

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

Minutes of the Finance Committee Meeting held on 27.08.2013 at 10.00 a.m. in the AIU House, New Delhi.

Present:

Prof. D S Chauhan, Member Secretary (Addl. Charge)	In Chair
Prof. I V Trivedi	Member
Dr. P Prakash	Member

(Most Rev. Prof. R B Lal, President, AIU, Dr. S N Puri, Vice Chancellor, Central Agricultural University, Imphal and Dr. H M Desai, VC, Dharmsinh Desai University could not attend the Meeting. The meeting was chaired by Prof. D S Chauhan, Secretary General (Additional Charge).

1. To confirm the minutes of the last meeting of the Finance Committee held on 21.04.2013

Confirmed.

(Appendix-I)

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

Action Taken Report was approved with the following remarks:

Recommended to rectify the minutes under Item 316/11 of 316th G C Meeting that there is no observation of the Govt. Auditors with regard to the recovery of Transport Allowance from Prof. Beena Shah, former Secretary General amounting to Rs.155342/. It was the decision of the Governing Council. Finance Committee has no comments to offer in this regard.

(Appendix-II)

3. To consider the Receipt and Payment Account, Income and Expenditure Account, Balance Sheet, Audit Report and Points for Attention of the Management in respect of AIU for the year 2012-13 received from M/s. DSP Associates, Chartered Accountants, New Delhi, AIU Auditors.

The Accounts of the Association for the FY 2012-13 (Receipt and Payment Account, Income & Expenditure Account & Balance Sheet alongwith Audit Report) were considered by the Finance Committee and after due deliberations the same were recommended for kind approval of the Governing Council. The members would like to place on record that the issue

pertaining to Prof. Beena Shah's enquiry was dealt by the higher decision making body (Governing Council), therefore the Sub Committee has no say on the matter. Therefore, the observation under para 3 of the Statutory Auditor's Report may directly be placed for the consideration of the Governing Council.

(Appendix-III)

4. To consider the Revenue Account, Balance Sheet along-with audit report for the year 2012-13 in respect of AIU Provident Fund Trust received from M/s. Vivek Raheja and Associates, Chartered Accountants, New Delhi.

The Finance Committee considered the Revenue Account, Balance Sheet along with Audit Report of the Statutory Auditors and recommends it to the Governing Council for its approval.

(Appendix-III)

5. To consider the Audit Report for the Year 2011-12 received from the Office of the Director General of Audit, Central Expenditure (DGACR), New Delhi and the office replies mentioned against each para.

[Note: The following Audit paras of DACR Inspection Reports were placed before the 316th Governing Council Meeting held at DeenDayalUpadhyay Gorakhpur University on 4.5.2013 under items 316/15 & 316/16:

- i) IR 2001-04-Audit Paras(Part-II(A-3(a) to 3(d) -Prof. K B Powar
- ii) IR 2006-08 – Audit Para (Part-II (B) 2 – Late Prof. D Dongaonkar
- iii) IR 2006-08 – Audit Para (Part-II (B) 8– AIU employees

The resolutions of the Governing Council in this regard are:

Resolution (316/15):

It was resolved that in view of the non acceptance of explanations given by AIU to CAG's audit, notice of recovery be issued to Dr. K B Powar Ex Secretary General of AIU after consulting legal advisor as he is now retired from AIU and receives pension from Kolhapur University.

Resolution (318/01):

While confirming the minutes of 317th Governing Council Meeting held on June 3, 2013, the following decision was taken:

Prof. M MSalunkhe raised issue of audit paras about over payments made to Prof. K B Powar. After discussion, it was resolved that Shri Sampson David, JS and DrGurdeep Singh, JS shall put up all original relevant papers/records about outstanding audit paras, financial matters relating to Prof. K B Powar, Prof. D Dongaonkar and Prof. Beena Shah, former Secretary Generals, AIU alongwith legal opinion before the President and the Secretary General for decision and the action be reported in the next Governing Council Meeting.

