

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

Minutes of the Finance Committee Meeting held on 21.04.2013 at 10.00 a.m. in the AIU House, New Delhi.

**Present:**

Prof. S N Puri	In Chair
Prof. Dr. Jancy James	Member
Prof. I V Trivedi	Member
Dr. R Krishnakumar	Member Secretary

(Dr. H M Desai, Vice President, AIU & VC Dharmsinh Desai University and Dr. P Prakash ,VC, Dr. B R Ambedkar Open University, Hyderabad could not attend the Meeting)

1. To confirm the minutes of the last meeting of the Finance Committee held on 24.09.2012.

(Appendix-I)

**Confirmed.**

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

(Appendix-II)

**Approved.** Dr. R Krishnakumar, Secretary General (Additional Charge) apprised the members of the Committee that recommendations of the Finance Committee meeting dated 24.9.2012 with regard to following items could not be placed in the last Governing Council Meeting held on 20.10.2012:

- a) recovery of Transport Allowance from Prof. Beena Shah, former Secretary General amounting to Rs.155342/- .
- b) recovery of interest payment of Rs.56,667/- on account of delayed payment of arrears to Late Prof. D Dongaonkar.

**These items are being placed before the forthcoming Meeting of the Governing Council at Gorakhpur.**

3. To consider Points for Attention submitted by M/s DSP Associates, Chartered Accountants for the consideration of Management for the FY 2011-12.

[Note: The Finance Committee at its meeting held on 24.9.12 recommended that a report from M/s DSP Associates, CA received along with Audit Report for AIU and AIU PF Trust be placed before the forthcoming Finance Committee Meeting for detailed discussions].

(Appendix-III)

O.K.  1  
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The replies submitted by the office were approved with the following remarks:

- i) Assets register be updated by the Administration Division. A letter be written to the Ministry communicating thereby that obsolete/old assets acquired from Research (Plan) grant need to be disposed off as they have lived their maximum life. These discarded/unserviceable assets are occupying so much space of the AIU premises and will be written off in case no formal approval is received from the Ministry of HRD for our letters in this regard.
- ii) Withheld grant of Rs.429990/- be returned to the Ministry of Youth Affairs and Sports.
- iii) Reply be sent to the Statutory Auditors with regard to developments made in respect of:

Grant of Rs. 4596300/- received from Sports Authority of India.

Unspent grant of Rs. 24661000/- refunded to the Ministry of Youth Affairs & Sports with interest.

- iv) The Secretary General (Additional Charge) will take up the issue with the Sports Division & Ministry of Youth Affairs & Sports with regard to deduction of Rs. 34707/- made from the balance recoverable amount of Rs. 136618/- of Bangkok Universiade 2007-08. A sum of Rs. 101911/- only was reimbursed by the Ministry in November, 2012 in response to our claim of Rs. 136618/- .
4. To consider the Audit report for the year 2010-11 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 audit of accounts of the Association for the Financial Year 2010-11 was conducted by the Govt. Auditors during the period 18.10.12 to 29.10.2012. The Inspection Report was received on 5.12.2012.

As resolved in the Governing Council meeting held on 16.11.12, a letter No. AC/Audit/2012-13 dt. 23.10.12 was written to Shri V K Chandok, Deputy Director, Office of the Director General of Audit with a request to provide final decision for the pending audit paras 3(A) to 3 (D) of Inspection Report for the year 2001-04. The reply received from the Office of Director General of Audit (Central Expenditure) dt. 7.11.12 is placed below. Prior to this, a letter No. Adm/AGCR-Audit/2011/254898 dt. 29.11.2011 was also written to the Director General, AGCR by Administration Division. The reply received from Sr. Audit Officer dt. 23.12.2011 in response to our letter dt. 7.11.12 is placed on record.

Audit paras for the Audit Report 2010-11 were sent to the concerned Divisions for submitting necessary replies thereon. Based on the replies received from

concerned Divisions, the report is placed for the approval of the Finance Committee].

(Appendix-IV)

At the outset, the members discussed at length about the audit work to be undertaken up by Govt. Auditors while auditing the accounts of the Association. It was further discussed that the Association should open a separate Bank Account for the Govt. Grants besides separate books/accounts being prepared at present. There was a detailed discussion that this issue be discussed in the forthcoming Governing Council meeting to be held at Gorakhpur in the first week of May, 2013.

