

India to allow late filing in first two months of GST: Jaitley

India will launch a new national Goods and Services Tax (GST) as planned on July 1, Finance Minister Arun Jaitley said on Sunday, but will let companies file late returns for the first two months so that they can adapt to a new online filing system.

The GST, the biggest tax reform in India's 70-year history, will require firms to file three online returns each month. Some business lobby groups have urged a delay to the rollout to allow more time to get ready. Jaitley, speaking after a meeting of a GST coordination panel, said there would be "a slight relaxation of time" covering July and August before the strict GST filing timetable would apply from September.

Companies would be able to file simplified, aggregate returns in July and August, with a deadline of the 20th of the following month, said Hasmukh Adhia, a finance ministry official steering the launch of the tax. Once fully up and running, the GST would require companies to file a complete return of their sales invoices by the 10th of the following month, with a second of their purchase invoices by the 15th. A third return would calculate their tax bill.

"Relaxation for filing transaction-wise returns in July, August ... will provide relief to the industry," said Harishanker Subramaniam, head of indirect tax at EY India. The GST marks a technological leap forward for India - it will be driven by an IT back end that can process up to 5 billion invoices a month.

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