

GST Compensation - Centre releases 12th Instalment of Rs 6,000 crore

By TIOL News Service

EW DELHI, JAN 18, 2021: THE Ministry of Finance has released the 12th weekly instalment of Rs. 6,000 crore to the States today to meet a GST compensation shortfa. Out of this, an amount of Rs. 5,516.60 crore has been released to 23 States and an amount of Rs. 483.40 bre has been released to the 3 Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members the GST Council. The remaining 5 States, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim do not have a gap in revenue on count of GST implementation.

Till now, 65 percent of the total estimated GST compensation shortfall has been released to the States & UT with Legislative Assembly. Out of this, an amount of Rs. 65,582.96 crore has been released to the States and an amount of Rs. 6,417.04 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. 12 rounds of borrowings have been completed so far starting from 23 rd October, 2020.

The amount released this week was the 12 th instalment of such funds provided to the States. The amount has been borrowed this week at an interest rate of 4.4315%. So far, an amount of Rs.72,000 crore has been borrowed by the Central Government through the special borrowing window at an average interest rate of 4.7024%.

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 18.01.2021

(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	1684.89

2	Arunachal Pradesh*	143	0.00
3	Assam	1869	724.96
4	Bihar	3231	2846.74
5	Chhattisgarh	1792	1184.82
6	Goa	446	612.31
7	GujaratÂ	8704	6723.29
8	Haryana	4293	3172.91
9	Himachal PradeshÂ	877	1251.83
10	Jharkhand	1765	643.65
11	Karnataka	9018	9045.61
12	Kerala	4,522	2525.64
13	Madhya Pradesh	4746	3311.47
14	Maharashtra	15394	8732.41
15	Manipur*	151	0.00
16	Meghalaya	194	81.59

17	Mizoram*	132	0.00
18	Nagaland*	157	0.00
19	Odisha	2858	2786.53
20	Punjab	3033	3661.36
21	Rajasthan	5462	2661.67
22	Sikkim*	156	0.00
23	Tamil Nadu	9627	4550.36
24	Telangana	5017	1206.87
25	Tripura	297	165.00
26	Uttar Pradesh	9703	4379.49
27	Uttarakhand	1405	1688.73
28	West Bengal	6787	1940.83
Â	Total (A):	106830	65582.96
1	Delhi	Not applicable	4275.94
2	Jammu & Kashmir	Not applicable	1656.36

3 Puducherry Not applicable 484.74

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Total (B): Not applicable 6417.04

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Grand Total (A+B) 106830 72000.00

^{*} These States have †NIL' GST compensation gap