

**INDIRA GANDHI NATIONAL OPEN UNIVERSITY
MAIDAN GARHI, NEW DELHI - 110068**

**MINUTES OF THE 102nd MEETING OF THE FINANCE COMMITTEE, IGNOU
HELD ON 4TH MARCH, 2022 AT 12.00 NOON THROUGH ONLINE MODE.**

The following were present:-

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| 1. | Prof. Nageshwar Rao | Vice-Chancellor, IGNOU | - Chairman |
| 2. | Prof. K.K. Aggarwal | Chairman, NBA & Member, BOM, IGNOU | - Member |
| 3. | Prof. R.P. Das | Pro Vice-Chancellor, IGNOU | - Member |
| 4. | Prof. K. Ravi Sankar | Director, SOMS, IGNOU | - Member |
| 5. | Sh. Mohd. Rizwan | Director (IFD), MoE
Rep. of JS & FA, MoE | - Member |
| 6. | Sh. M.M. Singh | Director (T), MoE
Rep. of Economic Advisor/JS, MoE | - Member |
| 7. | Shri S.C. Prusty | Registrar, Indian Law Institute | - Member |
| 8. | Dr. J.D. Gangwar | Finance Officer, IGNOU | - Secretary |

Ms. Rajni A. Jeet, Dy. Registrar, was present to assist the Committee.

The Secretary, Finance Committee welcomed the Chairman and Hon'ble Members of the Committee. The Secretary also welcomed Prof. K.K. Aggarwal, Chairman, National Board of Accreditation & Member, BOM, IGNOU, as new Member in the Committee.

The Secretary requested the Chairman to give introductory remarks and allow deliberations on the Agenda.

The Chairman extended his warm welcome to Prof. K.K. Aggarwal, the new member nominated by the Board of Management and to all other members of the Finance Committee. He also appreciated Dr. P. Prakash, the outgoing FC member for his contributions in the Finance Committee. The Chairman thereafter allowed presentation of the agenda by the Secretary, Finance Committee.

The comments received on the agenda from the office of JS & FA, MoE vide letter F.No.10-2/2016-IFD.pt dated 04.03.2022 were also brought to the notice of Finance Committee by the Secretary.

The following agenda were presented by the Secretary for consideration of the Finance Committee.

FC 102.1: Action Taken Report on the minutes of 100th & 101st Meetings of the Finance Committee.

- 102.1.1 The Secretary apprised the Committee that the minutes of the 100th & 101st Meetings of the Finance Committee were confirmed by the members in the respective meetings of the Finance Committee.

102.1.2 The Secretary presented the Action Taken Report (ATR) on the minutes of the 100th & 101st Meetings of the Finance Committee.

102.1.3 Sh. Mohd. Rizwan, Director, IFD, MoE mentioned that progress of utilization of HEFA grant in respect of up-gradation of EMPC as mentioned (at Sr. No. 100.7.1.1) in the ATR requires to be reviewed by the University in order to ensure completion of the work in time-bound manner. The Secretary informed the Committee that M/s BECIL (the executing agency) is requesting for extension of time by another six months. The Committee directed that reasonable time may be considered by the University, if required. The Committee noted the Action Taken Report on the minutes of the 100th & 101st Meetings of the Finance Committee.

FC 102.2 To consider and approve the Audited Annual Accounts of the University for the Financial Year 2020-21.

102.2.1 The Secretary apprised the Finance Committee that the unaudited Annual Accounts for the financial year 2020-21 were considered by the Finance Committee (FC) in its 101st Meeting held on 06.09.2021 and subsequently approved by the Board of Management (BoM).

The Secretary presented the audited Annual Accounts of the University for the financial year 2020-21 along with SAR and explained the trends in income and expenditure under various major heads.

The Secretary further apprised the Committee that audit under Section 29(1) of IGNOU Act was started by DGA team on 29.09.2021 and completed 24.11.2021. The draft SAR was received from DGA on 17.12.2021 and replies were submitted on 30.12.2021. The DGA has issued the audit report (SAR) certifying the authenticity of the Annual Accounts 2020-21 on 23.02.2022.

102.2.2 During the deliberations, Prof. K.K. Aggarwal and Sh. Mohd. Rizwan observed that capital fund corpus has been used for meeting out requirement pension fund and also for various other operating expenses. The members were of the view that capital fund ideally be utilized only to meet requirements of capital expenditure/expansion of the University. The members suggested that the IGNOU must come out with the capital fund corpus management guidelines. A committee of experts may be constituted for this purpose.

Members particularly Prof. K.K. Aggarwal raised concern on the declining revenue and sustained increase in the expenditure pattern of the University. The Chairman brought to the notice of the Committee that increase in expenditure primarily due to increase in salaries and pensions of the employees and also due to fee waivers to the SC/ST students as the enrolments in this category has increased and MoE grant fell short to commensurate this increase. He further explained that the University is making sincere efforts to reduce avoidable expenditure to possible extent. Members suggested that University must weigh the options of maximizing its revenues including the option of

increasing fee to meet its operating expenditures to ensure the sustainability of the University.

