



Ministry of Finance

# 10th Instalment of Rs.6,000 crore released to the States as back to back loan to meet the GST compensation shortfall.

## A total amount of Rs.60,000 crore released so far to all States and UTs with legislation

## This is in addition to additional borrowing permission of Rs.1,06,830 crore granted to the States

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The Ministry of Finance has released the 10<sup>th</sup> weekly instalment of Rs.6,000 crore to the States to meet the GST compensation shortfall. Out of this, an amount of Rs.5,516.60 crore has been released to 23 States and an amount of Rs.483.40 crore has been released to the 3 Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members of the GST Council. The remaining 5 States, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim do not have a gap in revenue on account of GST implementation. Now, more than 50 percent of the estimated GST compensation shortfall has been released to the States & UT with Legislative Assembly.

The Government of India had set up a special borrowing window in October, 2020 to meet the estimated shortfall of Rs.1.10 lakh crore in revenue arising on account of implementation of GST. The borrowings are being done through this window by the Government of India on behalf of the States and UTs. The borrowings have been done in 10 rounds. The amount borrowed so far was released to the States on 23<sup>rd</sup> October, 2020, 2<sup>nd</sup> November, 2020, 9<sup>th</sup> November, 2020, 23<sup>rd</sup> November, 2020, 1<sup>st</sup> December, 2020, 7<sup>th</sup> December, 2020, 14<sup>th</sup> December, 2020, 21<sup>st</sup> December, 2020, 28<sup>th</sup> December, 2020 and 04<sup>th</sup> January, 2021.

The amount released this week was the 10<sup>th</sup> instalment of such funds provided to the States. **The amount has been borrowed this week at an interest rate of 4.1526%. So far, an amount of Rs.60,000 crore has been borrowed by the Central Government through the special borrowing window at an average interest rate of 4.6892%.**

In addition to providing funds through the special borrowing window to meet the shortfall in revenue on account of GST implementation, the Government of India has also granted additional borrowing permission equivalent to 0.50 % of Gross States Domestic Product (GSDP) to the states choosing Option-I to meet GST compensation shortfall to help them in mobilising additional financial resources. All the States have been given their preference for Option-I. Permission for borrowing the entire additional amount of Rs.1,06,830 crore (0.50 % of GSDP) has been granted to 28 States under this provision.

The amount of additional borrowing permission granted to 28 States and the amount of funds raised through special window and released to the States and Union Territories so far is annexed.

**Statewise additional borrowing of 0.50 percent of GSDP allowed and amount of funds raised through special window passed on to the States/UTs till 04.01.2021**

(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	1433.25
2	Arunachal Pradesh*	143	0.00
3	Assam	1869	616.72
4	Bihar	3231	2421.54
5	Chhattisgarh	1792	846.30
6	Goa	446	520.85
7	Gujarat	8704	5719.15
8	Haryana	4293	2699.05
9	Himachal Pradesh	877	1064.87
10	Jharkhand	1765	459.75
11	Karnataka	9018	7694.69
12	Kerala	4,522	1897.80
13	Madhya Pradesh	4746	2816.91
14	Maharashtra	15394	7428.29
15	Manipur*	151	0.00

16	Meghalaya	194	69.39
17	Mizoram*	132	0.00
18	Nagaland*	157	0.00
19	Odisha	2858	2370.37
20	Punjab	3033	2751.20
21	Rajasthan	5462	2160.37
22	Sikkim*	156	0.00
23	Tamil Nadu	9627	3870.80
24	Telangana	5017	947.73
25	Tripura	297	140.40
26	Uttar Pradesh	9703	3725.41
27	Uttarakhand	1405	1436.55
28	West Bengal	6787	1458.37
	<b>Total (A):</b>	<b>106830</b>	<b>54549.76</b>
1	Delhi	Not applicable	3637.32
2	Jammu & Kashmir	Not applicable	1408.98
3	Puducherry	Not applicable	403.94
	<b>Total (B):</b>	<b>Not applicable</b>	<b>5450.24</b>
	<b>Grand Total (A+B)</b>	<b>106830</b>	<b>60000.00</b>

\* These States have 'NIL' GST compensation gap

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RM/KMN

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