

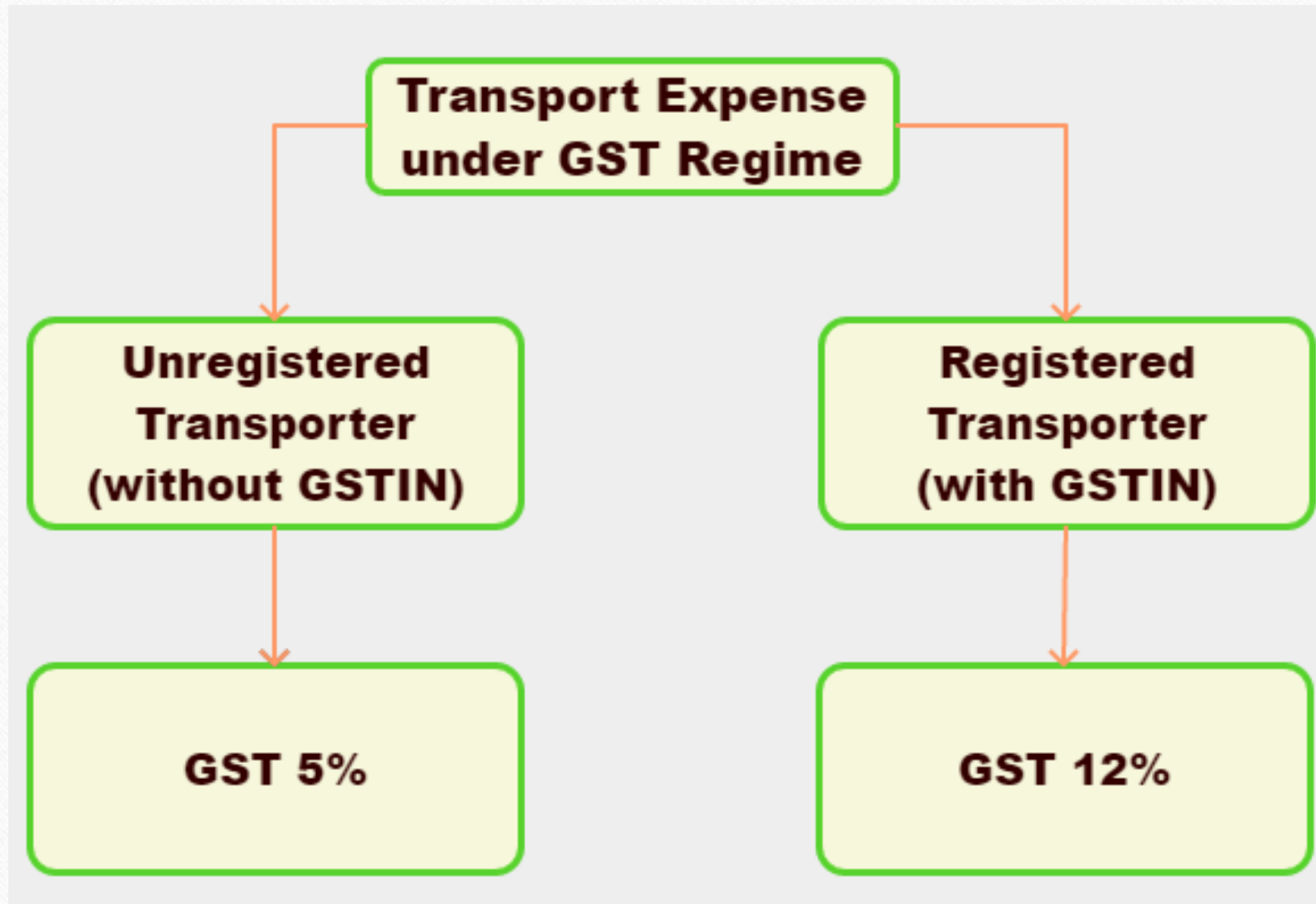
How to insert Transport Service Expense in Miracle?