Sh. Rizwan sought the details about the method/process of management of pension and PF funds by the University. It was informed by the Secretary that the University has adopted MoF guidelines on the patterns of investments to be followed by non-government provident funds, superannuation funds in this regard. He further suggested that in accordance with the guidelines, University should ensure investment of funds in such a way that maximum returns are generated on the investment. He suggested that safer options like investment in Index funds/blue-chip funds may be explored by the University within the guidelines.

102.2.3 The Committee, after going through the audited Annual Accounts 2020-21, accorded its approval on the same and directed that the audited Annual Accounts along with the Audit Report (SAR) be submitted to the MoE after approval of the Board of Management.

FC 102.3 To consider the Revised Estimates (RE) 2021-2022 and Budget Estimates (BE) 2022-23 along with appropriation account and re-appropriation of funds of the financial year 2020-21.

102.3.1 The Secretary informed that in accordance with Statute 11(6) of the Statutes of the University, the Financial Estimates are to be placed before the Finance Committee for consideration and thereafter to be submitted to the Board of Management for approval. The Secretary informed that due to restrictions imposed by the Government to contain spreading of COVID, functioning of office was affected resulting in delay in preparation of budget and compilation of accounts. However, to run the day-to-day affairs of the University, the RE 2021-22 & BE 2022-23 were prepared and RE 2021-22 was made operational with the approval of the Vice Chancellor. Approval of the Finance Committee was requested on the same.

102.3.2 The Secretary explained the Finance Committee that the expenditure of the University is being met from two sources i.e. Revenue from Internal Resources and the Grant from MoE. Accordingly, the Budget Estimates (Revised Estimates 2021-22 and the Budget Estimates 2022-23) of the University have been summarized and presented in the table below:

(Rs. in Crore)				
S.No.	Object Head (OH)	Revised Estimates 2021-22	Budget Estimates 2022-23	Fund Source
1.	OH-31 General Expenditure (other than Capital & Salary)	650.55	665.43	Grant from MoE / Internal Resource Generation.
2.	OH-35 Creation of Capital Assets	51.61	64.24	Internal Resource Generation
3.	OH-36 Salaries(OH-36) (including other components)	366.20	402.78	Internal Resource Generation/ Grant from MoE.
	Sub Total	1068.36	1132.45	
4.	HEFA Loan	47.00	20.00	Sanctioned by MoE as HEFA grant.
	GRAND TOTAL	1115.36	1152.45	

The projected funds/revenue are given in the table below:

S.No.	Fund Source	(Rs. in Crore)	
		RE 2021-22	BE 2022-23
1.	Internal Resource Generation	827.60	897.58
2.	Grant from MoE	89.00	89.00*
3.	Carry forward from previous years/Capital fund	151.76	145.87
	Total	1068.36	1132.45
HEFA LOAN			
4.	HEFA LOAN	47.00	20.00
	Grand Total	1115.36	1152.45

* Expected grant

102.3.3

The representative of JS & FA, MoE, Sh. Mohd. Rizwan and Prof. K.K. Aggarwal sought clarifications about the deficit budgeting shown in the above table and suggested that university expenditure may be curtailed and kept within the limits of projected revenues and utilization of capital fund may be restricted only for the capital requirements. The Chairman mentioned that due to concerted efforts on curtailing avoidable expenditure, real expenditure is likely to be lesser. However, the observations of the Honorable members were noted.

102.3.4

The Committee, after detailed deliberations, ratified the operationalised Revised Estimates 2021-22 and Budget Estimates 2022-23. The Finance Committee accorded its approval on the RE 2021-22 and BE 2022-23 and recommended the same for placing before the Board of Management for its consideration and approval.

102.3.5

The Finance Committee noted the Appropriation of Account details for the FY 2020-21.

102.3.6

The Secretary placed the details of re-appropriation of funds during the period 2020-21. These appropriations were needed to facilitate the activities of the University and were done within the delegated financial powers of the Vice-Chancellor/ Finance Officer. As a result of continuous efforts made by the University, the re-appropriations are kept at minimum level.

102.3.7

The Finance Committee noted the re-appropriation of budget made by the University during the financial year 2020- 21.

FC 102.4

To report the status of pending audit paras.

102.4.1

The Secretary informed the Committee that to settle the outstanding paras, a Committee under the Chairmanship of the PVC was constituted as per directions of the Finance Committee to review the audit paras and to ensure the settlement of the audit paras in time bound manner. The Committee has been reviewing the status of the outstanding paras on regular intervals to ensure that necessary compliances are made to settle the outstanding paras at the earliest possible.