However, the replies submitted by the Office for the DGACR audit paras were approved with the remarks that separate items for each of the following paras along with relevant enclosures, replies received from DGACR be placed for the consideration of the forthcoming Governing Council meeting:

Year of I. R.	Audit Para	Brief particular of objection	Remarks
2001-04	Part-II(A-3(a))	Excess payment due to Non deduction of Pension from the pay of Secretary General during re employment - Rs.7.45 lacs	As resolved in the Governing Council meeting held on 16.11.12, a letter No. AC/Audit/2012-13 dt. 23.10.12 was written to Shri V K Chandok, Deputy Director, Office of the Director General of Audit with a request to provide final decision for the pending audit paras 3(A) to 3 (D) of Inspection Report for the year 2001-04. The reply of the DGACR is as follows:  <i>AIU is an autonomous body registered under Society's Act and received grants from the Government of India. Hence governed by CCS Pay fixation Re-employment Rules, 1986. Para stands.</i>
	3(b)	Excess payment of gratuity of Rs,1,18,750	<i>Para stands as recovery is not effected.</i>
	3(c)	Excess payment of contributory provident	-do-

		funds of Rs.1,37,080	
	3( d)	Excess payment of leave encashment amounting to Rs.1,95,067/-	-do-
2006-08	Part II(B) 2	Non deduction of pension amounting to Rs.6.86 lakh from the pay of Secretary General during his reemployment in AIU	<i>Para stands as recovery is not effected</i>
2006-08	6	Excess expenditure of Rs.175000/- on engagement of Advocate	<i>Para stands as recovery is not effected</i>
2006-08	8	Excess payment of leave encashment of Rs.598419/-	<i>Para stands as recovery is not effected</i>

It was further resolved that:

- Service Books of AIU employees be updated without any further delay as per relevant GOI rules in this regard and compliance be brought to the notice of the Governing Council in its next meeting.
  - PBR Register be maintained in GAR 17. The requisite formalities in this regard will be complied by Mr. Shivam Dixit, Programmer, AIU under the guidance of Admn./Finance officials.
  - General Financial Rules of GOI be followed for procurement of articles of furniture, stationery, office equipment, printing material and other miscellaneous store items to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.
5. To consider Notice Under Section 274 received with Section 271 from the Assistant Director of Income Tax (E), New Delhi-110 002 for the Assessment Year 2010-11(FY 2009-10) assessing thereby tax liability amounting to Rs.51,44,921/-.

[Note: While auditing the Accounts of AIU for the FY 2009-10, our Statutory Auditors M/s Ved Gupta & Associates, CA made an observation that "No provision of income tax has been made on profits earned during the year in view of amendment of definition of charitable activities under income Tax Act." This was due to amendment made u/s 2(15) of the Income Tax Act with regard to charitable purpose w.e.f. 1.4.2009.

In view of the observation made by CA, an expert opinion was taken from M/s D P Bansal & Associates with regard to amendment made u/s 2(15) of IT Act, 1961. Mr. Bansal's opinion is in line with that of M/s Ved Gupta & Associates.

While assessing the income for Assessment Year 2010-11 (FY 2009-10), Income Tax Office issued four notices during the period September, 2011 to March, 2013 and our Statutory Auditors M/s Sanjay Satpal & Associates of FY 2009-10 attended the notices and provided all the documents, explanations, Books of Accounts as required by Income Tax Officer from time to time. Finally, the Assistant Director of Income Tax (E) has directed to deposit a sum of Rs.51,44,921/- within 30 days from the service of the notice as tax liability u/s 134(3)/234 (B&C) of the Income Tax Act on the Income of the Association for the FY 2009-10/AY 2010-11. The Association is submitting an appeal against the order under section 143(3) within the stipulated time of 30 days of the receipt of the notice].

(Appendix-V)

**The Notice received from the Income Tax Deptt. was discussed at length by the members. It was decided that an appeal against the order issued by Assistant Director (E), Income Tax Deptt. dated 23.3.2013 be filed within the stipulated time of 30 days of the receipt of the notice.**

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

[Note: The D.A. to AIU Employees @ 7% (from 65 % to 72%) was paid w.e.f 1.7.2012 as per Bye law 2.1 in view of sanction by the Govt. of India for Central Govt. Employees vide Order No.1(8)/2012-E-II(B) dated 28.09.2012. The provision for payment of DA was made @ 7% in the R.E. for the year 2012-13. The financial impact of this installment of DA on different budgets of AIU was Rs. 7.19 lacs approx. per annum].

