

## Review Paper- “FINANCIAL ASPECT’S RELATED TO GST & TAX PROCEDURE IN SANTOSH BAKSHETTI’S CONSULTING FIRM”

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### Abstract –

While direct taxes are levied on taxable income earned by individuals and corporate entities, the burden to deposit taxes is on the assesses themselves. On the other hand, indirect taxes are levied on the sale and provision of goods and services respectively and the burden to collect and deposit taxes is on the sellers instead of the assesses directly. The GST Act came into existence, leading to the realization of “One country, one tax”. It is a centralized tax-paying network which simplifies payment of tax by the citizens as well as revenue collection by the government. It widens the tax base. Introduction of GST aims to alleviate, though not all, many of the problems leading to efficiency in operations for individuals leading to economic growth of the country.

A direct tax is a tax that a person or organization pays directly to the entity that imposed it. An individual taxpayer, for example, pays direct taxes to the government for various purposes, including income tax, real property tax, personal property tax, or taxes on assets. An Income Tax Return (ITR) is a document you file with the Internal Revenue Service or the state tax board reporting your income, profits and losses of your business and other deductions as well as details about your tax refund or tax liability. Taxable income is the portion of a person's or company's gross income that the government deems subject to taxes. The computation of taxable income is done adding all the incomes that an individual can get (Income from salary, house property, capital gains, business/profession and other sources) and subtracting the deductions from it will give us the net taxable income.

**Keywords –** TAXATION, GST, DIRECT TAXES, INDIRECT TAX, TAX COMPLIANCE, CAPITAL GAINS

### I. INTRODUCTION-

Tax consultancy is a firm where a tax consultant or a tax advisor is to help people and organizations in paying their

taxes. They hold expertise in tax law, tax compliance, and tax planning. They help in making tax returns and work closely with their clients to minimize their tax liabilities throughout the year. The reason for my working under a tax consultancy was that I had read about the taxation in India but I couldn't apply it in the real world. I was unable to understand how GST works and hence gaining some real-world experience in this field was my decision.

While gaining theoretical knowledge on taxation, I

understood what GST is and how GST works. But after working in taxation consultancy, I could understand that there are many other factors and details in that area. Santosh S Bakshetti tax consultancy, a sole proprietorship, was formed in the year 1998 by Mr. Santosh S Bakshetti, who has an experience of more than 20 years in taxation for both individuals and corporations. Mr. Santosh S Bakshetti, the founder of the firm, while pursuing his XIIth education, once attended a seminar in which the speaker for the same was Mr. Laxmikant Ladda, the only Chartered Accountant of a small village named Barshi, Solapur. After attending that seminar, Mr. Santosh was very inspired by him and thus was determined to choose this field. But for him, even graduating was very difficult because of his limited financial resources. Still, even after facing many difficulties, he graduated and shifted to Mumbai.

The firm was established in the year 2003 as a sole proprietorship firm. With more than 16 years in this field, Santosh S. Bakshetti Tax Consultant & Govt. Certified Auditor Firm. is equipped with experienced professional team of chartered accountants and having its offices at Kalwa in Thane. We have a successful track record of conducting a fully diversified “One Stop Solution” for all accounting related needs including Compliance Audit & Assurance, Internal Audit, Indirect Taxation, Inventory accounting, Fixed assets Management and MIS.

### INDUSTRY ANALYSIS-

In the professional consultancy services industry, one of the most profitable segments is taxation consultancy. This practice of tax consulting includes book writing, tax

advisory practices and some types of audit related activities. Such functions remain steadily relevant due to the changing nature of tax rules and regulations. Both domestically and internationally, shifting policies bring about shifts in tax requirements, and companies require all the help that they can get in order to ensure that they meet such requirements.

A tax consultancy is a business that provides expert advice to tax filers. Tax consulting firms can range from large corporate entities to small one- or two-person accounting firms. These firms help their clients in every possible tax related issue. Not all organizations have all knowledge of taxation. So such taxation firms help them to do so. Tax consulting firms encounter high levels of demand throughout the year, but they are most busy at the times from 1st January to 15th April. But due to these COVID situations, there were some changes in dates of filing of taxation and thus resulting in changes in the period.

### SCOPE OF THE PROJECT-

The scopes of the project are as under:

-The benefit of study for the researcher is that it helped to gain knowledge and experience and also provided the opportunity to study and understand the returns filing of GST.

