

**ASSOCIATION OF INDIAN UNIVERSITIES
AIU HOUSE, 16-COMRADE INDRAJIT GUPTA MARG
NEW DELHI**

Minutes of the Finance Committee Meeting held on 16.08.2016 at 11.30 a.m. in AIU House, New Delhi. The following were present:

Prof. D.S. Chauhan	In chair
Prof. (Dr.) C K Kokate	Member
Prof.(Dr.) Ranbir Singh	Member
Prof. I K Bhat	Member
Prof M M Salunkhe	Member
Prof. Furqan Qamar	Member
Mrs. Ranjana Parihar	Deputy Secretary (Finance) as Secretary

Prof. I Bhat, Director, Malviya Institute of Technology, Jaipur could not attend the meeting due to his prior commitments and was granted leave of absence.

At the outset Prof. (Dr.) D S Chauhan, President AIU welcomed all the members of the Finance Committee. Thereafter, agenda items were taken up for discussion.

CONFIRMATION OF MINUTES

1. To confirm the minutes of the last meeting of the Finance Committee held on 28.09.2015.

[Note: The Minutes of the Finance Committee were circulated amongst members vide letter No.AC/FC/2015 dated 14.10.2015. The office did not receive any comments and suggestions. The minutes of the Finance Committee were approved in the 335th Governing Council Meeting held on 29.9.2015].

(Appendix-I) (Pp 1-16)

Minutes confirmed.

ACTION TAKEN REPORT

2. To report on the action taken on the minutes of the last meeting of the Finance Committee.

(Appendix-II) (Pp 17-22)

Noted and approved.

ITEMS TO REPORT

3. To report that 22 member universities have yet to pay Annual Membership Fee of the Association for the year(s) 2014-15 & 2015-16.

[Note: The letters duly signed by the Secretary General were sent to all the member universities in the month of March 2015 for remitting the Annual Subscription for the Financial Year 2015-16. This was followed by reminder letters dated 1.7.2015 & 17.11.2015 and an e-mail on 18.12.2015 from the Deputy Secretary (Finance) to the Registrar(s) of the Universities in arrears of Annual Subscription for the current and previous years. Subsequently, the Secretary General of the Association has also written a DO letter to the Vice Chancellor(s) of these universities on 10.02.2016].

(Appendix-III) (Pp 23)

Resolved that the Secretary General may write DO letters to the Vice Chancellor(s) and the Deputy Secretary (Finance) should make an attempt for early settlement of dues of Annual Subscription by sending letters/e-mails/fax/SMSs to the Registrar(s) and Finance Officer(s) of the Universities in arrears of Annual Subscription.

4. To report that Narendra Deva University of Agriculture and Technology, Faizabad stand in arrears on account of Annual Subscription for the following Financial Years:

2011-12	50,000/-
2012-13	50,000/-
2013-14	50,000/-
2014-15	50,000/-
2015-16	50,000/-

[Note: As per the Resolution(s) passed in the Governing Council meetings dated 16.3.1988 and 19.11.2000, the membership of universities/institutions defaulting for 3 years continuously is to be kept under suspension.

The Finance Committee in its Meeting held on 28.9.2015 resolved as follows in this regard:

"Resolved that the Secretary General may write to the Vice Chancellor of Narendra Deva University of Agriculture and Technology requesting him to expedite the payment of due membership fees".

Accordingly, the Secretary General has written D.O. letter(s) bearing Nos. Finance/2015-16/205/218274 dated 4.11.2015 & Meet/Mem/2016/114229 dated 25.7.2016 to the Vice Chancellor of the University to continue the association with AIU and remit the Membership Fee with arrears in the current financial year; however, no reply has been received by AIU from the Vice Chancellor of Narendra Deva University of Agriculture and Technology, Faizabad in this regard].

The members deliberated on the issue in details and appreciated the efforts taken by the Secretary General in this regard.

In view of no response from the University, the members unanimously resolved to recommend to the Governing Council that the membership of the University be suspended with immediate effect and all the services/privileges extended by AIU through its platform to its members be blocked in respect of Narendra Deva University of Agriculture and Technology, Faizabad. Resolved further to recommend to the Governing Council that the benefits approved by AIU can be availed by the University only on submission of fresh request for enrolment as member along with annual subscription and processing fee for membership.

5. To report that the Dearness Allowance was paid to the AIU Staff Members as per Bye Law 2.1.

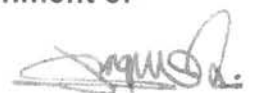
[Note: The D.A. to AIU Employees was paid w.e.f 1.7.2015 @ 6% as sanctioned by the Govt. of India for Central Government Employees vide Order No.1/3//2015-E-II(B) dated 23.09.2015. The financial liability of this installment of DA on the different budgets of AIU during the FY 2015-16 was Rs.6.31 lacs per annum which was met against the provision made in the Revised Estimates 2015-16].

