



Vendor management through Navigate Tax

Evolving tax laws necessitate greater control over vendor compliances

Buyer's Goods and Service Tax (GST) credit contingent upon suppliers' compliance – e-invoice, invoice reporting in GST returns, etc.

Limited time available for monthly reconciliation and issue resolution – cumbersome process involving multiple stakeholders

Impact on business continuity if e-way bill status of vendors is blocked

Higher withholding implications if vendor does not file corporate tax returns

Food for thought

- ? Do you have reasonable visibility into blocked credits for your organisation?
- ? Are you tracking vendors who default?
- ? How effective is your reconciliation issue resolution mechanism?
- ? Do you perform vendor tax-risk profiling as part of the selection process?

Using technology to make vendor management more effective is essential in today's tax environment.

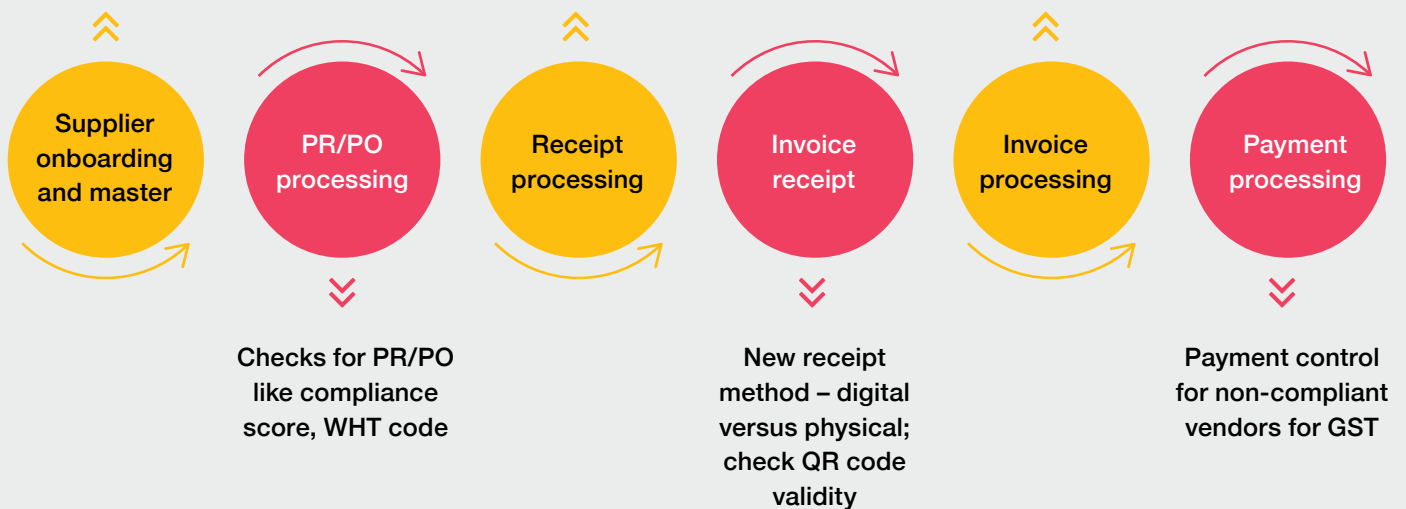


Tax interventions – procurement to payment

Master data checks like GSTIN validity, EWB/IRN status, TDS, etc.

Checks at receipt of goods (e.g. EWB/EINV validity)

Processing checks (e.g. legal, reconciliation status, TDS/TCS)



The recent changes in tax legislations have triggered change in the vendor management process and provide an opportunity to further optimise the entire P2P function through process and technology interventions.

Managing vendors effectively from the tax perspective – the PwC way

Layer 1: Master-level controls

Real-time/batch mode validation of GSTIN for accuracy and compliance status (optional backward integration with ERP)

Layer 2: Transaction-level controls

Tracking invoice validity for QR code

- Validating invoice from e-invoice perspective
- Leveraging information in ERP for invoice processing

Performing vendor reconciliation

- Performing auto-reconciliation in Navigate GST for subsequent actions

Vendor communication

- Two-way vendor communication (through Navigate GST) to resolve reconciliation issues

Automating actions based on reconciliation status

- Retention/debit/release of payment in ERP
- Credit transfer from interim to final account

Layer 3: Analytics and insights

- Dashboards/reports to gain insights into exceptions
- Trends for reporting and decision making (e.g. ageing analysis, vendor scorecard)

Vendor management – key benefits

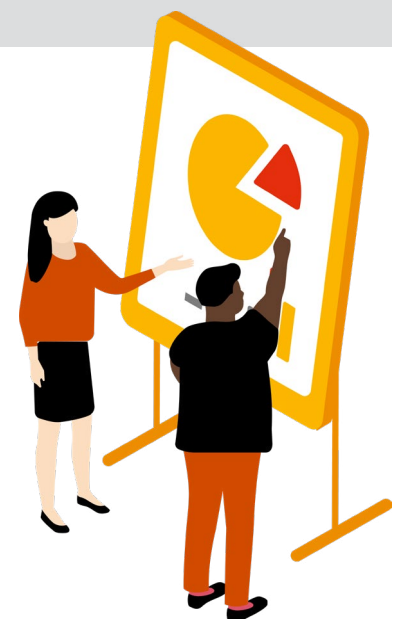
Real-time/periodic monitoring of vendor compliance status

Streamlining vendor follow-up mechanism to reduce manual effort

Ensuring working capital advantages by payment blocks for non-compliant vendors

Timely and accurate tax compliances with respect to GST credits/TDS

Actionable insights related to vendors or transactions which merit focus



About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with over 328,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2024 PwC. All rights reserved.

For Further information, write to us at in_navigatetax@pwc.com

Contact us

Siddharth Mehta

Tax Technology Leader
siddharth.m@pwc.com

Prashanth Agarwal

Partner
prashanth.agarwal@pwc.com

pwc.in

Data Classification: DC0 (Public)

In this document, PwC refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity.

This document does not constitute professional advice. The information in this document has been obtained or derived from sources believed by PricewaterhouseCoopers Private Limited (PwCPL) to be reliable but PwCPL does not represent that this information is accurate or complete. Any opinions or estimates contained in this document represent the judgment of PwCPL at this time and are subject to change without notice. Readers of this publication are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. PwCPL neither accepts or assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.

© 2024 PricewaterhouseCoopers Private Limited. All rights reserved.

SG - M&C 31796