

# GST: 'No discretion, only formula'

## In RS, Finance Minister skirts Opposition questions on the LIC Act amendments

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NEW DELHI

Finance Minister Nirmala Sitharaman informed the Rajya Sabha on Thursday that compensation to States under the Goods and Services Tax (GST) for the financial year 2017-18 and 2018-19 was not pending with the Centre.

"GST compensation has been paid to States for 2017-18, 2018-19, nothing is pending. Prior to COVID-19, every compensation to States has been paid. The unutilised contribution of 2017-18 and 2018-19 has been carried forward and utilised in 2019-20 and 2020-21. Over ₹2,17,000 crore is the GST compensation due for 2020-21 [till January]. The compensation will be released in March, ₹30,000 crore will go to States. There is no discretion

in GST, it is as per formula," she said.

She sidestepped questions raised by the Opposition regarding amendments made to the Life Insurance of India (LIC) Act through the Finance Bill in the Rajya Sabha on Wednesday. The Bill seeks to amend 27 out of 49 Sections of the LIC Act, 1956. One of the amendments proposes that the Centre will hold at least 75% stake in state-controlled LIC for the next five years and will continue to hold at least 51% after that period.

### **Commotion in House**

The Finance Bill was passed amid commotion in the Rajya Sabha as Trinamool Congress members sparred with the Finance Minister over various issues, including com-



Nirmala Sitharaman

pensation under the GST to West Bengal.

Jairam Ramesh of Congress said many Acts were being amended through the Finance Bill. He said India needed many LICs and when it was going to be a listed company, "foreign firms will own part of LIC."

Neeraj Dangi of the Con-

gress said the country's economy was being handed over to capitalists.

Responding to the debate on the Finance Bill that lasted more than five hours, Ms. Sitharaman said the 14th Finance Commission (around 2014-15) recommended devolution to States and the Centre in the ratio of 42:58 compared to the earlier 32:68 ratio which naturally resulted in slashing down of Centrally run schemes.

Reading out a statement in Bengali, the Finance Minister said, "Centre wants to implement Aysuhman Bharat Yojana in West Bengal, but the State government is not allowing. You may have a better scheme. What is the problem if Modi gives additional one crore rupees?" she asked.