Noted and approved the payment of DA as announced by the Government of India.

6. To report that the Dearness Allowance was paid to the AIU Staff Members as per Bye Law 2.1.

[Note: The D.A. to AIU Employees was paid w.e.f 1.1.2016 @ 6% as sanctioned by the Govt. of India for Central Government Employees vide Order No.1/1//2016-E-II(B) dated 7.4.2016. The financial liability of this installment of DA on the different budgets of AIU during the FY 2016-17 would be Rs.11.20 lacs per annum which was met against the provision made in the Budget Estimates 2016-17].

Noted and approved the payment of DA as announced by the Government of India.



7. To report the Appeal filed under Form 35 before the Commissioner of Income Tax (Appeals) against the arbitrary order issued by the Assessing Officer in respect of Assessment Year 2013-14.

[Note: During the course of assessment proceedings for the AY 2013-14, the Assessing Officer issued number of notices u/s 143(2) of IT Act, 1961. The questionnaire issued by the Assessing Officer was replied from our end and all the notices were complied with by submitting the requisite documents, details and explanations called for. The books of accounts along with audit report u/s 12A(b) were also produced before the Deputy Director of Income Tax (E) through our Statutory Auditors.

An appeal under Form No. 35 (e-filing Acknowledgement No. 164016551270416) was filed by the Association on 27.4.2016 before the Commissioner of Income Tax (Appeal) against the Assessment Order issued by the Assessing Officer on 28.3.2016.

The Appeal Proceedings before the Commissioner of Income Tax (Appeal)-40 are yet to commence for the Assessment Year 2013-14].

Noted and approved. The Committee Members perused the Orders issued by the CIT (Appeal) for the AYs 2010-11 & 2011-12 and resolved that the CIT (Appeal) may be approached for the assessment proceedings for the AY 2013-14.

8. To report the Appeal filed under Form 35 before the Commissioner of Income Tax (Appeals) against the arbitrary order issued by the Assessing Officer in respect of Assessment Year 2009-10.

[Note: The Assessment proceedings for the AY 2009-10 were completed u/s 143(3) of the Income Tax Act, 1961 on 23.3.2013 based on the NIL Return filed by the Association. Since the activities of the Association remained the same as that of AY 2010-11 & 2011-12, the Assessing Officer invoked the provisio to Section 2(15) of the Income Tax Act, 1961 issued number of notices u/s 143(2) of IT Act, 1961. The questionnaire issued by the Assessing Officer was replied from our end and all the notices were complied with by submitting the requisite documents, details and explartations called for. The books of accounts along with audit report u/s 12A(b) were also produced before the Deputy Director of Income Tax (E) through our Statutory Auditors.

The Assessing Officer raised the demand of Rs. 7,98,290/- U/S 148/143(3) of the Income Tax Act, 1961.

An appeal under Form No. 35 (e-filing Acknowledgement No. 164059011270416) was filed by the Association on 27.4.2016 before the Commissioner of Income Tax (Appeal) against the Notice No. ITO(E)/Ward-1(1)/2016-17 dt.3.5.2016 by the ITO (E).

The Appeal Proceedings before the Commissioner of Income Tax (Appeal)-40 are yet to begin for the Assessment Year 2009-10.

The demand of Rs.7,98,290/- raised by the Assessing Officer for the AY 2009-10 was adjusted from the refund of Rs.30,44,140/- processed by the Income Tax Deptt for the Assessment Year 2010-11. A sum of Rs. 22,45,850/- was received by way of DD No. 017428 dt. 1.6.2016 for the AY 2010-11].

Noted and approved. The Committee Members took a note of the Orders issued by the CIT (Appeal) for the AYs 2010-11 & 2011-12 and resolved that the CIT (Appeal) may be approached for the assessment proceedings for the AY 2009-10.

9. To report the Tax Refund received from the Income Tax Office after completion of Assessment Proceedings for the AY 2010-11 & 2011-12.

[Note: AY 2011-12]

On completion of Assessment Proceedings before Dr. Deepak Sehgal, Commissioner of Income Tax (Appeals-40), I P Estate, New Delhi, a request was submitted to the Income Tax Department for returning the tax deposited by AIU based on the order issued by the Assessing Officer for the AY 2011-12. This was followed by letters, e-mails and personal discussions with the Assessing Officer to expedite refund of tax. Finally, a sum of Rs. 1,29,61,830/- was refunded in favour of the Association by way of DD No. 016775 dt. 22.6.2016 against the sum of Rs. 1,36,08,225/- deposited by AIU. This tax refund was processed by the Assessing Officer based on the favourable order issued by the CIT(A).