**Transport Expense
Entry in Miracle**

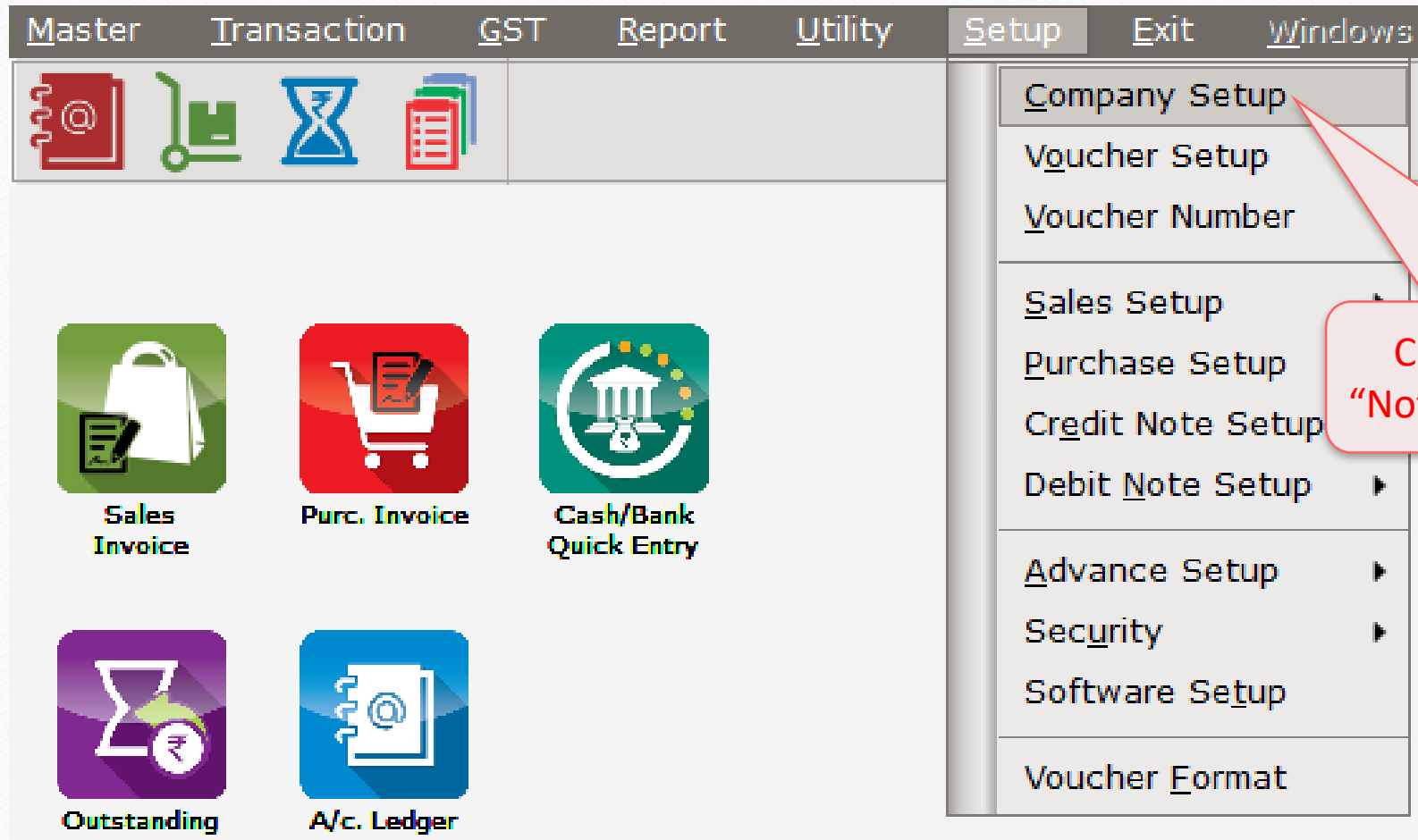


- Under GST Regime, we can get ITC on our Expenses as per Reverse Charge Mechanism. (Note that: Not all type of Expenses)
- In this document, we will see the setup regarding Transport Service expense in the case of “Unregistered Transporter” and we will also see how to add GST Expense for Transportation Service in Miracle after receiving goods.
- The liability of payment lies with the receiver, it means that the receiver will pay the GST on Reverse Charge basis.



- The following topics are covered in this document:
- Party account for Transport.
 - Setup for Notified Reverse Charge. (NRCM)
 - Add GST Commodity for Transport Expense and add Reverse Charge Payable (%).
 - Add 'Transportation Expense' Effects in Account Ledger.
 - How to pay GST under RCM?
 - How to get ITC under RCM?

When we select **Unregistered** Registration Type, **Transport** option will enable.
Select **Yes** to Transport if the party is “Transport” party.



Click on **Company Setup** for
"Notified Reverse Charge setup."

Setup -> Company Setup -> Company Setup		
Category	Description	Value
General Setup	GST Auto Setup	
	GST Auto Setup	
Advance Setup	Quick Auto GST Setup	No
Advance Modules	GST Setup	
Master Setup	Cess required?	No
VAT Setup	URD A/c Setup	
GST Setup	HSN Code Type	Sub Heading
	Garment Condition	No
TDS/TCS Setup	Non GST Required	No
Report Setup	Decimal Point For GST %	2
	RCM Effect while URD Voucher Req. ?	No
	Display width for Document No.	15
	Display width for Voucher No.	15
	Tax Percentage for Compound	1
	GSTR1 Return Period	Monthly
	E-Way bill required ?	Yes
	UIN No. Required ?	No
	GSTIN Search	Internet Explorer
	Sales	
	Tax Paid Rate Entry?	No
	Purchase	
	Tax Paid Rate Entry?	No
	Advance Receipt Entry Setup	
	Advance Receipt Entry Req.?	No
	Reverse Charge Setup	
	Notified Reverse Charge Required ?	Yes
	Reverse Charge A/c Setup	

Select **Yes** to "Notified Reverse Charge Required?"

GST Commodity Details

Description* Transport RCM (GST 5%)

Commodity Type Services

HSN/SAC Code 996791

Reverse Charge Applicable Yes

Reverse Charge Payable(%) 100.00

Here, we added **Commodity Details**.
i.e. Description, Comm. Type & SAC.
As per setup, **Reverse Charge** option
will appear here.

