

Opportunities in Pre GST – Impact Study

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Present Vs GST

Present

- Many Laws
- Complicated
- Invasive + discretionary
- Intermediary Necessary = Knowledge less needed
- Manage focus
- STP, Retd Dept – 3 times
- Geographical Limitation

Future

- One Law
- Same- may get simpler
- IT based –
- Knowledge more Mediation Less needed
- Compliance Focus
- Well read professionals will be depended more
- Unbounded

Unsatisfied,
Eagerness low,
Pride of
contribution not
there ...?

- Some Professional Not happy with profession
- Have become cynical & frustrated
- Client come at last moment
- Not willing to pay for time
- Oral discussion leads to blame game
- Low fees – does not justify good work

View of Revenue Officers of CAs?

They are much better professionals than others but.....

- Most CAs do not understand indirect taxation
- Manipulate books & assist in evasion
- Certifies without verification – Tax audit, bank audit, certificate
- Prefers communication with lower level officers
- Poor oral, written or drafting skills
- Comes inadequately prepared
- In disputes at times does not work on foundation
- Clearly biased replies and opinions
- Lack professionalism – more interested in fees or other..
-

Can we bring back
credibility, trust,
professionalism and
integrity back?

*If not- then who will
bell the cat?*

Unquestioned leader in
finance & accounts

Governed by a strict
Code of Conduct

Cost effective / value
additive – low cost of
education.

Practical industry /
trade experience/
exposure

Desirable Qualities

- In depth Understanding of concepts
- Clarity on alternative procedures
- Able to automate processes using IT
- Put checks for confidentiality, accuracy, audit trail; reconcile quantity, values, taxes, credits
- Knowledge capture, update and sharing
- Independent Opinion
- Collaboration?
- Geographical Flexibility...

Practice

- an option to **enjoy** for those who values independence or has an entrepreneurial bent of mind.

Value addition

- CA practice is about service and value to the client, which is **empowering and fail proof**

Actions

- Delivers with series of **action** to enhance oneself
- Continuous enquiry as to alternatives (**out of the box thinking**).

IFAC Perspective

Creator of Value

- Strategic Advisory Services, Policy making

Enabler of Value

- Supporting Management in decision making, analyzing and evaluating performance

Preserver of Value

- Mitigating risk, implementing internal controls and MIS

Reporter of Value

- Ensuring relevant and useful internal and external reporting

Business Needs
in GST -
Presently

- Continuation of business
- Safeguard their margins
- Safeguard / enhance their business by being GST ready
- Not lose/ plan for advantages available
- C/f of credit
- Comply with the complex electronic returns
- Limit exposure under the earlier laws

Role of CA
Pre-GST Period
Post-GST Period



Pre-GST Period

Role as pre GST Act

2. Overview

3. Operational Consultancy

4. Network support & Infra.

5. Accounting & Taxation

6. Transitional Support Sr.

7. Centre/State Support Sr.

8. Global Opportunities

Role as per GST Act,
2017

Overview- Training

Operational
Consultancy- Impact
Study

Network support &
Infra.

Accounting &
Taxation

Compliance
requirement

Transitional Support
Sr.

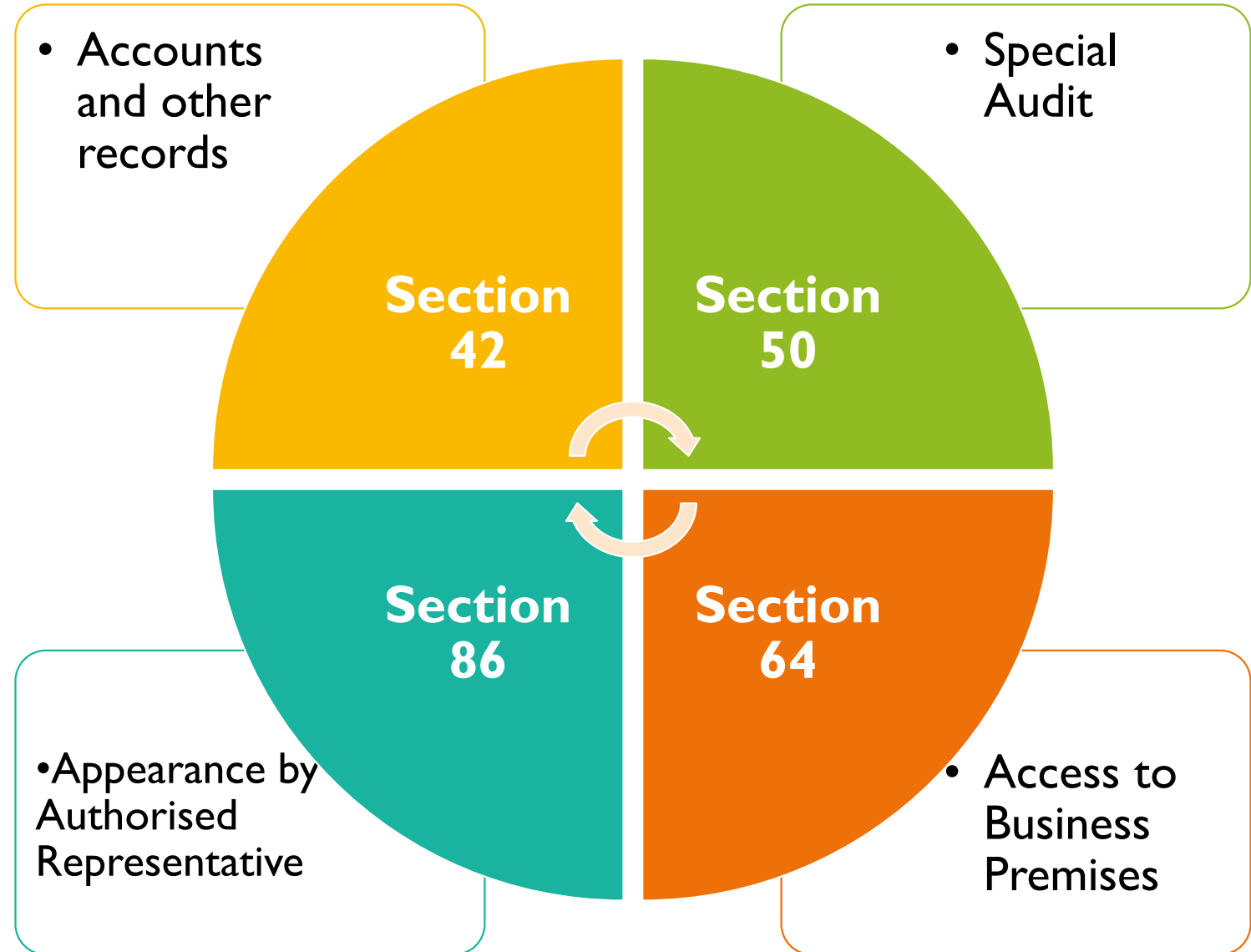
Centre/State
Support Sr.

Audit & Assurance

Pre-GST Period

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Pre-GST Period

1. Role as pre M-GST Act
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Being in a position to **analyse the industry impact** considering the global and Indian situation of the product / service;

In case of unintended hardship to some sectors- **representation to the drafter** would be in order as the level of listening presently is very high;

The **clarity on the major impact on the client under GST** due to in-depth understanding of the business; This presently service offering would provide the client with important information to plan the way forward under GST. This could be done as it is to be validated after GST law is in place;

Being part of the core team of client for transiting into GST smoothly without business disruption as a knowledge advisor;

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Understanding legacy tax

- Systems at client workplaces so as to provide appropriate advise on migrating to better systems/ ERP or suggest modification to make the existing systems GST compliant;

Assisting in preparation of a strategic plan for procurement and marketing systems of clients needed under GST.

- For example supporting in decisions on: Closure/ reduction in godowns and branches; direct sale through e- commerce; evaluation of the working with C&F agents; in house/ outsourcing the distribution function to logistic companies; sourcing inputs at lowest cost within shorter time; linking to the ERP of the customer etc.;

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Changes in accounting software and internal control systems to suit GST. Test and confirm the robustness;

GST awareness at initial stages and training for management, staff, vendors of clients.

