



Ministry of Finance



Government of India releases balance amount of ₹ 44,000 crore to States and UTs (with Legislature) under the back-to-back loan facility in-lieu of GST compensation

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The Ministry of Finance has released ₹44,000 crore today to the States and UTs with Legislature under the back-to-back loan facility in lieu of GST Compensation. After taking into account earlier release of ₹ 1,15,000 crore (₹ 75,000 crore released on 15th July, 2021 and ₹ 40,000 crore released on 07th October, 2021), total amount released in the current financial year as back-to-back loan in-lieu of GST compensation is ₹1,59,000 crore. This release is in addition to normal GST compensation being released every 2 months out of actual cess collection.

Subsequent to the 43rd GST Council Meeting held on 28.05.2021, it was decided that the Central Government would borrow ₹1.59 lakh crore and release it to States and UTs with Legislature on a back-to-back basis to meet the resource gap due to the short release of Compensation on account of inadequate amount in the Compensation Fund. This amount is as per the principles adopted for a similar facility in FY 2020-21, where an amount of ₹1.10 lakh crore was released to States under a similar arrangement. This amount of ₹1.59 lakh crore would be over and above the compensation in excess of ₹1 lakh crore (based on cess collection) that is estimated to be released to States/UTs with Legislature during this financial year. The sum total of ₹2.59 lakh crore is expected to exceed the amount of GST compensation accruing in FY 2021-22.

All eligible States and UTs (with Legislature) have agreed to the arrangements of funding of the compensation shortfall under the back-to-back loan facility. For effective response and management of COVID-19 pandemic and a step-up in capital expenditure all States and UTs have a very important role to play. For assisting the States/UTs in their endeavour, Ministry of Finance has frontloaded the release of assistance under the back-to-back loan facility during FY 2021-22 of ₹1,59,000 crore.

The release of ₹44,000 crore being made now is funded from borrowings of GoI in 5-year securities issued in the current financial year, at a Weighted Average Yield of 5.69%. No additional market borrowing by Central Government is envisaged on account of this release.

It is expected that this release will help the States/UTs in planning their public expenditure among other things, for improving, health infrastructure and taking up infrastructure projects.

f State/ UTs wise amount released as “Back to Back Loan in lieu of GST Compensation Shortfall” on 28.10.2021

in (Rs. in crore)

Sl. No.	Name of the State/ UTs	Amount
1.	Andhra Pradesh	905.59
2.	Assam	490.76
3.	Bihar	1885.69
4.	Chhattisgarh	1374.02
5.	Goa	234.28
6.	Gujarat	3608.53
7.	Haryana	2045.79
8.	Himachal Pradesh	745.95
9.	Jharkhand	687.76
10.	Karnataka	5010.90
11.	Kerala	2418.49
12.	Madhya Pradesh	1940.20
13.	Maharashtra	3814.00
14.	Meghalaya	39.18
15.	Odisha	1779.45
16.	Punjab	3357.48



17.	Rajasthan	2011.42
18.	Tamil Nadu	2240.22
19.	Telangana	1264.78
20.	Tripura	111.34
21.	Uttar Pradesh	2252.37
22.	Uttarakhand	922.30
23.	West Bengal	1778.16
24.	UT of Delhi	1713.34
25.	UT of J&K	1064.44
26.	UT of Puducherry	303.56
	Total	44,000.00

RM/KMN

(Release ID: 1767194) Visitor Counter : 1387

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