

DigiGST

GST Compliance Solution
August 2024



Business drivers

- Requirement for a domain-led solution to cater to the complex regulation and evolving tax positions
- Integrate “government data” into “tax and finance modules” to build end-to-end reconciliation
- Comprehensively address the GST compliance asks such as e-invoicing, e-way bills, returns and tax credits
- Implement automation of ETL, reverse integration, customized reports and data analytics

Solution overview

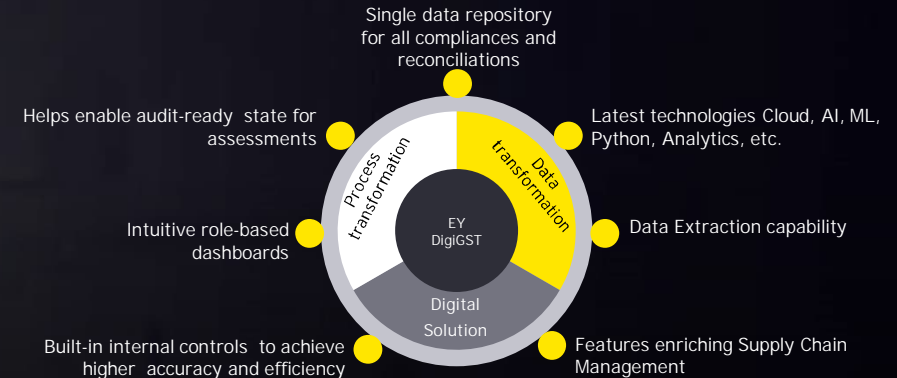
DigiGST is a centralized cloud-based platform that provides a comprehensive solution for businesses to fulfil their GST compliance obligations. As a market-leading solution, DigiGST has onboarded more than 2800 legal entities and is accountable for filing 9% of all invoices with the Goods and Services Tax Network (GSTN) – an integrated platform central to all GST-related processes within India.

Key features

- Integrated solution for e-invoicing, e-waybill and GST Returns
- ITC Matching Module to ease out matching exercise and efforts, helping enable faster action on consequential follow up activities
- Role based access control with minimum privileges
- Layered security control on Cloud environment and end-to-end encryption of data in transit and in rest
- Intuitive MIS reports for monitoring business critical values (tax liability paid, credit availed, top vendors and customers, top products)

Solution benefits

- Integrates real-time business-critical functions such as e-invoice and e-way bill generation, cancellation, and logistics information updates directly within the ERP via APIs.
- Enhances Vendor Reconciliation processes at PAN and FY levels with advanced logic to improve matching accuracy and reduce effort, leading to quicker follow-up activities.
- Facilitates efficient tax filing by allowing for one-click uploads of return data for all registrations to the government portal.



Cloud-based | Scalable and secure |
Modular and flexible | ERP agnostic

Joint value proposition

- Hosting EY DigiGST on Microsoft Azure Cloud ensures top - tier security compliance, system high availability, and seamless scalability, helping clients to manage their GST processes efficiently while safeguarding their data.
- Leverages Microsoft Azure Stack, ChatGPT and Copilot to empower AI and Analytics.
- Enhanced performance by providing powerful data storage coupled with near real-time integration for fast insights.

Solution differentiators

- Tailored adjustments to the standard solution for client-specific needs
- Detailed analytical BI dashboards for GST compliance visibility and trend insights
- Automated reconciliation processes for prompt handling of non-compliant vendor discrepancies
- Seamless integration of the Procure-to-Pay (P2P) workflow, enabling efficient invoice, GRN and PO matching
- Robust data transformation capabilities within the Data Mapping Solution

Case study

One of India's top Automobile manufacturers, known for its extensive portfolio of economical and reliable vehicles

Client challenge

- Managing staggering volume of transactions
- Technology limitations and system failures due to the sheer volume of data
- Challenge in updating vendor master comprising > 11k vendors spread across India
- Vendor reporting inconsistencies demanded significant time and efforts
- Manual workflow and only monthly reconciliation leading to unrecognized ITC mismatch resulted in loss of credit, interest costs and working capital blockage

Engagement summary

- EY DigiGST application assisted the client in preparation of reconciliation of GSTR 2A vs PR including
- Matching transaction-level supplies information as received from client with corresponding transaction level inward supplies as furnished by the vendor on the government portal
 - Validating the information in the draft returns based on tax positions and master data received from the client
 - On completion of processing of information above, error, match or mismatch reports would be auto-generated for viewing and downloading by authorized users

Value delivered

- Automatic ITC reconciliation up by 2% to 97%
- Simplified dynamic vendor GSTIN validation process and monthly accurate reporting
- Daily reconciliation instead of 6 monthly reconciliation and efficient utilization of personnel due to reduced manual efforts
- Prompt identification of defaulting vendors
- Minimized loss of credit, interest costs, and working capital blockage
- Strategic inputs to hold or release vendor payment

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