Vetting and suggestion to modify agreements/ contracts/ major purchase orders overlapping or supplies to be made in GST regime; Ensuring that the credits in the past are examined for their eligibility and those missed are availed. The reconciliation of the credit as per books to the returns before GST is implemented can be a value added activity. This would include validating the last return;

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Ensuring that the **claim of credit on stock in hand** is maximized by ensuring purchasing with excise duty paying documents as well as proper stock recording especially with job workers and agents and ensuring well thought of stocking policy;

Reviewing the various business transactions to examine whether closing out the transaction in the **pre GST or post GST period is advantageous**;

The need to **train the officers in the Companies, other professionals**, traders and tax officers is real as the law is still developing. This could be a learn while you learn philosophy;

The students of CA- the future CAs would also require to be taught the new law to enable them also to contribute in future;

Many CAs have specialisation in information technology and some even hand on **consulting skills in ERP environment**. These skills could ensure that the client would get his IT in order;

Pre-GST Period

3. Operational Consultancy

Pricing

- Revisit the pricing strategies with the distributors
- Renegotiate (if any) the pricing with suppliers

Review of contracts

- Alignment of all major contract terms and tax clauses with GST
- Discounts terms to be specifically brought out in the contracts executed with distributors

Representations

- Making representation for lower rate of GST, taxability of promo products issued free

Compliance and documentation

- Maintaining detailed registers of supply and procurements, input credits
- Timely filing of monthly and annual returns

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GST developments

- Tracking GST developments and creating awareness on GST

Impact on supply chain

- Mapping impact of GST on current supply chain and suggesting modifications from GST perspective

Impact on business and finance

- Identifying impact on financials, working capital, credit chain, concessions, and suggesting tax planning options

Post implementation compliances

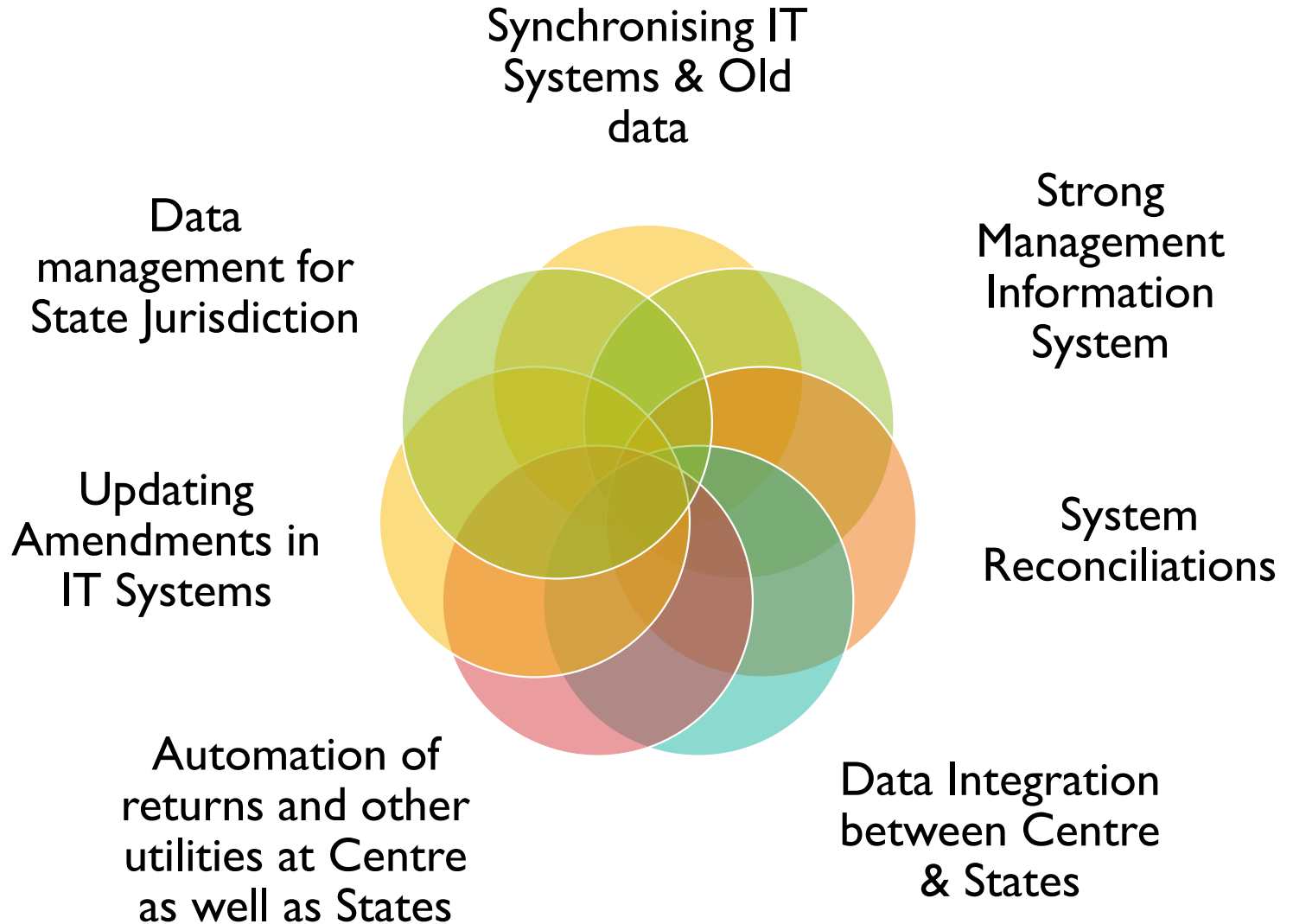
- GST awareness trainings, review of compliances, creation of manuals and access to GST updates/resolution to queries

ERP Updation

- Changes to ERP modules, MIS reports, statutory compliance support, and ongoing trouble shooting support

