

1	2	3	4
24.	Rajasthan	22327	6710
25.	Sikkim	482	0
26.	Tamil Nadu	41369	12305
27.	Telangana	24075	3054
28.	Tripura	1027	293
29.	Uttar Pradesh	47781	9123
30.	Uttarakhand	5000	3375
31.	West Bengal	27713	6200
TOTAL		517082	165302

(b) and (c) The details of Goods and Services Tax (GST) revenue collection Revised Target (RE) and actuals for FY 2019-20 as per Pr.CCA flash figure are given in the Statement.

Statement

GST collection for FY 2019-20

(₹ in crore)

Tax Head	2019-20	
	Revised Estimate (RE)	Actual
CGST	514000	494070
IGST	—	9204
GST Compensation Cess	98327	95551
Net Collection	612327	598825

Source: Receipts Budget, PrCCA, CBIC.

Non-payment of GST compensation to States

1008. SHRI K.C. VENUGOPAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government has suggested/undertook any measures to ease out the financial burden of State Governments due to the non-payment of GST Compensation;

(b) if so, whether the Union Government has suggested the State Governments to borrow from the RBI;

(c) whether State Governments have agreed upon these proposals of borrowing from the RBI; and

(d) if not, how Government intend to resolve the heavy financial crisis in the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) As per provisions in section 10(2) of GST (Compensation to States) Act, 2017, compensation is required to be paid out of Compensation Fund. However, Compensation Fund is insufficient to release bi-month GST compensation of current FY. Taking into account, shortage of cess and AG's opinion in this matter, the issue of pending GST compensation and future course of action to meet the GST compensation shortfall has been discussed in 41st GST Council meeting on 27.08.2020 wherein States were given two options to meet their GST compensation shortfall for current FY from market borrowing. The details of the two options were communicated by the Department of Expenditure as under:-

Option 1

- (i) The shortfall arising out of GST implementation (calculated at Rs. 97,000 crores approximately) will be borrowed by States through issue of debt under a Special Window coordinated by the Ministry of Finance.
- (ii) It will be the endeavour to ensure steady flow of resources similar to the flow under GST compensation on a bi-monthly basis.
- (iii) The GOI will endeavour to keep the cost at or close to the G-sec yield, and in the event of the cost being higher, will bear the margin between G-secs and average of State Development Loan yields up to 0.5% (50 basis points) through a subsidy.
- (iv) A special borrowing permission will be given by the GOI under Article 292 for this amount, over and above any other borrowing ceilings eligible under any other normal or special permission notified by Department of Expenditure.

- (v) In respect of Union Territories (including National Capital Territory), suitable arrangements to ensure flow of resources under the Special Window to them would be made by the Government of India.
- (vi) The interest on the borrowing under the Special Window will be paid from the Cess as and when it arises until the end of the transition period. After the transition period, principal and interest will also be paid from proceeds of the Cess, by extending the Cess beyond the transition period for such period as may be required. The State will not be required to service the debt or to repay it from any other source.
- (vii) States will also be given permission to borrow the final instalment of 0.5% (originally intended as a bonus for completing at least three of the four specified reforms) allowed in para 4 of the Department of Expenditure's OM F.No. 40(06)/PF-S/2017-18 dated 17-5-20 (hereinafter referred to as DOE OM) even without meeting the pre-conditions. This will enable borrowing of approximately Rs. 1 lakh crores in aggregate.
- (viii) The first instalment of 0.5% unconditional borrowing permission granted *vide* para 4 of the DOE OM remains unaffected. The reform-linked tranches specified in paras 5 to 8 of that OM also remain unaffected.
- (ix) In modification of para 9 of the DOE OM, States will be able to carry forward unutilised extra borrowing ceilings given under that OM to the next financial year; the instalments under para 4 (0.5 unconditional + another 0.5 as per para VII above) can be carried forward unconditionally; the reform-linked portions can be carried forward if the States meet the reform criteria within the dates already prescribed for this year.
- (x) The borrowing under the Special Window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission etc.
- (xi) The Compensation Cess will be continued after the transition period until such time as all arrears of compensation for the transition period are paid to the States, "the first charge on the Compensation Cess each year would be the interest payable; the second charge would be the principal repayment. The remaining arrears of compensation accrued during the transition period would be paid after the interest and principal are paid.

Option 2

- (i) The entire shortfall of Rs 235,000 crores (including the Covid-impact portion) may be borrowed by States through issue of market debt. The GOI will issue an OM committing to repayment of principal on such debt from Cess proceeds as per para IV below.
- (ii) Appropriate enhanced special borrowing permission will be given by the GOI under Article 293 based on the following methodology, in modification of scheme notified earlier under the DOE OM:
 - (a) Each state's borrowing limits for the year will be based on the following calculation:

Basic eligibility (3 % of GSDP) + Amount allowed for shortfall as per Item 1 above of Option 2+ up to 1% of GSDP (reform-linked as per paras 5 to 8 of DOE OM)

or

Basic eligibility (3% of GSDP) + 1% of GSDP + up to 1% of GSDP (reform-linked as per paras 5 to 8 of DOE OM) whichever is higher.
 - (b) The additional unconditional borrowing limit of 0.5% and the final (bonus) tranche of 0.5% under para 4 of the DOE OM will not be separately available, being subsumed under the calculation above.
 - (c) States will remain eligible for the reform-linked tranches of borrowing under paras 5 to 8 of the DOE OM this year but shall not be eligible to carry them forward. The maximum amount which can be availed under that OM shall stand reduced to 1% of GSDP instead of 2% of GSDP.
- (iii) The interest shall be paid by the States from their resources.
- (iv) The principal on the amount under Item 1 above will, after the transition period, be paid from proceeds of the Cess. The States will not be required to repay the principal from any other source.

- (v) To the extent of the shortfall arising due to implementation of GST (*i.e.* Rs. 97,000 crores approximately in aggregate) the borrowing will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission etc.
- (vi) The Compensation Cess will be continued after the transition period until such time as all arrears of compensation for the transition period are paid to the states. The first charge on the future Cess would be the principal repayment. The remaining arrears of compensation accrued during the transition period would be paid after the principal is paid.

It was also decided that States will give their preference and views thereon. Thereafter on finalisation of scheme, the states can choose either Option 1 or Option 2 and accordingly their compensation, borrowing, repayment etc. will be dealt as per their individual choice.

(c) and (d) Some States have objected to the proposed two borrowing options. Central Government continues to remain engaged with the States who have not given either of the options.

Financial packages to States

1009. SHRI K.C. VENUGOPAL: Will the Minister of FINANCE be pleased to state:

- (a) the number of stimulus financial packages declared by Government during the lockdown and COVID-19 crisis;
- (b) the details of financial packages declared so far; and
- (c) how much funds under the package have been distributed to various States including Rajasthan and Kerala so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) The Government has announced a Rs 1.70 Lakh Crore relief under the Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus on 26.03.2020 and a Special economic and comprehensive package called Aatmnirbhar Bharat Package of Rs. 20 lakh crores - equivalent to 10% of India's GDP - to fight COVID-19 pandemic in India on 12.05.2020. The details of the Pradhan Mantri Gariba Kalyan Yojana and the Aatma Nirbhar Package are given in the Statement-I and II respectively (*See* below).