

State to borrow ₹33,000 crore in 2020-21

Karnataka Fiscal Responsibility Act, 2002, to be amended to raise the borrowing limit from 3% of GSDP to 5%

SPECIAL CORRESPONDENT
BENGALURU

Karnataka government, facing severe financial constraints on account of COVID-19 pandemic and reduced economic activities, on Tuesday decided to borrow ₹33,000 crore to meet various expenditures during 2020-21.

The Cabinet on Tuesday decided to amend Section Four of the Karnataka Fiscal Responsibility Act, 2002, to raise the borrowing limits of the State from 3% of the Gross State Domestic Product (GSDP) to 5% of the GSDP.

The amendment would enable the government to borrow ₹33,000 crore against the maximum of ₹36,000 crore in 2020-21, Law and Parliamentary Affairs Minister J.C. Madhuswamy said.

These borrowings of the government would be in addition to borrowings of ₹18,289 crore allowed to make up for the GST revenue shortfall, under option one opted by the State.

"The borrowing would be utilised for various developmental expenditure. The go-

Other Cabinet decisions

■ Sanction of 9.2 acres of gomal land at Yalachagere in Nelamangala to Sri Siddaganga Mutt, Tumakuru.

■ Sanction of 126.27 acres at Bagewadi and Halagimardi to Rani Chennamma University, Belagavi.

■ Sanction of 3 acres at Mantanakurchi village in Nelamangala to Gurudeva Seva Sanstha.

■ Lakshmi Heritage Area Development Authority Bill, 2020 approved.

■ Sri Jagadguru Murugajendra University Bill, 2020 approved.

■ Vidyashilpa University Bill, 2020 approved.

■ Sanction of ₹14.89 crore of State's share to develop railway flyover at Kyathashadra in Tumakuru.

vernment has been facing difficulties on the revenue front owing to reduced economic activities in the ongoing pandemic," said the Minister. Expecting a shortfall in revenue owing to COVID-19, the Centre has raised the borrowing limit of the governments from 3% of GSDP to 5% in 2020-21, he added.

The State has been mobilizing revenue so far by borrowing State Development Loans through the Reserve Bank of India and auctioning BDA sites in Bengaluru. The Centre, however, has asked States to undertake specific reforms such as universalisation of one-nation-one ration card, ease of doing business

initiatives and so on.

Electricity companies

For providing more liquidity to electricity supply companies in the State, the Cabinet has allowed them to borrow loans of ₹5,075 crore to avoid default. The government would provide guarantees to financial institutions to raise these loans, he said.

The S.M. Krishna Residential Layout has been developed by Hassan Urban Development Authority (HUDA) on 453 acres in Hassan. For installation of transformers and other development at the final stages of the layout project, it was decided to sanction ₹15.34 crore to HUDA, he said.

Tourism policy approved



Tourists visiting Jog Falls in Sagar taluk of Channarayana taluk, Channarayana district. FILE PHOTO

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The Chief Minister will unveil a new tourism policy - Tourism Day.

The Cabinet has ap-

proved the policy.

The draft of the new policy, finalised recently, emphasises aspects such as attracting more domestic and international travellers to place Karnataka on

the tourist map of the country, and giving a boost to various kinds of tourism such as heritage, wildlife, spiritual, cultural, adventure, coastal, nature, health, and agriculture.