GST Slab

GST 5%

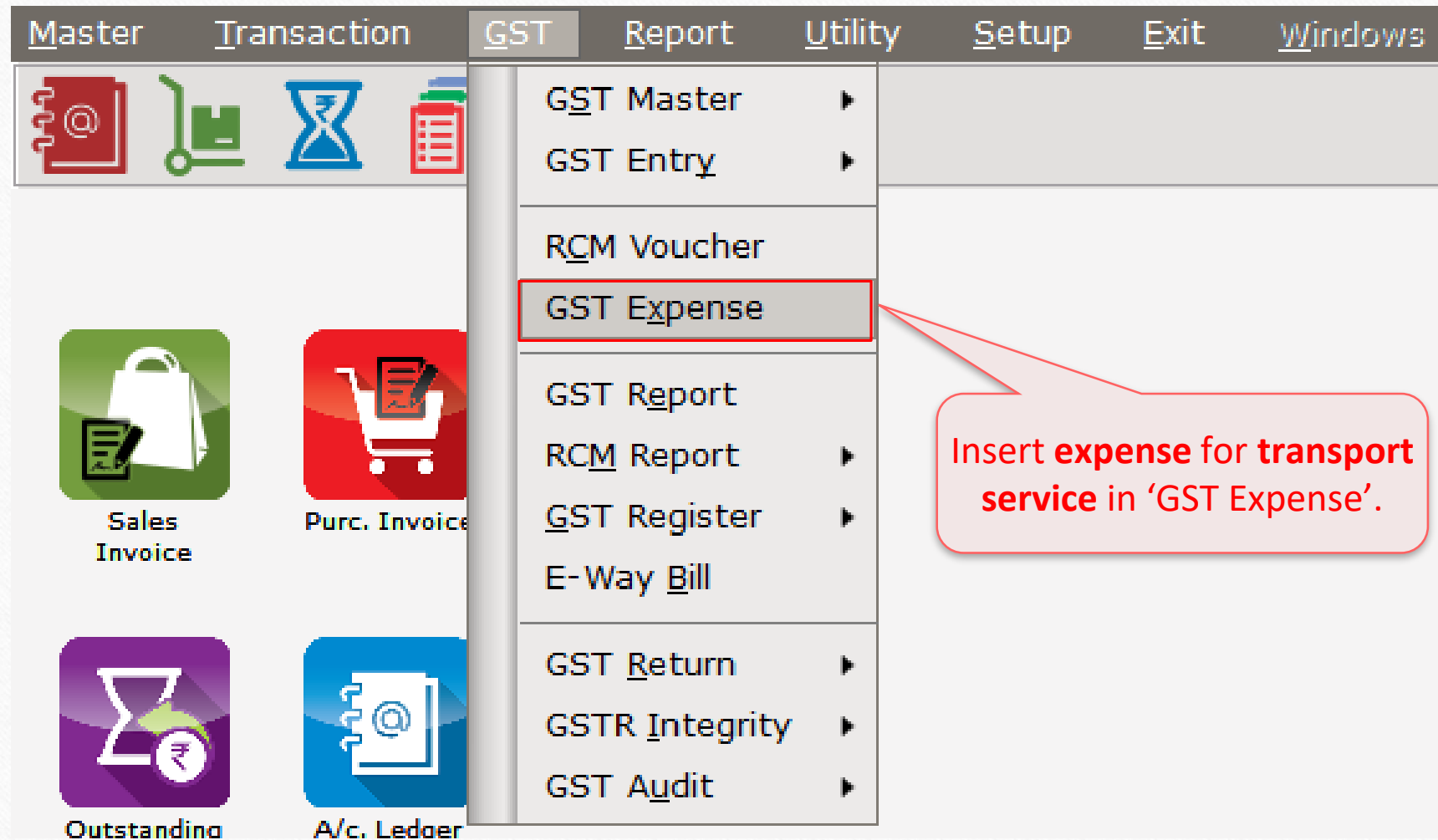
Applied Dt

02/01/2018

We selected **Yes** and inserted **100 %**
Reverse Charge Payable.

It means that only we are liable to
pay GST 100% on Transport Service
Exp. on the basis of Reverse Charge.

