

# Govt open to September roll-out of GST

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The Narendra Modi government is open to the idea of delaying the roll-out date for the goods and services tax (GST) to September this year, if the situation so demands. A senior government official told *Business Standard* that while the July 1 deadline was still the target date, it could be reviewed if the consensus was that the Centre, states, GST Network (GSTN) and the private sector were still not ready for it.

"In any case, why should we announce a new date for the GST roll-out at this point in time?" he asked, while rejecting suggestions made by some quarters, including former finance minister P Chidambaram, that the GST should be rolled out from October 1.

The constitutional amendment to the GST, which was notified after its passage in Parliament on September 16 last year, states that the current indirect taxation system can continue for one year from that

date. The government has maintained that the GST will have to be implemented before September 15 this year.

"The Constitution gives us time till September. Our aim is July 1 because that gives us a two-month cushion in case there is some preparation still left to be done. Hence, that option (of delaying till

September) is also open," the official said. The source, who is deeply involved in the implementation of the GST, added that a decision on whether the roll-out would be delayed to September would be taken slightly before July 1.

Chidambaram has repeatedly raised concerns about the planned deadline, calling it

## STICKING POINTS

- Centre, GSTN, private sector preparing for July 1 roll-out
- However, closer to roll-out date, Centre could assess preparedness
- If need be, call could be taken to delay implementation to September
- Top sources rule out October roll-out suggested by former finance minister P Chidambaram
- States have been told to clear state GST Bills by end-May



'impractical' and 'undesirable'. The former finance minister has said that once the fitments are made public after the all-powerful GST Council ratifies the rates in mid-May, there could be opposition from traders and manufacturers regarding certain goods and the rate slabs they are fit into. He said he expected the rates to be brought back to Parliament for revision.

In addition to this, more time is needed for assesseees to prepare themselves for the new tax regime, Chidambaram has said in an interview with a newspaper, adding that the GSTN should go through a dry run for a couple of months before the GST is rolled out.

The official quoted above dismissed those concerns and said that the government, GSTN and businesses big and small were getting prepared for the July 1 roll-out. "For an October roll-out, the Constitution would have to be amended again. That is not an option we are considering," the official said.

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Analysts say while a postponement is possible, July 1 is the ideal date for the roll-out. "That is an option which they may explore. If they announce a delay (to September), a lot of states would become complacent. It is certainly to pressure the states," said Abhishek Rastogi, partner, Khaitan and Co.

"The best date is July 1. Industry will have more time to see how the financial year goes and what changes have to be

made in the existing provisions which would come on July 1. The government will have some six months or so to analyse the transitional provisions and the inflationary pressure before the 2018-19 Union Budget," he said.

In the recently concluded Budget Session of Parliament, the Lok Sabha passed the Integrated GST, Central GST and Union Territories GST Bills. The states have been told to ensure that their legislative assemblies must pass their respective state

GST Bills by the end of May.

As reported earlier, Rajasthan and Bihar have called special sessions of their respective Assemblies to pass the State goods and services tax (SGST) Bills on April 24. Assam, too, is likely to have a special session of its Assembly to pass the Bill by the second week of May. Telangana was the first state to pass the SGST Bill.

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