

HATHWAY CABLE & DATACOM

INDIA



CASE STUDY

Business Need

Change in Government Policies required the Business to change the System.

Business Benefits

Various Taxes levied earlier are subsumed to Dual Tax for both Inter and Intra State transactions.

Solution Highlights

Availing Tax credit and timely submission of Returns.

HATHWAY - GST

Hathway Cable & Datacom Limited (Hathway) is one of India's leading Cable Broadband service providers. It also provides Cable Television services through its wholly-owned subsidiary – Hathway Digital Private Limited, which is one of the largest Multisystem operators in India. Hathway's vision is to be a single point access provider, bringing into the home and workplace a converged world of information, entertainment, and services.

Broadband: Hathway holds a PAN India ISP license and was the first cable television services provider to offer High-speed cable broadband services across 16 cities (4 metros and 3 mini-metros).

Cable Television: One of India's largest MSO, across various regions of the country and transmitting the same to LCOs or directly to subscriber's Extensive network connecting 7.2 Mn digital cable subscribers/households Offers cable television services across 350 cities and major towns.



BUSINESS NEEDS

In the year starting April 2017, the Indian Government had introduced new Tax policies as GST (Goods & Services Tax) across the Country. Due to the introduction of new tax policy, the abolition of existing tax code and migrating to the new tax code had become mandatory and hence the financial systems of every business had to be modified to accommodate the new tax policy.

Need for GST in India:

The main purpose of the Indian government for the introduction of GST was a significant step in the reform of indirect taxation in India. Amalgamating of various Central and State taxes into a single tax had helped mitigate the double taxation, cascading, the multiplicity of taxes, classification issues, taxable event, etc., and leading to a common national market. On the other hand, GST brings in a uniform tax system across all the states. The tax liability is based at the place of supply; however, the benefit is accrued to destination State. GST has subsumed with a single comprehensive tax, bringing it all under a single umbrella, eliminating the cascading effect of taxes on the production and distribution prices of goods and services.

The GST tax had taken the form of “Dual GST” which was concurrently levied by the Central Government and State Government.

This comprised:

- Central GST (CGST) – Levied by Centre
- State GST (SGST) – Levied by State
- Integrated GST (IGST) – Levied by Center for Inter-state supply of goods and Services

Any tax-based transaction that happens within the state (Intrastate) then CGST & SGST were applicable. Any tax-based transaction that happens across the state (Interstate) then IGST was applicable. Also, under the new tax policy, the government had allowed all the Registered taxpayers to offset their output liabilities (Revenue) with their input tax Credits (Suppliers Invoices).

The new GST law insisted only on the chargeability of Taxes on the sale/purchase of goods & Services and there was no restriction imposed on any movements of goods & services across states. Hence Hathway business entity had to undergo a few minor changes in their business process. It was also prudent that the modifications had to be done on all applications (including Financials systems) wherever the business transactions are generated. Hathway accounted for all their transactions in various systems.

Oracle ERP EBS was the financial system used by Hathway as a single source of truth for their financial reporting. Other systems viz. OBRM, MQ, UPAAS, and Hathway Connect were used for other tasks like billing on individual Customers, generating invoices, and receipts for collections. All these transactions were updated on the Oracle EBS at regular intervals on a consolidated basis or as individual entries.

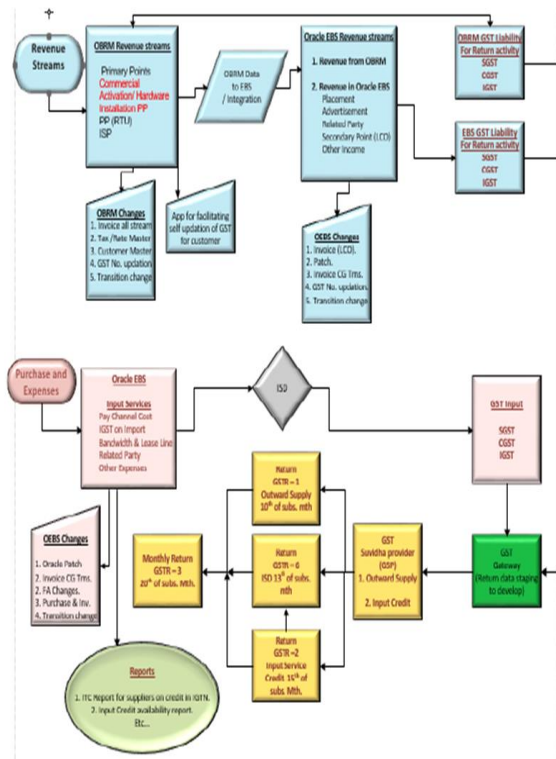
Due to the introduction of GST Policies, all these systems had to be changed to accommodate the GST requirements.

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BUSINESS BENEFITS

The company had gone live with GST solution in Sep-17 and since then for over 3 years they have been deriving benefits which include:

- Elimination of various taxes that are levied from the customers is now subsumed to Dual tax across states in the new GST law.
- The tax slabs are constant for the respective services irrespective of Inter or Intrastate transactions.
- The credit of tax paid to their suppliers are adjusted against their Tax liabilities collected from their Customers
- Timely payment of taxes and file returns all online with GST Portal.



SOLUTION HIGHLIGHTS

The GST solution has facilitated the Hathway business to generate Tax reports online from the system. This report presents the traceability of Input Tax credit. The Report also depicts the exact tax liability across the board. This information is used as a base to process the data in the GST Portal. The advantages of GST is that the taxpayers can register, file returns, and pay taxes online in the GST portal. There are systems in the process which will compare and match the

invoices of the supplier and buyer. This mechanism will effectively control tax fraud and tax evasion. At the same time, it will ensure a higher flow of business, in a structured and organized manner. In the earlier VAT system, E-commerce businesses got differential treatment with regards to tax compliance. But GST has removed all confusions related to this. This has also eliminated complications related to inter-state goods' movement



BOTTOMLINE

As GST taxes were planned for introduction across the country by the Government, Kāladi Consulting had developed the knowledge in a short time both in terms of business requirement and as well Oracle EBS perspective. Kāladi Consulting worked closely with Oracle in testing the various GST patches released by Oracle (over 10 patches were released) and in providing feedback to make the GST patch a fool-proof add-on to Oracle EBS financials. Kāladi Consulting successfully implemented at Hathway within the agreed time schedule. A noteworthy feature of this implementation was that the migration happened in existing production instances with little/no impact on the performance.


ABOUT KĀLADI

Kāladi Consulting is a global technology consulting firm where passion for results takes center stage.


We are innovative thinkers with a sense of creativity and focus on ensuring customer delight in all our engagements. We specialize in enterprise, web and mobile technologies, BI metrics, Oracle and Dynamics ERP, and RPA.

CONTACT INFO

Get in touch with us to know how to make your field force operations and supply chain efficient and scalable.

 25, Ganesh Avenue, Velachery Main Road, Narayanapuram, Pallikaranai, Chennai – 100.

 sales@Kāladi.in

 044-66143300

 WWW.KĀLADI.IN