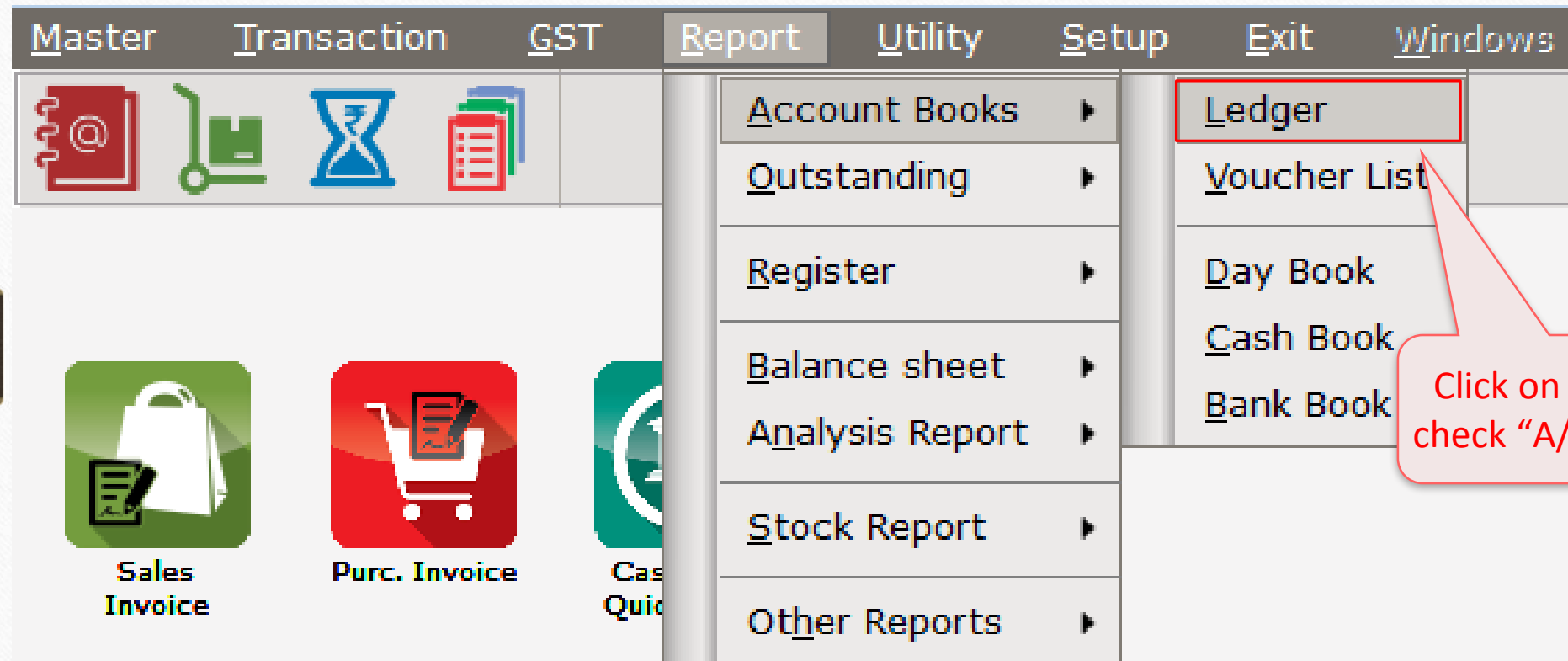
OK



Here, we added **Transport Expense**.
We selected a **commodity** as per
Party's Registration Type.

Insert **Expense Amt.**

Note that: GST will not be calculated here because only we are liable to pay GST.



Report -> Account Books -> Ledger -> Account Ledger

Account Ledger

From 01/04/2018 To 31/03/2019

Account Name	City Name	Opening	Closing
Central Tax A/c. (I/P)			
Central Tax A/c. (O/P)			250.00 CR
Cess A/c. (I/P)			
Cess A/c. (O/P)			
Composition(CGST) Tax Exp. A/c			
Composition(SGST) Tax Exp. A/c			
GST Provisional A/c. - Primary Unit			500.00 DB
Integrated Tax A/c. (I/P)			
Integrated Tax A/c. (O/P)			
Interest Expense A/c.(Default)			
Kasar A/c.			
Late Fee Expense A/c.(Default)			
Other Expense A/c.(Default)			
Penalty Expense A/c.(Default)			
Pramukh Industries	Rajkot		
Profit & Loss A/c			
Purchase A/c. (Composite)			
Purchase A/c. (GST)			
Purchase A/c. (IGST)			
Purchase A/c. (URD-RCM)			
Round Off A/c			
Sales A/c. (GST)			
Sales A/c. (IGST)			
Shivshakti Transport	Rajkot		10000.00 CR
State/UT Tax A/c. (I/P)			

Here we can see the effects in "Central Tax A/c (O/P)" and similar effects in "State Tax A/c (O/P)", too.

We will get effects in "GST Provisional A/c." to claim ITC for Reverse Charge paid via Cash.

A/c. effects in "Shivshakti Transport" which is without GST.

Now, Scroll below..

Add Edit Delete Print Address Master Filter Date Format Next

Setup E-Mail Kasar Havala Account Audit Multi Ledger Print

Report -> Account Books -> Ledger -> Account Ledger

Account Ledger

From 01/04/2018 To 31/03/2019

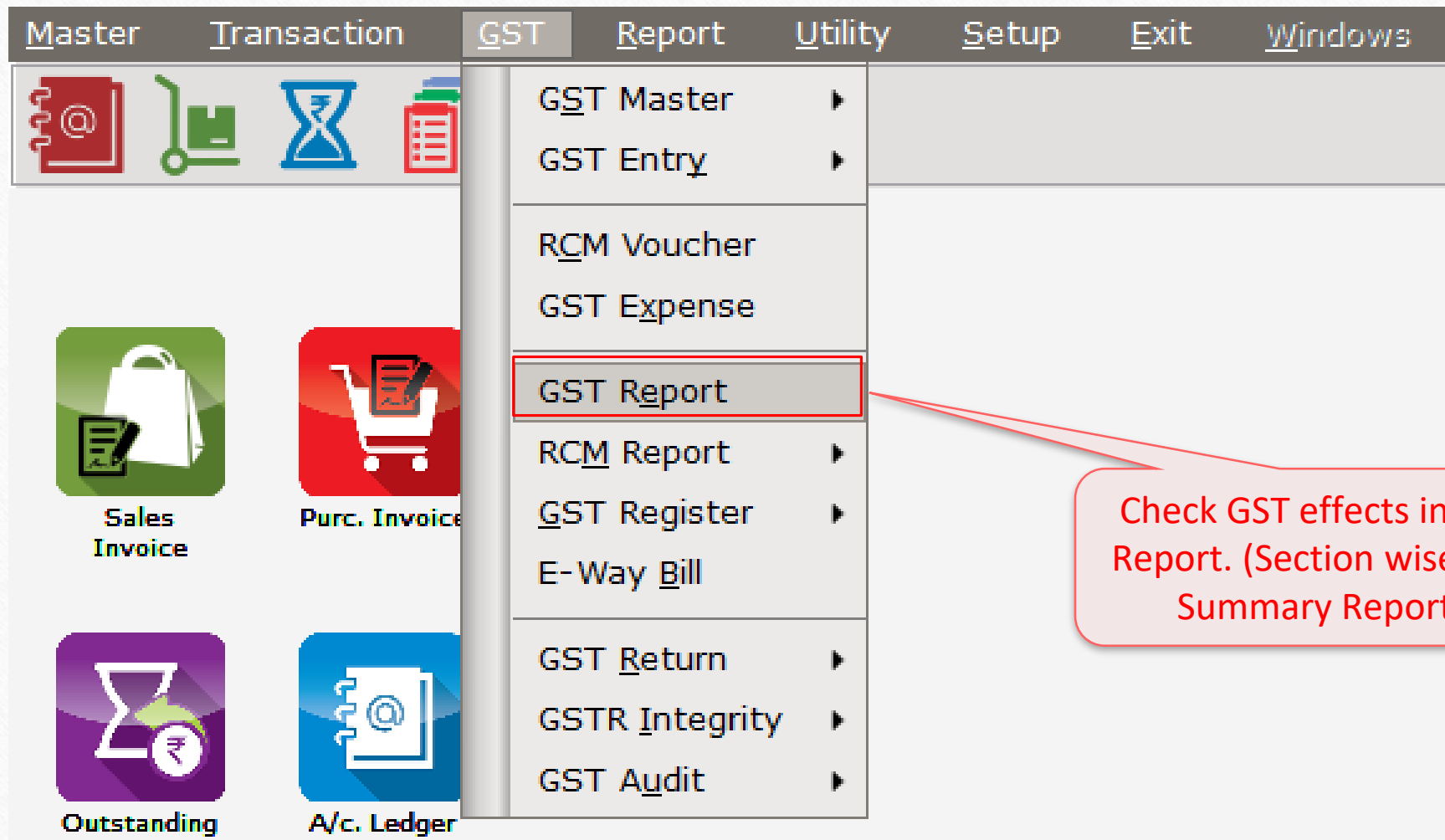
Account Name	City Name	Opening	Closing
Composition(SGST) Tax Exp. A/c			
GST Provisional A/c. - Primary Unit			500.00 DB
Integrated Tax A/c. (I/P)			
Integrated Tax A/c. (O/P)			
Interest Expense A/c.(Default)			
Kasar A/c.			
Late Fee Expense A/c.(Default)			
Other Expense A/c.(Default)			
Penalty Expense A/c.(Default)			
Pramukh Industries	Rajkot		
Profit & Loss A/c			
Purchase A/c. (Composite)			
Purchase A/c. (GST)			
Purchase A/c. (IGST)			
Purchase A/c. (URD-RCM)			
Round Off A/c			
Sales A/c. (GST)			
Sales A/c. (IGST)			
Shivshakti Transport	Rajkot		10000.00 CR
State/UT Tax A/c. (I/P)			
State/UT Tax A/c. (O/P)			250.00 CR
Stock In Hand			
Trading A/c.			
Transport Expense			10000.00 DB
VR Roadways	Rajkot		

