



DEPTT. OF MEDICAL EDU. & RESEARCH, CHD. ADMN.

GOVERNMENT MEDICAL COLLEGE HOSPITAL, CHANDIGARH

(Hospital Building), Sector 32-B, Chandigarh-160 030 (0172-2665253-60, Fax No. 0172-2609360)

ORDER

1. It has come to the notice that the mandatory statutory requirements under Sec 51 of the GST Act, 2017 are probably not being complied properly by the Accounts Branch. Circular No. 65/ 39/ 2018-DOR, dated September 14, 2018 prescribe the guidelines for deduction and deposit of TDS by the DDO. Every tax deductor is also required to file return in FORM GSTR-07 by the 10th of the succeeding month in which such tax deduction is made. Post depositing the TDS to Government by filing FORM GSTR-07 on or before 10th of every month, deductor is required to issue a TDS certificate in FORM GSTR-7A giving details of the GSTIN of the supplier (deductee), invoice details, value of supply made and tax deducted thereon within five days of date of remittance of TDS to the Government. It is therefore reiterated that as per section 51 of the GST Act, 2017 read with Notification No. 50/2018-Central Tax, dated 13th September, 2018 following deduction of TDS under GST are to be made:-

Nature of Supply	Rate of TDS	Remarks
Intra State Supply	1% CSGT + 1 % SGST	Mandatory for contracts with value greater than 2.5 Lacs even if the individual invoice is less than 2.5 Lacs
Inter State Supply	2% IGST	Mandatory for contracts with value greater than 2.5 Lacs even if the individual invoice is less than 2.5 Lacs

2. Further, provisions of Section 194C of the Income Tax Act, 1961 relating to TDS on payment to contractors/sub-contractors are applicable only where contract is either a "work contract" or a "contract for supply of labour for works contract". These provisions are, therefore, not applicable for payments made under contract for sale of goods. Also Electronic Challan cum Return (ECR) needs to be taken from the firm providing outsourcing manpower services. No other kind of certificate of payment except the ECR shall be accepted by the firm. It should also be ensured by the DDO that the outsourced employees are provided their UAN numbers so that they may verify their EPF status themselves to avail the services related to it.

3. It has also come to the notice of the competent authority that the various challans related to GST, EPF, ESI submitted by the contractors should specifically mention the all the relevant details like invoice no, value of supply and date of payment regarding for the respective month raised by the contractors against the contract awarded to them by the GMCH Sector-32/GRIID, Sector 31 & MHI, Sector -32, Chandigarh. However, the account functionaries fail to comply the mandatory statutory provisions under the

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relevant acts, which may also invite criminal, financial and disciplinary action against them. Non compliance of the above directions may enhance the chances of fraud related to IT, GST, EPF, ESI etc. It has been specially mentioned to the account functionaries regarding the sensitivity of the issue that the contractors/firms are deliberately mixing up the amounts collected from various sources. Unless the compliance to the above described provisions is not made by the DDO, the certificate by the firms showing that the amount is also inclusive of the amount paid by GMCH may not be relied upon keeping in view the complaints received against the contractors for GST/IT/EPF/ESI frauds.

4. Therefore, the account functionaries are directed to strictly comply to the mandatory statutory provisions regarding TDS under GST as well as IT and the EPF/ESI described above. For their help services of Chartered Accountant has also been engaged through GeM, which may also be utilised for the purpose of TDS under GST and IT. However for verification of the EPF/ESI, DDO shall furnish certificate each month that the correct amount has been deposited by the firm in the respective accounts of the outsource employees for the preceding month. If they further failed to comply the same, charge sheet for major penalty shall be recommended to the Finance Department, UT Chandigarh against each one of them for wilful disobedience of the orders of superior officers and promoting corrupt financial practices to the benefit of the Contractors. It is also clarified that criminal prosecution may also be launched against them in case of further non compliance of the directions without giving them any other opportunity of being heard.

Dated, Chandigarh the,
30.06.2023

Jasbinder Kaur 13/07/23
Prof. Jasbinder Kaur,
Director,
Medical Education & Research,
Chandigarh Administration

Endst. No. GMCH/E-IV/EA-2/E169621/2023/

30263-73 Dated: 3 JUL 2023

A copy is forwarded to the following for information and necessary action:-

1. Joint Director, GRIID & MHI
2. The Deputy Controller (F&A), GMCH-32, Chandigarh.
3. PS to Director, Medical Education & Research, Chandigarh Administration, for the kind information of DMER, please.
4. The Assistant Controller(F&A), Accounts-cum DDO, GMCH, Chandigarh
5. The Assistant Controller (F&A) Audit Branch, GMCH-32, Chandigarh.
6. Assistant Controller (F&A)-CUM DDO GRIID & MHI
7. The Section Officers Accounts & Audit, GMCH.
8. The Section Officers, Accounts & Audit, GRIID & MHI
9. The Superintendent, Establishment Branches, GMCH-32, GRIID, sector 31 & MHI, Sector 32.
10. PA to JDA/MS, for the information of Joint Director (Admn.)/ Medical Superintendent, please..
11. IT Centre for e-circulate the same.
12. Spare copy for master file.

Jasbinder Kaur 03/07/23
Director,
Medical Education & Research,
Chandigarh Administration.