

All States choose Option one to meet the GST implementation shortfall

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- **Jharkhand has become the latest State to go for Option-1**
- **Jharkhand will get Rs. 1,689 crore through special borrowing window to meet the GST implementation shortfall**
- **Permission to raise additional Rs. 1,765 crore through borrowings also issued to Jharkhand**

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All the 28 States and 3 Union Territories with legislature have decided to go for Option-1 to meet the revenue shortfall arising out of the GST implementation. Jharkhand, the only remaining State, has now communicated its acceptance of Option-1. All the 3 Union Territories with Legislative Assembly who are members of the GST council have already decided in favour of Option-1.

The Government of India has set up a special borrowing window for the States & Union Territories who choose Option-1 to borrow the amount of shortfall arising out of GST implementation. The window has been operationalised since 23rd October, 2020 and the Government of India has already borrowed an amount of Rs.30,000 crore on behalf of the States in five instalments and passed it on to the States and Union Territories, who chose Option-1. Now the State of Jharkhand will also receive funds raised through this window starting from the next round of borrowing. The next instalment of Rs.6,000 crore will be released to the States/UTs on 7th December, 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, the 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 Atma Nirbhar Abhiyaan on 17th May, 2020. This is over and above the Special Window of Rs.1.1 lakh crore. On receipt of the choice of Option-1, the Government of India has granted additional borrowing permission of Rs.1,765 crore to the State Government of Jharkhand (0.50 % of Jharkhand's GSDP).

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.**

State wise additional borrowing of 0.50 percent of GSDP allowed and amount of funds raised through special window passed on to the States/UTs till 04.12.2020

(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	804.15
2	Arunachal Pradesh*	143	0.00
3	Assam	1869	346.12
4	Bihar	3231	1358.54
5	Chhattisgarh #	1792	0.00
6	Goa	446	292.20
7	Gujarat	8704	3208.80
8	Haryana	4293	1514.40
9	Himachal Pradesh	877	597.47
10	Jharkhand#	1765	0.00
11	Karnataka	9018	4317.39
12	Kerala	4,522	328.20
13	Madhya Pradesh	4746	1580.51
14	Maharashtra	15394	4167.99
15	Manipur*	151	0.00
16	Meghalaya	194	38.89
17	Mizoram*	132	0.00
18	Nagaland*	157	0.00
19	Odisha	2858	1329.97
20	Punjab	3033	475.80
21	Rajasthan	5462	907.12
22	Sikkim*	156	0.00
23	Tamil Nadu	9627	2171.90
24	Telangana	5017	299.88
25	Tripura	297	78.90
26	Uttar Pradesh	9703	2090.21
27	Uttarakhand	1405	806.10
28	West Bengal	6787	252.22
	Total (A):	106830	26966.76
1	Delhi	Not applicable	2040.77
2	Jammu & Kashmir	Not applicable	790.53
3	Puducherry	Not applicable	201.94
	Total (B):	Not applicable	3033.24
	Grand Total (A+B)	106830	30000.00

* These States have 'NIL' GST compensation gap

Funds will be released starting after next round of borrowing.

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