

**I.K. GUJRAL  
PUNJAB TECHNICAL UNIVERSITY**

**Agenda**

**40<sup>th</sup> Meeting of  
FINANCE COMMITTEE**



**ON  
11<sup>th</sup> JANUARY, 2024 AT 11:30 AM**

**AT  
COMMITTEE ROOM  
OFFICE OF VICE CHANCELLOR, 1<sup>ST</sup> FLOOR,  
ADMINISTRATIVE BLOCK, IKGPTU**

**Agenda for 40<sup>th</sup> meeting of the Finance Committee to be held on 11.01.2024 at 11:30 AM in the Committee Room, Office of the Vice Chancellor, 1<sup>st</sup> Floor, G+3, Building, Administrative Block, IKGPTU.**

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40.3	To inform and ratify about the status of Income Tax cases.	6-7	III-IV
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40.5	To inform about the various payments released above Rs. 5,00,000/- from 31.08.2022 to 31.12.2023.	12	VIII
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40.7	To approve the recommendation of IKGPTU Committee/ Trust regarding contribution to LIC for Group Gratuity Scheme and Group Leave Encashment Trust.	14-15	X
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**Item No. 40.1: To Confirm the Proceedings of 39<sup>th</sup> meeting of Finance Committee held on 20.09.2022.**

The Proceedings of 39<sup>th</sup> meeting of Finance Committee held on 20.09.2022 were circulated to all members and are placed as **Annexure-I**.

No comments have been received on the Proceedings circulated to members Finance Committee, so the Proceedings of the 39<sup>th</sup> meeting of Finance Committee held on 20.09.2022 is placed for confirmation.

**Item No. 40.2: Action taken report (ATR) on the Proceedings of 37<sup>th</sup> and 39<sup>th</sup> Finance Committee meeting held on 18.03.2020 and 20.09.2022 respectively.**

**ATR of 37<sup>th</sup> meeting of FC held on 18.03.2020 is as under:**

<b>Item No.</b>	<b>Items</b>	<b>Action Taken</b>
37.01	To Confirm the Proceedings of 34 <sup>th</sup> , 35 <sup>th</sup> and 36 <sup>th</sup> Meeting of Finance Committee.	Proceedings confirmed
37.02	Action taken report on 34 <sup>th</sup> , 35 <sup>th</sup> and 36 <sup>th</sup> meeting of Finance Committee.	Noted in 37 <sup>th</sup> meeting
37.03	To approve Revised Budget Estimates for the year 2019-20 and Budget Estimates for the year 2020-21	Observations noted. No action taken on item C iv as per item no 39.1(A)
37.04	To Adopt 'The Direct Tax Vivad Se Vishwas Scheme, 2020'	Scheme adopted
37.05	Proceedings of Human Resource Committee.	Proceedings presented in 72 <sup>nd</sup> meeting of BOG
37.06	Proceedings of Standing Building Construction Committee (SBCC)	Noted the matter.
37.07	Details of works approved by SBCC for Main Campus Kapurthala and their status	Noted the matter.
37.08	Revision of Honorarium for Chief warden and Warden/s of the University	Noted the matter.
37.09	Status of Income Tax Cases.	Noted the matter.
37.10	Status of Service Tax Cases.	Noted the matter.
37.11.1	Establishment of GGSS Institute at Sri Chamkaur Sahib	Discussed as separate Agenda in 38 <sup>th</sup> FC meeting.
37.11.2	Establishment of IKGPTU – Chair Professors at NITTTR, Chandigarh	No action required.

**ATR of 39<sup>th</sup> meeting of FC held on 20.09.2022 is as under:**

<b>Item No.</b>	<b>Items</b>	<b>Action Taken</b>
39.1(A) (B)	To confirm the Proceedings of 37 <sup>th</sup> meeting of Finance Committee. To confirm the Proceedings of 38 <sup>th</sup> meeting of Finance Committee.	Proceedings confirmed
39.2	Action taken report on 38 <sup>th</sup> meeting of Finance Committee.	Noted in 39 <sup>th</sup> meeting
39.3	Filing of Resolution, Form 10 and Audit Report in the Form 10-B for AY 2013-14 and audit report Form 10-B for AY 2020-21 for information.	Filed