We can see the effects in "State/UT Tax A/c. (O/P)".
It means that we are liable to pay total GST 500₹
(CGST:250 + SGST:250).

We can see the effects in
our "Transport Expense".

Add Edit Delete Print Address Master Filter Date Format Next

Setup E-Mail Kasar Havala Account Audit Multi Ledger Print



GST -> GST Report -> GST Summary Report

▼ GSTR Summary

Return Period July From 01/07/2018 To 31/07/2018

GSTR Grouping	Taxable Amount	Central Tax	State/UT Tax	Integrated Tax
---------------	----------------	-------------	--------------	----------------

Details Of Outward Supply

Opening				
B2CS(NRCM)	10000.00	250.00	250.00	
Total	10000.00	250.00	250.00	

Details Of Inward Supply

Opening				
B2BUR				
Total				

Net Position After Utilization (Offset Liability)

Total Tax Liability		250.00	250.00	
ITC Utilization				
Cash Ledger Utilization				
Total		250.00	250.00	

Closing

ITC				
Tax Payable		250.00	250.00	
Cash Ledger				
Total				

This is **GST Summary Report**. We can see the effects of inserted **Transport Expense** in B2CS (NRCM) section.

NRCM: Notified RCM.

Only we are liable to **pay GST** under **RCM**.

Print Date Month

Tax Liability Integrity

ITC Integrity

GST Payment Assistant

GST Data Freeze

Havala

GST-Repoting

- The following steps must be followed:
- Insert Havala (Utilization Entry).
 - Entry in Cash Ledger to pay GST under RCM.
 - Note that: RCM amount must be paid through Cash Ledger only.
 - We are eligible to get ITC for above transaction, so we need to insert **ITC Increase** entry (in Journal Entry) in Miracle.
 - After inserting above entries, we will get ITC. We can also check in Account Ledger in Miracle Software.
 - After filing GST Return, ITC will reflect in our GST Portal Account which we can utilize against Tax Liability.

GST -> GST Report -> GST Summary Report

GSTR Summary

Return Period July From 01/07/2018 To 31/07/2018

GSTR Grouping	Taxable Amount	Central Tax	State/UT Tax	Integrated Tax
---------------	----------------	-------------	--------------	----------------

Details Of Outward Supply

Opening				
B2CS(NRCM)	10000.00	250.00	250.00	
Total	10000.00	250.00	250.00	

Details Of Inward Supply

Opening				
B2BUR				
Total				

Net Position After Utilization (Offset Liability)

Total Tax Liability		250.00	250.00	
ITC Utilization				
Cash Ledger Utilization				
Total		250.00	250.00	

Closing

ITC				
Tax Payable		250.00	250.00	
Cash Ledger				
Total				

Click on **GST Payment Assistant** button to insert Havala (Utilization).
Short cut key: "Ctrl + G"

Print	Date	Month	Tax Liability Integrity	ITC Integrity	GST Payment Assistant	GST Data Freeze	Havala	GST-Repoting
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GST Payment Assistant

Other than Reverse Charge

	Tax Payable	Central Tax	State/UT Tax	Integrated Tax	Available Cash	Tax Paid(Cash)
Central Tax	0.00	0.00	0.00	0.00	0.00	0.00
State/UT Tax	0.00	0.00	0.00	0.00	0.00	0.00
Integrated Tax	0.00	0.00	0.00	0.00	0.00	0.00

Reverse Charge

	Tax Payable	Tax Paid(Cash)
Central Tax	250.00	250.00
State/UT Tax	250.00	250.00
Integrated Tax	0.00	0.00

