

(भारत सरकार) GOVERNMENT OF INDIA)  
(रेल मंत्रालय) MINISTRY OF RAILWAYS)  
(रेलवे बोर्ड RAILWAY BOARD)

FREIGHT MARKETING CIRCULAR NO. 17 OF 2019

No.TC-II/2046/2017/GST/Parcel

New Delhi, dated 26.06.2019

The General Manager,  
Southern Railway.

SUB: Levy of 1% Kerala Flood Cess (KFC) on transportation of parcel traffic (leased or non leased) by rail for B2C intra-state taxable supply.

REF: 1. Notification No. G.O.(P) No. 79/2019/Taxes dated 25.05.2019 of Government of Kerala.  
2. RBA Circular No. 45/2019 dated 30.05.2019.

In pursuance of notification issued by the Government of Kerala, Ministry of Railways have decided to levy 1% KFC on transportation of parcel traffic (leased or non leased) by rail for B2C intra-state taxable supply in the location of Kerala. The detailed procedure for levy of KFC on transportation of parcel traffic by rail shall be as under:-

1. Kerala Flood Cess (KFC) shall be levied for B2C on all Intra-State Taxable supply (in the location of Kerala).
2. The rate of KFC shall be 1% of total freight.
3. The KFC amount shall not be rounded off and shall be printed up to two decimal places.
4. KFC shall be calculated as per para 'e' of Accounts Circular No. RBA No.45 of 2019 dated 30.05.2019.(Copy enclosed)
5. This shall be applicable on receipts issued on or after 01.07.2019.
6. KFC amount shall be shown separately on receipts.
7. All other terms and conditions shall be followed as per provisions for implementation of Goods & Services Tax (GST).

8. Commercial Inspectors and TIAs should visit all important stations and ensure that KFC is levied on transportation of parcel traffic (leased or non-leased) as per the KFC rules. Commercial officers should also make surprise checks at the stations and ensure that KFC is levied from date of implementation of KFC.
9. This issues in consultation with the Accounts Directorate and with the concurrence of Finance (Commercial) Directorate of the Ministry of Railways.
10. CRIS shall ensure necessary changes in the software.
11. Necessary instructions may be issued to all concerned immediately.
12. Wide publicity should be given through different media.

  
(Mudit Chandra)  
Director Freight Marketing  
Railway Board

No.TC-II/2046/2017/GST/Parcel

New Delhi, dated 26 .06.2019

Copy forwarded for information to:

1. DAI (Railways), Room No.224, Rail Bhavan, New Delhi.
2. The PFA, Southern Railway.
3. The Principal Director of Audit, Southern Railway.


  
26.6.19  
for Financial/Commissioner/Railways

No.TC-II/2910/2017/GST-Passenger fare

New Delhi, dated 26 .06.2019

Copy forwarded for information & necessary action to:

1. CRB, MT,FC, Secretary, DG/RHS, Railway Board.
2. PED(Vig), DIP, Railway Board.
3. MD, Centre for Railway Information System (CRIS), Chanakyapuri, near National Rail Museum, New Delhi for necessary Software changes.
4. MD, IRCTC, 11<sup>th</sup> Floor, Statesmans House, B-148, Barakhmabha Road, New Delhi-110 001.
5. Managing Director, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai- 400 014.
6. General Secretary, IRCA, Chelmsford Road, New Delhi for issue of necessary correction slips to Coaching Tariff.

  
(Mudit Chandra)  
Director Freight Marketing  
Railway Board



(भारत सरकार) GOVERNMENT OF INDIA  
(रेल मंत्रालय) MINISTRY OF RAILWAYS  
(रेलवे बोर्ड) RAILWAY BOARD

RBA No. 45/2019

GST Circular No. 17/2019

No. 2017/AC-II/1/11/GST References

30<sup>th</sup> May, 2019

General Managers,  
All Zonal Railways/Production Units.

**Sub :- Statutory provisions relating to Kerala Flood Cess (KFC).**

Railway Board's letter of even No. dated 29<sup>th</sup> May, 2019 may be perused, wherein detailed notification regarding Statutory provisions relating to KFC were notified. This will be effective for a period of two years w.e.f. 1.6.2019. In this regard, following clarifications are also issued:-

- a) KFC shall be levied on **intra-state supplies of goods or services or both** by Zonal Railways/Production Units situated in the State of Kerala, **to an unregistered person** in respect of supplies specified below (sub-clause (2) of clause 14 of the Kerala Finance Bill, 2019.

| S.No | Category of Supply of Goods/Services | Rate of Kerala Flood Cess on Value of Supply |
|------|--------------------------------------|--|
| a)   | Goods taxable @ 1.5% SGST            | 0.25%  |
| b)   | Goods taxable @ 6% SGST              | 1%   |
| c)   | Goods taxable @ 9% SGST              | 1%   |
| d)   | Goods taxable @ 14% SGST             | 1%   |
| e)   | All Services under SGST              | 1%   |

- b) Zonal Railways situated in the State of Kerala providing supply of Goods and Services Intra-State to unregistered persons shall accordingly levy the KFC and have to remit this amount to the State of Kerala as mentioned in the notification. In order to capture the amount collected as KFC, the concerned Zonal Railway shall operate the Accounting Head 'Deposit Miscellaneous (KFC) and credit this accounting head. **CRIS will provide requisite MIS Report to capture this output liability on account of KFC collected from Railway Customer.**
- c) Principal Railway for the Kerala State viz., Southern Railway shall ensure filing of monthly return in Form No. KFC-A on or before the due date for filing of GSTR-3B Return, in consultation with the GST Consultants. In order to e-file cess return and payment of cess, one time 'user ID and

30/5/19

Password' shall be generated from the portal 'www.keralataxes.gov.in'. Payment shall be made by clearing the amount lying as Credit in Deposit Miscellaneous (KFC).

- d) There shall be no refund of KFC paid along with the returns. In other words, refund of KFC shall be allowed in the system within the same month. If KFC has been remitted to Government and return is filed, then there will be no refund of KFC to customer.
- e) The manner of calculation of GST and KFC is illustrated below:

Figures in Rs.

| Basic Value | KFC             | Taxable Value for GST under Section 15(2) of the CGST Act, 2017 | CGST+SGST           | Total Invoice Value |
|-------------|-----------------|---|---------------------|---------------------|
| 1000        | 10 (1% of 1000) | 1,010 (Basic Value + KFC)                                       | 50.50 (2.5% + 2.5%) | 1,060.50            |

- f) Necessary changes in the software viz., PRS, UTS, PMS, etc shall be carried out by CRIS in consultation with Traffic Commercial Dte. Southern Railway may ensure compliance of above instructions.

(V.Prakash)  
Joint Director /Accounts  
Railway Board

Copy to :-

1. PFAs All Zonal Railways/PU
2. All EDs of ED level Empowered Committee in Railway Board
3. All Directors of GST Cell, Railway Board
4. MD, CRIS, Chanakyapuri, New Delhi.
5. GM/Finance and GSTM, CRIS, NDLS