**Noted and approved. The payment is as per Bye law 2.1.**

7. To consider module of Payment Gateway Facility of HDFC Bank for online money transfer using AIU website, Swipe Machine for acceptance of payment through Debit/Credit Card and credit of proceeds to HDFC bank by opening a Current Bank Account.

[Note: Keeping in pace with the global environment, growing use of information technology, convenience for students/researchers/universities, the Association has been accepting/providing following facilities through electronic mode:

- Receipt of money electronically for publications sold out of India for the last 10 years.
- Receipt of foreign currency for TA bills submitted to various organizations in respect of Secretary General/President, AIU foreign visits for the last 6-7 years.
- Receipt of Annual Subscription through NEFT/RTGS for the last 3-4 years.



- Payment of Registration/Membership Fee for participation in seminars/meetings abroad.
- Transfer of funds to universities/GC members.

We have been requesting for Payment Gateway Facility from Canara Bank, DDU Marg, New Delhi 110 002 for further convenience of students/universities for following:

- Online money transfer using AIU website through Debit/Credit Card by students for Equivalence Certificate or by way of Swipe Machine (POS System)
- Online payment for books/journals/advertisements
- Payment of Annual Subscription by universities using electronic portal through AIU website

Number of letters (letters dated 30.6.11, 13.7.11, 29.12.11, 27.1.12, 29.6.12, 19.12.12) have been written to Canara Bank followed by discussions with the Senior Regional Officials. Although Managers have been promising for the facility but nothing materialistic has been done in this regard.

The issue has also been discussed with the officials of Yes & HDFC Bank. **During the discussions with the officials of Yes/HDFC bank, it has come to the notice of undersigned that most of the nationalized banks including Canara Bank do not have portal for Payment Gateway Facility. They procure the services of third party through the portal of private bank which involves expenditure ranging from 1.5 to 2 lacs.** It appears that this is the reason that the facility is not extended to us by our Banker as we have been demanding the facility free of cost.

The proposal received from Yes Bank and HDFC Bank is placed below:

Yes Bank	HDFC Bank
Comprehensive proposal for : <ul style="list-style-type: none"> <li>• Core Banking Services</li> <li>• POS Terminal</li> <li>• Merchant Servicing through EDC Terminal</li> </ul> (Transaction charge flat 1.75% plus taxes for all Visa/Master Card through EDC Terminal, non utilization Rental, Fixed Rental of Rs. 1000/- per month and one time Installation Charge)	Three proposals for: <ul style="list-style-type: none"> <li>• Salary Accounts</li> <li>• Cash Management Services</li> <li>• Payment Gateway Solution/POS (MDR 2% plus taxes, MDR on domestic Debit Cards 0.75% for upto Rs. 2000/- &amp; 1% beyond Rs. 2000/-, Integration Fee &amp; Annual Maintenance Fee is waived off, Rental for POS Machine is waived off for minimum volume of Rs. 25000/ per month)</li> </ul>

The proposal of HDFC Bank for installation of POS Machine at the first instance has been approved on terms and conditions stated above so that the Debit/Credit Cards from students for Equivalence Certificate Fee are accepted. For availing this service from HDFC Bank, we need to open an account with them so that the remittance of card transactions is credited to HDFC Bank Current Account. A suitable amount may kindly be considered for opening an account with HDFC Bank. This will be followed

by installation of Payment Gateway Module/Electronic Portal of HDFC Bank through AIU website by completing necessary formalities].

**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.**

8. To consider recovery of outstanding Publication/Advertisement bills and outstanding UCs prior to 2004-05.

[Note: The Governing Council at its 302nd Meeting held on 29.1.2010 (item No. 302/3.4) while discussing on Govt. Audit Para (2006-08) from the office of DGACR resolved ".....the amount equal to the outstanding against universities be withheld from the amount to be paid to them for organizing the activities of AIU. The Universities be informed that the withheld amount will be released on receipt of UCs."

