISTRY OF FINANCE  
(Shri Anurag Singh Thakur)**

**(a) & (b):-** As per provision in the GST (Compensation to States) Act, 2017, compensation is being released to the States on bi-monthly basis for loss of revenue on account of implementation of GST. Accordingly, GST Compensation of Rs.48785 crore and Rs.81141 crore has been released to the States/UTs for the financial year 2017-18 (July, 17 to March, 18) and 2018-19 (April, 18 to March, 19) respectively. In the current financial year 2019-20, GST Compensation has been released fully to Kerala along with other States for April-September, 2019 and partly for October-November, 2019. The details of GST Compensation released to Kerala in the current financial year are given below: -

<b>Period for which compensation has been released</b>	<b>Amount (Rs. in Crore)</b>
April-May, 2019	862
June-July, 2019	1284
Aug-Sept, 2019	1597
Oct-Nov, 2019	854*
<b>Total</b>	<b>4597</b>

\* Rs.854 crore has been released as GST Compensation for Oct-Nov, 2019 against the due of Rs.1506 crore.

**(c) (d) & (e):-** Net Borrowing Ceilings (NBC) of the State of Kerala for the year 2019-20 have been fixed at Rs. 24,915 crore anchoring the Fiscal Deficit target of 3 per cent of GSDP based on the calculation prescribed under the recommendations of Fourteenth Finance Commission (FFC) for the period of 2015-16 to 2019-20. Hence, the Union Government has not cut the borrowing ceiling for Government of Kerala from 3 percent of GSDP.

However, the Union Government also approved in April 2016 that any additional borrowings availed beyond the State's entitlements shall be adjusted from Net Borrowing Ceiling of the following year. Accordingly, as per the information submitted by the State of Kerala for 2018-19 (RE), there is an over-utilisation of borrowing of Rs.12,008 crore beyond the State's entitlements during the year 2018-19, which has been adjusted from the NBC of 2019-20.

**(f):-** No, Sir.

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