

Goods and Services Tax (‘GST’) flashback and update – Two banks of the same ocean.

1. While presenting budget for year 2009 – 2010 on 6 July, 2009 Mr. Pranab Mukherjee, Finance Minister stated in his budget speech that GST would be introduced with effect from 1 April, 2010.
2. On 30 October, 2009 Mr. Pranab Mukherjee hinted at delay of few months in introduction of GST which was earlier claimed to be introduced from April 1, 2010. He also stated that delay is due to several differences among Centre Government and State Governments relating to the new tax regime.
3. Draft discussion paper on GST is still not made public; however Mr Pranab. Mukherjee plans to meet the Empowered Committee of State Finance Ministers on 10 November, 2009 to discuss the preparedness for GST introduction. It is expected that this draft discussion paper may see the light of day on 10 November, 2009.

[Comment: To mind and knowledge there is considerable delay in publishing of Draft discussion paper. Corporate’s are curious to know the provisions of GST legislation as result of which several opinions are pending on the tables of consultancy firms. Industrialists have halted their decisions of initializing new factories as they are waiting for the new scheme to unfold. I hope this scheme would unfold on 10 November, 2009 and it in its true form would consolidate various indirect tax acts currently operating in India. Hope to see a bridge between the two banks.]