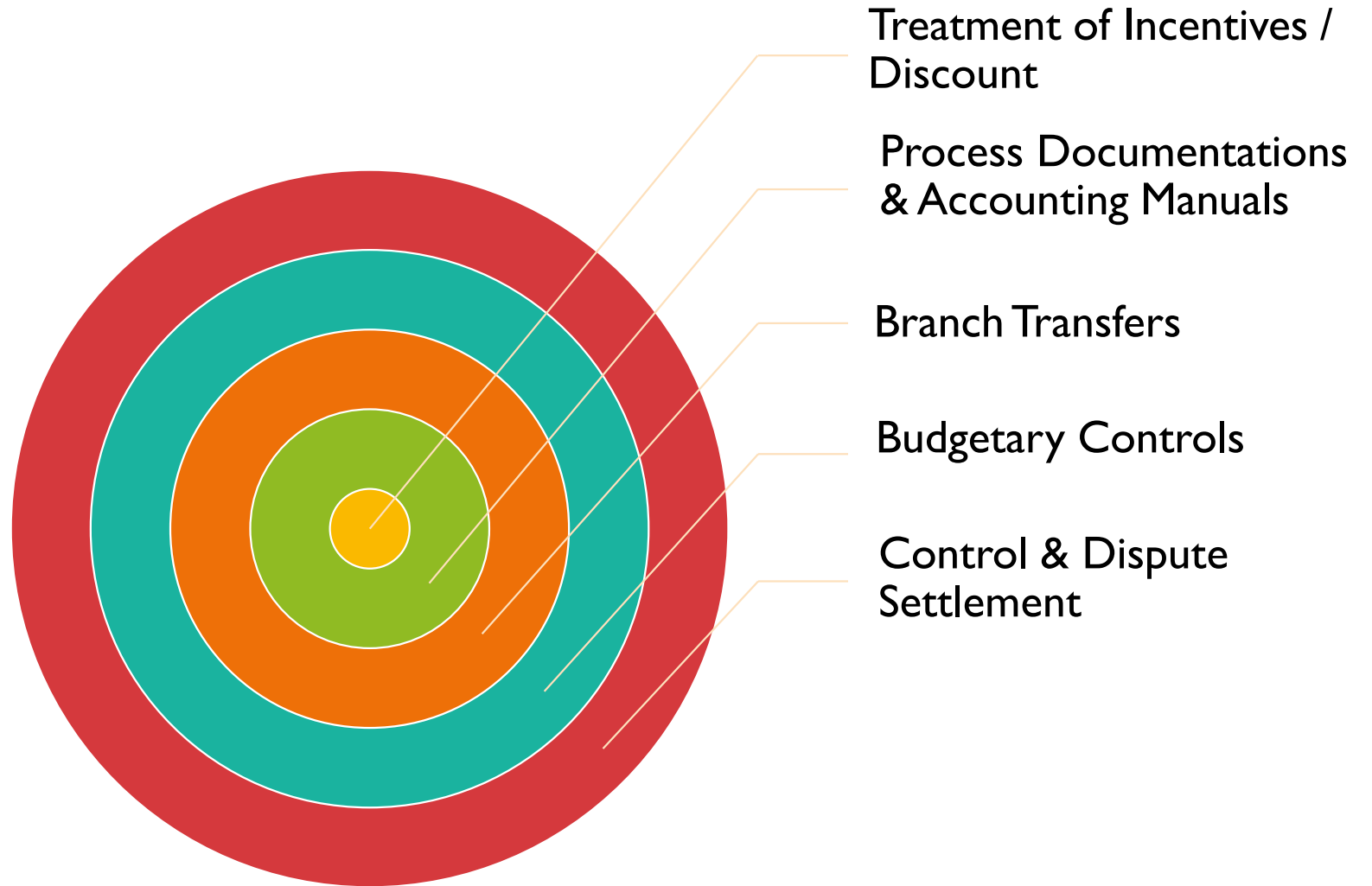
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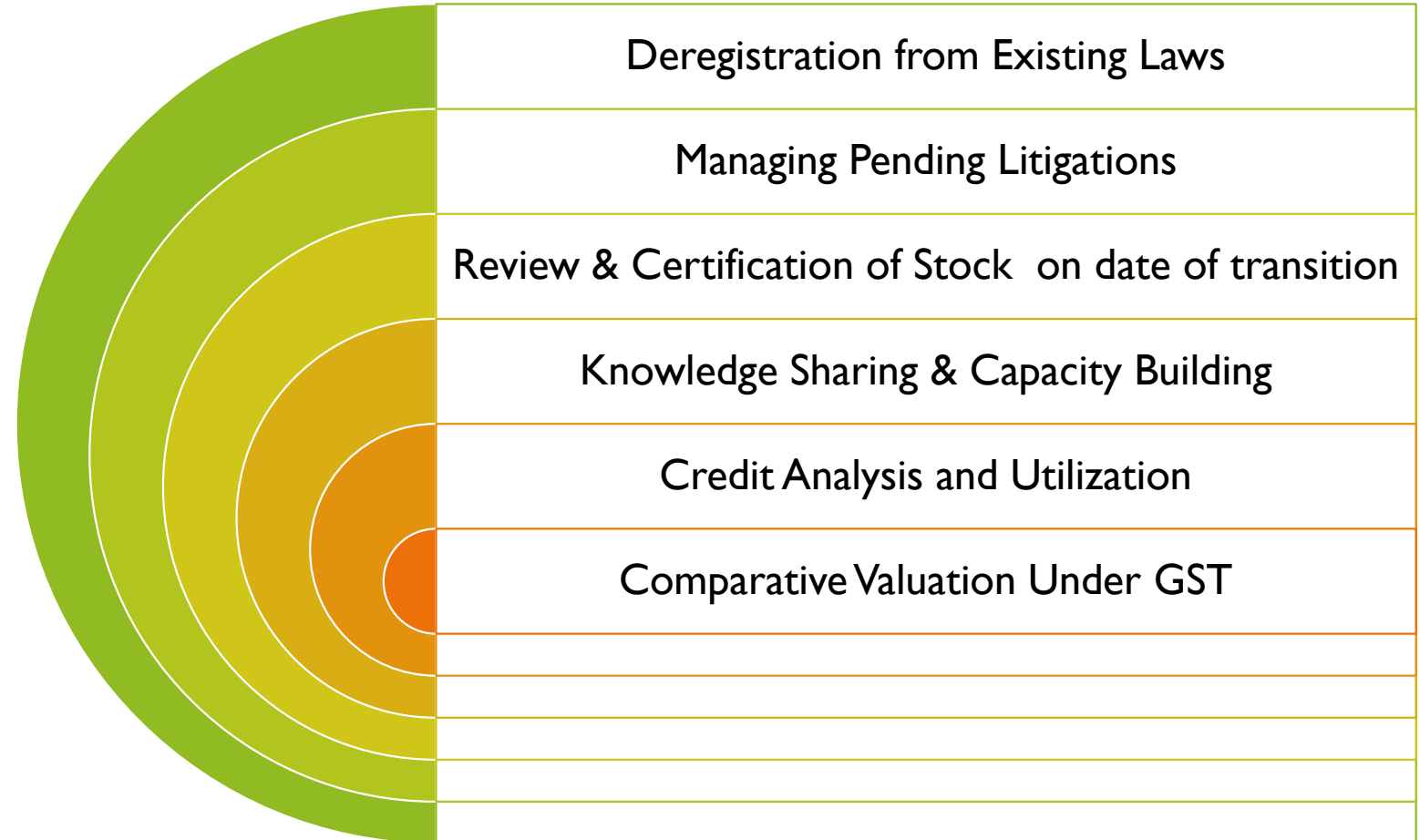
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Representation - unintended hardship to sectors

