

# Twenty States allowed to mobilize Rs.68,825 crore

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The Department of Expenditure, Ministry of Finance, has today granted permission to 20 States to raise an additional amount of Rs.68,825 crore through open market borrowings.

Additional borrowing permission has been granted @ 0.50 % of the Gross State Domestic Product (GSDP) to those States who have opted for Option- 1 out of the two options suggested by the Ministry of Finance to meet the shortfall arising out of GST implementation.

In the meeting of GST Council held on 27<sup>th</sup> August, 2020, these two options were put forward and were subsequently communicated to the States on 29<sup>th</sup> August, 2020. Twenty States have given their preferences for Option-1. These States are - Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura, Uttar Pradesh and Uttarakhand . Eight States are yet to exercise an option.

Facilities available to the States who choose Option-1 inter-alia include:

- A special borrowing window, coordinated by the Ministry of Finance to borrow the amount of shortfall in revenue through issue of debt. The total shortfall in the revenue of the States on this account has been estimated at around Rs 1.1 lakh crore.
- Permission to borrow the final instalment of 0.5% of GSDP out of the 2% additional borrowings permitted by the Government of India in view of the COVID pandemic, waiving the reforms condition.

The Department of Expenditure, on 17<sup>th</sup> May 2020, had provided additional borrowing limit of upto 2% of GSDP to the States. The final instalment of 0.5% out of this 2% limit was linked to carrying out at least three out of four reforms stipulated by the Government of India. However, in case of States who have exercised Option-1, to meet the shortfall arising out of GST implementation, the condition of carrying out the reforms to avail the final instalment of 0.5% of GSDP has been waived. Thus, the 20 States, who have exercised Option-1, have become eligible to raise an amount of Rs 68,825 crore through open market borrowings. Action on the special borrowing window is being taken separately.

**State-wise details are follows:**

S. No.	State	Additional borrowing allowed on 13.10.2020 (Rs in crore)
1	Andhra Pradesh	5,051.00
2	Arunachal Pradesh	143.00
3	Assam	1,869.00
4	Bihar	3,231.00
5	Goa	446.00
6	Gujarat	8,704.00
7	Haryana	4,293.00
8	Himachal Pradesh	877.00
9	Karnataka	9,018.00

10	Madhya Pradesh	4,746.00
11	Maharashtra	15,394.00
12	Manipur	151.00
13	Meghalaya	194.00
14	Mizoram	132.00
15	Nagaland	157.00
16	Odisha	2,858.00
17	Sikkim	156.00
18	Tripura	297.00
19	Uttar Pradesh	9,703.00
20	Uttarakhand	1,405.00
	<b>Total</b>	<b>68,825.00</b>

RM/KMN

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