Note: AY 2010-11

On completion of Assessment Proceedings before shri Md. Mohsin Alam, Commissioner of Income Tax (Appeals-40), I P Estate, New Delhi, a request was submitted to the Income Tax Department for returning the tax deposited by AIU based on the order issued by the Assessing Officer for the AY 2010-11. This was followed by letters, e-mails and personal discussions with the Assessing Officer to expedite refund of tax. Finally, a sum of Rs. 22,45,850/- was refunded in favour of the Association by way of DD No. 017428 dt. 1.6.2016 against the sum of Rs. 25,72,460/- deposited by AIU. The refund of Rs.30,44,140/- was processed by the Assessing Officer based on the favourable order issued by the CIT(A). The difference of Rs.7,98,290/- (Refund processed – Tax deposited) was adjusted against the demand raised by the Assessing Officer for the AY 2009-10].

Noted and approved with appreciation for the initiative taken for recovery of tax refund from the Income Tax Department promptly. In view of the fact that the Income Tax Department has moved to ITAT (Income Tax Appellate Tribunal), the members resolved that the Secretary General may appoint an eminent Advocate/Financial/Legal Expert dealing with ITAT cases besides approaching the CIT (Appeal), if need arises.

10. To report that 186 member universities have yet to pay the Annual Membership Fee of the Association for the Financial Year 2016-17.

[Note: DO letters duly signed by the Secretary General were sent to the member universities.



on 16th March, 2016 for remitting the Annual Subscription for 2016-17. This was followed by a reminder No. AC/VII/2016 dated 25.07.2016 from the Deputy Secretary (Finance) to the Registrars of the Universities].

(Appendix-IV) (Pp 24-27)

DS (Finance) informed that as on the date of the meeting, Annual Membership fees are due from 150 Universities. It was resolved that the Deputy Secretary (Finance) shall make efforts to expedite the collection of Membership fee from the pending universities. Further, the Secretary General may also send polite reminders to the Vice Chancellors urging them to expedite the payment of membership fees.

The members also suggested that a proposal for acceptance of Annual Subscription of 3 years collectively from member universities vis-a-vis flexi rebate criteria for receiving subscription of 2 and 3 years be submitted by the Deputy Secretary (Finance) before the Governing Council for approval.

11. To report that the following deficits were met from the AIU Funds for the implementation of various Schemes of GOI (Ministry of HRD and Ministry of Youth Affairs & Sports):

(Rs. in lacs)					
Grant Head	Sanction 2015-16	Expenditure Incurred 2015-2016	Income from other sources	Deficit(-)/ Surplus(+)	Remarks
Sports	Nil	52.57	3.95 Fee from Non Members	(-) 48.62	Expenses on TA/DA, Salaries, Affiliation Fee and other Administrative Expenses were incurred during the FY 2015-16. The grant for organizing the IUTs for the last 3 years i.e. FYs 2013-14, 2014-15 and 2015-16 is still awaited from the Ministry of Youth Affairs.
Research (Plan)	200.00	137.27	4.44	(+) 67.17	The Grant of Rs.200.00 lacs was released by the MHRD including the unspent Opening Balance of Rs.44,94,523.00 during the Financial Year 2015-16. The unspent balance of Rs.67,17,035.00 was available with AIU as on 31.3.2016.




Grant Head	Sanction 2015-16	Expenditure Incurred 2015-2016	Income from other sources	Deficit(-)/ Surplus(+)	Remarks
Non Plan	32.00 Released Rs.28.80 Rs.4.80 for2014-15	81.69	-	48.09	As per the approval, expenses on Building Maintenance, Postage, Property & Other Taxes, Stationery and Staff Car were incurred during the FY 2015-16 against the Non Plan grant from MHRD. The deficit in expenditure over and above the grant released including the grant of Rs.4.80 lacs for FY 2014-15 is borne by AIU from its own sources.
Youth Affairs	56.25 Released Rs.28.13.	91.17	6.95 Regn. Fee and Fee from Non Members	27.97	Sanction of Rs.56.25 lacs only was accorded by the Ministry for organizing the Zonal/National Youth Festivals including AIU Organizational Expenses. Deficit is due to expenses incurred during the FY 2015-16 on account of Salaries, Committee Meeting (TA/DA), Printing and other Administrative Expenses over and above the sanction of Rs.11.25 lacs for Organizational Expenses.
				30.00	Since the grant of Rs. 56.25 lacs only was released by the Ministry, each organizing University was given a sum of Rs. 5 lacs from AIU sources for organizing the Zonal/National Youth Festivals as per the approval accorded by the Governing Council dt.




				10.62	30.11.2015. The expenditure was incurred for organizing the South Asian Universities Festival as per the approval accorded by the Governing Council dt.30.11.2015 for Rs.10.00 lacs. This includes expenditure on TA of Rs.62,000/- over and above the approval of the Governing Council.
--	--	--	--	-------	---

The committee discussed at length the deficit met from AIU funds for implementing various Schemes of GOI (Ministry of HRD and Ministry of Youth Affairs & Sports) and accorded approval for the final amount of the deficit shown above. The Committee also resolved that the concerned Divisional Head(s) need to maintain close liaison and follow up with the concerned Ministries to expedite the sanction and release of grants.

