

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

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**LOK SABHA UNSTARRED QUESTION NO. 810**

**TO BE ANSWERED ON MONDAY THE 07<sup>TH</sup> FEBRUARY 2022/18 MAGH, 1943 (SHAKA)**

**46<sup>TH</sup> Meeting of GST Council**

810. Shri. Y.S. Avinash Reddy:  
Shri. Thirunavukkarasar SU:

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

- (a) whether the 46<sup>th</sup> meeting of Goods and Services Tax (GST) Council was held recently;
- (b) if so, the details thereof along with the issues that came up for discussion in the said meeting;
- (c) whether the demand for rate hike, correction of inverted duty structure, reduction and rationalization of GST rates of some products and services and bringing of online food delivery operators under the purview of GST have also been discussed therein;
- (d) if so, the details thereof along with the action taken by the Government thereon;
- (e) whether the State Government of Tamil Nadu has requested the Union Government to release its share of revenue and tax dues; and
- (f) if so, the action taken by the Union Government thereon and if not, the reasons therefor?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
SH. PANKAJ CHOUDHARY**

**(a) to (d)** The 46<sup>th</sup> meeting of Goods and Services Tax (GST) Council was held on 31.12.2021 under the chairpersonship of the Union Finance & Corporate Affairs Minister. The agenda pertained to the issue of inverted duty structure in textile sector. The GST Council has recommended to defer the decision to change the rates in textiles recommended in the 45<sup>th</sup> GST Council Meeting. Consequently, the existing rates in textile sector would continue beyond 1<sup>st</sup> January, 2022.

**(e) to (f)** As per provisions in Goods and Services Tax (Compensation to States) Act, 2017, GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to all States including Tamil Nadu. 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 ₹ 11,248 crore has been released to Tamil Nadu to partly meet the compensation payable for the period April' 2020 to March' 2021 as the amount in GST Compensation Fund was not adequate to meet the full compensation requirement.

As per the decision of GST Council, ₹ 1.1 lakh crore for FY 2020-21 & ₹ 1.59 lakh crore for FY 2021-22 has been released to States/ UTs as back to back loan to meet the resource gap of the States/UTs due to shortfall in GST compensation. This arrangement has been finalized after detailed deliberations with the States and all the States have opted for this arrangement. The quantum of funds released to Tamil Nadu as back to back loan was ₹ 6,241 crore for FY 2020-21 and ₹ 8,095 crore for FY 2021-22. Release of this amount has been front loaded during the financial year to enable States/UTs to undertake capital expenditure. 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. 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. Total compensation released so far to Tamil Nadu from the Compensation Fund is ₹ 29,934 crore and back to back loan released is ₹ 14,336 crore.

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