GST 2017

Off the blocks….

KSCAA | May 2017

Review Past Cases

- Procurement related matters:
  - Outstanding statutory forms – pay
  - RCM cases – claim pre-deposit
- Supply related matters:
  - All refunds up to Jun under old law
  - Conclude SVB assessments
- Operations related matters:
  - Procedural lapse cases – continue
  - Review accounting disclosures

Registration

- Supplier related:
  - Notify vendors to migrate to GST
  - Use-up duty-free purchase forms
- Customer related:
  - New income characterization
  - *Routes-to-market* – rationalize PEs
- Operations related:
  - Goods ('treated' as) or services
  - Register all taxable branches

GST Approach

- Buy-side strategy:
  - Budget increased outflow for procurement as only BCD exempt
  - Consolidate vendors (bundling of untested credits) to optimize
  - Review credit loss (inevitable)
  - AP to include 'tax payment' check on suppliers; new T&Cs in Pos
  - Align HSN-SAC codes
- Sell-side strategy:
  - Sensitize customer of *change(s)*
  - Exports from branch (pick one)
  - All branches to bill at internal TP with GST (rationalize branches)
  - Qualify for refund in 7 days (90%)
  - GST on 'loaner' equipment
  - Review GST on staff-benefits
  - Ensure no 'unbilled revenue' ever

GST Approach

- Overall GST strategy:
  - Inter-branch activity to be billed
  - Eliminate URDs (employee claims)
  - Capital locked-up in tax credits
  - Only refund-route for exporters
- Overall GST strategy:
  - Major overhaul of book-keeping
  - Prepare for State-wise books/audit
  - Debond if capex WDV ~ nil
  - Stakeholder training-workshop

Last Returns

- Supplier related:
  - Pull-back pending POs; pay VAT-ST
  - Push pending POs; pay GST
  - Check anti-profiteering claim
- Customer related:
  - Expect *nil* credit carry over in GST
  - Reduce purchases if unused in Jun
  - Adjust all advances or pay GST
- Sell-side strategy:
  - Sanitize closing credit balance
  - Reverse credit if refund to-be-filed
  - Tax on OIDAR and non-IT activities

First Returns

- Supplier related:
  - Declare transition credit
  - Declare third party stocks on-hand
- Customer related:
  - Report export advance (eBRC)
  - Mismatch to reveal error-types
- Sell-side strategy:
  - Test IT-tools, process and training
  - SOP for mismatch resolution

Thank You