Para 3(d) of 2001-04 and Para 8 of 2006-08 have since been dropped by the DACR Audit Party while auditing the accounts for the year 2011-12.

Since the matter pertaining to Audit Paras listed at Sr.Nos. i& ii above is being dealt by the higher decision making authority (Governing Council), the subcommittee of the Governing Council (Finance Committee) cannot put forward any recommendation on the subject. The reply earlier approved is placed in reply to the Inspection Report of DACR for the year 2011-12. The revised reply for above paras will be submitted as per the decision/resolution of Governing Council.

The office replies of the DACR Audit Report for the Year 2011-12 received from the Office of the Director General of Audit, Central Expenditure (DGACR), New Delhi were approved except for the Audit Paras listed at Sl. No. i (IR 2001-04- Audit Paras (Part-II (A-3(a) to 3(d) -Prof. K B Powar) and Sr.No. ii (IR 2006-08 – Audit Para (Part-II (B) 2 – Late Prof. D Dongaonkar) above. Revised replies in respect of these two long pending outstanding paras will be sent to DGACR after the decision/resolution of the Governing Council as the matter is dealt by the higher decision making body (Governing Council/General Body).

(Appendix-IV)

6. To consider the Revised Estimates for the year 2013-14 and the Budget Estimates for the year 2014-15 in respect of the following Budgets along-with relevant schedules:

- AIU Main Budget
- Non Plan Budget
- Plan Budget
- Youth Affairs Budget
- Sports Budget (The grant for the Sports Tournaments is not received from the Ministry of Youth Affairs & Sports for the last 2 years – 2011-12 & 2012-13. The sanction for the current year is also awaited. However, the Budget for 2013-14 is prepared based on the proposal submitted by the Sports Division to the Ministry for consideration and approval).

[Note: A schedule showing the designation, pay bands, total expenditure on salaries is enclosed in respect of the posts sanctioned. The provision of DA, Bonus, Children Education Allowance, 15% Special Allowance and vacant posts is also made in the Budgets].

The Finance Committee agreed to the RE 2013-14 and BE 2014-15 and recommends it to the Governing Council for its approval.

The detailed discussions were held with regard to pending grant for Sports activities. The members unanimously resolved that the Secretary General (Addl.Charge) and the concerned Departmental Head may approach to the

Ministry of Youth Affairs and Sport for an early release of grant for the Financial Years 2011-12 & 2012-13 along with sanction for the current financial year Grant.

Resolved further that necessary provision may be made in the AIU Budget RE 2013-14 as per the recommendations of the Governing Council on the proposal submitted by Mohanlal Sukhadia University for organizing an International Conference for the Vice chancellors' of South Asian Countries.

(Appendix-V)

7. To consider the appointment of AIU Auditors for the Financial Year 2013-14 in respect of AIU and AIU Provident Fund Trust.

[Note: The Accounts of AIU and AIU Provident Fund Trust for the financial year 2012-13 were audited by M/s DSP Associates, Chartered Accountants, New Delhi & M/s Vivek Raheja & Associates, Chartered Accountants on a remuneration of Rs.20000/- & Rs.7500/- respectively. The services of the Statutory Auditors have been satisfactory. A Gazette notification dated 30.10.2003 received from EPFO stating "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 ready reference. The Auditors for A.I.U. P.F Trust may accordingly be finalized].

M/s Sanjay Satpal and Associates be appointed as Statutory Auditors for the AIU and AIU Provident Fund Trust for the Financial Year 2013-14 on the remuneration of Rs.20,000/- and Rs.7500/- respectively. The other works such as procurement of FCRA Return, UCs, Income Tax Returns, Exemption Forms and consultation etc. would be on mutual agreed charges/terms.

8. To report that 86 member universities have yet to pay Annual Subscription for the current financial year.

(Appendix-VI)

[Note: The letters duly signed by the Secretary General were sent to the member universities for remitting the Annual Subscription in the month of February, 2013 for the current financial year and arrears, if any, followed by letters from Finance Division to the Registrars of the Universities].