Conscripting Legislation & Rules/ Procedures

Monitoring Transactions & Revenues

Cross –verification with Other Acts

Training & Education

Fixing Rate Based on RNR and Review

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Tax Advisory
Services

International
Research Issues

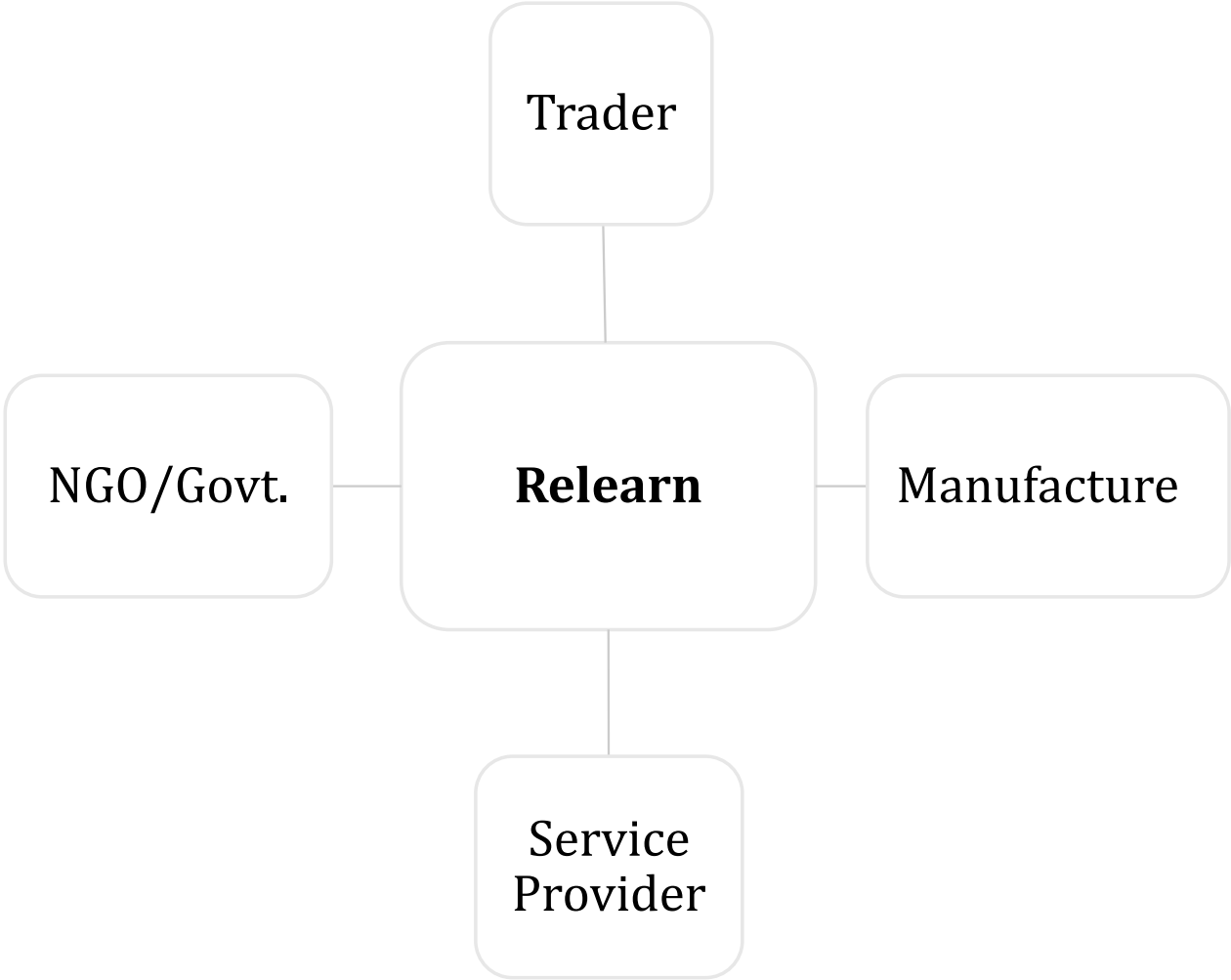
Knowledge
