

Majority of firms are still not GST-ready, reveals survey

With less than 50 days to the rollout of goods and services tax (GST), businesses are on edge about their preparedness. The bigger ones have to worry about the GST-compliance of all their suppliers and distributors, as even one laggard in the chain can trip them up.

The cost of adoption is a hurdle for small businesses. "Everyone will need a computer, a spreadsheet and connectivity for basic accounting and filing. A lot of small businesses don't have that and need to invest at least Rs 50,000, which they have not budgeted for," said Easemy GST founder Ashish Mittal, who is helping Kriplani with ERP.

Most small and medium businesses are at sea. "There is absence of understanding, and therefore readiness," said Bharat Goenka, managing director of Tally Solutions that is making the accounts of thousands of companies GST-ready.

Automation under GST will check tax fraud. Consultants say it will replace paper invoices with electronic invoices that can be tallied by the tax department. "The entire supply chain is being automated and it will result in massive changes in demand forecasting, inventory management, warehousing and several other aspects of business," said Neeraj Athalye, who leads the GST adoption drive at SAP, the global software firm that provides ERP and technical support.

Compliance work could speed up after product-specific tax rates are out, but consultants warn that will mean postponing things too close to the July 1 deadline.

Bringing every single vendor and distributor on board is crucial for everyone in the chain to get credit for taxes that have been paid. "My vendor base controls my ability to be GST-compliant," said SAP's Athalye.

While a large section of industry says the July 1 deadline may not be easy to meet, officials said the government is working to meet the target. "Even if it is postponed, everyone will not be ready," said a senior officer at the Centre.

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<http://timesofindia.indiatimes.com/business/india-business/majority-of-firms-are-still-not-gst-ready-reveals-survey/articleshow/58690854.cms>