

**MINUTES OF THE 100th MEETING OF THE FINANCE COMMITTEE, IGNOU
HELD ON 24TH MARCH, 2021 AT 03:00 P.M. IN THE CONFERENCE ROOM, VICE
CHANCELLOR'S OFFICE, IGNOU CAMPUS, MAIDAN GARHI, NEW DELHI-
110068**

The following were present:-

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| 1. | Prof. Nageshwar Rao | Vice-Chancellor, IGNOU | Chairman |
| 2. | Prof. R.P. Das | Pro Vice-Chancellor, IGNOU | Member |
| 3. | Dr. P. Prakash | Former VC, SRM University,
Sonepat & Member, BOM,
IGNOU | Member |
| 4. | Prof. K. Ravi Sankar | Director, SOMS, IGNOU | Member |
| 5. | Sh.Mohd.Rizwan | Director, MoE | Representative of JS & FA, MoE |
| 6. | Sh.B.K.Bhadri | Dy. Educational Advisor (DL) | Representative of ADG, MoE |
| 7. | Dr. J.D. Gangwar | Finance Officer, IGNOU | Secretary |

Ms. Rajni A. Jeet, Dy. Registrar, Finance & Accounts Division was present to assist the Committee.

The Secretary, Finance Committee welcomed the Hon'ble Members of the Committee. The Secretary also welcomed Prof. K.Ravi Sankar as a new Member in the Committee. He also extended his sincere thanks to outgoing Members Prof. J.B.G Tilak and Dr.Heena K Bijli for their contributions in the Finance Committee.

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

The Chairperson welcomed all the Members specially Prof. K.Ravi Sankar once again. He also appreciated the contributions of Prof. J.B.G. Tilak and Dr.Heena K.Bijli, as outgoing Members. He apprised the Members that the University has recently been accredited with A++ Grading by the NAAC. He further informed that the 34th Convocation of the University is scheduled to be held on 15.04.2021 where Hon'ble Minister of Education will preside over the Convocation function and deliver Convocation lecture. All the Members congratulated the University for getting NAAC A++ Grade. Then the Chairperson requested the Secretary to present the Agenda items.

The comments received from the office of JS&FA and also from the ADG (HE) were brought to the notice of Finance Committee by the Secretary.

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

FC 100.1: To confirm the Minutes of 99th meeting of the Finance Committee held online on 14th October, 2020 and to report action taken.

100.1.1 The Secretary, Finance Committee informed that the Minutes of the 99th Meeting of the Finance Committee were circulated to Hon'ble Members. As

no comments are received from any of the Members, the Minutes of the Meeting may be confirmed.

- 100.1.2 The Secretary also presented the Action Taken Report (ATR) on the Minutes of the 99th Finance Committee.
- 100.1.3 The Committee confirmed the Minutes of 99th Finance Committee Meeting and noted the Action Taken Report.
- FC 100.2 To consider and approve the audited Annual Accounts of the University for the Financial Year 2019-20.**
- 100.2.1 The Secretary apprised the Committee that the unaudited Annual Accounts for the financial year 2019-20 were considered by the Finance Committee (FC) in its 99th Meeting held on 14.10.2020 and subsequently approved by the Board of Management (BoM).
- The Secretary further apprised the Committee that audit under Section 29(1) of IGNOU Act was started by DGA team on 05.11.2020 and completed on 23.12.2020. The draft SAR was received from DGA on 03.02.2021 and replies were submitted on 11.02.2021. The DGA has issued the audit report certifying the authenticity of the Annual Accounts 2019-20 on 15th March, 2021.
- 100.2.2 During deliberations on the audited Annual Accounts and Audit Report (SAR), Mr. Mohd. Rizwan, Director, MoE pointed out the issue of adequacy of internal control system and arbitration mentioned in the audit report and the cases of arbitration/Court cases as mentioned in the Schedule-23 of the Annual Accounts 2019-20. He suggested that the University should strengthen the internal control systems. He also pointed out the issue of non-reconciliation of funds released to Study Centre in RC Karnal and sought the timeline from the Finance Officer for completion of the same. The Finance Officer assured that reconciliation shall be within a month's time. The Finance Officer also explained that internal audit is being strengthened with the help of CA firms to ensure more robust internal controls. Regarding arbitration cases, the progress is being reviewed in every works Committee Meeting. A Committee will be constituted to review the related issues.
- 100.2.3 After deliberations, the Committee accorded its approval on the Annual Accounts 2019-20 and directed that the audited Annual Accounts along with the Audit Report be submitted to the MoE after approval of the Board of Management.
- FC 100.3 To consider and approve the recommendations of the 'Works Committee' (75th Meeting held on 21st September, 2020 and 76th Meeting held on 14th & 16th December, 2020).**
- 100.3.1 Construction and Maintenance Division (CMD) is looking after all the construction and maintenance activities of the University as well as at all regional centres located across the country. The Board of Management (BoM) in its 98th meeting held on 08.12.2008 vide item No.BM 98.5.2 had delegated powers to Works Committee to approve the proposals upto Rs.05 Crores (Rupees Five Crores only). The proposals beyond the delegated powers of