Process
Outsourcing

Information &
Knowledge Sharing

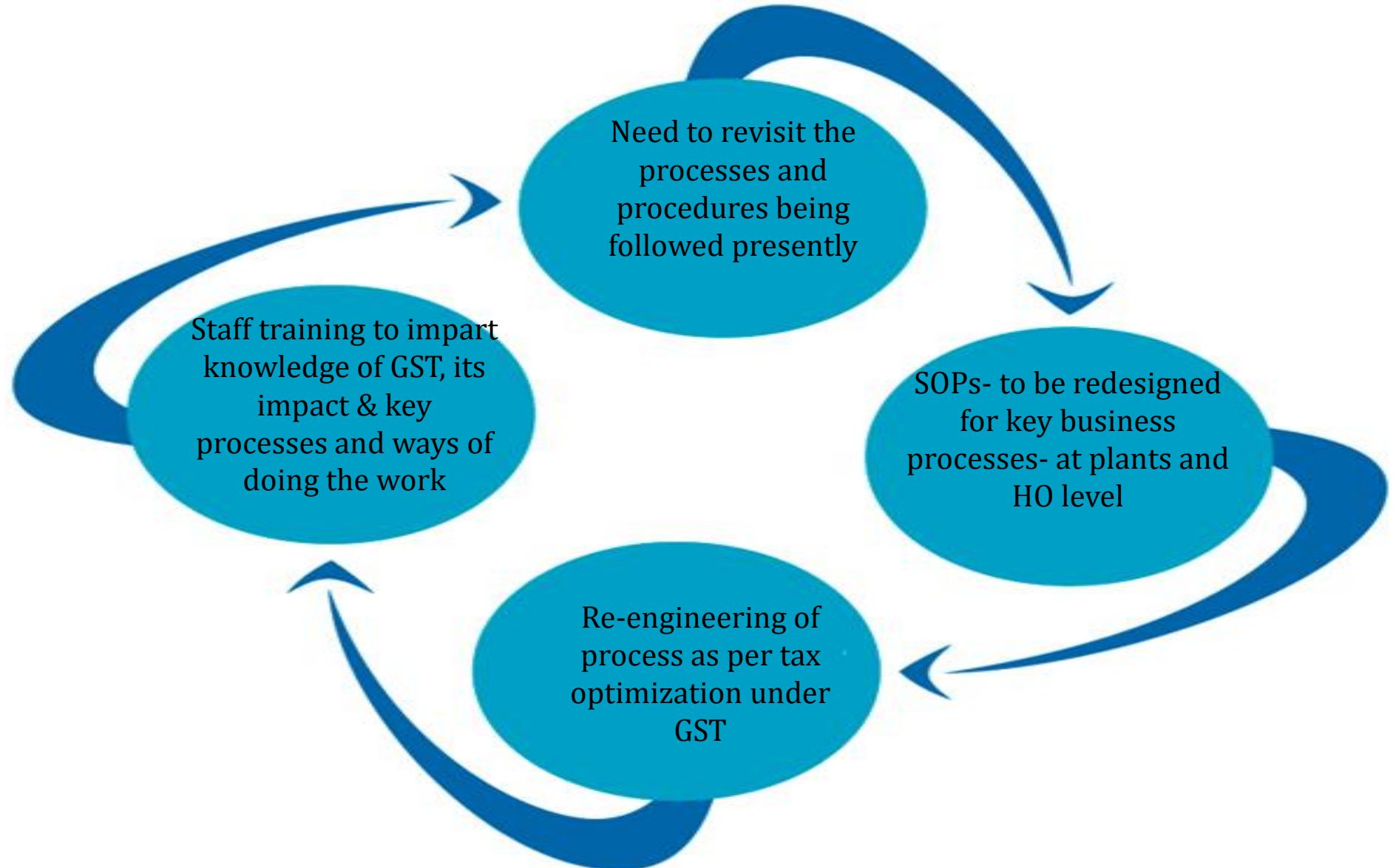
Capacity Building
Services

Technology
Support Services

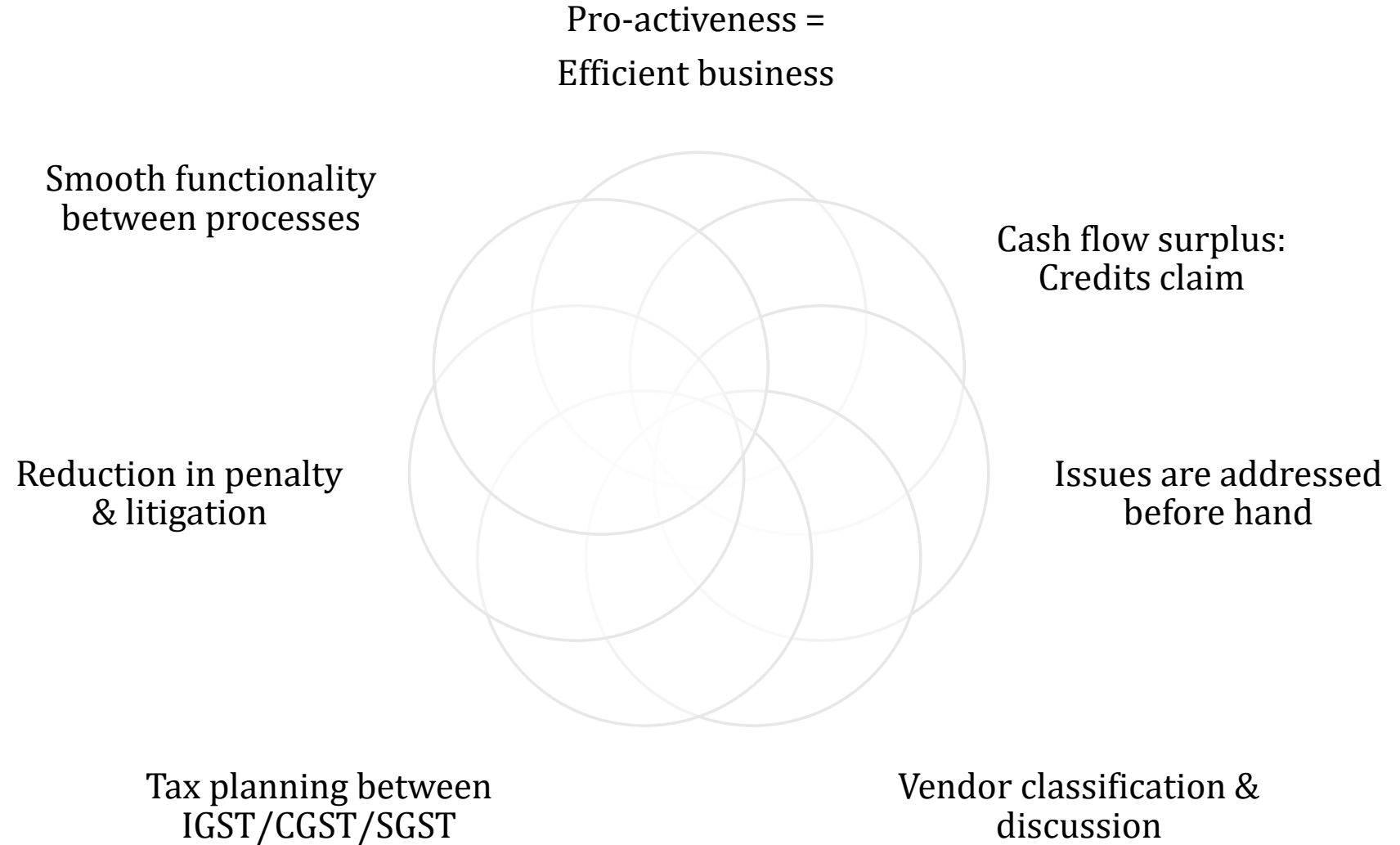
Impact areas



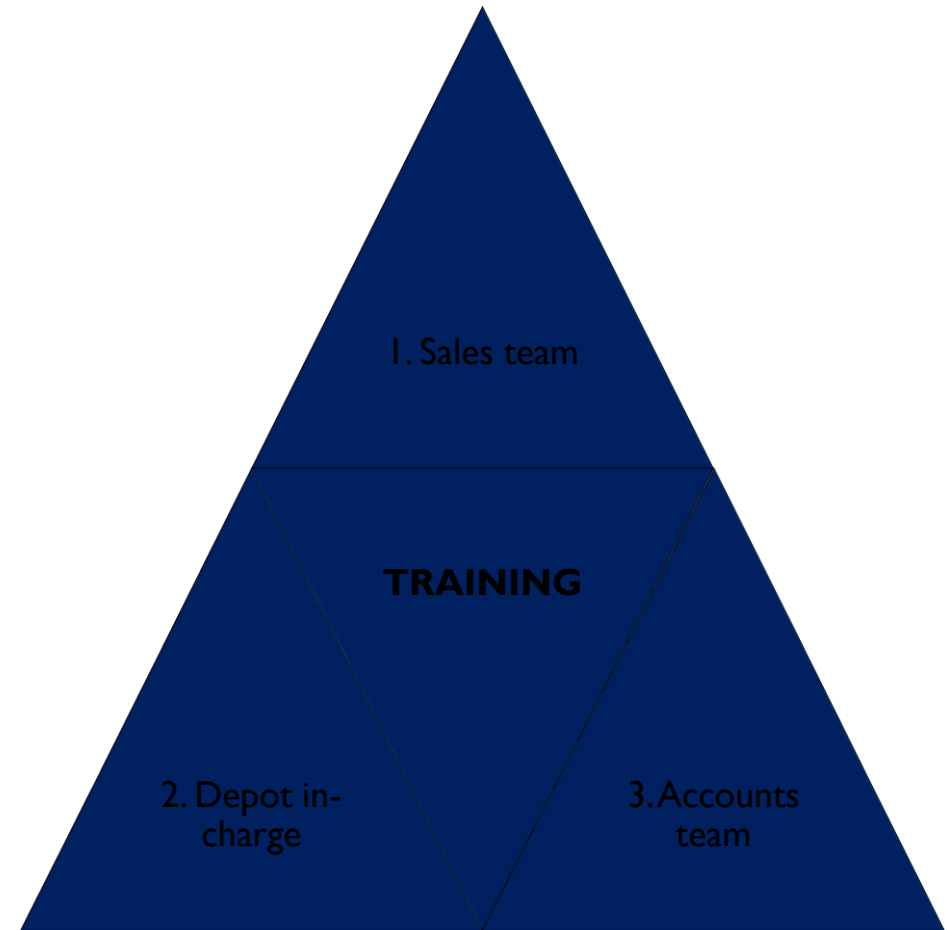
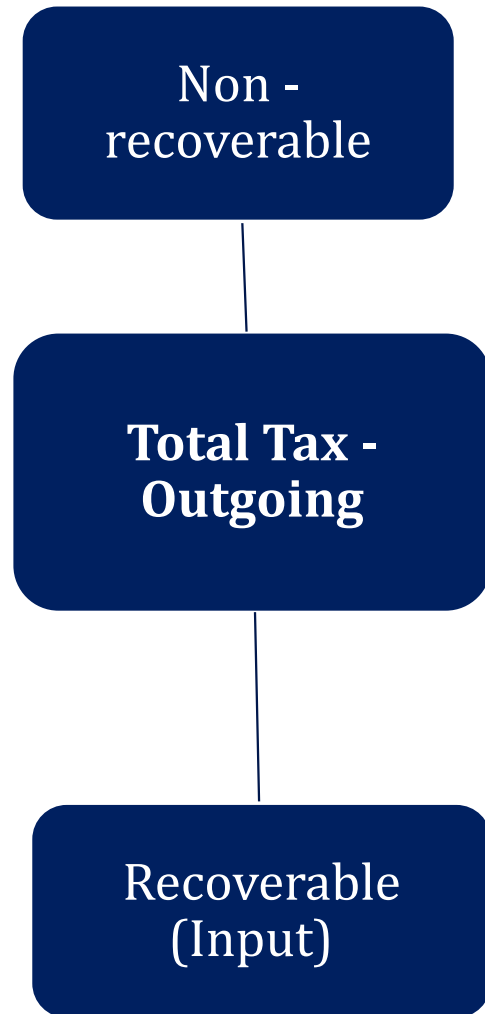
Impact areas re-engineering needed?