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39.4	Revised budget Estimated for the FY 2020-21, Budget Estimates for the FY 2021-22 and FY 2022-23.	Noted.
39.5	Ratification of revision of fees for Affiliation/Continuation and other charges.	Noted.
39.6	Regarding ratification of initial pay of incumbents converted from IIT to UGC scale.	Deferred.
39.7	To approve the MOM of 58 <sup>th</sup> meeting of SBCC.	Action taken on the various decisions taken by FC/BOG on various items of Standard Building Construction Committee meetings are attached as <b>Annexure-II-A.</b>
39.8	To approve the appointments on compassionate ground.	Appointment letters to 04 candidates issued and incumbents had joined <b>Annexure-II-B.</b>
39.9	(A) Ex post facto approval of Fee paid to Sh. Anand Chhibbar, Senior Advocate, Chandigarh and Shreya Bhakoo, Advocate, Chandigarh. (B) Approval/ Ratification of fees to be paid/paid to Advocate/CA Dinesh Sarna.	Noted and payment released accordingly.
39.10	Audited Balance Sheet for the Financial Year 2019-20 & 2020-21.	Implemented.
39.11	Status of Income Tax Cases, Service Tax & GST Cases.	Updated Status as Item No. 40.3 and Item No. 40.4
39.12	The summary of the major payments made from 10.08.2020 to 31.08.2022.	Noted the matter.
39.13.1	Implementation of new revised pay scales and allowances as per Punjab Government Notification 6 <sup>th</sup> PPC and 7 <sup>th</sup> UGC revised pay scales.	The revised pay scales and allowances as per 6 <sup>th</sup> PPC has been implemented to B, C & D category employees and some employees of category A and accordingly arrears have been released as per Punjab Govt. notification. The implementation to faculty and other officers as per UGC pay scales is pending.

39.13.2	To consider and approve: (a) Delegation of Financial Powers.  (b) To ratify Responsibility of Cheque signing authority in F&A department. (c) To ratify the voucher Approving authority in F&A department.	(a) The revised notification No. IKGPTU/REG/NF/2037 dated 11.10.2022 issued. (b) Noted. (c) Noted.
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**Item No. 40.3 To inform and ratify about the Status of Income Tax Cases.**

**(A) Status of Income Tax Cases.**

The University applied on 30.03.2016 for grant of approval u/s 10(23c)(vi) before CIT(E) which was rejected by CIT(E) vide order dated 31.03.2017. The University had filed appeal before ITAT which was dismissed by ITAT vide order dated 23.02.2018. Then University had filed appeal ITA No.386/2018 in Hon'ble High Court against the order of ITAT. The Hon'ble High Court order dated 01.05.2019 admitted the appeal.

The University had also applied for grant of registration u/s 12AA on dated 23.03.2017. The CIT (E) vide order dated 29.09.2017 denied the application of University for registration u/s 12AA. The University filed application before ITAT and the 12AA matter was remanded back by ITAT to CIT (E) vide order dated 05.02.2019. CIT (E) had filed appeal ITA No.343/2019 in Hon'ble High Court against the order of ITAT. No notice was issued by Hon'ble High Court regarding the appeal filed by CIT (E).

Therefore, the University filed CWP No.12717/2022 in Hon'ble High Court to direct CIT (E) to decide 12AA matter and stay the proceedings in different notices issued by Income Tax department.

The Hon'ble High Court vide order dated 22.12.2022 directed that these matters are interconnected and ought to be heard together and no coercive steps against the assessee i.e. M/s. I.K. Gujral Punjab Technical University Jalandhar, Kapurthala be initiated. The Hon'ble High Court vide order dated 7.12.2023 directed that interim order to continue. The next date of hearing is **22-2-2024**. The orders of Hon'ble High Court, status of matters before Hon'ble Punjab & Haryana High Court and different Assessment Years are enclosed at **Annexure-III**.

The ITST committee has been constituted to look after the Income Tax and Service Tax matters of the University. As per the recommendations of the ITST committee, Senior Advocate Sh. Ajay Vohra and Advocate Mr. Rohit Jain of Vaish Associates, New Delhi has been engaged to look after Income Tax cases of the University before Hon'ble Punjab & Haryana High Court, Chandigarh, ITAT Chandigarh and CIT (A), Chandigarh and Senior Advocate Sh. Anand Chhibbar has been engaged in matters before Hon'ble Punjab & Haryana High Court, Chandigarh. The ITST

Committee recommended the fees of the advocates in the IT matters pending before different authorities in 35<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup> meeting. The copy of Proceedings is enclosed at **Annexure-IV**.

