

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

LOK SABHA  
UN-STARRED QUESTION NO.1284  
TO BE ANSWERED ON SATURDAY, THE 19<sup>TH</sup> SEPTEMBER, 2020  
BHADRAPADA 28, 1942 (SAKA)

**GST Compensation**

**1284. SHRI SUBBARAYAN K.:**

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

- (a) whether it is a fact that the Government has failed to pay the promised compensation at a guaranteed rate of revenue of 14 per cent to States for losses associated with GST implementation risks;
- (b) if so, the amount due to be paid by the Government to various State Governments;
- (c) whether it is a fact that most of the State Governments have not agreed for the Centre's proposal to borrow to adjust the amount due; and
- (d) if so, the details thereof along with the reaction of the Government thereto?

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

**(a):-** As per provisions in Goods and Service Tax (Compensation) Act, 2017 states are assured of their revenue at 14% compounded growth rate over the base year revenue 2015-16 for loss of revenue arising on account of GST implementation for a period of five years. As per Section 7 of the GST (Compensation to States) Act, 2017, the States are required to be compensated for loss of revenue due to implementation of GST from the proceeds of the GST compensation Cess being levied on certain luxury items and demerit goods under Section 8 of the said Act. As per provisions in section 10 (1) of GST (Compensation to state) Act, 2017, GST Compensation cess has been credited into a non-lapsable Fund known as GST Compensation Fund in Public Account of India. Section 10(2) of the said Act, 2017 provides that payment of GST compensation shall be made out of compensation fund. Accordingly, GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to the states. Due to the inadequate balance in the Compensation Fund, the admissible bi-monthly GST compensation for the period April-July, 2020 could not be released so far.

**(b):-** Details of pending GST compensation to states is as per **Annexure**.

**(c) & (d):-** Some states have objected to the proposed two borrowing options. Central Government continues to remain engaged with the States who have not given either of the options.

## Details of GST Compensation

(Rs. in crore)

S.No	Name of State/UT	Provisional GST Compensation due for FY 2020-21 (Apr – July, 20)
(1)	(2)	(3)
1	Andhra Pradesh	4627
2	Arunachal Pradesh	0
3	Assam	2149
4	Bihar	4493
5	Chhattisgarh	2827
6	Delhi	6931
7	Goa	987
8	Gujarat	11563
9	Haryana	5841
10	Himachal Pradesh	1623
11	J & K	2104
12	Jharkhand	2475
13	Karnataka	13763
14	Kerala	7077
15	Madhya Pradesh	5863
16	Maharashtra	22485
17	Manipur	53
18	Meghalaya	255
19	Mizoram	6
20	Nagaland	27
21	Odisha	3633
22	Puducherry	564
23	Punjab	6959
24	Rajasthan	6312
25	Sikkim	69
26	Tamil Nadu	11269
27	Telangana	5424
28	Tripura	259
29	Uttar Pradesh	11742
30	Uttarakhand	2235
31	West Bengal	7750
	<b>Total</b>	<b>151365.00</b>