Other

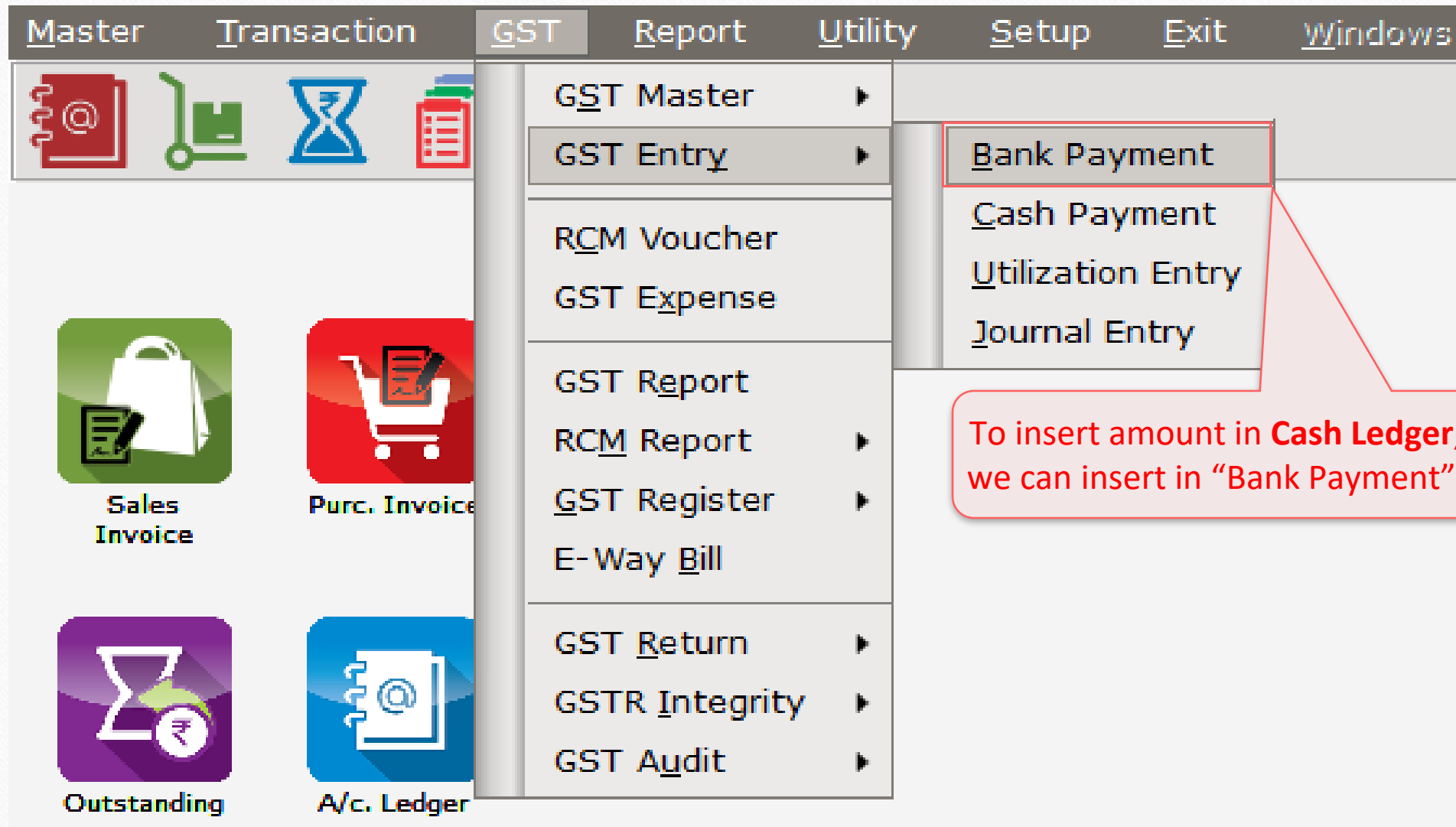
	Interest		Penalty		Late Fee		Other	
	Available Cash	Cash Payment	Available Cash	Cash Payment	Available Cash	Cash Payment	Available Cash	Cash Payment
Central Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State/UT Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Integrated Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Havala

RCM amount must **paid** through **Cash Ledger** only. It can't be adjusted against ITC.

Click on **Havala** button.

❖ **Note that:** To know more about “GST Payment Assistant” & “Havala (Utilization Entry)”, please go to: <http://rkitsoftware.com/> click on “GST”, then click on GST Reports & Returns, refer this document: “GST Payment Assistant in Miracle”.



GST -> GST Entry -> Bank Payment -> Add GST Bank Payment

Bank/Cash: Date: Thu Utilization Type:

Balance: Vou No: Period:

Chq/DD Date: Chq/DD No.:

Challan Date: Challan No.:

Payment Detail

	Tax	Interest	Penalty	Fees	Other	Total
Central Tax	250.00	0.00	0.00	0.00	0.00	250.00
State/UT Tax	250.00	0.00	0.00	0.00	0.00	250.00
Integrated Tax	0.00	0.00	0.00	0.00	0.00	0.00
Total	500.00		0.00	0.00	0.00	500.00

Narration:

Here we inserted **GST payable amount** to pay RCM.
We can see this effects in A/c. Ledger.

