

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO-1338
ANSWERED ON-06/12/2021

GST COMPENSATION DUES

1338. SHRIMATI NUSRAT JAHAN RUHI:

Will the Minister of FINANCE be pleased to state:

- (a) the amount of Goods and Services Tax (GST) Compensation due to State/UTs for the year 2020-2021, State/UT-wise especially West Bengal; and
- (b) the time by which the Government is contemplating to clear the dues of the States/UTs?

ANSWER

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

(a) to (b): As per provisions of GST (Compensation to States) Act, 2017, GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to all the states including West Bengal. 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. 6128 crore has been released to West Bengal 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 issue of GST Compensation to States has been deliberated in the 41st and 42nd GST Council meetings. Accordingly, in FY 20-21, Centre had borrowed Rs. 1.1 lakh crore under a special window and passed on to the States as back-to-back loan to help the States to meet the resource gap due to short-release of compensation on account of inadequate balance in the Compensation Fund. This arrangement has been finalized after detailed deliberations with the States and all States have opted for this arrangement. The quantum of funds released to West Bengal as back to back loan was Rs. 4431 crore for FY 2020-21. In addition, depending on the amount available in the Compensation Fund, Centre has also been releasing the regular GST compensation to States to make up for GST revenue shortfall. Taking into account, the GST compensation released from Compensation Fund as well as back-to-back loan released in FY 2020-21, GST compensation of ₹1699 crore is pending to West Bengal for period April'20 to March'21 as per provisional figures. 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. The detail of GST compensation due to States/ UTs including West Bengal for FY 2020-21 is as per Annexure. Subsequent to deliberations in the 43rd GST Council meeting, Centre has borrowed Rs. 1.59 lakh crores from the market through special window in current FY and passed it to the States/ UTs as a back-to-back loan as was done in last year. Release of this amount has been front loaded during the financial year to enable the States/UTs to undertake capital expenditure.

Annexure

(in Rs. Crore)

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