

Seventeenth Loksabha

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Regarding payment of GST compensation to Kerala.

ADV. A.M. ARIFF (ALAPPUZHA): Sir, Kerala is facing an unprecedented financial crisis due to the distorted financial policies of the Central Government, which would result in the reduction in revenue of about Rs. 32,000 crore for the State in 2023-24. ... (Interruptions) The State is continuously penalized for its advancement in social sectors by reducing the tax share of the Centre from 3.875 per cent to just 1.925 per cent.

On the other hand, by imposing newer restrictions for borrowing consent under article 293 of the Constitution, and misinterpreting the guarantees given by the State to the SPVs like KIIFB as equal to open market borrowing, the Central Government is squeezing the development activities in the State. There has been a reduction of Rs. 6,716 crore in revenue deficit grant from the Centre compared to the previous year. Added to this is the taking away of the GST compensation, because of which Kerala is to lose at least Rs. 9,000 crore this year. ... (Interruptions)

Hence, I urge the Centre to extend the GST compensation for a period of another five years, and enhance the revenue sharing from GST from the present 50:50 ratio to 60:40 ratio between the State and the Centre. Thank you. ... (Interruptions)

12.23 hrs

At this stage Shri Arvind Sawant and some other hon. Members came and stood on the floor near the Table.