

Frequently asked question (FAQ) on GST (Parcel Traffic)

1. The categories of parcel traffic in which GST is applicable?

GST is applicable on total freight of parcel traffic (All description/leased or non-leased) and merchandise items (for commercial use) booked as luggage.

2. What are the exemptions in which GST is not levied in parcel and luggage traffic?

(i) Luggage traffic i.e., personal baggage belonging to the travelling passengers (excluding merchandise items for commercial use.)

(ii) Relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap.

(iii) Defence of military equipments;

(iv) Newspaper or magazines registered with the Registrar of News papers;

(v) Railway equipments or materials;

(vi) Agricultural produce;

(vii) milk, salt and food grain including flours, pulses and rice;

(viii) Organic manure

3. What is the rate of GST on Parcel Traffic?

GST is levied @ 5% on the total freight.

4. When goods and service tax is collected ?

Goods & Services Tax is collected at the time of booking and preparation of Parcel Way Bill/Luggage ticket/Money receipt.

5. Whether GST shall be applicable on Wagon Registration Fee (WRF)?

Yes.

6. Whether refund GST is permissible in case of any refund of either Wagon Registration Fee or Freight charges?

Yes.