The members also discussed at length about the role of AIU for promoting sports and cultural activities among the Member Universities and recommends to the Governing Council to accord approval to allocate 15% of Annual Subscription (BE/RE) each year for the activities of Sports Division and also 15% for the activities of the Youth Affairs Division.

ITEMS FOR CONSIDERATION

12. To consider the Receipt and Payment Account, Income and Expenditure Account, Balance Sheet, Audit Report and Points for Attention for the Management in respect of AIU including AIU Employees Group Gratuity Scheme for the year 2015-16 received from M/s. Sanjay Satpal & Associates, Chartered Accountants, New Delhi, AIU Auditors.

(Appendix-V)

The Finance Committee considered the Receipt & Payment Account, Balance Sheet along with Audit Report of AIU & AIU Employees Group Gratuity Scheme received from the Statutory Auditors M/s Sanjay Satpal & Associates, CA and after due deliberations the same were recommended for kind approval of the Governing Council.

13. To consider the Revenue Account, Balance Sheet along-with audit report for the year 2015-16 in respect of AIU Provident Fund Trust received from M/s. Girish Neelam & Associates, Chartered Accountants, New Delhi.

(Appendix-V)

The Finance Committee considered the Revenue Account, Balance Sheet along with Audit Report of AIU Provident Fund Trust of the Statutory Auditors M/s Girish Neelam & Associates, CA and after due deliberations recommends it to the Governing Council for its approval.

14. To consider the appointment of AIU Auditors for the Financial Year 2016-17 in respect of AIU, AIU PF Trust and AIU Employees Group Gratuity Scheme.

[Note: The Accounts of AIU, AIU Employees Group Gratuity Scheme and AIU Provident Fund Trust for the Financial Year 2015-16 were audited by M/s Sanjay Satpal & Associates, Chartered Accountants, New Delhi and M/s Girish Neelam & Associates, on a remuneration of Rs.30000/- & Rs.11250/- respectively. The remuneration for auditing the accounts of AIU and AIU Provident Fund Trust was revised on 28.4.2016. The services of the Statutory Auditors (M/s.Sanjay Satpal & Associates) have been satisfactory.

A Gazette notification dated 30.1.0.2003 received from EPFO stating that "The same auditors should not be appointed for two consecutive years and not more than two years in a block of six years in respect of accounts of Employees Provident Fund Trust" is placed below for kind consideration of the members.

The Auditors for AIU, A.I.U. Provident Fund Trust and AIU Employees Group Gratuity Scheme may accordingly be finalized].

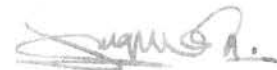
(Appendix-VI) (Pp 28)

The Finance Committee recommended to the Governing Council that M/s Sanjay Satpal & Associates, Chartered Accountants be appointed as Statutory Auditors for AIU and AIU Employees Group Gratuity Scheme and M/s P S Bajaj & Company, Chartered Accountants be appointed as Statutory Auditors for AIU Provident Fund Trust for the FY 2016-17 on the remuneration approved by President, AIU & Secretary General for Audit and other related works.

15. To consider write off the cost of old unserviceable item(s) from the Assets of the Association.

[Note: The unserviceable Assets/Items listed in the Annexure-A are lying in the store room and considered as dead stock. These items are occupying a lot of office space besides unhygienic ambience in the AIU House. These unserviceable items need to be disposed off as per the approval of the empowered authority in the light of AIU Bye Law 25.

The depreciation on assets purchased from the FY 2005-06 onwards is booked as expenditure in the Books of Account of the Association. The assets purchased prior to FY 2005-06 are lying on original/historic value in our Books of Accounts. Accordingly, the book value of the assets to be written off is shown in **Annexure 'A'**.



Approval is sought to write off these old unserviceable assets amounting to Rs.39,988.00 by disposing these assets as per rules. The selling proceeds, if any, shall be adjusted from the book value of these assets.

(Annexure- A) (Pp 29-30)

The Finance Committee considered the proposal and approved to write off assets amounting to Rs. 39988/- after adjusting the sale proceeds of these old and unserviceable assets from the Books.

Resolved further that the old unserviceable Staff Car (Tata Indigo DL 3C W 4360) shall also be disposed by following the condemnation and disposal procedure of writing off the capital assets as per rules.

6. To consider write off outstanding bills raised on account of:
- A) Sale of publication to the institutions and other agencies to the tune of Rs.20,402.00 for the period 2000-2001 to 2003-04.
 - B) For the advertisement in University News amounting to Rs.1,22,410.00 for the period 2001-2002 to 2011-12.

Note: Sale of Publications

The Publication & Sales Division supply AIU publications to the institutions against the orders placed by them and raise bills for processing and release of payment on replacement basis. Advance payments for the bills raised for sale of publications were not sought from the institutions till the year 2011-12. However from the Financial Year 2012-13 onwards supply of publication was made on pre-payment basis only. The method of asking advance payment including from member universities/Institutes was found to be strategically yielding positive result barring some of the Universities/Institutes, who were facing procedural problems in releasing the advance payment.