Works Committee are being placed before the BoM for consideration and approval.

100.3.2 The BoM in its 140th meeting held on 29.12.2020 (BM 140.18.1) decided to refer the proposal of Works Committee to the Finance Committee (FC). Accordingly, the recommendations made by 75th & 76th Works Committee Meeting were placed before the Finance Committee for consideration.

100.3.3 The works proposed under this item shall be completed within the three years' period. Expenditure shall be met from the internal resources for which sufficient provisions in the budget are being made. All work is to be executed by the CPWD. The University has executed an MoU with the CPWD on 21.07.2020 where the monitoring of all the projects shall be made by the CPWD Headquarters centrally.

100.3.4 The following proposals relating to the approvals of the 75th & 76th Works Committee Meeting were presented for recommendations of the Finance Committee for onward approval of the BoM.

Proposal relating to 75th Works Committee Meeting: -

Item No.	Proposal	Financial implication (in Rs.)
WC.(T)75.01	To consider and approve the estimate for construction of Regional Centre (RC) building and boundary wall as composite work at RC-Noida.	10,00,78,800.00
WC.(T)75.02	To consider and approve the estimate for construction of RC building at Aizawl.	9,68,41,200.00
WC.(T)75.03	To consider and approve the estimate for construction of RC building at Bangalore.	7,25,71,000.00

Proposal relating to 76th Works Committee Meeting: -

Item No.	Proposal	Financial implication (in Rs.)
WC.76.02	To consider and approve the estimate for construction of RC building at Agartala.	12,32,14,700.00
WC.(T)76.01	To consider and approve the estimate for construction of Vice Chancellor's residence including residential Camp Office at IGNOU Campus, Maidan Garhi, New Delhi.	2,48,18,614.00
WC.(T)76.03	To consider and approve the estimate for construction of administrative buildings at IGNOU Campus, Maidan Garhi, New Delhi.	103,43,71,000.00
WC.76.05	To consider and approve the estimate for construction of Regional Centre building at Jodhpur.	7,65,58,047.00
WC.76.06	To consider and approve the estimate for construction of RC building at Itanagar.	9,76,67,000.00

100.3.5 During the deliberations, it was clarified that the administrative offices of the IGNOU, Headquarters are presently carried out from the temporary sheds constructed nearly 30 years back which have outlived their life. Therefore, there is a pressing need of having the administrative block in the Campus to facilitate all its administrative functions to be carried out centrally and effectively. Further, the University has procured land for Regional Centres (RCs) long back. The construction work on these lands is planned recently as

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we are paying rents for those Regional Centres and also to establish Regional Centres at the places conveniently approachable by learners. As regards, comments of the DL Section, MoE, relating to cost of the works, it was clarified that these are the tentative estimates submitted by the CPWD. Actual cost will be arrived at after awarding of the contract by the CPWD on competitive bidding basis. The cost is, therefore, likely to be reduced substantially. It was also clarified that the University has already started the construction work at RC Aizwal after laying of foundation Stone by Hon'ble Minister of Education on 6th March, 2021. Comments received from the JS&FA on the compliance of provisions of GFR 2017 and CVC guidelines were also noted.

