‘Centre must practice cooperative federalism; clear GST dues of states’

NEW DELHI: Describing the stimulus package announced by Finance Minister Nirmala Sitharaman as "cosmetic", senior Congress leader M Veerappa Moily on Monday said the Centre must practice cooperative federalism and at least clear the GST dues of states to enable them to fight the COVID-19 pandemic.

The package reflects rhetorics like the 'Atma Nirbar Bharat' (Self reliant India) and 'One Nation one Ration Card', which was supposed to be implemented by June 1, 2020, Moily said in a statement.

According to the ration card scheme, the entire nation was to be covered by March 2021, the former Union minister said.

As per the FM's announcement, the migrants who are neither covered under the National Food Security Act (NFSA) nor are state ration card beneficiaries will be provided 5 kg of grains per person and one kg of channa (gram) per family for two months which is totally inadequate, Moily said.

The people require at least 10 kg of grain till September and six months of free ration to non-ration card holders should be given to meet the present contingencies, he said.

"The package announced by Finance Minister Nirmala Sitharaman is quite rhetorical and cosmetic. If you exclude the allocations already made in the Budget of February 2020, the outgo is even less than one lakh crore," Moily said.

The total package ultimately trickles down to not more than three per cent of the GDP, he said. "When the country loses Rs 100 in tax collection, the Centre loses only Rs 29 and the states lose Rs 71. Even GST has not been devolved to the states particularly for the months of December, January, February, March and April," Moily said.

According to the budget allocation itself, the revenue devolved to the states is less than what was estimated by the 15th Finance Commission, he said.