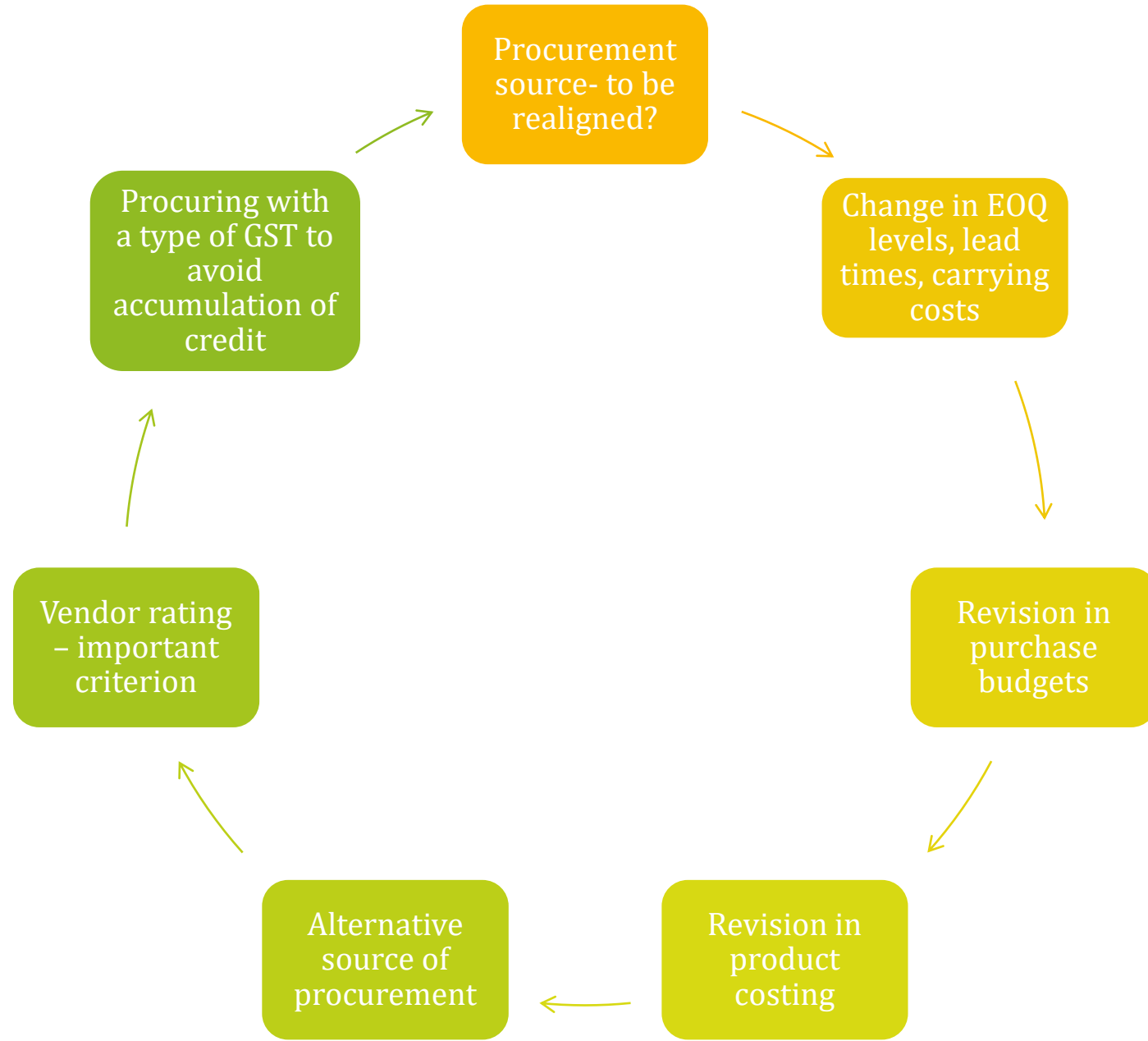
Re-engineering benefits



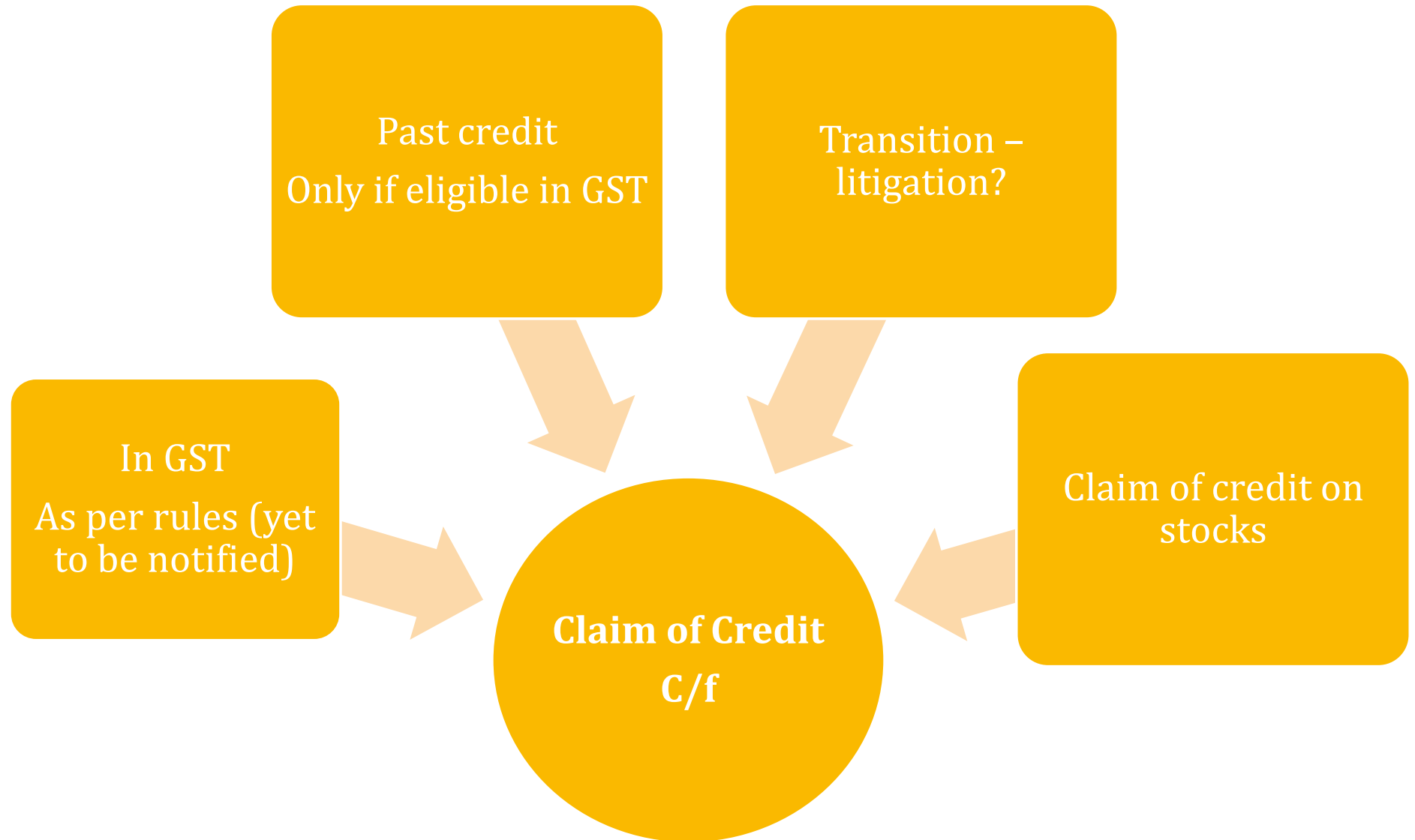
Impact areas- Levy



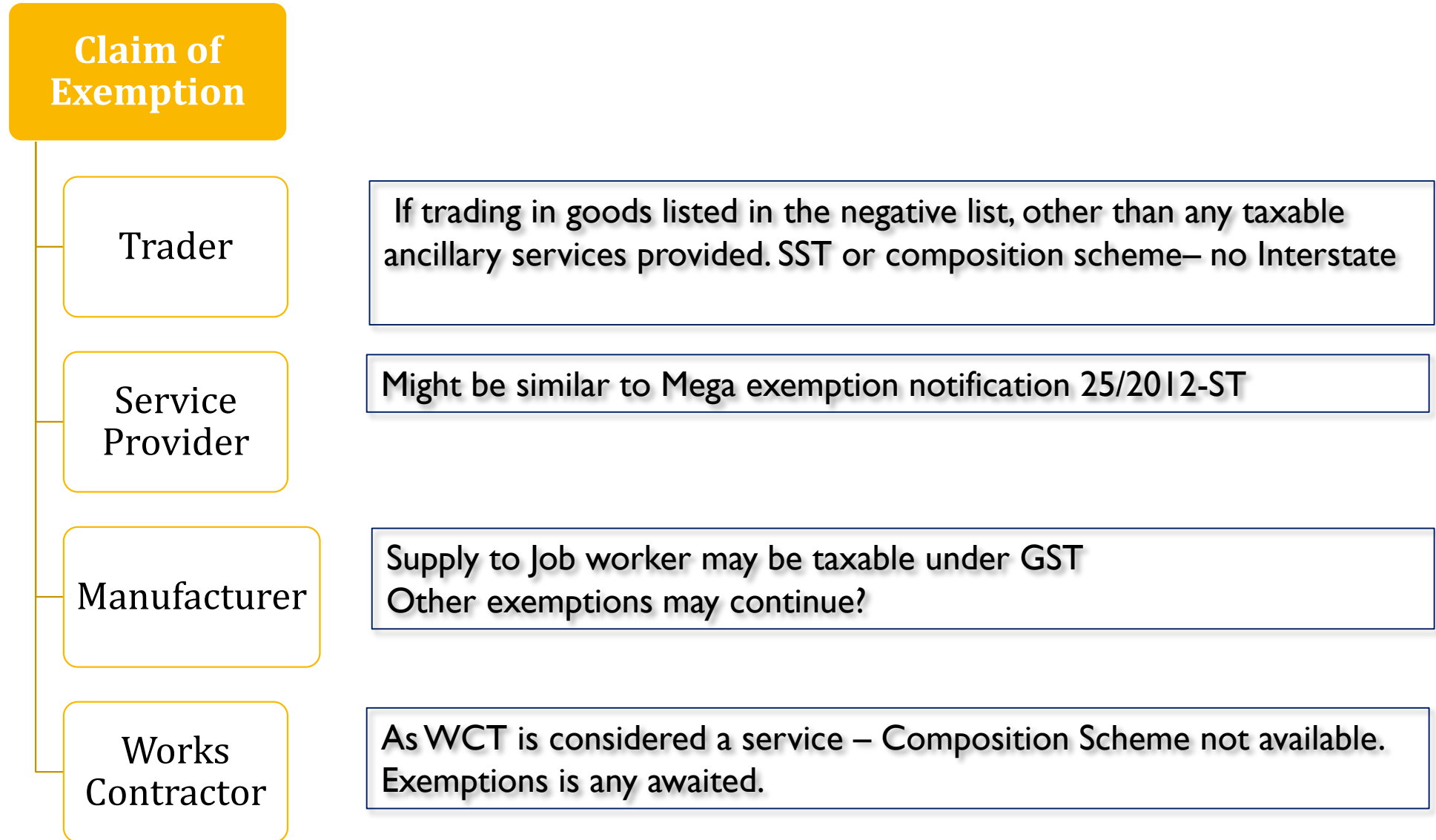
Impact areas - Procurements



Impact areas – Credit c/f



Impact areas – Exemption



Impact areas – Composition



Impact areas - Vendor Management

current vendors history to identify non-compliant vendors

