

5 Steps to implement

GST like a Pro!

One India, One Market, One Tax



BLUE CONSULTING PVT. LTD.

5 Steps to implement GST like a Pro!

Introduction of GST from 1st April'2017 seems to be reality now. This new tax reform is going to impact all the businesses, Small or Large, B2C or B2B, Manufacturing or Service, Export or Import. Draft Model law and draft rules are already there. GST Council has decided the GST rates. GSTN has started the provisional registration process from 8th November'2016.

Are you prepared?

To help you in successful GST implementation, I have created this Step-by-Step guide, which will help you to implement GST with a professional approach in your company.





Who am I?



Chandan Goyal
Co-Founder & CEO
Blue Consulting Pvt. Ltd.

My specialty is to help companies to be proactive while complying with any taxation laws in a professional manner, which eliminates the risk and make the organization ready to reap all the benefits offered by any tax laws.

In the last 15 years of my professional career, I have helped more than 50 companies across diverse industries to stay on the top of the Compliance Curve related to any applicable tax laws, specially the Indirect taxes which are part and parcel of any business in India.

Businesses who follow these 5 steps will be able to implement the GST with in the given timeline.

In this FREE report, I am going to take you through the 5 steps. Let's go!

Step 1: Map the Flow of Transactions



The first step to implement GST like a pro is to map the whole supply chain of goods or services to understand the incidence of current indirect taxes. Use the flow chart for clear understanding and involve the business heads across the company while mapping the supply chain process.

This exercise needs to be done to work out the incidence and rate of taxes on input and output goods or services, pre GST and Post GST, both. Usually, Indirect taxes are incurred at each stage of production, trading or provision of service in some form or another. It's important to mark those input taxes separately in the supply chain for which no credit is available while paying the output taxes on goods or services. For example, Input CST credit is not available. These taxes become part of the cost of goods or services. Further, the incidence of indirect taxes as per current regime should be plotted on an Excel Spreadsheet for ease of calculation and impact analysis.

After mapping of incidence of indirect taxes as per current regime on the supply chain operations, you need to simply transpose the GST provisions over the flow of transactions.

Now, make a comparable spreadsheet to understand the impact of GST in relation to existing incidence of tax.

Step 2: Do the Impact Analysis



The real purpose of Step 1 is to assess the possible impact of GST provisions on the various areas of businesses listed below:

1. Reduction or increase in working capital requirement on account of Input Credit and Output tax which will depend on nature of industry (Manufacturing, Trading or Service) and the business model (Business to Business or Business to Consumer).
2. Assess the impact on Supply Chain operations for supply of Goods from the perspective of GST. It may even involve shifting or removing warehouses in certain cases.
3. Review the requirement of changes in the IT system with the introduction of GST.
4. Review the terms and conditions of existing agreements, which will remain effective on the transition date and assess the required changes to avail the full benefit under GST Law.
5. Review the impact of GST on the pricing of goods and services through the simulation model with couple of scenarios.

Depending on the nature of your business, there can be some other impacts of GST, which needs to be evaluated in detail i.e. Area based exemption schemes, Export incentives etc.

Step 3: Review Input Tax Credit

This is one of the most significant aspects of GST transition process. Every taxpayer is concerned whether full benefit of existing input tax credit will be available under the GST regime or not. In the Model GST Law, Transitioning provisions have been compiled under a separate chapter altogether, signifying it's importance under this biggest tax reform exercise.

You must start working on the quantum of input tax credit which will get accumulated under VAT, Excise, Customs (SAD) & Service Tax by 31st March'2017.

To avoid any rejection of existing input tax credit claim as on 31st March'2017, it's imperative that detail of input tax credit being shown in various tax returns is correct and complete paper work is ready for review, whenever required.



Step 4: Prepare Transition Plan



The next logical step is to prepare a detailed transition plan considering the provisions of GST Law for smooth transitioning to GST regime. Milestone based plan would be most desirable considering the time constraint depending on the size and complexity of the business operations of a particular business entity. Government has already started the provisional registration process on GSTN (GST Network) with a State wise schedule.

CXO level people should be involved in the initial discussion so that there is no communication gap at the execution level. GST implementation responsibility should not rest with Finance & Accounts (Taxation) department but all other important business functions need to be involved i.e. Purchase, Supply Chain, IT and Sales.

Status review meeting is desirable on weekly basis so that corrective action can be taken proactively.

Step 5: Train your People



A smooth GST transition would not be possible without proactive training to the employees across various business functions. The employees need to unlearn many concepts under various indirect tax laws and learn the new concepts under this common indirect tax law, GST. There are many new provisions, which are being introduced for the first time in India, as far as tax provisions are concerned.

For example, GST advocates of having a compliance rating system of suppliers so that full compliance can be ensured through this self-disciplinary measure. The employees in the Purchase department need to be trained to ask /check the compliance rating of supplier while comparing their quotations.

It would be advisable to engage an outside consulting firm to impart the customized training to your employees based on the nature and size of business operations.



HERE'S WHAT YOU NEED TO WIN

- Step 1: Map the Flow of Transactions
- Step 2: Do the Impact Analysis
- Step 3: Review Input Tax credit
- Step 4: Prepare Transition plan
- Step 5: Train your people

Now you have a choice!

To wait and react near the
GST Implementation date

or

Proactively implement

GST like a Pro!





How can we Help?

My team and I have set aside some time in the next week to talk with you about how you can apply these steps in your business, immediately.

On the call, we'll help you get total clarity about EXACTLY where you are with respect to your GST implementation strategy and how you can improve it in the next 30 days.

The Cost: **FREE**



**BOOK
YOUR
GST**

**IMPLEMENTATION
CALL NOW!**



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