-This project helps in knowing and examining the factors of filing of returns.

### MISSION OF THE COMPANY-

Santosh S Bakshetti tax consultancy & advisory services aim to: -to provide their best and reliable services exceeding their client's expectations,

-to respect the confidentiality of all their clients &

-to maintain long term relationships with their clients.

## II. STATEMENT AND OBJECTIVES-

To secure the position of audit and tax consultant in our firm, which could provide me a challenging working environment and enable me to utilize my problem-solving skills towards the growth of the organization. I choose to work with Bakshetti Tax Consultancy during the internship I have learnt many new skills. Before Internship I have only theoretical knowledge about working in organization. Now I have some practical experience of working in organization.

Now I have knowledge about the organization's working environment and how organization work and achieve their goals and objectives. This internship has given me the understanding of business and also about the elements of strategic thinking, planning and implementation, and how

these things are applied in a real-world organization environment. Following are the objectives that I have in my mind before working as an internee.

- a) To improve communication skills.
- b) To apply the theoretical knowledge in actual organization.
- c) To compare practical aspects with theoretical aspects.
- d) To make quick decision in real situation.
- e) To learn how to promote and to conduct research in business areas.
- f) To enhance my personal knowledge and professional preparation for future.
- g) To properly integrate my theoretical knowledge and practical work.
- h) To plan for the future of oneself and learn how to adjust in an organization.
- i) To know how to present your recommendations in front of your senior.
- j) To get knowledge of opportunities and threats while entering into an organization.
- k) To get exposure to do a work in an organization and also know about organizational behaviour, ethical rules and regulations.
- l) To expand networks of professional's relationship and contacts.

### REPONSIBILITIES AND DESCRIPTION-

-Handling the clients: I had to communicate with clients and give them reminders regarding any details of the GST return filing.

-Registration under GST: Registering the companies under the GST law and giving unique numbers to the entities known as Goods and services tax identification number (GSTIN).

-GST return filing: Filing GST returns on behalf of the entities. Also updating them with the details regarding GST returns.

-GST cancellation: Applying for cancellation of GST registration for a specified reason on behalf of the clients.

-Book writing: Maintaining books of accounts in Tally ERP 9 of various clients and their companies. Posting the transactions from the bank statements provided by them.

-Society Audit: Maintaining books of accounts, checking Vouchers, tally data, also to be not A.G.M book, M.C.M book, shares register, nomination register. And finalize Balance sheet & P&L to submit audit report.

Visiting Govt. Offices: To visit Govt. offices to submit papers or any other query relating case, also to submit society papers to DDR office, Sales Tax audit, Court.

### CRITICAL OBSERVATIONS-

Tax consultancy is a firm where a tax consultant or a tax advisor is to help people and organizations in paying their taxes. They hold expertise in tax law, tax compliance, and tax planning. They help in making tax returns and work closely with their clients to minimize their tax liabilities throughout the year. The reason for my working under a tax consultancy was that I had read about the taxation in India but I couldn't apply it in the real world. I was unable to understand how GST works and hence gaining some real-world experience in this field was my decision. Also working in taxation consultancy gives you various responsibilities, challenges and a good insight of the taxation system of India.

For one who enjoys working with people, the challenge of problem solving and a dynamic working environment, then working in taxation consultancy is a great option.

### METHDOLOGY-

Research methodology is used for this project. It provides insights and comprehensions of the issue or situation. The initial phase of the project demanded exploratory research to capture, understand, interpret and apply the concepts and skills relating to basics of GST and return filing process of GST and technical implications.

### METHODS-

To achieve the required results to establish the objective mentioned earlier, the methods used for collecting the data used are primary and secondary source of data. To achieve the required results to establish the objective mentioned earlier, the methods used for collecting the data used are primary and secondary source of data. Primary data collection technique is a kind of technique where data is collected directly from the data source without going through any existing sources. The details required for the filing of GST returns were collected directly from clients. The details required were as follows:

- 1) GSTIN number
- 2) Legal name of the company
- 3) Username and password of GST portal for login and many more dependent on the fact whether it is new registration or has been already registered under GST.