100.3.6 During the deliberations, representatives from MoE suggested that keeping in view the large financial implications in the proposal, the University may also obtain the concurrence of MoE once the proposal is approved by the BoM.

100.3.7 After due consideration, the Committee recommended that the works as proposed in the agenda item be placed before the BoM for its approval. Subsequently, proposal may be sent to the MoE for their concurrence.

FC 100.4 To consider the Revised Estimates (RE) 2020-2021 and Budget Estimates (BE) 2021-22 along with appropriation account and re-appropriation of funds of the financial year 2019-20.

100.4.1 The Secretary, Finance Committee apprised 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. However, due to lockdown and consequential effects in the University functioning, there was delay in preparation of RE /BE and its approval by the FC. Therefore, to carry out the day-to-day activities of the University a summary of RE 2020-21 & BE 2021-22 was informed by the Chairman in the 140th Meeting of the BoM, thereafter the RE was made operational.

100.4.2 The Secretary, Finance Committee explained 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 2020-21 and the Budget Estimates 2021-22) of the University have been summarized and presented in the table below:

(Rs. in Crores)				
S. No.	Object Head (OH)	Revised Estimates 2020-21	Budget Estimates 2021-22	Fund Source
1.	OH-31 General Expenditure (other than Capital & Salary)	519.22	610.37	Grant from MoE /Revenue from Internal Resources
2.	OH-35 Creation of Capital Assets	30.13	34.68	Revenue from Internal Resources/HEFA Loans
3.	OH-36 Salaries (including other components)	382.86	429.83	Revenue from Internal Resources/Grant from MoE
	Sub Total	932.21	1074.88	
4.	HEFA Loan	36.75	38.25	MoE through HEFA
	GRAND TOTAL	968.96	1113.13	

The projected funds/revenue are given in the table below: (Rs. in Crores)

S.No.	Fund Source	RE 2020-21	BE 2021-22
1.	Revenue from Internal Resources	685.30	720.19
2.	Grant from MoE	66.60	111.00
3.	Carry forward from previous years (Internal Resources)	180.31	243.69
	Total	932.21	1074.88
HEFA LOAN			
4.	HEFA LOAN	36.75	38.25
	Grand Total	968.96	1113.13

100.4.3 The Committee after detailed deliberations ratified the action and accorded its approval on the Revised Estimates 2020-21 for Rs.968.96 Crores and Budget Estimates 2021-22 for Rs.1113.13 Crores. The Finance Committee recommended that the same may be placed before the Board of Management for its consideration and approval.

100.4.4 The Finance Committee noted the appropriation of account details for the year 2019-20.

100.4.5 The Secretary placed the details of re-appropriation of funds during the period 2019-20. These re-appropriations were needed to facilitate the activity 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-appropriation are kept at minimum level.

100.4.6 The Finance Committee noted the re-appropriation of funds made by the University during the financial year 2019- 20.

FC 100.5 To seek the guidance on the notices received from Income Tax Department for the Assessment Year 2018-19 and 2019-20.

100.5.1 The Secretary informed the Committee that the University had received the following two Notices from the Income Tax Department: -

A.Y.	Notice under Section	Date of notice	Subject matter	Tax Demand (Rs.)
2018-19	Section 142(1)	05/12/2020	Scrutiny	-
2019-20	Section 143(1)	17/12/2020	Tax Demand	46,15,27,037

100.5.2 The Secretary, Finance Committee apprised the Committee about a recent communication dated 17.03.2021 received from Income Tax Department wherein the University has been intimated about the completion of the assessment of the case of scrutiny pertaining to the assessment year 2018-19 with the zero tax liability.

