

04:05 PM   10 JAN <b>CLOSED</b>	சென்செக்ஸ்	நி:பிடி 50	கோல்டு (எம்சிஎக்...)	யுஎஸ்டி/ஐஎ...	<b>CREATE PORTFOLIO</b>	FF-1டி மார்க்கெட்ஸ்...	CHOOSE LANGUAGE TAM
<b>MARKET STATS</b> ▼	34,433 ▼ -10.12	10,632 ▼ -4.80	29,395.00 ▲ 239.00	63.59 ▼ -0.13			

# GST rollout: Key changes to IT systems by banks ensures no hiccup

BY SALONI SHUKLA, ET BUREAU | UPDATED: JUL 03, 2017, 02.06 AM IST

Post a Comment

MUMBAI: Business in [banks](#) may have been smooth since the [Goods and Services Tax \(GST\)](#) regime began two days back, but the banking and insurance activities of customers will begin to pinch as tax rates on these services have risen, said bankers.

**Big Change:**  
The end of Five-Year Plans: All you need to know

Most large sized banks had made significant changes to their IT systems in anticipation of the nationwide rollout of GST on July 1 and there has been no hiccup in the past two days, even though they were not normal banking days with July 1 seeing marginal activity since banks were busy closing books for the first quarter.

But customers will have to pay more as banking services such as debit card, home loan processing fee, locker rentals, issuing of cheque books, cash handling charges and SMS alerts would attract higher taxes.

"We are one of the largest tax paying entities in the country, so we have made sure that we can do the filings in every single state. Go Live has happened, so we are live everywhere," said Jairam Sridharan, CFO of Axis Bank.

"The first tax payments will happen in the next one month, but all the billings have changed to the GST format and we haven't had any problem."

State Bank of India and Axis are among the five banks that have been allowed to take [GST payments](#) across the country. SBI too announced its GST-readiness and said that GST payments could be made online through internet banking and SBI debit cards, or by using its 25,000-plus branches.



Diversify your portfolio with Real Estate options in Blore

Property Share



Breath clean & fresh air with Slimline 230 car Air Purifier.

Philips

Recommended By Colombia

"We are completely GST-ready, all systems have been integrated and tested and we haven't come across any issues so far," said Mrityunjay Mahapatra, DMD, SBI. "There are 40 internal applications which have been aligned with the GST guidelines. Transactions are happening successfully and we are seeing lot of them happening through internet banking. Several customers are also doing small value transactions to find whether the system is working or not."

Some of the bigger private and multinational banks started modifying their front-end IT systems at the end of last year while several state-run banks and smaller private banks had floated tenders recently inviting IT companies to make them GST-ready.

Recently, the Indian Banks Association had called for a meeting to check the preparedness for banks and found that they are more or less ready to face the new tax challenges.

While most banks claim GST readiness, consumers will have to shell out more for banking services, insurance premium payments and credit card bills under the new regime. "Due to increased rate of tax on banking services from 15% to 18%, GST will result in increased cost of services offered to customers," said Ravindra Marathe, CEO, Bank of Maharashtra.

"GST has a mechanism of reconciliation of output services and input services, and banks may get the credit of each eligible input

service. Overall, the monetary impact may be negative initially, but complete transparency in transactions will show positive results for the banks and the economy in the long term.”

Also, life and non-life premiums would involve an increase in taxes from 15% to 18%.

“Though insurance customers will have to pay a higher rate of GST at 18% compared to 15% service tax earlier, the overall impact should be positive, given the convenience and simplicity associated with a single tax regime,” said Gopal Balachandran, chief financial officer, [ICICI Lombard](#).

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by	<a href="#">Live Market</a>	<a href="#">Industry</a>	<a href="#">About Us</a>
	<a href="#">News</a>	<a href="#">Newsletters</a>	<a href="#">Create Your Own Ad</a>
	<a href="#">Portfolio</a>	<a href="#">Commodities</a>	<a href="#">Advertise with Us</a>
	<a href="#">Mobile</a>	<a href="#">Speed</a>	<a href="#">Terms of Use &amp; Grievance Redressal</a>
	<a href="#">Live TV</a>	<a href="#">Blogs</a>	<a href="#">Privacy policy</a>
	<a href="#">Biz Listings</a>	<a href="#">RSS</a>	

<b>FOLLOW US</b>	<a href="#">Download it from APP STORE</a>	<a href="#">Download it from GOOGLE PLAY</a>	<a href="#">Download it from Windows Store</a>
------------------	--	--	--

#### Other Times Group news sites

[इकनॉमिक टाइम्स](#) | [ઇકોનોમિક ટાઇમ્સ](#) | [Pune Mirror](#) | [Bangalore Mirror](#) | [Ahmedabad Mirror](#) | [ItsMyAscent](#) | [Education Times](#) | [Brand Capital](#) | [Mumbai Mirror](#) | [Times Now](#) | [Indiatimes](#) | [नवभारत टाइम्स](#) | [महाराष्ट्र टाइम्स](#) | [ವಿಜಯ ಕರ್ನಾಟಕ](#) | [Go Green](#) | [AdAge India](#) | [Eisamay](#) | [IGN India](#) | [NavGujarat Samay](#) | [Times of India](#) | [Samayam Tamil](#) | [Samayam Telugu](#) | [Miss Kyra](#) | [Bombay Times](#) | [Filmipop](#)

#### Living and Entertainment

[Timescity](#) | [iDiva](#) | [Entertainment](#) | [Zoom](#) | [Healthmeup](#) | [Luxpresso](#) | [Gadget Reviews](#) | [Titanium & Platinum Credit Card](#) | [Online Songs](#) | [MensXP](#) | [Hotels](#) | [Travel Destinations](#) | [Cricbuzz](#) | [Recipes](#) | [Gaana](#) | [Happytrips](#) | [Getsmartapp](#)

#### Interest Network

[itimes](#)

#### Hot on the Web

[Income Tax Slabs](#) | [Aadhaar Card](#) | [How to Save Income Tax](#) | [GST Rates](#) | [Union Budget](#) | [GST](#) | [Income Tax](#) | [Sensex Today](#) | [Budget](#) | [Sensex](#) | [Income Tax Calculator](#) | [Aadhaar](#)

#### Services

[Book print ads](#) | [Online shopping](#) | [Matrimonial](#) | [Astrology](#) | [Jobs](#) | [Tech Community](#) | [Property](#) | [Buy car](#) | [Bikes in India](#) | [Free Classifieds](#) | [Send money to India](#) | [Used Cars](#) | [Restaurants in Delhi](#) | [Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#) | [News](#) | [TimesMobile](#) | [Real Estate Developers](#) | [Restaurant Deals in Delhi](#) | [Car Insurance](#) | [Gadgets Now](#) | [Free Business Listings](#) | [CouponDunia](#) | [Remit2India](#) | [Techradar](#) | [AliveAR](#) | [Getsmartapp App](#) | [ETMoney Finance App](#) | [Feedback](#)

## In Case You Missed It

[Gold Rate](#)

[What is Bitcoin](#)

[Budget 2018](#)

[Bank FD Rates](#)

[Infosys Share Price](#)

[Nifty](#)

[Silver Price](#)

[H1B Visa](#)

[Aadhaar Card](#)

[SBI Share Price](#)

[Sensex](#)

[Crude Oil Price](#)

Copyright © 2018 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)