

# Small units face GST tech challenge

**A STAFF REPORTER**

**Calcutta, March 15:** Enterprise solution providers expect the goods and service tax (GST) to help small and medium units in technology adoption but are wary of the challenges related to obtaining input tax credit.

According to SAP, a NYSE listed enterprise application service provider, technology adoption by the SME sector is generally low in the country, but GST will change the situation.

"Around 51 million SMEs will be taking the digital route with the implementation of GST and it will impact the way businesses are operating. The tax regime will open up technology adoption opportunities, especially from private sector entities," said Krishnan Chatterjee, head of marketing, SAP Indian Subcontinent.

Out of the company's 8000-odd client base, 80 per cent comprise SME units, where the potential for growth is more than of the large corporate, said Chatterjee. SAP has

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● More than 50 million SMEs are expected to come under GST



● SMEs have been slow to embrace tech. Adoption to rise after GST

● Small units want to delink payment of GST with availability of input tax credit

come out with an enterprise solution "GST in a box", which would help the SME sector to be ready for compliance with the new indirect taxation regime.

Software company Tally Solutions also expects small and medium enterprises to spend more on technology adoption but suggested the need to delink availability of input tax credit from the payment of tax by the supplier. Under the proposed GST law, input credit against taxes paid by the purchaser can be availed only if the seller

deposits the tax with the treasury.

"There is no doubt that GST will open out the Indian market. But, there is a need to delink payment with availability of input tax credit and GST is capable of doing that because it brings a lot of transparency being technology led thus giving tremendous security and protection against tax evasion," said Bharat Goenka, managing director Tally Solutions.

Traders have urged union finance minister Arun Jaitley who chairs GST Council to reconsider the input tax credit provision.

"The trading community and other small businesses will benefit from single tax regime undoubtedly. However, the provisions in the law relating to input tax credit will be detrimental to their survival. On behalf of the traders, we urge the finance minister to remove this roadblock so that GST can be a great law for all," said Praveen Khandelwal, secretary general of the Confederation of All India Traders.