

**IT Implementation for GST
Koshy T, ED NSDL**

1st October 2010



What We Intend to Cover

- ▶ Where we are (IT implementation)
- ▶ Stakeholder Expectation
- ▶ GST Solution



Where we are

IT implementation for GST



NSDL

The Realization

- ▶ IT is Essential
- ▶ IT Takes Time
- ▶ IT work can start even with current level of policy uncertainty

Status

- ▶ Decision on Common Integrated Portal
- ▶ NSDL as the agency to set up CIP
- ▶ Discussion with stakeholders



Stakeholder Expectation

The foundation for design



Wish List - Taxpayer

- ▶ Multiple Payment Modes
 - ▶ Offline, Online, ATM, Debit/Credit Card, Mobile
- ▶ Standard Processes across Country
 - ▶ Registration Number, Amount, Account Head
- ▶ Deposit at any Authorized Bank Branch
- ▶ Online Payment from Bank of Choice
- ▶ Tax Credit Tracking
- ▶ Refund to Bank Branch



Wish List - Banks

- ▶ Multiple Payment Modes
 - ▶ Offline, Online, ATM, Debit/Credit Card, Mobile
- ▶ Standard Processes across Country
 - ▶ Who paid, How much, Which Challan, To Whom
- ▶ Role based on their Core Strengths
- ▶ Deposit at any Authorized Bank Branch
- ▶ Quick Feedback on Error
- ▶ Standard Process for Error Rectification
- ▶ Refund to Bank Branch



Wish List - Tax Administration

- ▶ Quick Credit to Government Account
- ▶ Prevent Fraud Claims
- ▶ Enable focus on Core Strengths
- ▶ Mapping of Tax Claim to Tax Deposit
- ▶ Timely Digital Data Input
- ▶ Easy and Quick Verification of Tax Claims
- ▶ Mapping of Collection to Corresponding Enforcing Unit



Wish List - Accounts & Audits

- ▶ Quick Credit to Government Account
- ▶ Ensure that due Processes are Followed
- ▶ Prevent Leakage
- ▶ Enable Focus on Core Strengths
- ▶ Timely Digital Data Input
- ▶ Analytics for Audit



Ground Reality

- ▶ Different States Use Different Sets of Banks
- ▶ Taxpayer Mapped to Bank/Branch
- ▶ Payment Modes Limited
- ▶ Multiple Flows for Funds and Data
- ▶ No Online Information of Tax Collection to DCT Offices
- ▶ Only AG gets Consolidated Collection Details
 - ▶ That too with Time Delay....
- ▶ DCT Office does not get the Challan Details of Tax Deposit at Treasuries
- ▶ Challan Matching with Return almost Impossible
- ▶ Even in DCT Offices the Challan Data is digitised and with Delay