A sum of Rs. 70,000/- and Rs.359990/- has been shown as withheld amount - UCs/bills in our books and the Youth Affairs and Sports grant was accordingly reduced in case of universities in arrears.

As pointed out by our Statutory Auditors for 2011-12, there is no provision in the grant sanction letter for utilization of grant for settlement of outstanding debtors/UCs. Therefore, in his opinion efforts for recovery of outstanding bills of Publications/Advertisements/pending UCs be dealt with separately. The grant withheld needs to be returned to Ministry of Youth Affairs and Sports].

**Withheld grant of Rs.429990/- be returned to the Ministry of Youth Affairs and Sports.**

9. To consider the enhancement in Budget Provision of 2012-13 for the financial assistance of Rs.2/- lacs each for 5 Zonal conferences and Rs.5.00 lacs for Annual Meeting of the Association.

[Note: The Governing Council at its 313<sup>th</sup> Meeting resolved to provide financial assistant of Rs.2 lakh for organizing zonal conference and Rs.5 lakh for organizing annual meeting to be given to host universities from 2012-13.

No provision was made in the RE 2012-13 for release of funds amounting to Rs. 15 lacs as the matter was not routed through the Finance Committee. Ex post facto approval for following payments may kindly be accorded:

Guru Ghasidas University	Central Zone	Rs.2.00 lacs
Lovely Professional University	North Zone	Rs.2.00 lacs

**Noted and approved.**

10. To consider reimbursement of hospitalization bills in respect of 2 employees beyond maximum ceiling of reimbursement of Rs.21000/- and also removing the ceiling of reimbursement to mitigate hardship of AIU employees for medical treatment.

[Note: Two separate requests with regard to reimbursement of hospitalisation on actual bill basis were submitted in Administration Division by the following employees:

- i) **Mrs. S K Dua, S.O:** Request dated 12.1.12 for reimbursement of Rs.102958/- for her own treatment in RG Stone Urology and Laproscopy Hospital, Delhi (Hospital not from the approved list of hospitals notified in AIU Medical reimbursement Rules).
- ii) **Mr. Babu Lal Yadav MTS:** Request dated 10.2.12 for reimbursement of Rs.128761/-for treatment of his son in St. Stephen's Hospital (Hospital from approved list of hospitals notified in the Medical Reimbursement Rules of AIU).

AIU Medical reimbursement Rules provide reimbursement of hospitalization in respect of employees and their dependent family members with an annual ceiling of Rs.21,000/- for treatment taken in 27 hospitals approved by AIU.

As per rules, **the Finance committee may, at its discretion, make exceptions to the above rules in suitable cases where hardship is likely to be caused to an employee by a strict interpretation of above rules.**

The operation, clinical and pathological tests etc. have become sophisticated and expensive due to rapid advancement in medical technology. The medical services have become very costly and prices of medicines, consultation charges and pathological tests have risen considerably. Consequently, it has become very difficult to meet high cost of medical treatment by the average employee of AIU.

In view of the above, the medical reimbursement for hospitalization on actual basis (full amount paid to the hospital) may please be considered].

**Not approved. The members, however, principally agreed that the CGHS rules and regulations for reimbursement of hospitalization expenses on actual basis be adopted in AIU. However, a detailed proposal incorporating the CGHS rules and regulations of reimbursement for AIU employees be placed before the members for approval.**

11. To report that 21 member universities have yet to pay Annual Subscription for the financial year 2012-13.



[Note: Out of 21 Member Universities, the following Universities have time and again written to us that AIU Membership is not required by them:

Name of the University	Amount
Birsa Agricultural University, Ranchi from 2012-13 & 2013-14	Rs.50,000/- for 2012-13 Rs.50,000/- for 2013-14
National Institute of Technology, Rourkela from 2008-09 onwards	Rs.35,000/- for 2008-09 Rs.50,000/- for 2009-10 Rs.50,000/- for 2010-11 Rs.50,000/- for 2011-12 Rs.50,000/- for 2012-13
Dr. D Y Patil University, Pune (For want of reply of their letters DTPV/903/2010 dt.17.9.2010 and DPU/216/12 dated 24.3.2012 from AIU's end)	Rs.1,50,000/- for 2012-13
TERI university (For reasons like financial crunch etc. faced by the University)	Rs.1,50,000/- for 2010-11 Rs.1,50,000/- for 2011-12 Rs.1,50,000/- for 2012-13 Rs.1,50,000/- for 2012-13 Rs.1,50,000/- for 2013-14

Number of reminders through telephone, e-mails and letters have been sent to Universities in arrears.

