

RNI No. DELENG/2015/70020

# The CEO Magazine™

www.theceo.in

VOL.5 | SPECIAL EDITION | JUNE - 2020

A Magazine for Business Leaders & Decision Makers

**25** MOST VALUABLE  
**TAX** CONSULTANT  
COMPANIES TO WATCH IN 2020

**Prakash Jhunjhunwala**  
Founder

**PRAKASH**  
**JHUNJHUNWALA AND CO LLP**

INFUSING EXCELLENCE IN THE LEGAL SYSTEM SINCE 1993



Rs. 199/-

# PRAKASH JHUNJHUNWALA AND CO LLP

## INFUSING EXCELLENCE IN THE LEGAL SYSTEM SINCE 1993

*Prakash Jhunjhunwala & Co LLP is known for steering through complex matters in the Indian legal system and leading the panorama of assurance services.*

Puja Bhardwaj | The CEO Magazine

**T**he Taxation and Audit industry has undergone a radical modification with the introduction of new acts and laws. Also, the legal industry is transforming; it is entering into the phase of the digital era where the 'traditional practice' is not enough with the adoption of modern technologies and increased complexities in the financial landscape. Keeping pace with the wave, a leading tax consulting firm is floating and flourishing by infusing technology and adopting new laws in India. Prakash Jhunjhunwala & Co. LLP was conceived with the vision of delivering the best tax advisory services in India.

One of the trailblazers in the Indian tax segment, PJ & Co is a prominent name for F&A advisory services, tax consultancy & restructuring, merger and acquisitions, risk management, Tax Regulatory and advisory, corporate finance services, International tax consulting and much more. There is a team of 70+ professional and certified accountants who guide people to implement the most beneficial strategies with regards to the structuring of their business. Their years of expertise, insatiable assurance, and trust in creating a profitable approach towards financial management make the firm deliver the best possible services.

PJ & Co's journey traces its roots to 1993 when the founder Prakash Jhunjhunwala, a veteran industry professional decided to make his entrepreneurial dream a reality. Today, the firm is known as the best tax consulting firm in Mumbai because of its integrity, objectivity, and quality in services. PJ & Co has expertise in various verticals of services such as in handling Income Tax, GST, International Taxation and Audit related services. Here, every effort is driven towards resolving business problems and taking them to the next level.

**Prakash Jhunjhunwala**  
Founder





"We, at PJ & Co., follow a client-centric approach and work with our clients as their strategic business partners, rather than as their consultants. We recognise the fact that each business is unique, each transaction is different and each client's requirement is specific and distinct from the other. Our entire approach is centred on the value-added approach, which aims at giving our clients much more than what they expect," shared Prakash

Jhunjhunwala, the man behind the firm.

#### THE MAN WHO CEMENTED THE VISION

A Business leader, strategist, mentor, and visionary, Prakash Jhunjhunwala is successfully spearheading the firm towards the founding principles of competence, ethics, and diligent service. He regularly represents before the Tribunal and Commissioner appeals in Direct &

Indirect Taxes. He was the president of the Rotary Club of Mumbai. He has made several representations before the Ministry of Finance and NCLT for various issues concerning the CA fraternity.

#### INSPIRATION BEHIND THE INITIATION

"I got the roots of 'entrepreneurship' from my father and since I was a second-generation advocate, the idea of practice was not new to me. I used to see him - how he had successfully interpreted the various provisions of the law which to a great extent was contrary to the view adopted by the tax authorities," shared Mr Prakash. The plan of building something of his own has always been deeply embedded in Prakash's roots from childhood. He never considered working for large corporations and another consulting firm. He found the profession as filled with lots of respect and motivation which had encouraged him to work efficiently in a dedicated manner.

#### CORE PRINCIPLES TO RESOLVING COMPLEX PROBLEMS

"Being legally well equipped is the bedrock of our Tax practice. We need to keep on reading and have our in-house research facility. The library of case laws is very important to us and this is what makes our biggest asset," said Mr Prakash.

"We can deliver great quality of services to our clients and do justice to our profession with 2 Core principles :-

- Being Creative in our solution to clients
- Complete Understanding of the Business and problems of the Client ; " he further added.