100.5.3 The University has filed reply to the Scrutiny Notice on 18.01.2021 and provided necessary details as required in the Notice. It has also been clarified that the University is a non-profit organization and pursuing the cause of education as enshrined in the IGNOU Act, therefore, not liable for any taxation

on its receipts. The reply of the University is still under consideration of the Income Tax Department.

- 100.5.4 As regards the notice of the Tax Demand, the University has filed a rectified/revised return for A.Y. 2019-20 on 18.01.2021 denying the demand of tax by IT Department. The Income Tax Department has not accepted the University's view point and tax demand is still appearing on the Income Tax Department's Portal.
- 100.5.5 The University has recently submitted an application for seeking exemption from the Tax of its Receipts under Section 10(23C) (VI). Once this exemption is granted, University receipts will be fully exempted from the Income Tax. However, the demand of the tax for the A.Y. 2019-20 will have to be dealt by pursuing the matter with the Ministry of Finance through the Ministry of Education. A letter has already been sent to the MoE.
- 100.5.6 The Secretary also apprised the Committee that basing on this assessment, the case for the assessment of the year 2019-20 shall be presented before the Income Tax Department for withdrawal of the tax demand of Rs.46.15 Crores raised on the University. The Finance Committee took a note of these facts and directed that matter be pursued effectively with the Income Tax Department and also with the MoE for appropriate action.

FC 100.6 Pending audit paras- Status report.

- 100.6.1 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 further informed that the main reason of the outstanding paras is that review/verification of the audit replies/compliance reports submitted by the University earlier is yet to be made by the subsequent audit teams. It was further informed to the Committee that audit team from the DGA has started its audit in the University for the period of 2017-18 to 2019-20 and the University is clarifying the justification for 88 outstanding paras as detailed below: -

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	206	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

100.6.2 The Committee noted that more sincere efforts be made to settle the outstanding audit paras.

FC 100.7 To consider and approve the recommendations of the 68th Purchase Committee Meeting held on 22.03.2021

100.7.1 The University purchase Committee in its meeting held on 22.03.2021 had considered and approved the following purchase proposals from the funds received from HEFA:-

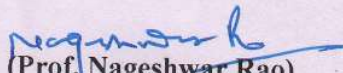
1. The procurement & installation of equipment for upgradation of Earth station, video server, video studio, digitalization of A/V Library and Non Linear Edit systems of EMPC at a tentative cost of Rs.15.00 Crores.
2. To consider the procurement of 50 High-end Desktop AIO, 450 Standard Desktop AIO, 200 Mono Laser Printer and 500 UPS by Computer Division of the University for Upgradation of ICT Infrastructure of the University at a tentative cost of Rs.3.86 Crores.
3. Upgradation of ICT Infrastructure for Online Services by the Centre of Online Education, IGNOU at a tentative cost of Rs.9.90 Crores.

100.7.2 The procurement proposals as above have been evaluated by the respective technical committees and recommended by the University Purchase Committee. The Minutes of 68th Purchase Committee meeting dated 22.03.2021 were placed before the Finance Committee for its consideration and approval.

100.7.3 The Committee after due considerations accorded its approval and directed that due diligence be taken in complying the provisions of GFR 2017 and Government directives on transparency in execution of public works.

Before the proceedings of the 100th FC meeting were concluded, the Committee confirmed the Minutes of the 100th FC Meeting in order to ensure timely submission of the annual accounts to the MoE for its onward submission before the Parliament and also to make budget estimates for 2021-22 operational by the University.

The meeting ended with Vote of thanks to the Chair.


(Prof. Nageshwar Rao)
Chairman, Finance Committee
29/3/21