

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

**LOK SABHA
UNSTARRED QUESTION NO. 2893
ANSWERED ON 8TH AUGUST, 2024**

GST AND ROYALTY WAIVE OFF BY KERALA

2893. SHRI HIBI EDEN:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the GST share and royalty on construction material has been waived off for Ernakulum Bypass and Kollam Sengottai National Highway (NH) Project by the State of Kerala and if so, the details thereof and the reasons therefor;**
- (b) whether there is any loss to the exchequer of the State Government of Kerala as a result of such waiver and if so, the details thereof; and**
- (c) whether such waiver has been done by any other State Governments during the last five years and if so, the details thereof?**

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) The government of Kerala had earlier agreed to share 25% of Land Acquisition cost but subsequently requested for exemption from contributing the State share. The Ministry had requested the Government of Kerala to explore the possibility of exempting royalty on earth/boulders and reimbursement of state GST components in the project. The acceptance from the State Government has been received vide letter dated 16.07.2024.

(b) & (c) No such loss has been reported by the Government of Kerala. The development of National Highways is a continuous process, Projects are sanctioned based on the fulfillment of the criteria, requirement of connectivity, inter-se priority and availability of funds and synergy with PM Gati Shakti National Master Plan.

In certain cases, in order to improve viability of the project, State Government do agree to share land acquisition cost and/ utility shifting, reimbursement of royalty and State component of GST. Such agreements are project specific.
