

PUNJAB TECHNICAL UNIVERSITY
JALANDHAR

AGENDA

**35th SPECIAL MEETING
BOARD OF GOVERNORS**



PUNJAB CIVIL SECRETARIAT CHANDIGARH

ON

22nd October, 2009 AT 11.30 A.M.

Agenda for the 35th meeting of the Board of Governors to be held on
October 22, 2009 at 11:30 A.M at Committee Room , Office of Chief
Secretary, Punjab Civil Secretariat, Chandigarh.

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Item No. 35.1 Developments and Future Course of Action to be taken in case of PTU-Caparo Society

Punjab Technical University announced the establishment of six advanced schools of excellence at its convocation in March 2003. Lord Swaraj Paul, Chairman M/S Caparo India Pvt. Ltd. expressed his keen interest and gave an offer for setting up a School of Manufacturing & Materials Technology. He also expressed that it would be a world class institution of advanced learning and expressed his willingness for giving Rs. 5 crores initially and more for this purpose. Discussions were held with the then Vice Chancellor, PTU, which was followed by protracted correspondence and meeting on this issue.

A sub-committee of BOG under the Chairmanship of Mr. Chandra Mohan, Dr. R. S. Khandpur, Member and Dr. Siby John, Member and Convenor for selection of partner for School of Manufacturing & Material Technology, as nominated by the Board of Governors, recommended that the offer of Lord Swaraj Paul for partnering the School of Manufacturing & Material Technology may be accepted.

The Board of Governors, PTU in its 19th meeting held on 22.06.2005 approved the draft MoU for setting up the School of Manufacturing & Material Technology in collaboration with Lord Swaraj Paul.

The Board approved the following:

- a) The lease of 10 acres of land to PTU – Caparo Society.
- b) The cost of land to be assessed as per DC rates.
- c) PS, TE & IT, Punjab and VC, PTU to finalize MoA and MoU and were also authorized to sign the agreement on behalf of the Board with M/S Caparo.
- d) The members of the Society and Governing Council will be in the ratio of 4:4.
- e) The Chairman of the Society was to be nominated out of the four members of the Caparo Group.
- f) VC, PTU in consultation with PSTE, Punjab may nominate the four members of the PTU – Caparo Society.
- g) Bye laws of the Society to be framed in consultation with legal expert.



The MoU was signed on 3rd July, 2005 between PTU and M/S Caparo India Pvt. Ltd. As per MoU the following broad division involving financial expenditure was agreed to between both parties and is part of MoU as clause 1.5 which is reproduced below

Clause 1.5 MoU

- a) PTU shall transfer on perpetual lease or in such manner land measuring 10 Acres at Jalandhar – Kapurthala Road, Kapurthala Punjab in favour of the said society besides providing a corpus fund of Rs.1 crore.
- b) Caparo for the purposes as indicated in the MoU shall ensure contributions either by itself, and / or through its nominee (s) and / or others of an initial contribution of Rs. 5 crores in favour of the said society and may make arrangement for subsequent contributions in favour of the said Society upon attaining satisfaction of the progress of the objectives aforesaid.

The PTU had transferred Rs.1.00 crores as corpus fund to the society and Caparo Ltd. has transferred Rs. 5.00 crores to the account of the Society. 90 students were admitted in following three streams in the school in 2007-2008 session:

1. B. Tech. Electronics with specialization in Manufacturing Electronics
2. B. Tech. Mechanical with specialization in Manufacturing Technology
3. B. Tech. Information Technology with specialization in Process Planning.

To run the classes in September 2007 there was a shortage of required infrastructure as per PTU norms and Society was shortage of funds. Caparo were pressing PTU to allow the PTU Caparo Society to use corpus fund for running the institution which was in violation of the norms of corpus fund and the University did not agree. After deliberations Caparo representative gave two solutions of this problem, as under:

- A) The Caparo requested that the University must allow raising loan on the 10 acres land to be leased to them by the University.
- B) The Caparo requested that, if the University does not allow raising loan on the land, it must participate as an Equity partner in building the institute / school. Such a proposal was not the initial intent when MoU was signed.

3. A letter has been sent to Caparo asking their proposal for withdrawal from Society as per clause - 5 of the MoU (copy of letter is placed at **Annexure - VIII**).

In response to step - 3 above the proposal received from Caparo is placed at **Annexure - IX**.

The matter is placed before the Board for further direction.

Item No. 35.2 Any other item with the permission of the Chair