Report -> Account Books -> Ledger -> Account Ledger

Account Ledger

From 01/04/2018 To 31/03/2019

Account Name	City Name	Opening	Closing
AXIS Bank	Rajkot		500.00 CR
Cash Account			
Cash Ledger(Cess) - Primary Unit			
Cash Ledger(Cess- Interest) - Primary Unit			
Cash Ledger(Cess- Late Fee) - Primary Unit			
Cash Ledger(Cess- Other) - Primary Unit			
Cash Ledger(Cess- Penalty) - Primary Unit			
Cash Ledger(CGST) - Primary Unit			
Cash Ledger(CGST- Interest) - Primary Unit			
Cash Ledger(CGST- Late Fee) - Primary Unit			
Cash Ledger(CGST- Other) - Primary Unit			
Cash Ledger(CGST- Penalty) - Primary Unit			
Cash Ledger(IGST) - Primary Unit			
Cash Ledger(IGST- Interest) - Primary Unit			
Cash Ledger(IGST- Late Fee) - Primary Unit			
Cash Ledger(IGST- Other) - Primary Unit			
Cash Ledger(IGST- Penalty) - Primary Unit			
Cash Ledger(SGST) - Primary Unit			
Cash Ledger(SGST- Interest) - Primary Unit			
Cash Ledger(SGST- Late Fee) - Primary Unit			
Cash Ledger(SGST- Other) - Primary Unit			
Cash Ledger(SGST- Penalty) - Primary Unit			
Central Tax A/c. (I/P)			
Central Tax A/c. (O/P)			
Cess A/c. (I/P)			

We can see the effects in "Axis Bank" that we inserted amount for Cash Ledger.

A/c. effects in "Central Tax A/c. (O/P)" and "State/UT Tax (O/P)" are nil because we have paid RCM amount.

Now, Scroll below..