The bills for sale of publications as per the enclosed statement have remained pending despite of extensive efforts including sending the photocopies of related documents/bills to the concerned defaulting universities/institute/parties, these payments for the period from 2000-01 to 2003-04 are not found to be forthcoming. In the event of neither having received the payment nor any reply, it seems that these outstanding payments have now become dead cases and required to be taken up for write off action. The party-wise details of sale bills are enclosed.

The year-wise break-up of the amount required to be written-off for Sale of Publications is as given below:

Sl No.	Year	Amount (Rs)	Total Billing for the Year (Rs.)	Percentage of Outstanding
1	2000-01	13,953.00	30,26,195.00	0.46
2	2001-02	2,259.00	23,54,691.00	0.095
3	2002-03	3,740.00	21,97,895.00	0.17
4	2003-04	450.00	23,01,973.00	0.019
	Total	20402.00		

It may kindly be seen on comparison of amount of outstanding vis-à-vis total billing of any given year that the %-age of the outstanding is meager/negligible only. It is kindly requested to consider for writing-off the amount of Rs.20402/- towards Sale of Publications. There is no other outstanding amount after 2004-2005 since we have started taking advance payment.

(Annexure- B) (Pp 31)

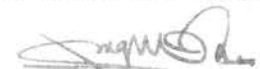
Advertisements

The Division acquires advertisements from the universities/institutions against proper orders. After the advertisements are published, bills are raised and forwarded to the respective advertiser for release of payment. Advance payment for the bills raised for the advertisements were not sought from the institutions till the year 2011-12. However from the Financial Year 2012-13 onwards advertisements were published only on receipt of advance payment. The method of asking advance payment including from member universities/Institutes was found to be strategically yielding positive result baring some of the Universities/Institutes, who were facing procedural problems in releasing the advance payment.

The party-wise details of advertisement bills required to be written off for the period 2000-2001 to 2011-12 are enclosed. The division has taken up extensive correspondence with the universities and institutions to release these pending payments. Despite the best efforts, we have neither received the payments nor any replies from concerned parties. From the trend of correspondence held, it seems that these are dead cases and are to be written off. The year wise break-up of the amount required to be written off for Advertisement is given below:

Sl No.	Year	Amount (Rs)	Total Billing for the Year (Rs.)	Percentage of Outstanding
1	2001-02	4,800.00	32,78,715.00	0.14
2	2003-04	1275.00	33,62,483.00	0.17
3	2004-05	2,295.00	42,20,137.00	0.06
4	2005-06	4,000.00	47,31,468.00	0.08
5	2006-07	58,520.00	50,58,194.00	1.15
6	2007-08	9,280.00	44,58,194.00	0.002
7	2008-09	14,640.00	45,76,253.00	0.004
8	2009-10	15,600.00	63,46,435.00	0.003
9	2010-11	6,000.00	61,17,166.00	0.001
10	2011-12	6,000.00	57,72,963.00	0.001
11	2012-13	NIL	49,57,652.00	NIL
12	2013-14	NIL	60,58,810.00	
13	2014-15	NIL	62,92,487.00	
14	2015-16	NIL	52,21,326.00	
TOTAL		1,22,410.00		

It is apparent from the above data that Percentage of outstanding to total billing for any given year and is quite negligible. It is kindly requested to consider for writing-off the amount of Rs.1,22,410/- towards Sale of Advertisement. Since we have





started taking advance payment w.e.f. 2012-13, there is NIL outstanding during the last 4 years.

(Annexure-C) (Pp 32-33)

The Finance Committee considered the proposal and recommended to the Governing Council that the bills amounting to Rs. 142812/- be written off from the Books of Account of the Association as per AIU Bye Law 25 in this regard.

17. To consider the proposal of enhancement in the Advertisement Tariff effective from 1.1.2017.

[Note: We are receiving advertisements from member Universities/Institutes, Government Departments, Colleges, Publishers, Book Sellers, etc. for inclusion in the weekly issues of University News. **The last Advertisement Tariff was revised and made it effective from April 01, 2009.** This revision was made after five years of the previous one.

It has been almost seven (07) years since the rates were revised last. It is obvious that over these years, there has been considerable increase in the cost of various inputs including value of paper, printing charge, computer stationery and peripherals and other materials, as well. Considering the direct attributable cost of printing and overall increase in expenditure like postage, stationery, etc., the advertisement tariff needs proportionate revision to meet the increased expenditure. Besides, it is to mention here that now-a-days, the Universities/Institutes/ Colleges and other parties have resorted to shorter version of advertisements through their websites, local and national dailies apart from releasing the advertisements in the Employment News. As a result, it is generally found that the flow of advertisements, to be received for releasing in the University News Journal, is increasing marginally only.

