

**MINUTES OF THE 16th FINANCE COMMITTEE MEETING
HELD ON 15.09.2005 at 3.30 P.M.**

The sixteenth meeting of Finance Committee was held in the Conference Hall of Guru Gobind Singh Indraprastha University on 15.09.2005 at 3.30 P.M. The meeting was attended by the following:-

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| 1. Prof. K.K. Aggarwal, Vice Chancellor, GGSIPU | - Chairman |
| 2. Sh. V.V.Bhatt, Pr.Secretary(Finance) | - Member |
| 3. Prof. A.K.Aggarwal | - Member |
| 4. Sh. Lalit B.Singhal | - Member |
| 5. Sh.K.K. Purohit | - Spl. Invitee |
| 6. Sh. V.K.Jain, Registrar, GGSIPU | - Spl. Invitee |
| 7. Sh. Ravi Agrawal, Controller of Finance | - Secretary |

Secretary (Education), Mrs. Rina Ray had informed that she will not be able to attend the meeting due to her pre-occupation but had confirmed the availability of Sh.Ved Prakash, Director, Higher Education, who of course could not make it at the last moment.

Prof. K.K. Aggarwal, Chairman, Finance Committee welcomed the members of the Committee.

Agenda Item No. 16.01

The Action taken on the decisions of the 14th meeting held on 18.11.2004 & also on 15th meeting held on 22nd March, 2005 were brought to the notice of all the Members.

Agenda Item No. 16.02

The Members confirmed the Minutes of the 14th & 15th Meeting held on 18th November, 2004 & 22nd March, 2005 respectively.

Agenda Item No. 16.03 : To consider the Revised Estimates 2005-2006 and Budget Estimates 2006-2007.

The same was approved by the Committee. The Committee approved incurring an expenditure to the extent of Rs.2576 lakhs for the financial year 2005-06 towards recurring expenditure and non-recurring expenditure. Apart from the same, the Committee also approved incurring of expenditure on the Capital Works as per the revised estimates submitted separately. It was brought to the notice of Members that a sum of Rs.870.61 lakhs is proposed to be spent on non-recurring account. As per

revised pattern of assistance, the university is entitled to grant-in-aid of Rs.870.61 lakhs from the Delhi govt. on this account. Further, it was indicated that University has incurred an expenditure of Rs.84.97 lakhs towards employee's contribution to 'Contributory Provident Fund'. As per revised pattern of assistance, grant-in-aid of equivalent amount is receivable by the Delhi Govt. as a one time grant. In short, the extent of grant-in-aid to be received from the Govt. (other than grant for capital works) is as follows:-

On non-recurring a/c. : Rs.870.61 lakhs

Contribution to CPF :Rs. 84.97 lakhs

Rs.955.58 lakhs

In addition to above, Grant-in-Aid (Rs.2.85 crores) relating to IGIT is also expected. Principal Secretary(Finance) intimated that the Govt. was considering giving of grant-in-aid on above account to the University and Indira Gandhi Institute of Technology. It was also indicated that there is a thinking in the Govt. that contribution of the government to the extent of 25% of funds pooled by the University in the Corpus Fund may not be worthwhile keeping in view the interest rates etc.

Agenda Item No. 16.04 : To consider the Annual Accounts for the Financial Year 2004-2005 duly audited by the Chartered Accountant.

The Committee approved the Annual Accounts for the Financial Year 2004-2005 which have been duly audited by the Chartered Accountant. Sh. Lalit B.Singhal was of the view that apart from getting the accounts audited annually by the Chartered Accountant, the University may also consider getting the accounts audited during the year itself on quarterly basis so as to take timely action and ensure proper monitoring of funds. It was observed by the Hon'ble Vice Chancellor that the accounts at present are being audited not only by the Chartered Accountant, which takes care of commercial accounting, but are also audited by the ELFA Audit and the CAG Audit. However, it was agreed that **in case more frequent audit** is considered essential, the same would also be got done with the approval of the Vice Chancellor.

