ITC on Banking Service Expenses

ITC on Banking Service Expenses & how it is implemented in Miracle?



Prepared By RKIT Software Pvt Ltd-Rajkot

In GST Regime, 18% of GST is levied on all the Banking service charges, previously it was 15% of service tax.

We can get Input Tax Credit on Banking service charges under GST Regime.
The following are major banking services:

 Debit card, fund transfer, ATM withdrawal beyond the number of free services, home loan processing fee, locker rentals, issuance of cheque books /drafts/duplicate passbooks, collection of bills, collection of outstation cheques, cash handling charges and SMS alerts.

How it implemented in Miracle

<u>M</u> aster	<u>T</u> ransaction	<u>G</u> ST	<u>R</u> eport	<u>U</u> ti	lity	<u>S</u> etup	<u>E</u> xit	<u>W</u> indows
2 01]	u 🛛 🖻	G <u>S</u> T	Master	×				
1 S	🗉 🔏 🔳	GST	Entry	►				
		GST	- R <u>C</u> M			Click		
		GST	E <u>x</u> pense				00 621	Expense
		GST	R <u>e</u> port					
		<u>G</u> ST	Register	►				
Sales Invoice	Purc. Invoice	GST	'R <u>1</u>	►				
		GST	'R <u>2</u>	►				
		GST	<u>R</u> eturn	►				

Select Bank Account

CST -> CST Eyne	ense -> Add Other Purchases						X
Party A/c.		Type			Vou. Date	03/08/2017 Th	
Party A/C.		Type GST	•			03/08/2017	
	Account Name	4			Vou No		
	AXIS BANK Cash Account				Doc. No.		
	Gujarat Transport Service	-			Doc Date	11	
Expense A/c.		mmodity	Assess Amt	CGST	SGST	IGST	Total Amount
Expense A/C.	Mahavir Sales	minoury	ASSESS AIIIC	6631	3031	1651	
	SBI						
	Tulsi Provision Store						
		Select I	Bank A/c.				
		_					
		_					
		Tota					
	-	Delete	·				
		Delete					
		_					
		-					
	Add Edit Delete Ledger Info						
Narration				Dart	y Amount		
				Part	y Anounc		
	ОК	Print					

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Insert Expense for Banking Service

GST -> GST Ex	pense -> Add Other Purchases								
Party A/c.	AXIS BANK	Туре	GST	▼			Vou. Date	04/08/2017 Fri	
	Rajkot						Vou No		
	-						Doc. No.	Ser.1	
							Doc Date	02/08/2017	
							DOC Date	02/08/2017	
Expense A/		Commodity		Assess Amt		CGST	SGST	IGST	Total Amount
Banking Servi	ce Charges	GST 18%		150.00		13.50	13.50	0.00	177.00
									
- We	inserted an expense for								
		GST 18	3% will l	be applied	d on ⊢				
Н "Ва	nking Service Charges".				-				
		Валк	ing Serv	vice charg	es.				
			Tota	al 150.00	:	13.50	13.50		177.00
					· · · · · ·				
		GST	will be	calculate	d in 🔰				
			Sonvico	charge	L				
			Service	charge.					
Narration						Pa	rty Amount	17	7.00 CR
		OK PI	rint						

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Edit Amount facility

GST -> GST Exp	ense -> Add Other Purchases							×
Party A/c.	AXIS BANK	Туре	GST	•		Vou. Date	04/08/2017 Fri	
	Rajkot					Vou No		
						Doc. No.	Ser.1	
						Doc Date	02/08/2017	
Expense A/c	-	Commodity		Assess Amt	CGST	SGST	IGST	Total Amount
Banking Servio	ce Charges	GST 18%		150.00	14 .50	13.50	0.00	177.00
					can edit CG (round off) Amt. will b	if require	ed.	
								177.77
			Total Delete		per chan	ge in Amt		177.00
Narration		OK Pri	nt		Part	ty Amount	17	7.00 CR

Account Effects in Ledger

Report -> Account Books -> Ledger -> A	ccount Ledger			
Account Ledger				From 01/04/2017 To 31/03/20
Account Name	City Name	Opening	Closing	
AC. Services (Off. Expense)				
AXIS BANK	Rajkot		177.00 CR	
Bank Service Charges			150.00 DB	
Cash Account				
Cash Ledger(Cess) - Primary Unit				Here 150 Rs is Annual charge
Cash Ledger(CGST) - Primary Unit				_
Cash Ledger(IGST) - Primary Unit				& on that charge GST 18%
Cash Ledger(SGST) - Primary Unit				
Cess A/c. (I/P)				calculated.
Cess A/c. (O/P)				
CGST A/c. (I/P)			13.50 DB	
CGST A/c. (O/P)				
Electronics Items (Office Purchase)				
Goods Transport Exp.				
GST Provisional A/c Primary Unit				
Gujarat Transport Service				
IGST A/c. (I/P)				
IGST A/c. (O/P)				
Items				
Jamnagar Transport				
Mahavir Sales				
Profit & Loss A/c				
Purchase A/c. (GST)				
Purchase A/c. (IGST)				
Purchase A/c. (URD)				
Add Edit Delete Print Address	Master Filter Date Form	nat Next Setup	TM SMS TM E-Mail	TM Label E-Mail Kasar Havala Account Audit Multi Ledger Pr

Account Effects in Ledger

Report -> Account Books -> Ledger -> Ac	count Ledger												e 😒
 Account Ledger 									Fro	m 01/04/	2017	То	31/03/2018
Account Name	City Name		Opening	Closi	ng								4
Cess A/c. (I/P)													
Cess A/c. (O/P)													
CGST A/c. (I/P)				13.50	DB								
CGST A/c. (O/P)													
Electronics Items (Office Purchase)						$\overline{\ }$							
Goods Transport Exp.													
GST Provisional A/c Primary Unit													
Gujarat Transport Service													
IGST A/c. (I/P)				(
IGST A/c. (O/P)					Here	we ca	n sei	e tha	at ef	fect	of		
Items													
Jamnagar Transport					13.5	ORs ir	CGS	ST A	/c. (I/P) 8	2		
Mahavir Sales					_0.0				•	., . , -			
Profit & Loss A/c						SGS	5T A/	c. (l/	'P).				
Purchase A/c. (GST)							· · ·						
Purchase A/c. (IGST)													
Purchase A/c. (URD)													
Sales A/c. (GST)													
Sales A/c. (IGST)													
SBI					- /								
SGST A/c. (I/P)				13.50	DB								
SGST A/c. (O/P)													
Stock In Hand													
Trading A/c.													
Tulsi Provision Store	Rajkot												
Add Edit Delete Print Address I	Master Filter Date	Format Next	Setup	TM SMS	TM E-Mail	TM Label	E-Mail	Kasar H	lavala	Account	Audit	Multi	Ledger Print



hank you.

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