It can be seen that increasing expenditure on various inputs as envisaged above vis-à-vis billings for inclusion of advertisements is not found keeping at pace resulting in a meager increase in the yearly billings over the past few years.

Sl No.	Year	Total Billing for the Year (Rs.)
1	2009-10	63,46,435.00
2	2010-11	61,17,166.00
3	2011-12	57,72,963.00
4	2012-13	49,57,652.00
5	2013-14	60,58,810.00
6	2014-15	62,92,487.00

Taking into the above factors in place, it is felt justifiable to consider upward revision in advertisement rates. As per the foregoing procedures, the existing and proposed new rates for following categories of advertisers (INDIAN) are placed as **Annexure 'D'**, please.



378

- a) Educational Institutions & Govt. Organizations
- b) Specific categories of items/matters (Double the Rates of the above categories)
- c) Publishers/Book Distributors-exclusively for Book (Concessional rates)

As we continue to receive and include the advertisements of Overseas Advertisers (Universities/Institutes), the existing and revised rates for such category are placed at **Annexure 'D'** (Combined with the new Subscription Rates).

It is further submitted that as compared to other commercial Medias, the rates of advertisements of University News are considered to be cheaper being a journal of Higher Education and Research and mostly we cater the advertising needs of our member Universities/Institutes and their affiliates Colleges/Institutes.

It is proposed that the revised **new rates may be made effective from 1.1.2017** since after the Governing Council approval, considerable time is required to send circulars to all the member Universities/Institutes and other parties for their information and endorsing the new rates in their record for releasing the payable charge.

(Annexure- D) (Pp 34)

The members considered the proposal for enhancement of Advertisement Tariff effective from 1.1.2017 on the following revised rates:

Category I	Advertisement Tariff for Educational Institutions, Government Organizations and Publishers/Book Distributors-exclusively for Books as per revised rates shown under table 'A' of Annexure 'D'.
Category II	Specific categories of items/matters (Double the Rates of category I)
Category III	Foreign Advertisement Tariff as per revised rates shown under Table 'C' of Annexure 'D'. Revised rates are to be shown in rupees (equivalent to US\$).

18. To consider the proposal of enhancement in the Subscription Rates w.e.f. 1.1.2017

[Note: It is submitted that the "**University News-a weekly chronicle on Higher Education & Research**" is being subscribed by the Indian as well as Foreign Universities, Institutions, Colleges, Schools, Government Departments, Autonomous bodies, Academics, Students/Individuals, Publishers, etc. The existing rates of subscription are continuing w.e.f. April 01, 2011.

As we are aware that there has been considerable increase in the value of various inputs including cost of paper, printing charges, postage and other materials over the last five (05) years or so. Apart from regular issues, nearly 03-04 Special Issues are




also being published and the production cost of one such Special Issue is almost 4-5 times more than the regular issue.

Since the expenditure being incurred in printing the journal has gone up considerably, it is felt necessary to enhance the rates of subscription to cope up with the increasing trend of expenditure on various related inputs. The existing and proposed rates for all categories of subscribers (including Foreign Subscribers) are as given in the Annexure 'E'.

It is proposed that the revised new rates of subscription may be made effective from 1.1.2017 since a considerable time is required to send circulars to all the member Universities/Institutes and other parties for their information and endorsing the new rates in their record for releasing the payable charge.

(Annexure-E) (Pp 35)

Not approved. However, the President, AIU suggested that the possibility of enrolling colleges as "University News" Subscribers and publishing the Journal on bi-lingual basis be explored.

19. To consider adoption of Ministry of Finance, Department of Expenditure, GOI Notification No. 1-2/2016-IC dt. 25.7.2016 accepting the 7th CPC recommendations on pay relating to employees in Group 'A', 'B' & 'C'.

[Note: The 7th CPC was set up by the GOI in February, 2014. The Commission finally submitted its report to the GOI on the matters covered in its Terms of Reference on 19th November, 2015. The cabinet accorded its approval on the 7th CPC recommendations on 29th June, 2016. The Government has accepted the 7th CPC recommendations on Minimum Pay, Fitment Factor, Pay Matrices and general recommendations on pay without any material alteration by issuing a Gazette Notification dt. 25.7.2016. The important highlights of the report are:

1. The present system of Pay Bands has been dispensed with and a new Pay Matrix as recommended by the Commission has been approved. The status of employees, hitherto determined by grade pay, will now be determined by the level in the Pay Matrix.
2. All existing levels have been subsumed in the new structure; no new levels have been introduced nor has any level been dispensed with.
3. For the purpose of revision of pay, a fitment factor of 2.57 will be applied across all levels in the Pay Matrices.
4. The minimum pay has been increased from Rs. 7000 to 18000 per month.
5. The rate of increment has been retained at 3%.
6. The arrears of pay and benefits will be paid during the current financial year (2016-17).
7. Gratuity ceiling has been enhanced from Rs. 10 to 20 lacs.
8. There shall be two dates for grant of increment.
9. The Union Cabinet had accepted the recommendations of Justice A K Mathur headed panel in respect of hike of pay but a decision on its suggestions relating



28

- to allowances has been referred to a Committee. The Committee will submit its report within a period of 4 months.
10. Till a final decision on Allowances is taken based on the recommendations of this Committee, all Allowances will continue to be paid at existing rates in existing pay structure, as if the pay has not been revised with effect from 1.1.2016.
 11. Alongwith the pay rollout, there are stricter performance benchmarks.
 12. Anomalies Committee will be set up by Department of Personnel and Training to examine individual, post-specific and cadre specific anomalies arising out of implementation of the recommendations of the Commission.