#### THE CLIENTELE AND FOSTERING LONG-TERM RELATIONSHIP

The client base of the firm is very dynamic. On one hand, where they

have been working with Fortune 500 companies like Adani, Marriott, Baker Hughes, J K Group, etc. On the hand, some of the Actor Celebrities and famous Sportsmen are their clients. The firm is also working with MNC Corporates, Hospitals, Educational Institutions, Trusts, and Semi-Government bodies.

*"We have been very fortunate to meet such a diverse set of people and enjoy resolving their tax problems. Our strategy in the profession is to provide the best and valuable services to our clients. In our profession, there is no room to commit the errors and thus, we take utmost care and frequently triple-check our work product to make sure that no mistakes are committed in the services provided by us,"* stated Prakash Jhunjhunwala.

#### THE SECRET SAUCE

Mr Prakash shared, "Tax Consulting is extremely strategic. I believe our core competitive strength lies in the bold decision making and innovative solutions given by us to our clients in the hour of need"

The mindset of Prakash and his team is unique, they are more 'client and problem' centric, whereas the bigger firms are more 'process' oriented. They don't treat their work like a "Business", it's more like a Hospital with the primary object of treating patients and secondary object of earning money ;

#### 'ACCOUNTING PEOPLE'- AN INNOVATIVE SOLUTION BY PJ & CO

Accounting People is the next strategic move by the firm to grow the advisory limb of the organization. Consulting Firms today are focused on Strategic Consulting. Today, business has become very 'data' demanding and less accepting of problems. The firm is trying to enter into an operational partnership with

Accounts & Legal departments of big organizations and provide their expertise to the clients on an operational level to solve growing operational needs. They do this by F-A-C-T i.e. Flexible Team, Accountable Solutions, Credible Answers and Technology Innovation.

*"Accounting People was launched in 2018 and the response has been humbling. It has been a learning curve for us to date, but now they are ready to scale this segment of the firm into multiple dimensions."* - Mr. Prakash added

#### CHERISHED MOMENTS

"I believe that the joy of solving complex client problems has been the biggest satisfaction for us. Just like a doctor saves the life of a patient, we as the tax consultants financially save their business. The respect we get from other CA friends, clients, and the tax industry at large has been very touching. We have honestly been very fortunate to have worked with very good employees, very respecting clients and a good value system in our entire team," Prakash proudly shared. "If you ask me in particular - There have been a lot of legal cases - AC Reddy, Siemens, J.K Tyres, D Y Patil Institute, Tata Group, Ajanta Pharma, Lalit Modi - All cases have been very enjoyable," he further added.

#### OPINION ON THE INDIAN TAX LAWS

"The Income Tax law had been enacted in 1961 and since then there have been constant changes made in various provisions of the law. Even after a lapse of 60 years, the Indian Courts and the Judiciary system are still struggling to interpret the various provisions of the law. The CBDT had been issuing the circulars and notifications to clarify the debatable issues. There is no consistency in the

views adopted by the assessing authorities and also by the Appellate authorities. The present businessman wants the law to be straight, clear and simple so that it could be followed in a simpler manner without any disputes and ambiguity. Similarly, the GST law had been drafted in such a manner that it requires frequent amendments. It is due to frequent amendments, the tax administration authorities are finding it very difficult to implement the law, as a result, the number of pending litigation is rising day by day." shared Prakash

#### HOW GOVERNMENT POLICIES IN TAX AFFECT PEOPLE?

People do not like frequent change in the provision of the law. The business community does not appreciate the frequent changes made in the procedural requirements and compliances. Change in laws are good and important in certain situations; however, businesses today need a sense of solitude. They need Laws to remain Constant to do business peacefully. Prakash does not agree with this Government's approach of increasing the legal compliances on the MSME Sector. The provisions of Capital Gains have seen 20 changes in the last 3 years. This is not a good public policy for the business. The constant changes in GST Law every month is also not good for the business. People of India should be given Stability and Consistency now, especially when they know how the economy is performing. The changes which simplify the law and minimize the procedural requirement are always welcome, but the changes which increase the complexities and procedural compliances to ease the work of tax authorities are to be severely criticized.