The Secretary informed the Committee that transaction audit for the year 2020-2021 has been conducted. Review of outstanding of the outstanding 64 paras has been done by the audit party during the transaction audit. It was further

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informed that 44 numbers of outstanding paras were settled during the transaction audit for the period 2017 to 2020 conducted in year 2021.

Sl. No.	Period of Inspection Report	Opening Balance of Outstanding paras	Para settled	Balance of old outstanding paras	New Paras Added	Closing Balance of Outstanding Paras
1	2008-09	236	39	197	11	208
2	2009-10	208	27	181	14	195
3	2010-11	195	42	153	14	167
4	2011-12	167	30	137	21	158
5	2012-13	158	39	119	24	143
6	2013-14	143	55	88	28	116
7	2014-15	116	21	95	27	122
8	2015-16	122	48	74	23	97
9	2016-17	97	29	68	20	88
10	2017-20*	88	44	44	20	64

*Transaction audit for the period 2017-20 was conducted in the year 2021.

102.4.2- The Committee noted the action and appreciated the efforts made by the University in settling the outstanding Audit Paras.

FC 102.5 To seek the guidance on the notices received from Income Tax Department for the Assessment Year 2018-19 and 2019-20.

102.5.1 In accordance with the decision taken in the earlier Finance Committee vide FC100.5, the request for exemption from Income tax for the financial year 2018-19 and 2019-20 has been sent to the MoE vide office letter F. No. IG/F&A/2021/1170 dated 06.08.2021 followed by a reminder vide letter No.IG/FO/IT/FY/2021-22/154 dated 10.02.2022.

102.5.2 The Committee noted the status and suggested that matter be pursued regularly.

Sh. S.C. Prusty made an observation that University may strengthen its point of view before the Income Tax authorities for treatment of internal receipts of the IGNOU as government grant because under Rule 46 of GFR 2017, all the receipts of the autonomous bodies are an important source of revenue for the government. Therefore, denial of tax exemption to the IGNOU merely on the ground that it is not substantially funded by the government as per definition of Rule 2(BBB) of the Income Tax Rules does not hold ground. The suggestion was well taken by the Committee.

FC 102.6 To report about the claim of Property Tax arrears by SDMS from the year 2004-2005 onwards.

102.6.1 The Secretary reported about the claim of Property Tax arrears of Rs.11.22 Crores by South Delhi Municipal Corporation (SDMC). The Secretary further informed that SDMC has recently re-measured the IGNOU buildings and land area and have re-assed the tax liability of the IGNOU. As per reassessment the annual property tax liability has been worked out as Rs.1.94 crores per annum.

102.6.2 The Secretary further informed that the property tax of Rs.1.94 crores has been paid for the current year i.e. 2021-22. The SDMC has further submitted a bill of arrears of Rs.11.22 crores for the period of F.Y. 2004-05 onwards. The

Secretary also informed that University does not have any budgetary provision for this arrear payment in the current financial year i.e. 2021-22. Non-payment of arrears by 31st March, 2022 will attract imposition of interest and penalty by the SDMC.

- 102.6.3 The Committee noted the issue and suggested that University may explore the possibilities in light of any clause for exemption of property tax for educational institutions in the SDMC Act and bye-laws. University may take suitable action after having proper discussions with the concerned officials of the SDMC. If the payment of arrears is required to be made in current financial year then re-appropriation of the budget may be made in accordance with the financial rules of the University.

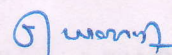
FC(T) 102.7 Table Agenda item - to consider the enhancement in the Sitting Fee for the Members/ Experts invited to the meetings of various committees/authorities of the University.

- 102.7.1 The Secretary placed a Table Agenda Item and apprised the Committee that sitting fee payable to outside experts attending various meetings of the authorities of University including standing committees/sub-committees was last revised in the year 2009 on the recommendations of the Board of Management. In view of the revision of sitting fee by UGC vide its OM No.F.21-1/2015(FD-I/B) dt.08.01.2018, a committee was constituted at IGNOU to review the sitting fee payable to its external experts invited for various authorities/committees' meetings. The recommendations of the Committee for revision of sitting fee to the invited external members for meetings of the statutory committees, standing committees, etc. of the IGNOU was placed for the consideration of the Finance Committee.

- 102.7.2 On the suggestions of representative from IFD, MoE, the Table Agenda was deferred. It was suggested that the same may be sent for approval of the FC Members by circulation.

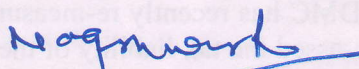
Before the proceedings of the 102nd FC meeting were concluded, the Committee confirmed the Minutes of the 102nd FC Meeting in order to ensure timely submission of the Annual Accounts of the University to the MoE.

The meeting ended with thanks to the Chair.



(Dr. J.D. Gangwar)
Finance Officer/Secretary, FC

Minutes approved.



(Prof. Nageshwar Rao)
Chairman, Finance Committee