The Proceedings of 35<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup> meeting of ITST Committee were ratified by BOG in 79<sup>th</sup> meeting vide agenda item 79.4.

The matter is placed before Finance Committee for information please.

**(B) Hiring the services of Local Retainer/Advocate for Income Tax cases.**

There is requirement local retainer for day-to-day guidance and filling of replies in different matters related to the Income Tax. The University has engaged Rupesh Parikshit & Associates, Chandigarh as local retainer on monthly remuneration of Rs.35,000/- + 18% GST to assist M/s Vaish Associates, New Delhi in income tax cases. However, Sh. Dinesh Sarna, Advocate Jalandhar was engaged as local retainer on monthly remuneration of Rs. 25,000/- lumpsum w.e.f 01.04.2022 for Income Tax matters on the recommendations of the ITST committee. The ITST committee in its 37<sup>th</sup> meeting recommended to extend the services of Adv. Sh. Dinesh Sarna for F.Y. 2023-24 on same remuneration of Rs.25,000/- P.M (including all taxes) and same terms and conditions duly approved by competent authority.

The matter is placed before Finance Committee for information please.



**Item No. 40.4: To inform and ratify about the Status of Service Tax/GST Cases**

**(A) Service Tax cases related to Distance Education.**

Service tax department has conducted an inquiry related to Distance Education Programme of University and inquire that when MOU and LC operational manual were evaluated in the light of statutory definitions of franchisee services as defined in section 65 of Finance Act 1994. It prima facia appeared that the arrangement between PTU and RCs/ LCs is that of franchisor and franchisee, as the RCs/ LCs appointed given representations to use the brand name PTU at their place of work and PTU was earning income by receiving fixed amount as well as various types of recurring fees etc. from RCs/ LCs.

Further, as per Finance Act 1994 there was no exemption to the education Institute under the franchise service. Thus, services provided by PTU were alleged to be covered under the taxable services of franchisee service and chargeable to service tax.

*"The commissioner vide order dated 19.12.2013 has confirmed the demand of service tax amounting to Rs. 144,14,31,243/- + interest + penalty of same amount for SCN dated 19.04.2012 for period Oct. 2006 to march 2011 and SCN dated 30.10.2012 for period Apr. 2011 to June 2012."*

The University has filed appeal against the orders of commissioner at CESTAT. CESTAT vide its final order dated 23-12-2015 and decided as under:

- 1. We hold that the appellant provided franchise services.*
- 2. The extended period is not invocable.*
- 3. Penalty U/s 78 ibid cannot be imposed.*
- 4. The impugned demand has to be re-computed only for the normal period and taking the assessable value as equal to the aggregate amount by the appellant through LCs minus amount paid to the LCs. Needless to say that the amount of penalty under Section 76 ibid has also to be re-computed."*

University has filed Civil Appeal No 4622 of 2016 as prepared by Advocate Sh. Prabhat Kumar in Hon'ble Supreme Court against orders of CESTAT which has been admitted however no stay was granted. Appeal will be heard in due course.

The University has already deposited Rs.18 Crore to Service Tax Department as per legal opinion of Advocate Sh. Prabhat Kumar and subsequent legal opinion of Lakshmikumaran & Sridharan Attorneys,

New Delhi and recommendations of 30<sup>th</sup> FC meeting dated 16-02-2018 duly approved in 67<sup>th</sup> meeting of BOG.

To adopt Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019, the matter was put up in 35<sup>th</sup> & 36<sup>th</sup> FC meeting vide Agenda Item No.35.01 and 36.01. The committee vide agenda item No.36.01 has recommended as under:

***"After deliberation the members unanimously decided to pursue the cases."***

The University has filed appeals for show causes related to different periods before CESTAT as prepared by Advocate Sh. Prabhat Kumar and the same are pending for hearing. The 42<sup>nd</sup> ITST committee recommended the negotiated fee of Rs.3,00,000/- (Rs. Three Lac only) per case including all expenses related to travel/stay etc. and 50% of the fees as advance to Advocate Dr. Prabhat Kumar for three cases pending before CESTAT, Chandigarh may be approved. Copy is placed as **Annexure-V**.

The status of show cause notices for different periods issued by Service Tax department is placed at **Annexure-VI**.

The matter is placed before Finance Committee for information please.