Agenda Item No. 16.05 : To consider the Format of annual accounts for Guru Gobind Singh Indraprastha University, Kashmere Gate, Delhi.

The Committee approved the proposed Format. Sh. K.K.Purohit suggested certain modifications which are being incorporated. Controller of Finance informed that still some Sub-Heads need to be re-grouped in order to make the format concise. The

Committee authorized the Vice Chancellor to approve such regrouping of Heads/Sub-Heads on the recommendation of the Controller of Finance.

Agenda Item No. 16.06 : To consider the Annual Accounts of the Indira Gandhi Institute of Technology for the Financial Year 2003-2004 duly audited by Chartered Accountant.

The Committee approved the Annual Accounts of the IGIT for the Financial Year 2003-2004. It was also decided that the accounts for the Financial Year 2004-2005 should be got audited by the Chartered Accountant latest by 30.09.2005.

Agenda Item No. 16.07 : To consider the Revised Estimates for the year 2005-2006 and Budget Estimates 2006-2007 of Indira Gandhi Institute of Technology.

The Committee considered the estimates of the IGIT and approved the same. The Committee thus approved incurring the total expenditure of Rs.419 lakhs on Recurring and Non-Recurring Expenditure account for the Financial Year 2005-2006. It was, however, brought to the notice of the Committee that as per proposed Pattern of Assistance, IGIT has asked for 100% Grant-in-Aid as it will not be self-sufficient even after five years. The Committee was also apprised of the fact that the net income from fees in financial year 2005-2006 would be only to the extent of Rs.133.80 lakhs as against expenditure of Rs.419.02 lakhs. Therefore there would be a deficit of Rs.285.22 lakhs for the financial year 2005-2006 for which grant-in-aid from Delhi Govt. is essential. Principal Secretary(Finance) assured the consideration of the request for grant-in-aid from the Delhi Govt. for Rs.285.22 lakhs for IGIT for the Financial Year 2005-2006.

Agenda Item No. 16.08 : To consider the Note on the status of University to be considered for tax purposes.

The Members were of the opinion that the University is substantially financed by the State Govt. In these years, grant-in-aid from the Delhi Govt. to the extent of Rs.29 crores has been received. In addition to the same, the Capital Grant for construction of Dwarka Campus and Surajmal Vihar to the extent of approximately Rs.225 crores is also under active consideration of the Delhi Govt. and is in final stage of deliberation. The Pattern of Assistance and Memorandum of Understanding also reflect that the land property and other immovable property of the University would remain property of the Delhi Govt.

The Principal Secretary(Finance) was of the view that the fact that the University is substantially financed by the Delhi Govt. should not only be appreciated from the grants which is being received in monetary terms from Delhi Govt. It is to be appreciated in the light of the fact that but for the finances from Delhi Govt., the

Substituted while confirming minutes on 16-3-2006
" The Secy(Fin) was of the view that since the University is an educational institution which is substantially funded by the Govt, it may be eligible for tax exemption."
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existence of the University would not have taken shape. Even in future but for the financial help from the Delhi Govt. the University would not be able to perform as per the intended purpose for which it is established through Indraprastha Vishwavidyalaya Act 1998.

Sh. K.K.Purohit, Sr. Chartered Accountant indicated that for the purpose section 10(23C)(iiiab), three issues need to be considered:-

- (i) Whether the University is existing solely for education purposes;
- (ii) Whether the intent of the University is to earn profit;
- (iii) Whether it is wholly or substantially financed by the Govt.

So far as the first point is concerned, the intent and purpose for establishing the University under the Indraprastha Vishwavidyalaya Act 1998 of the Delhi Govt. clearly shows that the university exists only for education purposes.

So far as the IInd point is concerned, it is also clear from the Act that the intent of the University is not to earn profit but to manage its affairs so that the University is able to provide meaningful education with state of the art, equipments etc. to the students and to impart technical education to students through university schools and affiliated colleges. The student strength of more than 40000 is a reflection of such intent.

