

LONG TERM ADVANTAGE COMPLIANCE UNDER GOODS & SERVICES TAX

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To ensure long term advantage compliance under Goods & Services Tax. following internal checks and controls to be placed on periodic basis. It enables to higher rate of controls and value added to the industry

- a) **Destruction and samples:** Keep control over destruction of inputs and samples issued and ensure reversal of input tax credit on such destruction , samples issued (Refer section 17 of the CGST Act,2017)
- b) **Subsequent capitalization of expenses:** Subsequent capitalization of expenses on account of wrong classification as general/Service input instead capital inputs and verify the previous GST refund workings , in case such input tax credits are applied for refund ensure reversal of input tax credit thereon as capital input is not allowed for refund in case of export without payment of IGST under LUT or Bond
- c) **Creditor's reconciliation:** Periodic basis reconciliation of creditors ledger will reduce the volume of reconciliation items in respect to GSTR 2A reconciliation compliance. it avoids leakage of input tax credits and last minutes burden on such 2A reconciliation process
- d) **Maker & Checker (Internal Control System):** Enable maker check concept while finalizing the figures for GST Return and for payment of GST liability.
- e) **Master database updates:** Validate the master database on customer, supplier and materials through periodical basis and it enable accurate data (viz GSTIN, HSN Code, Classification of goods etc.) which leads to hassle-free working for submission of GST Return.
- f) **Implementation of SOP (Standard Operating Procedures) / Policies:** Implementation of Standard Operating Procedures and Policies to ensure compliances of GST Act & Rules
- g) **Document Management System:** Ensure all the documents are placed in common place with identifiable manner and it enables to recover the of documents in futures
- h) **TDS/TCS Credit:** Keep control over available credits on GSTIN Portal on account of TDS/TCS receivables and it enables reduction in cash payout against.
- i) **Periodic review:** Frequently review the particulars on GSTIN Portal, Such as any change in business places, mobile numbers and e-mail ID's to generate OTP (one time password), details of directors, owner and authorized signatory & Etc, also ensure existing current details on GSTIN Portal.
- j) **Compliance - Schedule:** Prepare the Schedule on GST compliance, which inclusive of date for filling of varies type of returns, Application & etc. and fix the internal target dates before actuals, it enables completion on time.
- k) **Reconciliations:** Reconciliation of financials with GST Retuns on monthly basis would be added advantage for Audit closures for financial year ended and data required for any others statutory requirement.

- l) **Export Proceeds:** Keep a track on collection of foreign inward remittance in respect to exports as per Rule 96A of the CGST Rules or existing Master Direction issued by the Reserve Bank of India ('RBI'), whichever is earlier. And considering this adequate follow-up mechanism required on export proceeds.
- m) **Time limit on input tax credit:** Educate to internal team members, Procurement team on time limit for availing ITC (Refer: section 16 of CGST Act 2017) as Stated below and considering below referred time limit to avail input tax credit , ensure recording of purchases invoices in books on time without delay to avail Input tax credit.

Time limit for availing ITC: A Registered person shall not be take Input tax credit in respect of invoice or Debit Note for Supply of goods or services or both

- a) *after the "Due Date of furnishing of Return u/s 39 for the month of September following the end of the financial year to which such Invoice pertains" or*
- b) *"Date of furnishing of relevant Annual Return" , whichever is earlier*