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P2P controls and tax checks

Vendor master, three-way match, TDS under the 2025 Act, MSME 45 days and GST on toll. · As of 25 October 2026

The P2P chain

STEP	KEY CONTROL
Vendor onboarding	PAN, GSTIN and bank checks; Udyam (MSME) status; related-party flag
PO / work order	Approval matrix; link to O&M budget
Receipt	Measurement or engineer's certificate
Invoice	**Three-way match**: PO, GRN, invoice with tolerances
Tax	TDS rate and section; GST credit eligibility
Payment	Ageing, MSME due dates, escrow waterfall, maker-checker
Vendor reconciliation	Statement match at least quarterly

MSME

- Pay micro and small suppliers within the agreed period, **at most 45 days**, or **15 days** if nothing is agreed (MSMED Act, section 15)
- Late payment: compound interest at **3 × the RBI Bank Rate**, monthly rests (section 16)
- Unpaid beyond the limit can be disallowed for income tax until paid

TDS

- From **1 April 2026** the Income-tax Act, 2025 applies; rates are in the section 393 tables
- Keep a mapping from old sections (194C, 194J, 194-I, 194A…) to the new references
- Deposit on time and match challans to the ledger and the return

GST on tolls

- Access to a road or bridge on payment of toll is **exempt**
- A toll-only SPV therefore cannot claim most input tax credit
- HAM concessionaires supply taxable services, so their credit position differs

Red flags

Duplicate PAN or bank account • invoice without a PO • same person creates and approves a vendor • round-sum invoices • payments just below an approval limit

Free templates

Vendor master (Q), three-way match (R), TDS tracker (S), AP ageing with MSME (T), vendor reconciliation (U): sachinnagpal.in/templates

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