### THE INFLUENCE OF TECHNOLOGY

The adoption of the technology in the tax departments had certainly benefited the tax administration. All clients are satisfied with the adoption of the technology by the tax department and managing compliances. The introduction of paperless returns had greatly benefitted the taxpayers to file their tax returns. The refunds of excess tax payments are now issued in a short period of time. The rectifications are done through the e-system, as a result,

the grievances of the taxpayers are efficiently resolved.

However, the implementation of technology in Litigation has been a complete blunder and unwelcome change. Tax officials are not trained to use the new technology. Everyone has witnessed the huge mess that happened in the GSTN Portal. Complex New Softwares has been imposed by the Central Govt. on the tax administrators with no Accountability to the taxpayers. Such a decision making may have a good moral object in the heart of the

government but leads to inconvenience to the taxpayer.

### RECOMMEND CHANGES IN THE CA PROFESSION

The CA Institute - 'ICAI' is well managed and doing a great job in maintaining its standards over the years, but I feel it needs to get creative now especially when it comes to the huge role it plays in the nation's development. The 3 Changes, Mr Prakash suggests are:-

- Chartered Accountants are the voice of the business community. Therefore, ICAI needs to be get involved in Tax Regulation Formation;
- The CA Institute needs to take discipline very seriously. The members and big firms which are openly violating the CA Guidelines should be punished seriously and precedent needs to be set for the CA fraternity;
- Young Chartered Accountants should be encouraged to join the consulting practice. Today, we are witnessing a brain drain of the best minds into the corporate world.

### EMERGING TRENDS IN TAX LANDSCAPE

Fundamental changes are required in the field of International Tax. The Indian Tax authorities are not trained well to fully understand the Transfer Pricing and International Tax laws. The Hong Kong / Mauritius / Singapore route to enter India should be stopped by the Indian Government. Tax rates for salaried employees should be reduced. Startups and R&D Companies should be promoted in a more meaningful way of going forward. Strong changes are needed in managing the ongoing litigation in the Tax Departments. Early refund of Income Tax and GST is something that can help revive the economy. MAT provisions should be



abolished. Prosecution law on tax offense should be strengthened for evading taxes.

### IMPACT OF INDIAN ECONOMY ON THE FIRM

The slowdown in the economy is a big area of worry for the legal advisory practice. Clients would not like to spend money on legal matters when their business is in distress. The change in economy doesn't affect the firm directly, but the entire consulting industry is heavily impacted because of economic reasons.

Prakash feels that the Demonetization and implementation of GST as One Nation- One tax had temporarily created the liquidity shortage which should get normalized very shortly. As India is a self-dependent country and it will come out of the recession very shortly. Prakash and his team are positive about the strategies implemented by them and they feel that their work should speak. The growth strategy of the firm is fairly simple - If they are able to provide good services, then clients will work and pay.

### THE DRIVING SPIRIT & MAJOR LEARNING

"The passion we carry in solving complex tax problems of the client is what drives us to work hard. We treat all our clients as patients and it is our moral duty to solve their complex financial problems for mutual growth. The respect we get from the Tax regulators, clients and employees has been very rewarding," shared Prakash while talking about his driving spirit. This profession is very much dependent on the growth of Industry and Government policies. The 3 learning that Prakash had realized include:-

- Keep on working hard with honesty and dedication ;
- Don't get disappointed with results that are not in your control ;
- Focus on your work with passion and not money ;

### THE STRESS BUSTER

Mr Prakash shared, "Since we always work in complex matters with big consequences, stress does get to us, but we are legal professionals and therefore we cannot take matters personally. We can only work hard on the merits of the case. Chartered Accountants are used to living a stressful life in general. I relieve my stress by watching movies and taking time off for family holidays."

### ADVICE FOR YOUNG GUNS

Prakash Jhunjunwala advised young professionals, "The knowledge you possess on the subject is your biggest asset, thus keep on upgrading yourself and have the deepest knowledge on your subject which you are practicing and never get disheartened with the results. I have never seen a capable consultant not being successful in the long term. Just be strong and work hard".