**(B) Service Tax on affiliation fee etc. for period from 01.10.2014 to 30.06.2017**

The Service Tax department has conducted an inquiry related to the applicability of Service Tax on Affiliation fee, Application processing fee, Inspection fee and Provisional affiliation fee from the regular affiliated colleges for period from 01.10.2014 to 30.06.2017. The Commissioner vide Order No. JAL-EXCUS-000-COM- 001-21-22 dated 16.06.2021 has confirmed the demand of Service Tax amounting Rs.2,95,59,694/- under section 73(1) of Finance Act 1994 and interest under section 75 and penalty under section 77 and 78. With the approval of competent authority A.K. Batra & Associates, New Delhi and Mr. KC Gupta, Advocate & Mr. Salil Gupta, CA, Jalandhar has been engaged and the University has filed an appeal before CESTAT as drafted by concern Advocates/CA and the matter is pending before CESTAT.

The matter is placed before Finance Committee for information.

**(C) GST on transcript fee etc. for the period July 2017 to Dec. 2019.**

SCN No. 08/2021-22 was received from D.G of GST Intelligence, Ludhiana vide DIN No: 202109DNN500000071EO. In this notice Assistant Director for the period July 2017 to December 2019 demanded GST@18% amounting to Rs.1,42,12,937/- on transcript fees including attestation fee and postal charges amounting Rs.7,89,60,757/- collected by University under section 73 of CGST Act, 2017 along with interest and penalty as applicable. With the approval of competent authority A.K. Batra & Associates, New Delhi and Mr. KC Gupta, Advocate & Mr. Salil Gupta, CA, Jalandhar was engaged and the replies as drafted by Advocates/CA has been filed by the University. **The Assistant Commissioner vide order dated 13.10.2023 has vacated the proceedings initiated against University.**

The matter is placed before Finance Committee for information please.

**(D) GST on affiliation fee etc. for period from 01.01.2017 to 31.03.2022**

The summons were received from the office of Directorate General of GST Intelligence, Ludhiana regarding the detail of affiliation fee, application processing fee, inspection fee and provisional affiliation fee collected by University for the period from 01.07.2017 to 31.03.2022.

The University has already issued notification No. IKGPTU/REG/NF/2238 dated 19.02.2020 and has started collection of GST on affiliation fee, application processing fee, inspection fee and provisional affiliation fee from 2021-22.

The matter was discussed in 34<sup>th</sup>, 35<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup> meeting of ITST committee. The replies drafted from the A.K.Batra & Associates, New Delhi and Mr. KC Gupta, Advocate & Mr. Salil Gupta, CA, Jalandhar has been filed. The BOG was apprised about the matter in 79<sup>th</sup> meeting held on 31.03.2023.

After the ratification from BOG, the letter dated 29.03.2023 was issued to all colleges to deposit GST+ Interest for affiliation fee etc. from 01.07.2017 to 31.03.2021 and the reply dated 21.04.2023 was sent to GST department to give more time to get further approval

from competent authorities of University for payment of GST+ Interest.

The Additional Director, Directorate General of GST Intelligence, Ludhiana has issued demand letter dated 08.05.2023 to deposit the GST for the period from July 2017 to March 2021 amounting to Rs.4,42,02,555/- along with interest as per provisions of Section 73 of the CGST Act, 2017.

The matter was again discussed in 38<sup>th</sup> meeting and 39<sup>th</sup> special meeting of ITST. The Committee discussed the opinion dated 27.06.2023 given by A.K. Batra & Associates. As per opinion if the University do not deposit the GST, the department can issue SCN u/s 74 of CGST Act, 2017 and impose penalty as per the provisions of the CGST Act, 2017. As per the opinion the University can recover the GST+ Interest for the period July 2017 to March 2021 from colleges. With the approval of competent authority, the tax amounting to Rs.4,42,02,556/- along with interest amounting to Rs.2,93,31,710/- calculated by Mr. Salil Gupta, CA has been deposited with GST department and the matter is concluded by the department.

The Proceedings of 38<sup>th</sup>, 39<sup>th</sup>, 40<sup>th</sup>, 41<sup>st</sup> and 42<sup>nd</sup> meeting of ITST are enclosed at **Annexure-VII**.

The matter is placed before Finance Committee for information and ratification please.

**Item No. 40.5: To inform about the various payments released above Rs. 5,00,000/- from 31.08.2022 to 31.12.2023.**

The details of various payments made above Rs. 05 lac related to different works after the approval of competent authority is enclosed at **Annexure-VIII.**

The matter is placed before Finance Committee for information please.