Secondary data collection technique is where the data that has been collected in the past by someone else but made

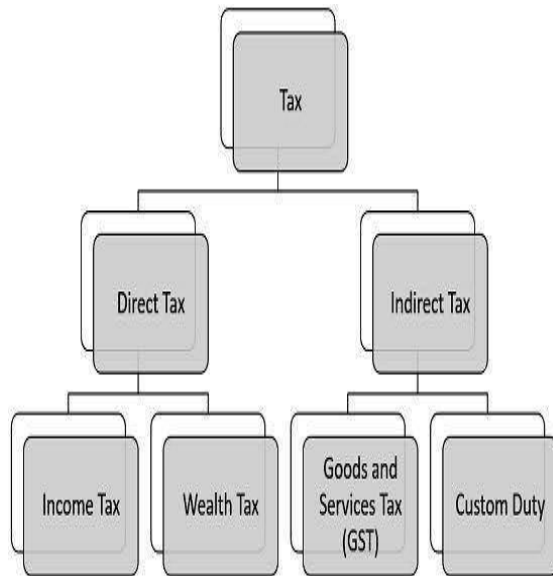
available for others to use. For the purpose of making this report and for understanding the concept of GST and its returns, I have taken help from various websites and videos. Our firm's objective is to provide quality services while maintaining close personal ties to our clients and their executive staff. We are concerned with the financial wellbeing of our clients, and believe that good financial health is the best way to advance the general public's interest in a sound economy. And give opportunities to college students and also give better guidance for their career.

### III. GST AND PROCEDURES-

"Taxation is the imposition of financial charges or other levies, upon a taxpayer (an individual or legal entity) by Central and a state such that failure to pay is punishable by law. Taxes in India are levied by the Central Government and the state governments." The main purpose of taxation is to accumulate funds for the functioning of the government machineries. No government in the world can run its administrative office without funds and it has no such system incorporated in itself to generate profit from its functioning.

**DIRECT TAX-** Direct tax is referred to as the tax, which is paid by the person to the government to whom it is levied and charged on the income and wealth of persons and any levy that is both imposed and collected on a specific group of people or organizations. The person on whom it is levied bears its burden i.e. it increases with an increase in income or wealth and vice versa. E.g. Income tax, wealth tax, corporate tax, etc.

**INDIRECT TAX-** Indirect Tax is referred to as the tax, which is paid by the taxpayer to the government indirectly, charged on goods and services. Indirect taxes are collected from someone or some organization other than the person or entity that would normally be responsible for the taxes. The burden of tax can be shifted to another person. For example, GST or custom duty.



## WHAT IS GST?

Goods and Services Tax (GST) is an indirect tax (or consumption tax) used in India on the supply of goods and services. It is a comprehensive, multistage, destination-based tax: comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination-based tax, it is collected from point of consumption and not point of origin like previous taxes.

Goods and services are divided into five different tax slabs for collection of tax: 0%, 5%, 12%, 18% and 28%. However, petroleum products, alcoholic drinks, and electricity are not taxed under GST and instead are taxed separately by the individual state governments, as per the previous tax system. There is a special rate of 0.25% on rough precious and semiprecious stones and 3% on gold. In addition, a case of 22% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. Pre-GST, the statutory tax rate for most goods was about 26.5%, post-GST, most goods are expected to be in the 18% tax range.

## IMPORTANCE OF GSTR FILING

-All the Registered Dealers are required to file GST returns irrespective of the type of business or turnover or profitability during the return filing period.

-Each GST Return Form has been designed to ensure complete disclosure of every transaction made between buyers and sellers.

-Under GST law, every business whether it be small or large has to file returns. These returns are filed to pay taxes as well as to provide data to the government relating to the transactions made by the business during the period under consideration.

## IV. CHALLENGES-

While working in office its difficult task for me while few days, because I had join has as fresher. I Got so many challenges while learning. But the Sir and office staff co-operate with me and whenever I made a mistake, they would explain it to me without shouting. I have learnt a lot of things with the help of staff members and all.

Some important challenges for me:

- Critical Observation
- Handling the Clients
- Attending calls
- Solving problems/ issues of clients with the proper co-ordination
- Maintaining Books of Accounts

I have also a challenge that I am attending my college studies while doing this internship. And after returning home I'm doing my studies. I am managing my schedule as per proper timing.

## BEHAVIORAL LEARNING FROM THE ORGANIZATION

### COMMUNICATION:

Good communication consists of many other different sub-skills, from suitable patterns of body language and eye contact with the ability to write to clear and accurate reports. Accurate listening and the ability to follow instructions are especially important but are often ignored or taken for granted. Many people simply do not pay close attention to what others say or write and do not ask follow-up questions to check their understanding. As a result, individuals act on their own inaccurate assumptions and create inefficiencies and frustrations at work. Communication training will help them overcome these challenges.

