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Won't blink on GST launch, no excuse for biz not being ready: FM Jaitley

GST will be launched at a grand function in Central Hall of Parliament on the midnight of June 30
[Dilasha Seth & Agencies](#) | New Delhi June 21, 2017 Last Updated at 09:32 IST



Finance Minister Arun Jaitley

The government will not blink on rolling out the goods and services tax (GST) from July 1, Finance Minister [Arun Jaitley](#) said on Tuesday, emphasising that businesses cannot give any excuse for not being ready as enough time was given to them for preparation.

Ruling out deferring the roll-out because of a small number of people who say businesses are not ready, he said when reforms are implemented “the first principle is you should never blink. If you blink, then you get derailed.” “We have for the last six months saying that the date is July 1. Nobody had any [business](#) to be not ready,” he said.

Besides, additional time has been given in the initial period for filing of the results, thus, giving enough time to prepare for the transition, he said.

However, implementation of the GST, which will unify more than a dozen separate levies to create a single market, may result in “some disruption” and “technological glitches” initially as traders and the smallest of businesses will have to file returns online, he added.

GST, which was originally planned to be implemented from April 1 but was deferred by three months, will be launched at a grand function in the historic Central Hall of Parliament on the midnight of June 30.

“[GST](#) will be implemented from July 1. The President of India will officially launch the new indirect tax regime on June 30 midnight,” said Jaitley.

Besides the President of India and Prime Minister Narendra Modi, Vice President [Hamid Ansari](#) and two former prime ministers Manmohan Singh and [H D Deve Gowda](#) and Lok Sabha Speaker [Sumitra Mahajan](#) will be on the dais during the hour-long event.

The biggest tax reform since Independence, which will gradually reshape India’s [business](#) landscape by making the world’s fastest-growing major [economy](#) an easier place to do [business](#) in, would bring down barriers between 30 states and unifying the \$2 trillion [economy](#) and 1.3 billion people into a single market.

Jaitley said [GST](#) over the medium- to long-term will lead to higher revenues to Centre and states, while also increasing the size of the [economy](#) and having a positive impact on gross domestic product.

“We should be prepared when the switchover takes place. In the short-term, there will be some challenges,” he said. “The reform step is for betterment. All reforms initially are seen as disruptive, and in the long run are seen as result-yielding reform.”

Jaitley said the process of registration of existing central excise, service tax and state value-added tax payers in the new system was “going on well”.

“It is not a very complicated process,” he said, adding [GST](#) will check tax evasion and in the long run lead to rise in number of the assesseees.

As many as 6.5 million assesses have already registered and more are expected to sign up. “65 lakh (6.5 million) who have registered did not face problems; the five who have (faced problems) are on Twitter,” he quipped.

On the tech backbone [GST](#) Network’s (GSTN) security clearance that is yet to come by from the home ministry, Jaitley said that it was only a procedural matter.

“It (GSTN) is already functioning. Security clearance to GSTN is a procedural matter they go on,” he said.

Jaitley said the government has already relaxed the dates for filing of initial returns and traders and businesses now have time till September 5, instead of previous August 10, for filing the returns and being ready.

“There is still two-and-a-half months to be ready, but if he (business) is still not ready, I am afraid, but he doesn’t want to be ready,” he said.

Reminiscent of India’s tryst with destiny at the midnight of August 14-15, 1947, Parliament’s historic Central Hall will host an hour-long function on the intervening night of June 30-July 1 to mark the roll-out of GST, Jaitley said the [GST](#) Council has arrived at tax rates on most of the commodities on the basis on “equivalence” so that incidence of tax remains at the current level.

“The tax rates that has been fixed, that will apparently lower our tax revenues. But we are hoping that even after reducing rates the revenues won’t come down because evasion would be checked in an efficient system,” he said.

Asked about GST’s impact on inflation, he said when tax rates come down it also has an impact on inflation, but it would also depend on monsoon and oil prices.

“In some cases, because there are public interests involved, we have, in fact, brought down the tax rates. On first principle, Centre and states have suffered a revenue loss but we are hoping to make up for that loss because of more efficient system,” he said.

The anti-profiteering clause is transient and should act as a deterrent. “I hope we are not compelled to use it,” he said.

He said almost all states have cleared the State [GST](#) (SGST) Act, with the exception of Jammu & Kashmir and Kerala.

“I strongly believe that any state keeps out, both its traders and consumers will suffer loss. Because they will not get the benefit of input tax, they will have to pay tax twice and the consumers will get materials which is costlier than rest of the country. Also compensation package won’t be given to states who do not implement GST,” Jaitley said.