

**PANJAB UNIVERSITY, CHANDIGARH**  
**OFFICE OF THE FINANCE & DEVELOPMENT OFFICER**

No. 2450-2470/FDO

Dated: 21/1/21

**Subject: Compliance of provisions of Reverse Charge Mechanism under GST Act.**

This is in continuation to this office Circular No. 1158-1357/FDO dated 28/02/2018 and 4430-4629/FDO dated 22/07/2019, whereby detailed instructions regarding compliance of GST Act were circulated.

It has been observed that drawing officers are facing difficulties in ascertaining exact liability w.r.t. services covered under Reverse Charge Mechanism (RCM). It may be relevant to mention here that for Goods and services covered under RCM, the University is liable to pay GST at the prescribed rates over and above the bill amount of the concerned vendor. Therefore, in such cases the Drawing Officer is required to prepare an additional contingent bill for GST under RCM along with the bill of vendor.

In order to facilitate the drawing officers (i.e. Head of Departments of teaching/non-teaching departments, Deputy Registrar's/Assistant Registrar's of Administrative Block/ Aruna Rajit Chandra hall etc.), who have to draw bills for disbursement, a list of all services which are subject to RCM under GST Act have been prepared as below:

Sr. No.	Nature of Services covered under RCM	RCM Rate
I)	Services related to Goods Transport Agency who has not charged GST in Bill or charged GST @5%	5%
II)	Services related to Advocates	18%
III)	Services related to Arbitral Tribunal	18%
IV)	Services related to Sponsorship	18%
V)	Any Services provided by Central Govt., State Govt., UT or local authority except Postal Service and Transport of goods or Passengers and services in relation to aircraft & vessel	18%
VI)	Services supplied by a director of a company or a body corporate to the said company or the body corporate i.e. if we paid him in form of professional fee or sitting fees	18%
VII)	Services supplied by an insurance agent to any person carrying on insurance business.	18%
VIII)	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company	18%
IX)	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like.	18%
X)	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright relating to original literary works to a publisher.	18%

XI)	Supply of services by the members of Overseeing Committee to Reserve Bank of India	18%
XII)	Services supplied by individual Direct Selling Agents (DSAs) bank or non-banking financial company (NBFCs).	18%
XIII)	Services provided by business facilitator (BF) to a banking company	18%
XIV)	Services provided by an agent of business correspondent (BC) to business correspondent (BC).	18%
XV)	Security services (services provided by way of supply of security personnel) provided to a registered person.	18%
XVI)	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient provided by any person other than body corporate to a body corporate.	5%
XVII)	Services of lending of securities under Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended.	18%
XVIII)	Import of Services	18%

**Note: In case of services covered under RCM, the vendor cannot charge/claim GST in its bills. GST in such case shall be paid by Panjab University, for which the concerned Drawing officer (i.e. Head of Department of teaching/non-teaching departments, Deputy Registrar's/Assistant Registrar's of Administrative Block/ Aruna Rajit Chandra hall etc.), shall prepare an additional contingent bill in the name of "Registrar GST Account (34363173842)".**

1. While processing any bill for Services Under RCM, the head of department must prepare a separate contingent bills for GST under RCM at the prescribed rates over and above the taxable value of bill in the name of Registrar GST Account (34363173842) in which CGST, UTGST and IGST as the case may be shown separately including the name of Vendor, GSTIN Number and the details of invoice.
2. The concerned dealing official/Office Supdt. of Accounts Department as well as Auditor in the o/o ACLA before verifying/passing a bill for payment must check the compliance of above provisions.
3. The voucher for payment to vendor as well as GST under RCM services shall be processed for pass & payment simultaneously in one go.
4. The cheque writing section shall prepare two cheques, i) in favour of vendor for invoice amount ii) in the name of Registrar GST Account (34363173842) for GST under RCM.
5. After signing of cheques by the competent authority and entry in tally software, the cheque writing section shall hand over the GST cheque relating to RCM services to Direct/Indirect Cell along with the concerned vouchers.

6. The Direct/Indirect Cell shall capture all the details relating to such vouchers and keep the cheques in its custody and forward the supporting vouchers to the cheque writing section for onwards submission to the Daftiris.

**The procedure mentioned at Para 5 & 6 must be completed within three working days by the concerned officials.**

7. On monthly basis, the Direct/Indirect Cell shall compile the information relating to RCM services under GST Act for filing the return and deposit of due tax in Government Account on the date as prescribed by Govt. from time to time.

All the concerned are advised to ensure due compliance of the above to avoid any action from the concerned authorities.

This is for your information and necessary compliance.

  
21/6/2021  
**Finance & Development Officer**

Issued to:

- 1) Mrs. Nisha Lakhanpal, Deputy Registrar (Accounts)
- 2) Shri. Umesh Johar, Assistant Registrar (Budget)
- 3) Mrs. Swarn Kaur, Assistant Registrar (Salary)
- 4) Shri. Parveen Kumar Assistant Registrar (Accounts II)
- 5) Shri. Sanjay Bhasin, Assistant Registrar (G&P)
- 6) Shri. Manoj Bhatia, O.S. (Salary-I)
- 7) Mrs. Manju Bala, O.S. (Salary-II)
- 8) Mrs. Meenakshi, O.S. (Salary-III)
- 9) Shri. Rajinder Dua, O.S. (Salary-IV)
- 10) Mrs. Sunita, O.S. (Salary-V)
- 11) Shri. Dharampal, O.S. (G&P)
- 12) Shri. Sanjeev, O.S. (G&P)
- 13) Shri. Rajneesh, O.S. (P.F.)
- 14) Shri. Harmesh, O.S. (E&P)
- 15) Shri. Puran, O.S. Fee-checking (Salary-IV)
- 16) Shri. Mukhtiar Singh, O.S. Fee-checking (Income Section)
- 17) Shri. Hussan Lal, O.S. (Pension)
- 18) Mrs. Shub Lata, O.S. (Cheque writing Section)
- 19) ACLA to ensure necessary compliance at the time of passing the bills.

**CC to Vice-Chancellor for information**