Resolved that the Finance Division should make best attempt for early settlement of dues of Annual Subscription from concerned universities by sending letters/e-mails/fax/SMSs etc. to the Registrars of the Universities/Institutes.

It was further decided that the Secretary General may remind to the concerned Universities/Institutes by sending DO letters to the Vice Chancellor/Director for remitting the Annual Subscription to the Association.

9. To report that following member universities are in arrears on account of Annual Subscription for the previous years (2008-09 to 2012-13):

Sr.No.	Name of University	Arrears	Amount (in Rs.)
1	Birsa Agricultural University, Ranchi	2012-13	50000.00
2	Dr. Balasaheb Sawant Konken Krishi Vidyapeeth, Dapoli	2010-11 2011-12 2012-13	50000.00 50000.00 50000.00
3	Gokhale Institute of Politics & Economics, Pune	2010-11 2011-12 2012-13	50000.00 50000.00 50000.00
4	National Instt. Of Technology, Rourkela	2008-09 2009-10 2010-11 2011-12 2012-13	35000.00 50000.00 50000.00 50000.00 50000.00
5	TERI University, New Delhi	2010-11 2011-12 2012-13	1,50,000/- 1,50,000/- 1,50,000/-

[Note: **SI. No. 1 & 2:** Dr. Balasaheb Sawant Konken Krishi Vidyapeeth, Dapoli and Birsa Agricultural University, Ranchi have decided to withdraw from the Membership of AIU w.e.f. 1.4.2010 and 1.4.2012 respectively. These Agricultural Universities have informed that they are the member of Indian Agricultural Universities Association and are not interested in the membership of AIU any more.

SI. No.3: Number of reminders were sent to the Registrar & the Vice Chancellor of Gokhale Institute of Politics & Economics, Pune, however, there is no response from the university's end.

SI. No.4: During the year 2008-09, NIT, Rourkela informed that the Institute is not interested in AIU Membership. We have been writing letters to NIT Rourkela for the last 5 years for payment of Subscription alongwith arrears and with a request to continue AIU Membership. However, the Institute has not responded to any of our letters. As per the decision of the Governing Council dated 12.10.2010 a letter was written by the then Secretary General to Prof. A K Pujari, Vice Chancellor, Sambalpur University for taking up the matter with Prof. Sunil Kumar Sarangi, Director, NIT, Rourkela personally but the efforts did not fetch any result.

SI. No. 5: TERI University became the member of the Association in the FY 2009-10. The membership fee for the years 2010-11, 2011-12 and 2012-13 was not paid by the University due to financial constraints. Discussions were held between the Secretary General (Addl. Charge) and TERI University officials on 22.5.13. The office has agreed to accept the Subscription for the current financial year. The subscription for the FY 2013-14 has since been received

from the University. Approval may please be accorded to waive off the arrears amounting to 4.50lacs for the FYs 2010-11 to 2012-13.

As per the Standing Committee Resolutions dt. 16.3.1988 and 19.11.2000, it was resolved that the membership of universities/institutions defaulting for 3 years continuously be kept under suspension].

The Finance Committee recommends that the membership of Universities listed at Sl. Nos. 1 to 4 may be suspended as these universities have failed to clear the arrears of AIU subscription. These universities may not be allowed to avail AIU privileges, which could be restored only on their fresh enrolment as member along with annual subscription and processing fee for membership.

The Finance Committee accords its approval for waiver of dues amounting to Rs. 4.50 lacs (2010-11 to 2012-13) as a special case in case of University listed at 5 above (TERI) and acceptance of subscription amounting to Rs. 1.50 lacs for the current financial year. The members further recommend that this should not be cited as a precedence in future.

10. To report that the transaction charges @ 2% of Bill on all the transactions are accepted for payment through EDC Machine of HDFC Bank.

[Note: The Finance Committee in its meeting held on 21.4.2013 under item No.7 resolved as follows:

"The module of Payment Gateway Facility/POS of HDFC Bank was approved. Current A/c is to be opened with HDFC bank with initial deposit of Rs.10,000/- for getting the money through the approved module electronically in the current account.