GST Compliance rating to identify non-compliant vendors

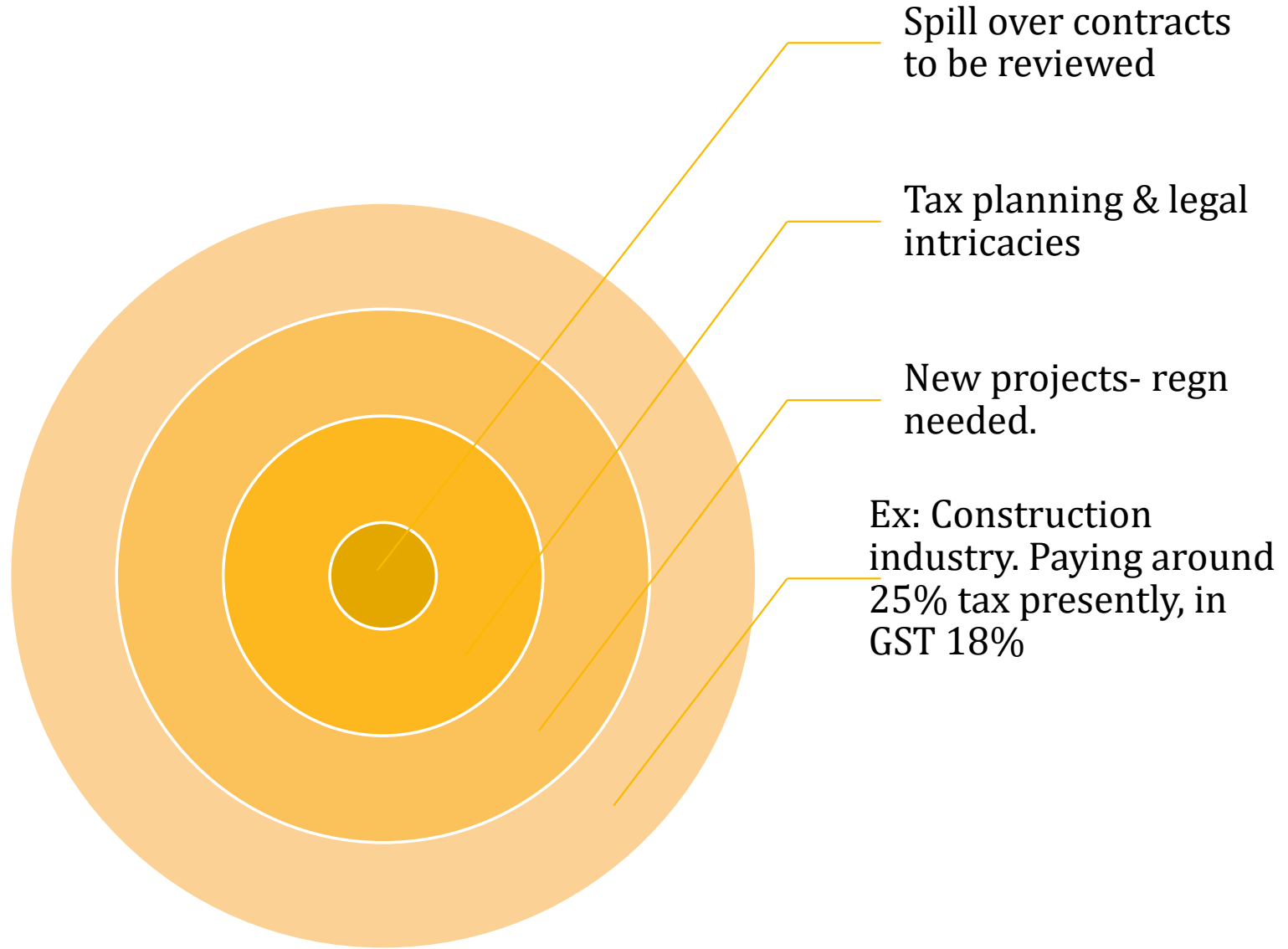
Identify multiple new vendors, get revised quotes

Conducting vendor education programmes for unorganized vendors

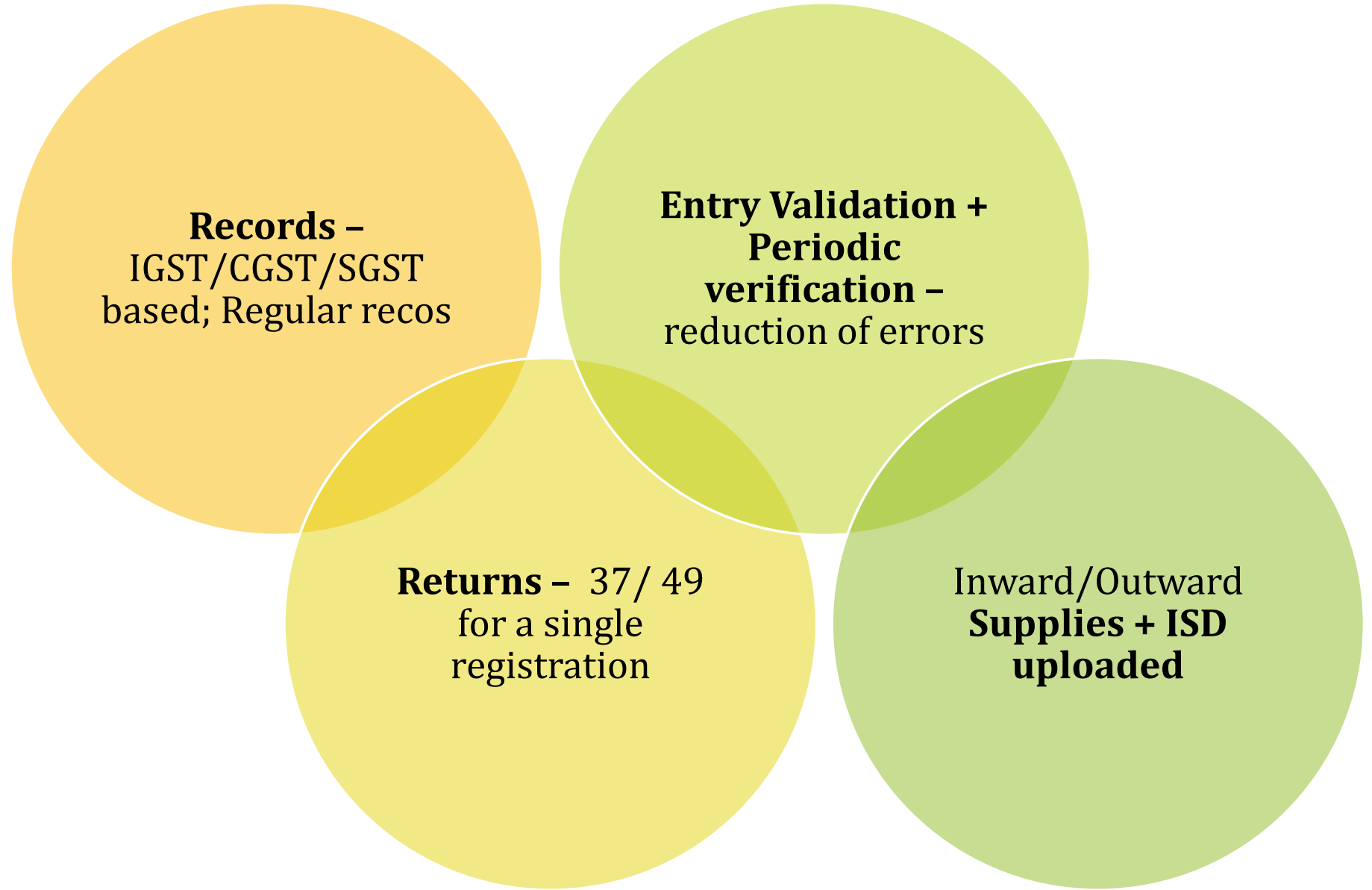
Review price of all related party vendors to avoid disputes in transaction value