Accordingly, the following recommendations of 7th CPC approved by the Government for Central Government employees may please be considered for approval:

Minimum Pay: Minimum pay with effect from 1.1.2016 shall be at Rs. 18000 per month. Para 4.2.13 of the 7th CPC Report in this regard reads as:

"After considering all relevant factors the Commission is of the view that the minimum pay in government recommended at Rs.18,000/- per month, w.e.f.1.1.2016, is fair and reasonable and one which alongwith other allowances and facilities would ensure a decent standard of living for the lowest ranked employee in the Central Government."

Pay Matrix: Pay Matrix shall be comprised of two dimensions having horizontal range in which each level corresponds to a 'functional role in the hierarchy' with number assigned 1,2,3 and so on till 18 and vertical range denoting pay progression. These indicate the steps of annual financial progression. Para 5.1.21 of the Report in this regard reads as:

"The pay matrix comprises two dimensions. It has a "**horizontal range**" in which each level corresponds to a '**functional role in the hierarchy**' and has been assigned the number 1,2, and 3 and so on till 18. The "**vertical range**" for each level denotes 'pay progressions' within that level. These indicate the steps of annual financial progression of three percent within each level. The starting point of the matrix is the minimum pay which has been arrived based on 15th ILC norms or the Aykroyd formula."

Fitment Factor: The fitment factor of 2.57 to be applied uniformly for AIU employees. Para 5.1.27 of the Report in this regard reads as:

"the starting point for the first level of the matrix has been set at Rs.18000/-. This corresponds to the starting pay of Rs.7000/- which is the beginning of PB-1 viz., Rs.5200/- + GP1800; which prevailed on 1.1.2006, the date of implementation of the VI CPC recommendations. Hence the starting point now proposed is 2.57 times of what was prevailing on 1.1.2006. **This fitment factor of 2.57 is being proposed to be applied uniformly for all employees.** It includes a factor of 2.25 on account of DA neutralization, assuming that the rate of Dearness Allowance would be 125 percent at the time of implementation



of the new pay. Accordingly, the actual raise/fitment being recommended is 14.29 percent."

Pay in the revised pay structure: Pay of employees shall be fixed in the revised Pay Structure in the manner laid in Paras 5.1.28 & 5.1.29 of the report which read as:

"5.1.28: The fitment of each employee in the new pay matrix is proposed to be done by multiplying his/her basic pay on the date of implementation by a factor of 2.57. The figure so arrived at is to be located in the new pay matrix, **in the level that corresponds to the employee's grade pay on the date of implementation, except in cases where the Commission has recommended a change in the existing grade pay.** If the identical figure is not available in the given level, the next higher figure closest to it would be the new pay of the concerned employee.

5.1.29 : The pay in the new pay matrix is to be fixed in the following manner:

Step1: Identify Basic Pay (Pay in the pay band plus GP) drawn by an employee as on the date of implementation. This figure is 'A'.

Step 2: Multiply 'a' with 2.57, round-off to the nearest rupee and obtain result 'B'.

Step 3: The figure so arrived at i.e. 'B' or the next higher figure closest to it in the Level assigned to his/her grade pay will be the new pay in the new pay matrix. In case the value of 'B' is less than the starting pay of the Level, then the pay will be equal to the starting pay of that level."

Increment: The annual increment shall be @3%. There shall be two dates for grant of increment namely, 1st January and 1st July of every year provided that an employee shall be entitled to only one annual increment on either one of the two dates depending on the date of appointment, promotion or grant of financial up-gradation.

The Government accepted pay panel's suggestion to withhold increments of employees whose performance is not up to the mark. Accordingly, the Employees will be entitled to annual increments and promotions, under a new pay structure that takes effect, only if they get a 'very good' on their report cards rather than just 'good' – the current benchmark.

Pay of direct recruits: Pay of direct recruits will start at the minimum pay corresponding to the level to which recruitment is made which will be first cell of each Level in the Matrix as specified under para 5.1.32 of the report which reads as:

"In the new pay matrix, it is proposed that direct recruits start at the minimum pay corresponding to the level to which recruitment is made which will be first cell of each Level. For example a person entering service as a direct recruit at level 3 will get a pay of Rs.21,700, at level 8 of Rs. 47,600, at level 10 of Rs. 56,100 and so on."



