

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**LOK SABHA UNSTARRED QUESTION NO. 418**

TO BE ANSWERED ON MONDAY, THE 02<sup>nd</sup> FEBRUARY, 2026/ 13 MAGHA, 1947 (SAKA)

**Impact of GST Reduction**

418 SHRI MOHITE PATIL DHAIRYASHEEL RAJSINH:  
SMT. SUPRIYA SULE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the recent reduction in GST rates has had any measurable effect on the manufacturing and service sectors in Maharashtra, particularly in MSMEs and textile, automobile and hospitality industries and if so, the details thereof;
- (b) whether the GST reduction has resulted in increasing consumer demand and employment generation in these sectors and if so, the details thereof;
- (c) the details of the sector-wise economic growth recorded in Maharashtra after the reduction of GST rate;
- (d) whether the Government proposes to provide any special fiscal or policy support to Maharashtra to offset short-term revenue losses while encouraging long-term industrial recovery and growth, if so, the details thereof; and
- (e) the steps taken by the Central Government to ensure timely and adequate release of GST compensation to States, including Maharashtra, especially after recent tax rationalizations?

**ANSWER**

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

(a) to (c): No formal study has been conducted on the impact of the GST rate reductions on the different sectors of the economy in the country.

(d): No such proposal is under consideration of the Government.

(e): Government of India has released the entire amount of provisionally admissible GST compensation to all the States for loss of revenue arising on account of implementation of Goods and Services Tax for five years i.e., from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June, 2022. Final Compensation arising out of reconciliation of provisional figures with audited figures has also been released to the State of Maharashtra for FY 2017-18 to FY 2022-23.

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