### GOAL SETTING AND PLANNING:

Anybody can wish for something to happen, but to accomplish anything one must plan which surprisingly few people know how to do. Planning requires setting concrete goals, identifying workable action steps, and making a commitment to see the plan through.

### SELF-IMPROVEMENT:

Satisfaction leads to a perception of repetition, which is the essential of a job perceived as unchallenging. Employees should improve to avoid both the frustration of



inexperience and contentment with their work. People always have room to grow, and advance behavioral skills are always welcomed. Selfimprovement training will help provide feedback and criticisms that they can use to benefit their next assignments.

**EMPATHY:**

Empathy is a behavioral skill that can help one not only keep their own peace of mind but can also help one to grow in your career because empathetic people tend to put others at ease.

**LIMITATIONS**

Since taxation is a very vast topic, I couldn't cover all the topics of taxation that includes both direct and indirect taxation. I could only gain theoretical knowledge but couldn't apply it practically. Time is the main constraint for the project to do a complete study - the project was assigned to be completed in two months -The study is based upon secondary data. Since the study is based solely on secondary data so analysis may not fully reflect the economic performance of the asset management companies considered for the study.

**EXPERIENCE USEFUL IN FUTURE CAREER-**

Yes, there are a lot of future career options if we working under tax consultancy. If you enjoy working with people, the challenge of problem solving and an ever-changing, dynamic working environment then career is tax for you.

You get to apply your communication skills by explaining complicated tax compliance matters in simplified terms to clients.

We can go for higher studies we can do diploma in tax consultancy also we can opt for Govt. certified auditor exam. We can do Chartered Accountant. Also, we can opt for Govt. exam.

If we doing internship or taking an experience from a long time in this, we filed we can get our own clients and earn good money and getting good opportunities to grow more in career. We can start our own firm after getting a knowledge, experience and education.

Also, if we want to become a GST specialist, you should consider signing up for the GST practitioner training and certification course. Such programs are available across India. This will help you to progress in your career.

**V. RECOMMENDATIONS AND SUGGESTIONS-****Permanent Employees:**

One thing that I thought I could recommend is hiring permanent employees. One of the weaknesses of Santosh S Bakshetti taxation consulting firm is that there are no

permanent employees. There are employees working for 4-5 years but not the permanent one working from the start of the organization. They come for a short period of time, say from 2 months to 2 years. Because of this, the founder has to teach everything from the scrap every time new interns/CA aspirants enter the firm. This not only consumes more time but also will cost money to the firm.

**Expansion plans:**

After observing the above problem, I also came across another recommendation. Because there are no permanent employees on whom the founder can rely, he also can't plan for further expansion. So if the firm hires more employees on a permanent basis, the firm can also plan for further expansion.

**Accessibility to Office:**

The location of the office is not easily accessible. So, another thing I would like to recommend is to change the location of the office. There are many firms who are very particular when it comes to accessing the location of the office. They even mention the longitude and latitude while using GPS so that the clients or their employees can easily access the location of the office. So, my recommendation would be if we could specifically know about the location of the office then that would attract more and more clients as for clients the location of the office will be easily accessible.

**GST Software:**

The firm is using a government provided GST portal which keeps on updating leading to changes in the website. This might cause confusion. Also, another problem faced by the employees/interns is that the website sometimes gets slow down. So, a solution to this could be using GST software where the GST registrants can file their returns through mobile, will help the Traders to self-assess and self-file their returns, which indirectly reduces their cost and increases faith in the GST system.

**VI. CONCLUSION-**

This internship at Santosh S Bakshetti taxation consulting firm made me understand the tax consultancy structure. The systems, processes and people are aligned to organizational objectives. As Taxation is one of the complicated subjects, the role of tax consultant is crucial. I analyse that there are career opportunities in the Taxation Field like Tax Consultant. I understood the importance of being technically sound by working on the government provided GST website and Tally ERP 9 software.

Development of interpersonal relationships made me understand the various personalities present in the working environment. I understood the reality of work ethics

presence on the field. Corporate world is highly stressful but with care and proper techniques one can manage the stress well. The jobs require highly skilled, multi-skilled and highly qualified employees for the jobs of the organization.

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