Add Edit Delete Print Address Master Filter Date Format Next

Setup E-Mail Kasar Havala Account Audit Multi Ledger Print

Report -> Account Books -> Ledger -> Account Ledger

Account Ledger

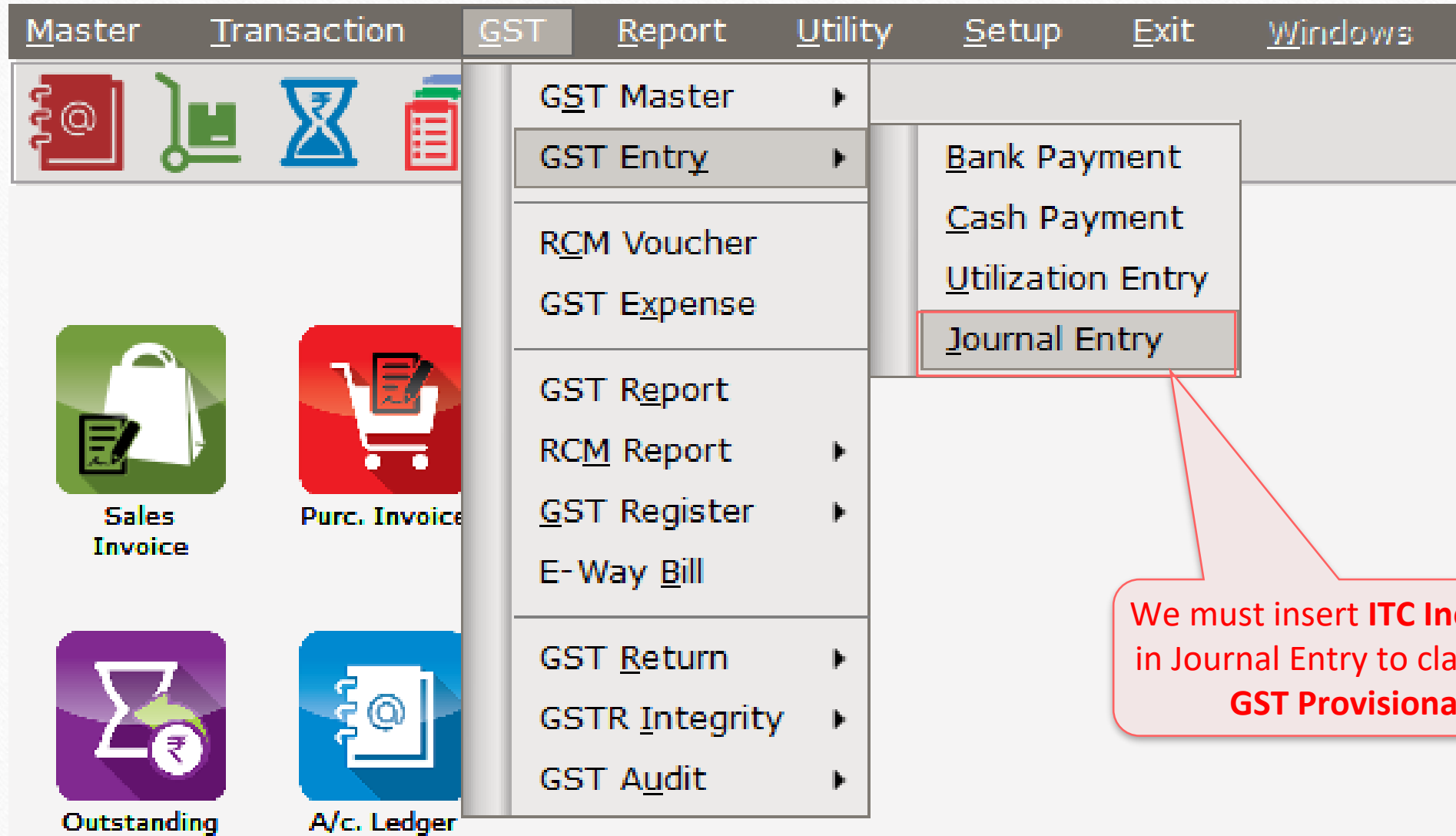
From 01/04/2018 To 31/03/2019

Account Name	City Name	Opening	Closing
Central Tax A/c. (O/P)			
Cess A/c. (I/P)			
Cess A/c. (O/P)			
Composition(CGST) Tax Exp. A/c			
Composition(SGST) Tax Exp. A/c			
GST Provisional A/c. - Primary Unit			500.00 DB
Integrated Tax A/c. (I/P)			
Integrated Tax A/c. (O/P)			
Interest Expense A/c.(Default)			
Kasar A/c.			
Late Fee Expense A/c.(Default)			
Other Expense A/c.(Default)			
Penalty Expense A/c.(Default)			
Pramukh Industries	Rajkot		
Profit & Loss A/c			
Purchase A/c. (Composite)			
Purchase A/c. (GST)			
Purchase A/c. (IGST)			
Purchase A/c. (URD-RCM)			
Round Off A/c			
Sales A/c. (GST)			
Sales A/c. (IGST)			
Shivshakti Transport	Rajkot		10000.00 CR
State/UT Tax A/c. (I/P)			
State/UT Tax A/c. (O/P)			

Here the effects still remain to claim ITC from RCM.
We must insert **ITC Increase** entry to get ITC.

Add Edit Delete Print Address Master Filter Date Format Next

Setup E-Mail Kasar Havala Account Audit Multi Ledger Print



We must insert **ITC Increase** entry in Journal Entry to claim **ITC** from **GST Provisional A/c.**

GST -> GST Entry -> Journal Entry -> Add GST Journal

Vou. Type	Journal	Vou. Date	19/07/2018 Thu
Type	ITC Increase	Vou No	
Sub Type	RCM-URD ITC	Doc. No.	
Reference No.	01	Doc Date	/ /

Cr/Db	Account Name	Type			Debit	Credit
CR	GST Provisional A/c. - Primary Unit				0.00	500.00
DB	Central Tax A/c. (I/P)				250.00	0.00
DB	State/UT Tax A/c. (I/P)				250.00	0.00
Total					500.00	500.00

We selected "GST Provisional A/c – Primary Unit" to claim ITC from the RCM in against A/c.s "Central Tax A/c. (I/P)" and "State/UT Tax A/c. (I/P)".

Delete

Balance

Narration

Press **OK** to save this **Journal Entry (ITC Increase entry)** to get ITC and check final effects in **Account Ledger**.

OK

Print

GST -> GST Report -> GST Summary Report

GST Summary

Return Period July From 01/07/2018 To 31/07/2018

GSTR Grouping	Taxable Amount	Central Tax	State/UT Tax	Integrated Tax
Details Of Outward Supply				
Opening				
B2CS(NRCM)	10000.00	250.00	250.00	
Total	10000.00	250.00	250.00	
Details Of Inward Supply				
Opening				
B2BUR				
ITC Increase		250.00	250.00	
Total		250.00	250.00	
Cash Ledger				
Tax Credit		250.00	250.00	
Total		250.00	250.00	
Utilization				
From Cash Ledger(CGST)		250.00		
From Cash Ledger(SGST)			250.00	
Total		250.00	250.00	
Net Position After Utilization (Offset Liability)				
Total Tax Liability		250.00	250.00	
ITC Utilization				
Cash Ledger Utilization		250.00	250.00	
Total				
Closing				
ITC		250.00	250.00	
Tax Payable				
Cash Ledger				

After inserting Havala, Cash Ledger and ITC Increase entries, we can see the effects in **GST Report** in “Details of Inward Supply”.

In **Closing**, we can see the **ITC** amount.

Print Date Month

Tax Liability Integrity

ITC Integrity

GST Payment Assistant

GST Data Freeze

Havala

GST-Repoting

Report -> Account Books -> Ledger -> Account Ledger

Account Ledger

From 01/04/2018 To 31/03/2019

Account Name	City Name	Opening	Closing
Central Tax A/c. (I/P)			250.00 DB
Central Tax A/c. (O/P)			
Cess A/c. (I/P)			
Cess A/c. (O/P)			
Composition(CGST) Tax Exp. A/c			
Composition(SGST) Tax Exp. A/c			
GST Provisional A/c. - Primary Unit			
Integrated Tax A/c. (I/P)			
Integrated Tax A/c. (O/P)			
Interest Expense A/c.(Default)			
Kasar A/c.			
Late Fee Expense A/c.(Default)			
Other Expense A/c.(Default)			
Penalty Expense A/c.(Default)			
Pramukh Industries	Rajkot		
Profit & Loss A/c			
Purchase A/c. (Composite)			
Purchase A/c. (GST)			
Purchase A/c. (IGST)			
Purchase A/c. (URD-RCM)			
Round Off A/c			
Sales A/c. (GST)			
Sales A/c. (IGST)			
Shivshakti Transport	Rajkot		10000.00 CR
State/UT Tax A/c. (I/P)			250.00 DB

So now, we will see **ITC** effects in the A/c. Ledger for "Central Tax A/c. (I/P)" and "State/UT Tax (I/P)".

We can use this ITC against Tax Liability (other than RCM) for Utilization.

So, in this way we can insert GST Transport Expense and we have to pay **GST 5%** under **RCM** for Unregister Transporter.

Add Edit Delete Print Address Master Filter Date Format Next

Setup E-Mail Kasar Havala Account Audit Multi Ledger Print

- ❖ When the Transport Company has GSTIN (Registered Transporter) and if they generate Tax Invoice (GST 12%) for the Transport of goods then the party is not liable to pay GST under RCM concept.
- ❖ In this case we need to do Normal GST entry in Miracle (Just as Routine GST Expenses). So we are eligible to claim ITC as per Normal Entry.



thank you!