Resolved further that receipt of fee for Equivalence Certificate through Payment Gateway Facility/POS be @ USD 210."

A standard charge of 2% is being charged for all the transactions through POS Machine, namely, Equivalence Certificates, Equivalence Enquiry, Sale of Publications etc.].

Approved.

11. To report that 10 days Earned Leave Encashment with LTC as sanctioned by the GOI in their Office Memorandum No.14028/4/2009-Estt.(L) dt.3.6.2009 has been paid to AIU employees.

[Note: The encashment of Earned Leave alongwith LTC admissible to Central Govt. employees as per the recommendations of Vth and VIth Pay commission was not considered in AIU. As per AIU Bye Laws the Members of the Staff of the Association shall be entitled to LTC as per GOI rules modified and amended from time to time in this regard.

As per OM No.14028/4/2009-Estt.(L) dt.3.6.2009, the GOI permitted 10 days Encashment of Earned Leave while availing LTC subject to the following conditions:

- (a) Limited to 10 days of earned leave on one occasion without linkage to the number of days and nature of leave availed and 60 days in the entire career.
- (b) Will not be deducted while computing the maximum admissible for encashment at the time of quitting service.
- (c) The balance at credit should be not less than 30 days after deducting the total of leave, if any, availed plus leave for which encashment was availed.
- (d) Where both husband and wife are Govt. servants, encashment of leave will continue to be available to both, subject to maximum limit of 60 days to each of them.

Earned leave can be accumulated up to 300 days in addition to the number of days for which encashment has been allowed alongwith LTC. The provision for encashment of 10 days Earned Leave alongwith LTC in respect of AIU employees has since been made in the AIU Budgets under RE 2013-14].

Approved.

12. 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 by the Ministry 2012-13	Expenditure Incurred 2012-13	Income from other sources	Deficit	Remarks
Sports (Administrative Expenses)	Nil	34.25	5.30	28.95	Expenses on TA/DA, Salaries, Administrative Expenses were incurred during the FY 2012-13. The unutilized grant of Rs.257.04 lacs for the FY 2010-11 was returned to the Ministry of Youths Affairs and Sports along with interest. Deficit of Rs.28.95 was borne by AIU from its own sources.
Research (Plan)	65.00	61.02	-	2.21	The Grant of

	Revised 49.00				Rs.49.00 lacs only was sanctioned by the MHRD for the Financial Year 2012-13.
Non Plan	32.00 Revised 27.00	61.80	Mainten- ance Grant	34.80	Expenses on Building Maints., Postage, Property & Other Taxes & Stationery were incurred during the FY 2012-13. The deficit in expenditure over and above grant is borne by AIU from its own sources.

The Committee discussed at length the deficit met from the AIU funds for implementing various Schemes of GOI (Ministry of HRD and Ministry of Youth Affairs & Sports) and recommends to the Governing Council to accord approval for the final amount of the deficit shown above.

The members emphasized that efforts be made by the concerned Divisional Heads for timely release of grant and enhancement of administrative expenses in the sanction from the Ministry of HRD and Ministry of Youth Affairs & Sports for smooth running of the schemes.

The members further recommend that 'Staff Car Expenses' should also form part of Non Plan Maintenance Budget from the current financial year.

13. To report that a sum of Rs.20.00 lacs has been transferred from AIU Fund to AIU Gratuity Fund.

[Note: To make the payment of Gratuity to the employees retiring during the Financial Year, a sum of Rs.20.00 lacs was transferred from AIU General Funds to AIU Gratuity Fund as per the provision made in the Budget Estimates for 2012-13 for payment of Gratuity to employees retiring during the year].

Approved.

