

So far, an amount of Rs. 1,00,000 crore has been borrowed by the Central Government through the special borrowing window

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The Ministry of Finance, Department of Expenditure has on Friday, released the 17th weekly instalment of Rs.5,000 crore to the States to meet the GST compensation shortfall. Out of this, an amount of Rs. 4,730.41 crore has been released to 23 States and an amount of Rs. 269.59 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.

Till now, 91 percent of the total estimated GST compensation shortfall has been released to the States & UTs with Legislative Assembly. Out of this, an amount of Rs. 91,460.34 crore has been released to the States and an amount of Rs. 8,539.66 crore has been released to the 3 UTs 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. 17 rounds of borrowings have been completed so far starting from 23rd October, 2020.

Under the special window, the Government of India has been borrowing in Government Stock with tenor of 3 years and 5 years. The borrowing made under each tenor is equally divided among all the States as per their GST compensation shortfall. With the current release, the proportionate pending GST shortfall with respect to borrowing under 5 years tenure has been concluded for 16 States and 2 UTs. These States/ UTs were onboard for GST compensation release from the 1st Installment.

The amount released this week was the 17th instalment of such funds provided to the States. **The amount has been borrowed this week at an interest rate of 5.5924%. So far, an amount of Rs. 1,00,000**

crore has been borrowed by the Central Government through the special borrowing window at an average interest rate of 4.8307%.

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 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.

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 19.02.2021

(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	2222.71
2	Arunachal Pradesh*	143	0.00
3	Assam	1869	956.04
4	Bihar	3231	3755.77
5	Chhattisgarh	1792	2143.75
6	Goa	446	807.89
7	Gujarat	8704	8869.60
8	Haryana	4293	4185.66
9	Himachal Pradesh	877	1651.39
10	Jharkhand	1765	1164.60
11	Karnataka	9018	11932.82
12	Kerala	4,522	4304.12
13	Madhya Pradesh	4746	4368.43
14	Maharashtra	15394	11519.31
15	Manipur*	151	0.00
16	Meghalaya	194	107.73
17	Mizoram*	132	0.00
18	Nagaland*	157	0.00
19	Odisha	2858	3675.95
20	Punjab	3033	6239.58

21	Rajasthan	5462	4081.71
22	Sikkim*	156	0.00
23	Tamil Nadu	9627	6002.53
24	Telangana	5017	1940.95
25	Tripura	297	217.34
26	Uttar Pradesh	9703	5777.46
27	Uttarakhand	1405	2227.49
28	West Bengal	6787	3307.51
	Total (A):	106830	91460.34
1	Delhi	Not applicable	5640.89
2	Jammu & Kashmir	Not applicable	2185.16
3	Puducherry	Not applicable	713.61
	Total (B):	Not applicable	8539.66
	Grand Total (A+B)	106830	100000.00

* These States have 'NIL' GST compensation gap

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