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GST to benefit co-op sector in long run: Sodhi

Posted in [Dairy](#), [Featured](#) on July 04, 2017 by [Ajay Jha](#)



GST India is three days old and if R S Sodhi, MD of the biggest dairy player in the country GCMMF is to be believed, the experience has been good. Sodhi says the implementation of GST has been smooth so far, as Amul implemented it from the zero hour itself.

Calling GST a tax regime which would ultimately prove beneficial for the cooperative sector Sodhi says “ as cooperatives we had to shell out 2% CST which was not applicable to private players; now that is gone and co-ops may start on a level playing field vis a vis companies.”

Being one of the firsts to implement it from the Friday midnight, GCMMF followed GST call in all its 69 plants as well as with more than 5000 of its distributors. “There were some issues in downloading forms in our transportation wing but that was a minor issue”, Sodhi clarified.

GCMMF MD does not see much of a hassle in its implementation in future also in so far as dairy industry is concerned. Sodhi also said not much change is expected in the revenue of the cooperative behemoth in the wake of implementation of Goods and Services Tax.

If the prices of some items have been reduced, on others rates have gone up neutralizing the negative impact. But the rate of liquid milk post GST remains unquantified so far. The rate is

being estimated in the light of GST and it may increase. “Calculations would be final by the month end”, said Sodhi hinting at the likely price-hike.

While Amul has reduced the prices of milk products by 6 to 7 per cent it has effected a similar increase in other categories as well. While prices of milk products such as paneer and baby food, dairy whitener, cream etc have been lowered, prices of ghee and other products falling into higher GST tax slab have been increased, underlined Sodhi.

Dairy products are being processed in Amul’s plant at new rates, MD clarified.