

# T. S. Singh Deo

Minister

Government of Chhattisgarh

Panchayat & Rural Development

Health & Family Welfare, Medical Education,

Twenty Points, Commercial Tax (GST)



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No./ 4057 /Minister/

Raipur, Date : 27 / 07 /2022

To,

SMT. NIRMALA SITARAMAN JI  
FINANCE MINISTER  
GOVERNMENT OF INDIA  
CHAIRPERSON GST COUNCIL  
NEW DELHI  
CAMP CHANDIGARH,

RESPECTED Madam,

- I unfortunately tested positive for corona of the 25th of this month and though i was extremely keen to attend I was unable to do so. Through this letter I am making an earnest appeal to your good self to permit it to be placed before the Council and the contents be taken on the record of this GST Council's meeting.

The provision for 14% protected revenue will be ceasing from the 30 June 2022. This must be continued for at least another 5years, because particularly mining & manufacturing States, who are not consumers, suffer a great of revenue.

I am presenting details of just 10 items below: -

(in Crores)

S.No.	Item	VAT	GST	DIFFREENCE
1	Iron & Steel	1600	350	1250
2	Coal	800	200	600
3	Paddy	590	0	590
4	Tendu leaves	110	10	100
5	Aluminium	19	5	14
6	Liquor	18	0	18
7	Kirana	15	25	10
8	Timber	15	20	5
9	Edible Oil	55	12	43
10	Tractor	25	12	13
	<b>TOTAL</b>	<b>3420</b>	<b>634</b>	<b>2786</b>

This is the loss of revenue the State suffers in the GST regime for just ten items.

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Below is the table of loss of revenue suffered by the State during the past four years.

2018-19	2019-20	2020-21	2021-22
2786	3176	3620	4127

As can be seen the State suffered huge revenue losses under the GST regime, which were provided for to be compensated through the Cess provision.

If we are to function as an effective federal unit of India it will be impossible to invest capital head development, employment & investment in the social sector with such losses of revenue that are not compensated.

For the above reasons we are presenting the proposal in GST Council to continue with the 14% protected revenue provision.

- If the protective revenue provision is not continued then the 50% formula for CGST & SGST should be changed to SGST 80 - 70% & CGST 20-30 %.
- The Letter and Spirit of the Constitution clearly lays out the Federal structure of our country. Without strong & independent financial resources for all the State Governments the Federal structure as stated in our Constitution would become meaningless if the State Government is unable to full fill the needs and aspirations of its citizens.
- The Supreme court of India has recently delivered a land mark judgement regarding the nature, powers and scope of the GST Council.

Needless to say that unless we in the GST Council as its members unilaterally ensure the financial stability through rational revenue realisation for each and every State and Union Territory in India then the very concept for which the GST Council was put in place may appear to be untenable.

With all regards

Yours sincerely

( T. S. Singh Deo )