**Item No. 40.6: To ratify the ITR for AY 2023-24, Form 10-B and Balance sheet for Financial Year 2022-23.**

The University has filed ITR for AY 2023-24, Form 10-B on the basis of Audited Balance Sheet & Income & Expenditure for FY 2022-23. The copy of the same is placed as **Annexure-IX**.

The matter is placed before Finance Committee for ratification.

**Item No. 40.7: To approve the recommendations of IKGPTU Committee/Trust regarding contribution to LIC for Group Gratuity Scheme and Group Leave Encashment Trust.**

A proposal from LIC India was placed before the Board of Governors in its 72<sup>nd</sup> meeting held on 23.01.2020 vide Agenda Item No. 72.9 to give recommendations for Group gratuity scheme and Group Leave Encashment for University Employees.

LIC worked out the actuarial valuation of IKGPTU liability towards Group Gratuity and Leave Encashment in respect of 442 permanent employees based on service details provided by IKGPTU. The total amount payable was shown Rs. 34.60 crores which includes past service contribution, current service contribution and premium amount. The details of contribution are given below:

<b>Year</b>	<b>Particular</b>	<b>Total amount paid to LIC (in Rs.)</b>
2020-21	Leave Encashment scheme	Rs. 22,40,97,822/-
2020-21	Group Gratuity	Rs. 12,18,09,561/-

“The Board after due deliberations expressed that these are statutory liabilities and approved subject to the condition that proposal of LIC is beneficial”.

As per decision of the Board, Trust for LIC group gratuity scheme and LIC Group leave encashment scheme was constituted vide office order No. IKGPTU/REG/OO/1243 dated 23.11.2020.

**The details of Funds Paid to LIC of India & Interest received from LIC of India are as below:**

<b>Year</b>	<b>Particular</b>	<b>Total amount paid to LIC</b>	<b>Interest credited by LIC @ 6.62%</b>
2020-21	Leave Encashment scheme	Rs. 22,40,97,822/-	Rs. 1,39,72,166
2020-21	Group Gratuity	Rs. 12,18,09,561/-	Rs. 75,44,911

<b>Year</b>	<b>Particular</b>	<b>Total amount paid to LIC</b>	<b>Interest credited by LIC @ 6.80%</b>
2021-22	Leave Encashment scheme	Rs. 25,00,000/-	Rs. 1,61,82,406
2021-22	Group Gratuity	Rs. 25,00,000/-	Rs. 87,56,395

Year	Particular	Total amount paid to LIC	Interest credited by LIC @ 7.07%
2022-23	Leave Encashment scheme	Rs. 12,75,000/-	Rs. 1,79,32,363
2022-23	Group Gratuity	Rs. 5,50,000/-	Rs. 96,89,583

LIC of India credited interest during the F.Y 2020-21 @ 6.80% to 2022-23 & 7.07% which is comparable with bank's FDR's rates. The Interest paid by LIC of India is exempted under Section 10 (25) (iv) of Income Tax Act 1961.

According to the current salary data and present staff position, LIC has calculated the total additional contribution liability of gratuity and leave encashment of all University employees till retirement which comes to a total of Rs. 58,37,42,509/-.

IKGPTU Group Gratuity Scheme and Group Leave Encashment Scheme Trust in its 6<sup>th</sup> meeting dated 20/03/2023 & 7<sup>th</sup> meeting dated 22/08/2023 has recommended to pay additional contribution as per actuarial calculations done by (M/s Kapadia Global Actuaries, Mumbai) up to 2023-24 amounting to Rs. 19,34,86,330/- to LIC of India and Proceedings of meeting has been approved by Honorable Vice Chancellor. The copy of 6<sup>th</sup> & 7<sup>th</sup> Proceedings of meeting of IKGPTU Group Gratuity Scheme and Group Leave Encashment Scheme Trust is enclosed at **Annexure-X**.

The matter is placed before the FC for approval of overall estimated liability of Rs. 58,37,42,509/- and out of the total additional contribution liability a sum of Rs. 19,34,86,330/- being liability upto 31.03.2023 may be released to LIC of India immediately. Further a sum of Rs. 20.00 Crore may be released in March/April 2024. The balance may be released after the revised actuarial calculation is submitted by LIC in March/April 2025.

The matter is placed before Finance Committee for approval.

**Item No. 40.8 Any Other Item with the permission of Chair.**