

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE**

**LOK SABHA  
UNSTARRED QUESTION NO. 5122  
TO BE ANSWERED ON MONDAY, 03<sup>rd</sup> APRIL, 2023  
13 Chaitra, 1945 (Saka)**

**Release of Funds to States**

**5122. SHRI D.K. SURESH:  
SHRIMATI SUMALATHA AMBAREESH:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has released Rs. 1.59 lakh crore to various States including Karnataka for the financial year 2020-21;
- (b) if so, the details thereof,
- (c) whether the said amount also includes GST compensations to States; and
- (d) If so, the details thereof with special reference to the state of Karnataka?

**ANSWER**

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

(a) to (d): As per the provisions of section 7(2) of Goods and Services Tax (Compensation to States) Act, 2017, enacted by the Parliament, the compensation payable to a State shall be provisionally calculated and released at the end of every two months' period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India.

The issue of pending GST compensation and future course of action to meet the GST compensation shortfall was discussed in 41<sup>st</sup> & 43<sup>rd</sup> GST Council meetings. Accordingly, Central Government decided to borrow to meet the shortfall in GST compensation to be paid to States using a special window. Under the Special Window, the estimated shortfall of Rs. 1.1 lakh crore and Rs. 1.59 lakh crore was borrowed by Government of India and passed on to States and Union Territories (UTs) with Legislature as back-to-back loan in lieu of short release of GST compensation in FY 2020-21 and FY 2021-22. Under this Special Window, State of Karnataka received loan of Rs. 12,407 crore and Rs. 18,109 crore in FY 2020-21 and FY 2021-22 respectively. Apart from this, Centre has also released provisional GST compensation to States/UTs including Karnataka for FY 2020-21 and 2021-22 of amounting to Rs. 1,86,790 crore and Rs. 75,209 crore respectively from the GST Compensation Fund.

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