Arrears of Pay: The arrears of pay and benefits will be paid during the current financial year (2016-17).

The Ministry of Finance, Deptt. of Expenditure vide Office Memo No.1-5/2016-1C dated 29th July, 2016 issued following instructions on fixation of pay and payment of arrears:

".....In order to facilitate a smooth and systematic fixation of pay, a proforma for the purpose (Statement of Fixation of Pay) is enclosed at Annexure. The statement of fixation of pay in revised pay structure as per CCS (RP) Rules, 2016 be prepared in triplicate and one copy thereof be placed in the Service Book of the employee concerned and another copy made available to the concerned accounting authorities (Chief Controller of Accounts, Controller of Accounts/Accounts Officer) for post check.

"...The arrears as accruing on account of revised pay consequent upon fixation of pay under CCS (RP) Rules, 2016 w.e.f. 1.1.2016 shall be paid in cash in one installment alongwith the payment of salary for the month of August, 2016."

"With a view to expediting the authorization and disbursement of arrears, it has been decided that the arrear claims may be paid without pre-check of the fixation of pay in the revised scale of pay. However, the facilities to disburse arrears without pre-check of fixation of pay will not be available in respect of those Government servants who have relinquished service on account of dismissal, resignation, discharge, retirement etc."

"....the Income Tax as due shall be deducted and credited to Government in accordance with the instructions on the subject."

Pay on Promotion: On promotion, pay of employees to be fixed in the manner laid down in Para 5.1.33 of the Report which reads as:

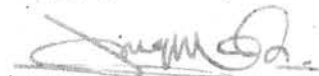
"For those who have been promoted from the previous level, the fixation of pay in the new level will depend on the pay they were already drawing in the previous level. For instance, if a person who was drawing Rs.26,000 /- in level 3 gets a promotion to level 4 as per the table shown under Para 5.1.33 of the report"

Step 1: After grant of increment in level 3, the pay increases to Rs.26800 in level 3 itself.

Step 2: Locate the equal or next higher amount in level 4 which in this case will be Rs.27,100. Hence the new pay on promotion from level 3 to level 4 will be fixed at Rs.27,100/-.

Like above fixation of pay on promotion will be made in all the levels accordingly.

(Annexure- F) (Pp 36- 51)



The recommendations of the 7th CPC with regard to Children Education Allowance, Bonus, Personal Pay, Travelling Allowance, Grant of TA to Retiring Employees (Lump sum Transfer Grant & Packing Allowance) etc. shall be as per the final recommendations of the Committee constituted by the Government.

Finance Committee recommended to the Governing Council for the adoption and implementation of the recommendations made in these regards by the 7th CPC as notified by the GOI vide their Notification No.1-2/2016-IC dated 25.07.2016 and resolved that the details of adoption & implementation in this regard be also worked out by the Committee constituted vide item No.19 above.

21. To consider the Revised Estimates for the year 2016-17 and the Budget Estimates for the year 2017-18 in respect of the following Budgets along-with relevant schedules:

- AIU Main Budget
- Non Plan Budget
- Plan Budget
- Youth Affairs Budget
- Sports Budget

[Note: A schedule showing the designation, pay bands, total expenditure on salaries along with notes on the Budgets in respect of RE 2016-17 & BE 2017-18 is enclosed. The provision of DA, Bonus, Children Education Allowance, vacant positions, 7th Pay Commission arrears alongwith updated salary (14 Months) etc. is made in the Budgets.

(Appendix-VII) (Pp 52-63)

The Finance Committee agreed to the RE 2016-17 & BE 2017-18 and recommends it to the Governing Council for its approval.

While approving the Non Plan (Maintenance) & Plan (Research) Budgets, the members resolved that the expenditure on University News Journal (printing, paper and postage etc.) as adjusted after the income from subscription, Un-priced Publications/Reports and 25% of Non Plan (Maintenance) expenditure on Building Maintenance and Property Tax shall form part of Plan Grant effective from 1.4.2016.



22. To consider the financial implications with regard to vacant posts to be advertised.


[Note: Budget Provision has been made on adhoc basis under Salary Schedule submitted under Item No.21 above as per following break-up:

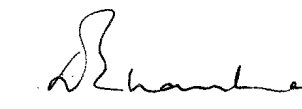
AIU	:	Rs.25.00 lacs
Research Plan	:	Rs.15.00 lacs
Youth Affairs	:	Rs. 1.00 lacs
Sports	:	Rs. 4.00 lacs].

Noted and recommended to fill up the vacant posts on need basis after finalization of Recruitment Rules for which the meeting is scheduled on 2.9.2016.

The meeting ended with vote of Thanks to the Chair.


Ranjana Parihar
Deputy Secretary (F)


Prof. Furqan Qamar
Secretary General


(Prof. D S Chauhan)
President, AIU