A Balancing Act

Technology



Requirements



Risk



Time



Security



Best Practices



Cost



NSDL

Service Delivery

Customer Interface

Tax Deposit

Returns Submission

Recording of Inter-State Goods Movement

User Registration

Status Track

Back End Enabler

Common Integrated Portal

Common E-Tax Portal for Banks

Interstate Goods Movement Tracking

Acceptance & Consolidation of Return

Computation for Interstate Settlement

Matching of Input Tax Credit

Dashboard & MIS

Policy Administration

Automation of Enforcement Agencies

Compliance Monitoring

Assessment

Audit

Appeals

State-1

Compliance Monitoring

Assessment

Audit

Appeals

State-N

Compliance Monitoring

Assessment

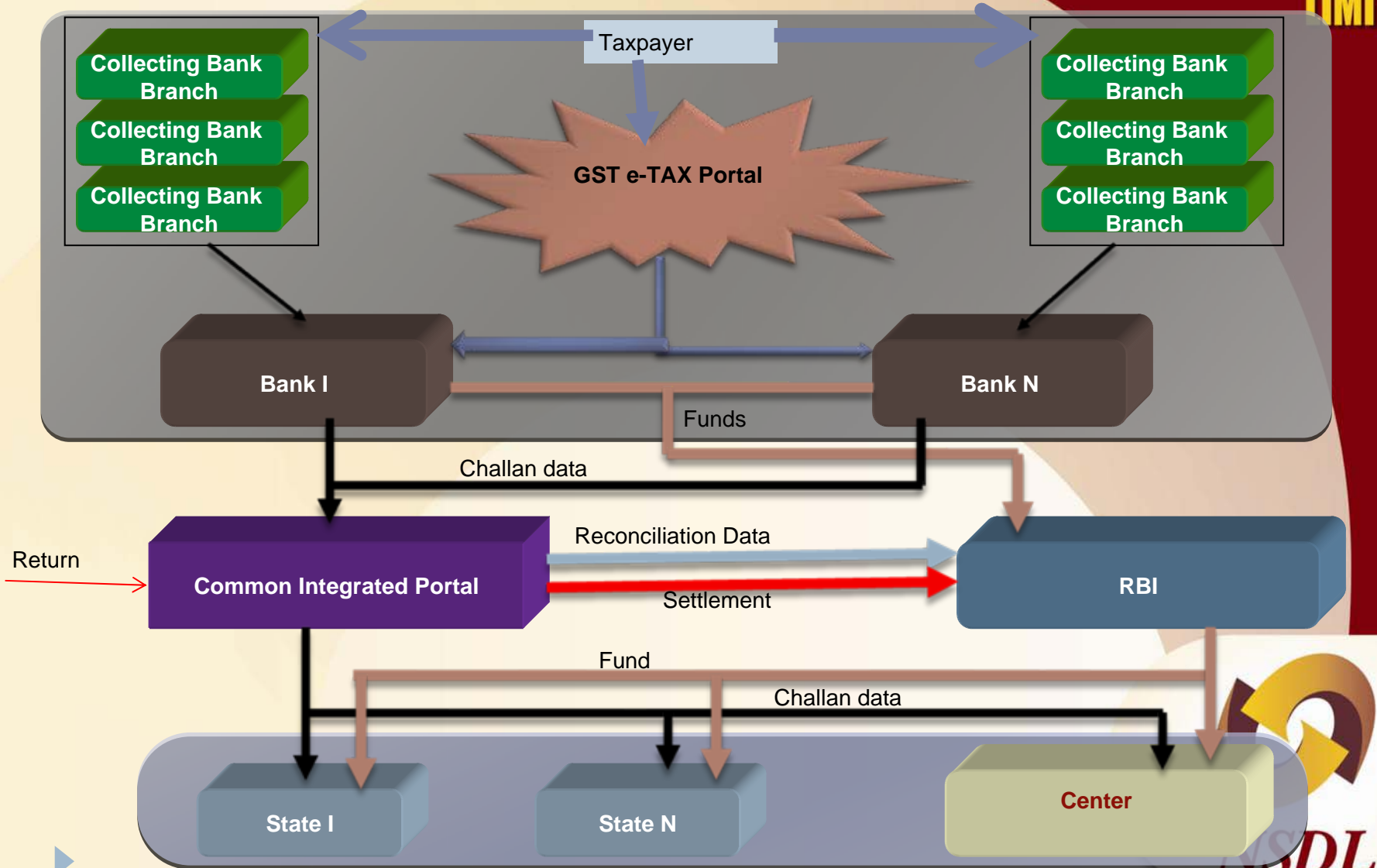
Audit

Appeals

CBEC

TAX collection & Inter-State Settlement

**NATIONAL
SECURITIES
DEPOSITORY
LIMITED**

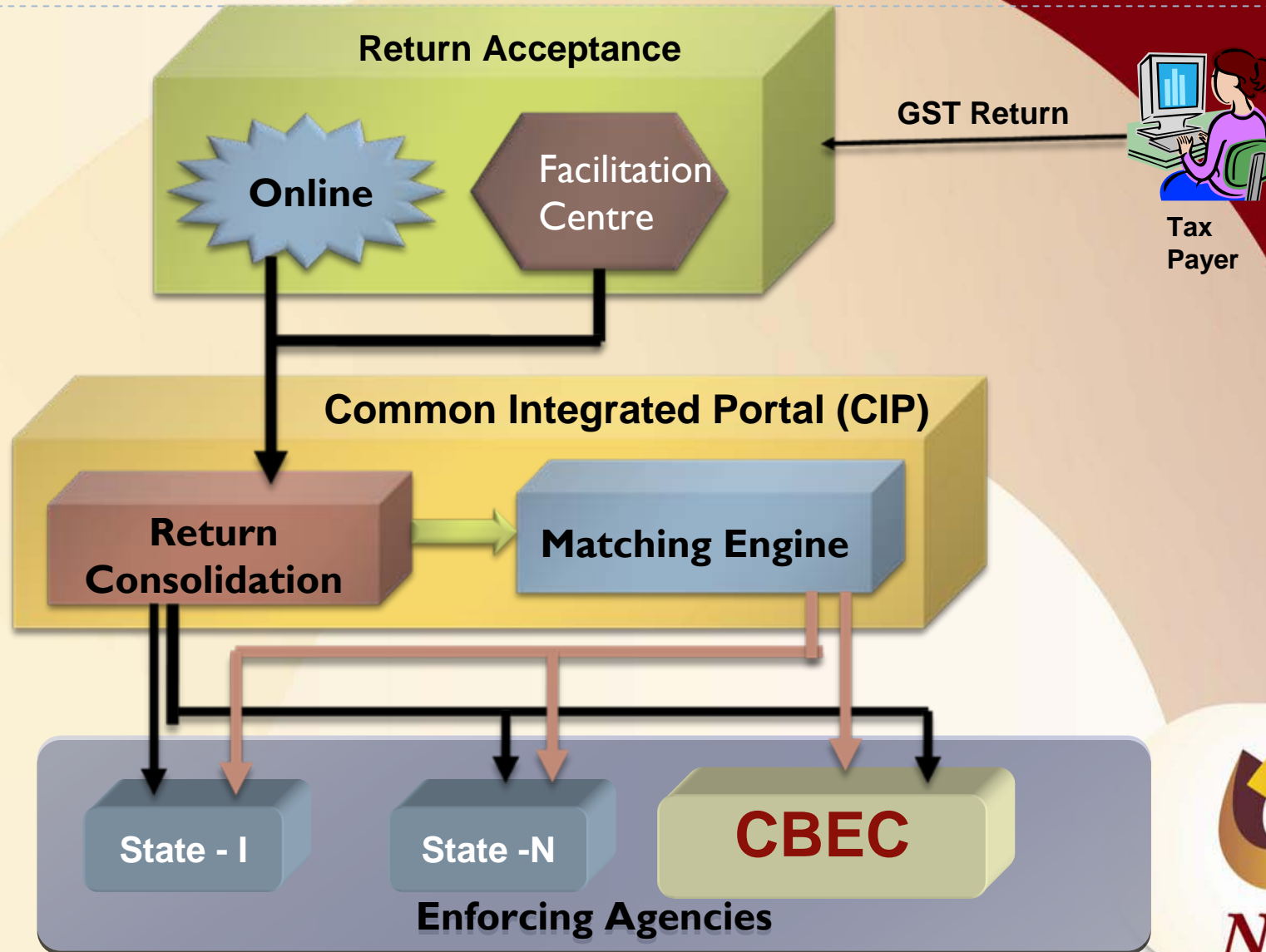


Tax Collection & Inter-State Settlement

- ▶ CGST, SGST & IGST through CIP (like EASIEST)
- ▶ E-Payment
 - ▶ Phase 1 For value above threshold
 - ▶ Phase 2 All
- ▶ Inter state settlement
 - ▶ Phase 1 – Based in Dealer wise summery of Liability (& input tax credit)
 - ▶ Phase 2 - Invoice vise Details of liability & tax credit



GST Return Acceptance



