



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Indian Companies Act, 1956)

OFFICE OF THE SECRETARY (ADMINISTRATION)

Registered Office: VYDYUTHI BHAVANAM, PATTOM, THIRUVANANTHAPURAM - 695 004

Website: www.kseb.in

CIN: U40100KL2011SGC027424

No.FA/Tax Cell/GST/Flood Cess/2019-20/68

Dated: 25.06.2019.

CIRCULAR

Sub:- Kerala Flood Cess – implementation in Kerala State Electricity Board Limited – detailed direction – regarding.

- Ref:-
1. Notification No.G.O.(P) No.80/2019/TAXES dated 25.05.2019 issued by Government of Kerala.
 2. Kerala Finance Bill 2019.
 3. Circular No.FA/Tax Cell/GST/GSTIN updation/2675/2018-19/102 dated 01.12.2018.

Government of Kerala has introduced Kerala Flood Cess (hereinafter called “Cess”) on specified supplies of goods and services, with effect from 01.07.2019.

As per the above notification, the following are the provisions related to Cess:

1. Cess is leviable only on supplies of goods or services or both made by a taxable person to an unregistered person.
2. Cess is applicable on the following supplies.
 - i) Supply of services chargeable @ 5% rate.
 - ii) Supply of goods or services or both chargeable @ 12% or 18% or 28%.
3. No Cess shall be levied on supply of goods which are taxable @ 5%, sale of scrap - paper, rubber, glass, plastic and e-waste.
4. Cess shall be calculated on the taxable value of supply.
5. Cess shall be shown separately in the Invoices.
6. Cess shall be accounted separately and shall be remitted to Government of Kerala through the web-site www.keralataxes.gov.in.
7. The period of applicability of the above Cess Collection shall be for a period of two years from 01.07.2019 to 30.06.2021, unless otherwise extended further by a notification by a competent authority.

Impact of Kerala Flood Cess on transactions of KSEB Limited:

A. On Inward supplies of goods or services or both (purchase of goods/receipt of services/work contract services)

As KSEBL is a registered entity under GST, no person or entity supplying goods or services to KSEBL shall collect Cess from KSEBL.

In some of the purchase of goods or receipt of services or both from registered persons, especially imprest transactions, the GSTIN of KSEBL is not being furnished to the supplier.

With the introduction of Cess by Government of Kerala, non-furnishing of GST details of KSEBL may prompt the supplier of goods or services or both to treat KSEBL as unregistered and collect Cess from us, resulting in a loss to KSEBL.

Thus it shall be the duty of the field offices to ensure that in all cases of purchase of goods or receipt of services from a registered person, the GSTIN of KSEB Ltd: 32AAECK2277NBZ1, is furnished to the supplier without failure and to ensure no Cess is collected from KSEBL.

B. Outward supply of goods or services or both (sale of goods/rendering of services/work contract services)

As KSEBL is a registered entity under GST, for any supply of goods or services or both by KSEBL to a person having registration under GST, no Cess shall be collected by KSEBL. Also, no Cess shall be collected on Inter-state transactions.

Cess shall be collected only on specified supplies of goods or services or both by KSEBL to an unregistered person.

In the light of the notification on Flood Cess, the following points shall be kept in mind while raising a GST Invoice for supply of goods or services or both by KSEBL.

1. Verify whether Cess is applicable on the particular transaction

As per the Notification, Cess is applicable on the following supplies:

- Supply of services chargeable @ 5% rate (presently not applicable to KSEBL).
- Supply of goods or services or both chargeable @ 12% or 18% or 28%.

No Cess shall be levied on supply of goods which are taxable @ 5%. In KSEBL, no Cess shall be collected on sale of scrap of paper, rubber, glass, plastic and e-waste.

2. Verify the registration status of the consumer:

If the recipient is a registered person under GST, no Cess is applicable to the supply of goods or services or both.

If the person is not registered under GST, and the transaction is intra-state (within the State), Cess @ 1% of taxable value shall be collected from the person, in addition to GST.

3. Verify the correctness of GSTIN provided by the consumer:

The Invoicing office shall ensure the correctness of the GSTIN provided by the consumer. Copy of GST Registration Certificate of the consumer may be insisted. The consumer master in software has to be updated with the correct GSTIN of the consumer.

Where GST Registration Certificate is not furnished, it is also possible to ensure the correctness of the GSTIN, by logging in www.gst.gov.in.

4. No refund of Cess is allowable under the Act

As per the Notification, no refund of Cess is available once it is remitted to the Government. Once we have collected Cess from a consumer who has not furnished GSTIN, and remitted the same to Government of Kerala, it is not possible to get refund of the same. Thus utmost care should be taken to ensure correctness of Cess levied from consumers.

5. Cess on E-Tender Fees:

It has to be ensured that where E-tender fees are remitted by intra state bidders not having GST Registration, in addition to GST @ 18%, Cess @ 1% of Tender Fees has to be remitted by them.

Thus in all cases of e-tenders, the registration status of bidders has to be obtained by the Account Rendering Unit and Cess shall be levied accordingly.

6. New account code for Kerala Flood Cess:

Kerala Flood Cess Collection has to be accounted under Account Code: 46948.

7. Modifications in SARAS and Orumanet Software:

IT Wing shall make necessary changes in the software for smooth implementation of the Cess.

8. Communicating the amendment to field offices:

Account Rendering Units are hereby directed to communicate the implementation of Kerala Flood Cess to field offices, and ensure proper implementation of the same.

C. 25/6/19
SECRETARY (ADMINISTRATION)

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To

All Account Rendering Units.