

GST Compensation - Centre borrows Rs 6K Crore for 16 States

By TIOL News Service

NEW DELHI, OCT 24, 2020: THE Government of India has evolved a special borrowing window to address the shortfall in the GST collection during the year 2020 to 2021. 21 States and 2 Union Territories opted for this special window involving back-to-back borrowing coordinated by the Ministry of Finance.

Out of these, five States did not have any shortfall on account of GST compensation. Today, the Central Government borrowed and transferred Rs.6,000 crores as first tranche to 16 States namely Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand and 2 Union Territories: UT of Delhi and UT of Jammu and Kashmir.

The borrowing is at an interest rate of 5.19 percent. It is intended to make weekly releases of Rs.6,000 crore to the States. Tenor of borrowing is expected to be broadly in the range of 3 to 5 years.