(Appendix-VI)

**Resolved that Dr. R Krishnakumar, Secretary General (Additional Charge) may write to the Universities for expediting the Annual Subscription of the Association for the FY 2012-13.**

12. To report enhancement on all the components of TA/DA by 25% as Dearness Allowance on the revised pay structure goes up by 50%.

[Note: The increase in Mileage Allowance rate for own car/taxi/autorickshwa/own scooter by 25% whenever DA payable on revised pay structure goes up by 50% was approved in FC dated 24.9.2012.

**It is for consideration that Govt. of India orders may be adopted in its true form i.e. without any amendment in the rates/conditions prescribed in the order for smooth/timely settlement of claims as per GOI rules.**

As mentioned in OM No.F.No.19030/3/2008-E.IV, GOI Ministry of Finance, Deptt. of Expenditure dated 23.9.2008, the TA/DA rates mentioned in para 2(D(b) and (c), para(3) (all components of daily allowance on tour including rate of DA for journey on foot) and para 4(c) (rates of transportation of personal effect) of this annexure, shall automatically increase by 25% whenever Dearness Allowance payable on the revised pay structure goes up by 50%].

Approved as per OM No. 19030/3/2008-E.IV, GOI, Ministry of Finance, Deptt. of Expenditure dated 23.9.2008.

13. To report that a sum of Rs.6 lacs was approved from AIU funds to meet the deficit of Student Research Convention (Anveshan) programme for FY 2012-13.

[Note: The budget of Rs.10 lacs was approved from the Research (Plan) grant for year 2012-13 for conduct of Student Research Convention (Anveshan)., The Prize Money component was not included in the budget provision of Rs.10 lacs. The increased provision of Rs.6 lacs is approved from AIU funds. Ex post facto approval may kindly be accorded].

**The increased provision of Rs.6.00 lacs is approved from Research (Plan) funds. The deficit of grant over and above Rs.49.00 lacs approved for the FY 2012-13 be shown as negative opening balance to be recovered from the Ministry of HRD during FY 2013-14. The Secretary General (Addl. Charge) will take up the matter with Mr. R P Sisodia, Jt. Secretary (HE), MHRD in this regard.**

14. To consider raising yearly ceiling of medical reimbursement for hospitalization and widening the range of approved hospitals.

[Note: Due to rapid advancement in science and technology, the surgical operations, clinical and pathological tests etc. have become sophisticated and expensive. The medical services have become very costly, prices of medicines, charges of experts, pathological tests have risen considerably. Consequently, it has become very difficult to meet high cost of medical treatment by the average employees of AIU.

The AIU Rules provide as under:

Medical Reimbursement Rules (Chapter - 7) provide for reimbursement of hospitalization in respect of employees and their dependent family members with an annual ceiling of Rs.21,000/- (revised in 2005 from Rs.7500/- to Rs.21000/-) as per rates of St. Stephen's or any other Govt. hospital for following expenses:

1. Consultation fees
2. Pathological tests
3. Fees for surgical treatment
4. Cost of medicine
5. Room rent
6. Travel cost (to & from) to hospital.

For the purpose of medical reimbursement towards hospitalization, there is a list of about 27 approved Govt./Private hospitals located in Delhi/New Delhi/Ghaziabad.

In order to avoid the hardship to employees, it is submitted that:

- (1) The medical reimbursement for hospitalization may be made on actual basis at par with Central Govt. employees; and

- (2) Indoor medical treatment in all the hospitals approved by the Central/State Govt. in Delhi/outside Delhi as per the CGHS/State Govt. [lists may be allowed].

In principle, members approved the CGHS rules and regulations for reimbursement of hospitalization expenses on actual basis for AIU employees. However, a detailed proposal incorporating the CGHS rules and regulations be placed before the members for approval.

Meeting ended with the vote of thanks to the Chair.



Dr. R Krishnakumar  
Secretary General (Additional Charge)



Prof. S N Puri  
President, AIU

Confirmed  
Shankar  
President, AIU  
27/8/2013  
Shankar