So far as the IIIrd issue is concerned keeping in view the pattern of assistance, the Grant-in-Aid received by the Govt. since inception and expected in future, there is no doubt that the University is substantially financed by the Govt.

Therefore, the Members were of the unanimous view that the university is covered under 10(23C)(iiiab) of the Income Tax Act. It was, however, opined that the University may also take a formal legal opinion from the C.A. on this issue for records.

Agenda Item No. 16.09 :To consider the Rationalization of the amount of Rs.8,000/- as reimbursement to be paid to officers who though are authorized to avail dedicated Government Transport but use their own car instead of hiring taxi.

The Committee was of the opinion that while we may not disturb the present scheme for the time being, in the meanwhile, the University may also explore hiring of vehicles on dedicated basis or on trip basis. Such vehicles could then be utilized for multi purpose transport. Such vehicles could also be considered to be provided for officers on dedicated basis or can be kept in the general pool for being used by different departments. The Committee felt that this experiment, which is being done in various Govt. departments including Govt. of India and Delhi Govt., has been found to be

acceptable. It was also informed by the Members that as per the new guidelines issued by the Govt. of India instead of purchasing new additional vehicles, this model of hiring the vehicles is to be encouraged.

Agenda Item No. 16.10 :To consider the replacement of Vehicles for the University.

The Committee approved replacement of three vehicles with new vehicles. The Members were of the opinion that good model of vehicles should be purchased by the University as a replacement of the vehicles, proposed to be condemned. Hon'ble Vice Chancellor was authorized to approve the models of vehicles to be purchased on DGS&D rate contract.

Agenda Item No. 16.11 :To consider the Fixed Conveyance Allowance payable to Engineering Officers of GGS Indraprastha University.

The Committee considered the proposal and approved grant of fixed conveyance allowance as proposed in view of the fact that the same has also been given by the other Govt. Agencies. The arrears of conveyance allowance as proposed in agenda note was also approved.

Agenda Item No. 16.12 :To consider the Appointment of the Consultants.

Keeping in view the necessity of superintendence of the courses being conducted in affiliated colleges alone, the Finance Committee recommended the appointment of 3 consultants in the grade of Professor and 3 consultants in the grade of Reader in these areas. These appointments should however be made on contract basis as per the ordinance enforce.

Agenda Item No. 16.13 :To consider the purchase of Computers for the University School of Information Technology in Financial Year 2005-2006.

The Finance Committee considered and approved the purchase of 75 Computers, 4 Servers and 2 Laptop Computers from NICS I at an estimated cost of Rs.44.8 lakhs plus other charges as applicable.

Agenda Item No. 16.14 :To consider the grant ex-post facto approval for incurring expenditure of Rs. 44,76,150/- for up-gradation of substation(replacement of old and worn out transformer and panels etc.)

The Committee approved incurring of expenditure of Rs.44,76,150/- for up-gradation of substation.

Agenda Item No. 16.15 :To consider the Creation of posts to manage horticultural works at University Campus.

The Finance Committee was of the view that instead of creation of these posts for horticulture on regular basis, efforts be made to examine the feasibility of outsourcing the horticulture work. Meanwhile, the persons engaged for horticulture work as mentioned in the agenda note be paid as per payment to employees on contract.

Agenda Item No. 16.16 :To consider the Creation of posts for University Hostels.

The Committee considered and approved the proposal to create the posts suggested in the circulated Agenda note being referred below for ready reference:

S.No.	Posts	Pay scale	Requirement of Boys Hostel (No.)	Requirement of Girls Hostel (No.)
1.	Asstt. Warden/ General Asstt.	5000-8000	01	01
2.	Caretaker	4000-6000	01	01
3.	Peon-cum- Attendant	2550-3200	02	03

The meeting ended with a Vote of thanks to the Chair.