14. To consider write off the cost of old unserviceable Assets/Maruti Van from the Assets of the Association.

[Note: The following unserviceable Assets and Maruti Van 800 were purchased and booked in the Assets of the Association as per description given below:

Item	Qty	Asset No.	Bill date	Amount	Remarks
AscomHasier Franking Machine Model-Smile and Electrical 5Kg Weighing Scale	01+ 01	724- 725	21.02.1998	Rs.1,00,001/-	A sum of Rs.10,000 was received towards re-sale proceeds during the year 2011.
Neopost Franking Machine Model No.4400	01	772	10.08.2000	Rs.66,000,-	A sum of Rs.10,000 was received towards re-sale proceeds during the year 2011.
Maruit Van 800 No.DDA 5263 with accessories	01	331	12.02.1987	Rs.92379/-	A sum of Rs.22,000 was received towards re-sale proceeds during the FY 2010-11.
		Total		Rs.2,58,380	

The Association is providing depreciation on the Assets from the FY 2005-06. The assets shown above are lying on original paid cost in our Books of Accounts. Hence the approval to write off aforesaid old unserviceable Capital Assets & Staff Car amounting to Rs.2,58,380/- after adjustment of sale proceeds of Rs.42,000 may kindly be considered as per Bye Law 25.

The Finance Committee recommends to write off aforesaid old unserviceable Capital Assets & Staff Car amounting to Rs.2,58,380/- after adjustment of sale proceeds of Rs.42,000 as per Bye Law 25.

- S.1 To consider revision in the following Budget Head for purchase of equipments required for automation:

Budget Head	(Rs. in lacs)	
	RE 2013-14	Revised Provision
AIU -Furniture & Office Equipment (Purchase)	20.00	25.00

The provision for purchase of capital assets including Computer and peripherals is made under the expense head 'Furniture & Office Equipment (Purchase) under AIU & Research (Plan). The requirement for purchase of computers and peripherals has since been finalized (Annexure-'A'). Accordingly, the revised provision for purchase of computers/laptops/HDD (Segate 1TB), Printer-Scanner-FAX, peripherals etc. may kindly be approved.

Resolved to accord the Administrative approval for the revised provision for purchase of items placed in the Appendix.

(Appendix-VII)

- S.2 To report the Notices received from the Assistant Director of Income Tax (Exemption with regard to the assessment of Income Tax Return of the Association for the AY: 2011-12 and 2012-13.

[Note: AY 2011-12 (FY 2010-11): The Income Tax Return of the Association was filed with the Income Tax Department on 27.9.2011. The notice u/s 143(2) dated 2.8.2011 along with a questionnaire was received from ADIT (E). As per practice, the job was assigned to the Statutory Auditor (M/s DSP Associates) who audited the accounts of the Association for the AY 2011-12.

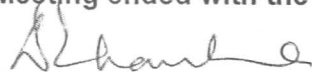
AY 2012-13 (FY 2011-12): The Income Tax Return of the Association was filed with the Income Tax Department on 28.9.2012. The notice dated 8.8.2013 for assessment of return u/s 143(2) was received from ADIT(E) on 19.8.2013 to attend his office on 26 August, 2013.

As reported in the Governing Council Meeting under Item 318/14, a sum of R 25,72,460/- (50% of demand) was deposited with the Income Tax Department in June 2013 as per the advice of Statutory Auditors (M/s. Sanjay Satpal & Associates) with regard to the assessment of 2010-11.


A meeting was organized in the chamber of the Secretary General on 22.8.2013 where Mr. Sanjay Satpal, CA apprised about the development in the matter to the Secretary General (Addl.Charge). During the discussions, Hon'ble Secretary General authorized Mr. Sanjay of M/s Sanjay Satpal & Associates to take up the assessment of AY 2011-12 & 2012-13 also and make all possible efforts to represent our case through Senior Professionals/Advocate in the light of Mr. Salil Agarwal's opinion based on case law and see that the judgment is delivered in our favour being an apex charitable high education organization u/s 2(15) of the Income Tax Act, 1961.

Approved.

Meeting ended with the vote of thanks to the Chair.



Prof. D S Chauhan
Secretary General (Additional Charge)

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Confirmed

President, AIU