

# Govt firm on April 1 deadline for GST

Jaitley's team sees little impact on inflation even if the rate is kept at 20%, says technology will be ready in 3-4 months

DILASHA SETH, ARUP ROYCHOUDHURY & INDIVJAL DHASMANA  
New Delhi, 4 August

The finance ministry on Thursday went all out to convince everybody that all efforts were being made to roll out the goods and services tax from April 1, 2017, and allayed fears that it would have an impact on inflation even if the rate was kept at 20 per cent. A detailed roadmap to meet the deadline was ready, Finance Minister Arun Jaitley, along with his junior ministers and top bureaucrats, told media a day after the Rajya Sabha passed the historic Constitution amendment Bill.

Analysts, however, are sceptical about the April 1 rollout and said the biggest challenge was the Congress demand to cap the rate at 18 per cent in the subsequent GST Bills. Responding to a query at press conference, Jaitley said, "What you need is an optimum rate." He emphasised that GST will not only improve ease of doing business but also lead to a fall in prices in the long run. The

minister said a notice to transmit the changes in the Constitution amendment Bill cleared by the Rajya Sabha had already been given to the Lok Sabha. The Lower House of Parliament is likely to debate the Bill on Monday. After presidential reference, the Bill would have to be ratified by at least half of states in the country.

Jaitley hinted that many state assemblies would consider this issue in the ongoing monsoon session. Others, where monsoon session has ended, could call a special session.

Talking about the roadmap for the GST rollout, Jaitley said, "We are going to try to make it as reasonably quick as possible... It is better to set a target than having none."

Revenue Secretary

Hasmukh Adhia said the government was targeting April 1, 2017 for implementation. "Within the next 30 days, we expect 50 per cent of the states — about 16 — to approve the Constitution amendment Bill." Once the state assemblies clear the Bill and the President gives his assent, the Cabinet will set up the GST Council.

## SENSEX MOVEMENT



Source: Bloomberg