Suggest vendors to follow similar exercise - better vendor relationships

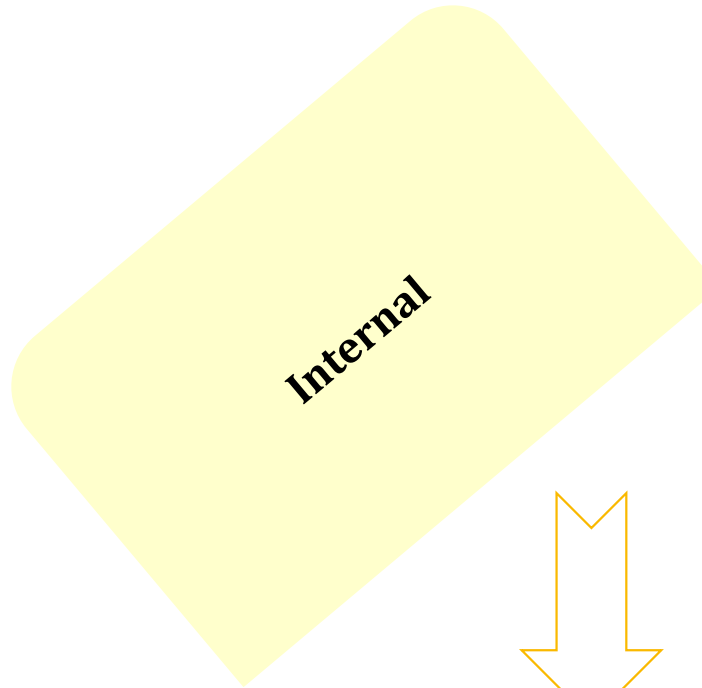
Impact areas – Agreements



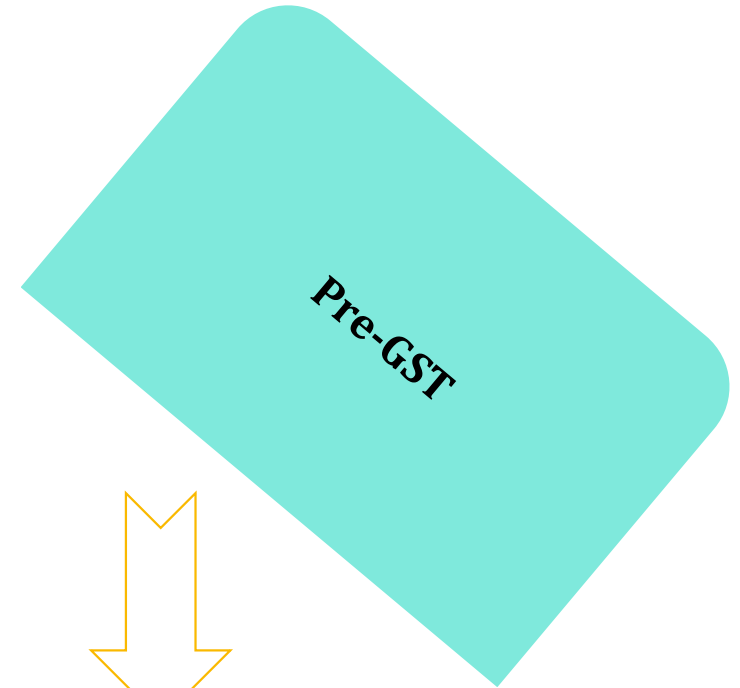
Impact areas – Accounts



Impact areas – Audit

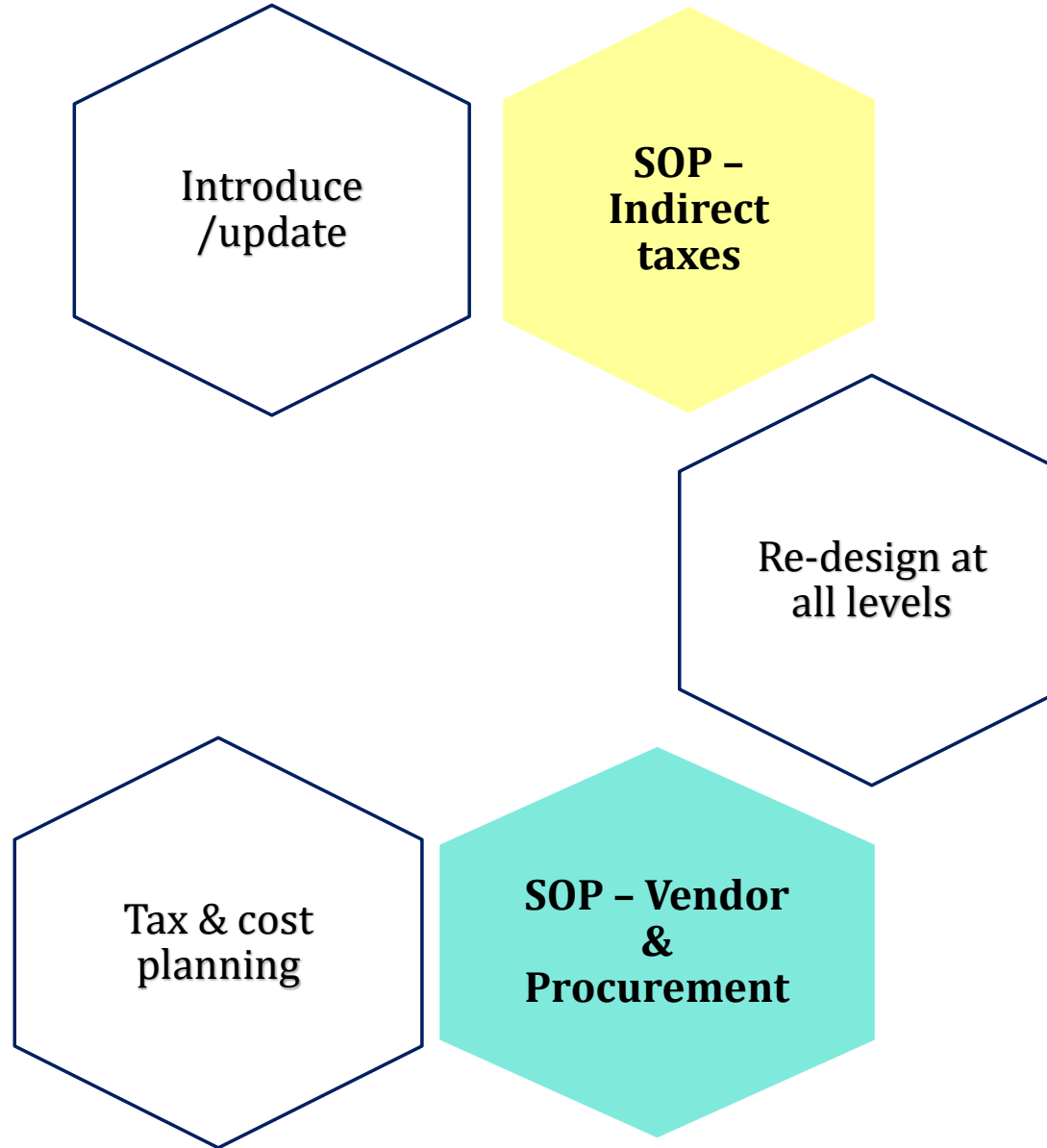


Continuous check – Easy
& accurate compliance



Review present compliance, book
keeping, procurement, contract,
etc.

Impact areas – SOP



Videos – GST Impact
Web cast- Real Estate +
Multilocalational Units +
Review Program

idtc.icaai.org

Thank You



Questions?

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