



Ministry of Finance

# Rajasthan decides to go for Option-1 to meet the GST implementation shortfall

**State will get Rs.4,604 Crores through special borrowing window and also permission to raise additional Rs.5,462 Crores through borrowings**

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The Government of Rajasthan has communicated its acceptance for Option-1 out of the two options suggested by the Ministry of Finance to meet the shortfall in revenue arising out of GST implementation. The State has now joined 21 other States and 3 Union Territories (Delhi, Jammu & Kashmir and Puducherry) who have opted for Option-1.

The States who choose Option-1 are getting the amount of shortfall arising out of GST implementation through a special borrowing window put in place by the Government of India. The window has been operationalised now and the Government of India already borrowed an amount of Rs.12,000 crores on behalf of the States in two instalments and has passed it on to 21 States and 3 Union Territories on 23<sup>rd</sup> October, 2020 and 2<sup>nd</sup> November, 2020. Now the Government of Rajasthan will receive funds raised through this window. The next instalment of borrowings is likely to be released on 9<sup>th</sup> November, 2020.

Under the terms of Option-1, besides getting the facility of a special window for borrowings to meet the shortfall arising out of GST implementation, States are also entitled to get unconditional permission to borrow the final instalment of 0.50% of Gross State Domestic Product (GSDP) out of the 2% additional borrowings permitted by the Government of India, under AtmnirbharAbhiyaan on 17<sup>th</sup> May, 2020. This is over and above the Special Window of Rs.1.1 lakh crores. On receipt of the choice of Option-1 from the Government of Rajasthan, the Government of India has today granted the State Government of Rajasthan additional borrowing permission of Rs.5,462 crores (0.5% of Rajasthan's GSDP).

States who have opted for Option-1 are – Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Sikkim, Tripura, Tamil Nadu, Uttar Pradesh, and Uttarakhand, along with the three Union Territories of Delhi, Jammu & Kashmir and Puducherry. **The amount of additional borrowing permission granted to these States and the amount of funds raised through special window and released to the 21 States and 3 UTs so far is annexed.**

**State wise additional borrowing of 0.50 percent of GSDP allowed and amount of funds raised through special window passed on to the States till 05.11.2020**

(Rs. in Crore)

S. No.	Name of State / UT	Additional borrowing of 0.50 percent allowed to States	Amount of fund raised through special window passed on to the States/ UTs
1	Andhra Pradesh	5051	348.81
2	Arunachal Pradesh*	143	0.00
3	Assam	1869	150.27
4	Bihar	3231	589.15
5	Goa	446	126.70
6	Gujarat	8704	1391.78
7	Haryana	4293	656.93
8	Himachal Pradesh	877	259.18
9	Karnataka	9018	1872.84
10	Madhya Pradesh	4746	685.60
11	Maharashtra	15394	1808.14
12	Manipur*	151	0.00
13	Meghalaya	194	16.81
14	Mizoram*	132	0.00
15	Nagaland*	157	0.00
16	Odisha	2858	576.92
17	Rajasthan	5462	0.00
18	Sikkim*	156	0.00
19	Tamil Nadu	9627	942.24

20	Tripura	297	34.38
21	Uttar Pradesh	9703	906.66
22	Uttarakhand	1405	349.78
<b>Total:</b>		<b>83914</b>	<b>10716.19</b>
1	Delhi	0.00	885.19
2	Jammu & Kashmir	0.00	342.88
3	Puducherry	0.00	55.74
<b>Total:</b>		<b>0.00</b>	<b>1283.81</b>
<b>Grand Total</b>		<b>83914</b>	<b>12000.00</b>

\* These States have 'NIL' GST compensation gap

RM/KMN

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