

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2209
ANSWERED ON:05.12.2014
CST SHARE TO ANDHRA PRADESH
Galla Shri Jayadev

Will the Minister of FINANCE be pleased to state:

- (a) the details of Central Sales Tax (CST) compensation being paid to the undivided State of Andhra Pradesh (AP) during each of the last three years;
- (b) the share of AP and Telangana in CST after bifurcation; and
- (c) mechanism adopted in arriving at the above figure?

Answer

FINANCE MINISTER (SHRI ARUN JAITLEY)

(a) Central Sales Tax (CST) compensation to the undivided State of Andhra Pradesh alongwith the other States for the three years 2010-11, 2011-12 & 2012-13 as per the recommendation of the Empowered Committee has been agreed to in principle by the Government. The Empowered Committee has recommended for payment of 100% CST compensation for the year 2010-11, 75% CST compensation for the year 2011-12 and 50% CST compensation for the year 2012-13 as per CST guidelines dated 22.08.2008. Out of the total admissible CST compensation claim of Rs. 2756.69 crore to the undivided State of Andhra Pradesh for the year 2010-11, a sum of Rs. 1667.09 crore has been paid by the Central Government. Accordingly, the balance of Rs. 1089.60 crore is payable to the undivided State of Andhra Pradesh as per the Empowered Committee recommendation for the year 2010-11. However, the CST compensation claim of the State for the period 2011-12 and 2012-13 has not been finalized. Efforts are being made for funds in RE 2014-15 for payment of the balance CST compensation to the States including the undivided State of Andhra Pradesh for the year 2010-11.

(b) & (c) CST compensation claims submitted by erstwhile undivided State of Andhra Pradesh would be finalized as per the recommendation of Empowered Committee of State of Finance Ministers as stated above. Such admissible amount of CST would be divided amongst the new State of Andhra Pradesh and Telangana based on the provisions of Andhra Pradesh Re-organization Act, 2014