Returns

GST Return to CIP

Phase I

- ▶ Dealer wise Summary of Liability (& input Tax Credit)
- ▶ Matching Dealer wise Credit
- ▶ Dealer wise Ledger of ITC

Phase 2

- ▶ Invoice wise Details of Liability & Tax Credit
- ▶ Matching Invoice-wise Tax Credit
- ▶ Invoice-Dealer wise Ledger of ITC



On the table from NSDL

For Implementation



The Experience Stack

SEZ Online

- Workflow Automation of Compliance Documents

CRA

- Government Accounts and Systems(Central & State)

TIN

- Domain Expertise in Taxation
- Payment Systems for Government Receipts
- Government as a Direct Client
- Process Re-Engineering

Depository

- Large Volume Mission Critical Financial Transactions
- Complex Settlement Process
- Security of IT System Exposed to Multiple Partners
- Change Management
- Establishing National Reach



Common Portal - Components

Common Enabling Front-end & Not Substitution of State/ central IT systems

- ▶ User Registration
- ▶ Online Tax Collection System
- ▶ Interstate Settlement
- ▶ Acceptance of GST Returns
- ▶ Generation of GSTN Ledger
- ▶ Data Extract for CBEC and States for GST Administration
- ▶ Cafeteria Model for States



NSDL

**“The value of an idea lies in the
using of it”**

- Edison

Thank You



NSDL