

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

Agenda

**42nd Meeting of
FINANCE COMMITTEE**



**ON
30TH DECEMBER, 2024 AT 10:30 AM**

**AT
COMMITTEE ROOM
PUNJAB STATE BOARD OF TECHNICAL EDUCATION,
SECTOR 36-A, CHANDIGARH**

Agenda for 42nd meeting of the Finance Committee to be held on 30.12.2024 at 10:30 AM in the Committee Room, Punjab State Board of Technical Education, Sector 36-A, Chandigarh

Item No.	Items	Page No.	Annexure
42.1	To confirm the Proceedings of 41 st meeting of Finance Committee held on 20.06.2024.	2	I
42.2	Action taken report (ATR) on the Proceedings of 41 st meeting of Finance Committee.	3	-
For consideration and approval			
42.3	To consider and approve the adoption of Direct Tax 'Vivad Se Vishwas' Scheme, 2024 for the A.Y. 2013-2014 to 2021-2022	4-10	II-XI
42.4	Any other item with the permission of the Chair	11	-

Item No.42.1: To confirm the Proceedings of 41st meeting of Finance Committee held on 21.06.2024.

The 41st meeting of the Finance Committee was held on 21.06.2024.

The Proceedings of the meeting was circulated to all members via email dated 27.06.2024. No comments have been received from any member of the Finance Committee on the above proceedings. The copy of Proceedings is placed as **Annexure -I.**

The matter is placed before Finance Committee for confirmation of the Proceedings of 41st meeting of Finance Committee.

Item No. 42.2: Action taken report (ATR) on the Proceedings of 41st meeting of Finance Committee.

The 41st meeting of the Finance Committee was held on 21.06.2024. The action taken report of the meeting will be placed in the next meeting of Finance Committee.

Item No. 42.3: To consider and approve the adoption of Direct Tax 'Vivad Se Vishwas' Scheme, 2024 for the A.Y. 2013-2014 to 2021-2022.

Punjab Technical University was established as State University in the year 1997 by "The Punjab Technical University Act, 1996 (Punjab Act No. 01 of 1997) and renamed as I.K. Gujral Punjab Technical University by State Government in 2015.

Since its inception, the University was claiming exemption of its entire income under section 10(23C) (iiiab) of the Act, as available to an educational institution financed wholly or substantially by the Government. With effect from 01/04/2015, Explanation to Section 10(23C)(iiiab) of the Act was inserted in the Act. Simultaneously, Rule 2BBB was inserted in the Income Tax Rules. It was prescribed that the educational institution would be considered as substantially financed by the Government only if the Government grants exceeded 50% of the total receipt of such institution during the relevant financial year. Due to such insertion in the Act and the Rules, w.e.f 01/04/2015, i.e., w.e.f F.Y. 2015-16, the eligibility of the University for exemption under section 10(23C)(iiiab) of the Act came to an end, because the receipt of the University from fees collected exceeded 50% of its total receipt and as such, the Government grants to the University ceased to exceed 50% of the total receipt of the University.

On losing its status of being substantially financed by the Government, in view of the aforesaid amendment in the Act and the Rules, the University filed an application under section 10(23C)(vi) of the Act on 30/03/2016, for claiming exemption, being engaged solely in imparting education. The said application was rejected by CIT(E) vide order dt. 31/03/2017 and the said order of rejection was confirmed by the Hon'ble Income Tax Appellate Tribunal, in ITA No. 910/Chd/2017. The appeal against the said Tribunal order, filed by the University, is

pending before the Hon'ble P&H High Court in ITA No. 386/2018, having been admitted.

The University also filed an application for Registration under section 12A of the Act, on 23/03/2017. The Ld. CIT(E) rejected this application vide order dt. 29/09/2017. Aggrieved, the University filed ITA No. 1646/Chd/2017 before the Tribunal. The Tribunal, vide order dt. 05/02/2019, set aside the CIT(E)'s order dt. 29/09/2017. The matter was remanded to the Ld. CIT(E) for fresh consideration, particularly in the light of the additional evidence filed by the University before the Tribunal for establishing the charitable nature of the University's activity of education. The matter is presently pending.

Against the order dt. 05/02/2019 passed by the Tribunal, the Department, without giving effect to said order, filed appeal before the Hon'ble High Court, in ITAT No. 343/2019. Simultaneously, the University also filed W.P.(C) No. 12717/2022 in the Hon'ble P&H High Court, challenging the action of the Ld. CIT(E) for not passing order giving effect to the direction of the Tribunal, as contained in the aforesaid order dt. 05/02/2019. The Hon'ble High Court has clubbed the above mention 3 cases and admitted the matter vide order dated 08.04.2024. Copy of order is enclosed at **Annexure-II**.

The University had been granted provisional registration u/s 12AB w.e.f. A.Y. 2022-23 which was cancelled by CIT(E) vide order dated 30.03.2024. The University had filed appeal before ITAT, Chandigarh and ITAT vide order dated 28.10.2024 set aside the order of CIT(E) and held that University is entitled to registration u/s 12A/12AB of the Income Tax Act. The copy of order is enclosed at **Annexure-III**.

As mentioned above, there are various exemption cases and Assessment Year's cases pending before CIT(A), ITAT and Hon'ble

Punjab & Haryana High Court. The Detail of the same is placed as **Annexure-IV**. As per demand notices issued by Income Tax Department from time to time, tax amount and other liabilities pending for A.Y. 2013-2014 to 2021-2022 is detailed below:

SR. NO.	AY	GROSS INCOME	DATE OF ORDER	DISPUTED TAX	INTEREST	TOTAL TAX INCLUDING INTEREST
1	2013-14	209,99,45,050.00	30.09.2021	64,87,07,920.00	125,18,89,482.00	190,05,97,402.00
2	2014-15	194,63,22,450.00	29.03.2022	66,15,55,001.00	113,10,76,507.00	179,26,31,508.00
3	2015-16	-----	-----	-----	-----	-----
4	2016-17	74,80,58,480.00	29.03.2022	25,87,42,238.00	31,23,39,596.00	57,10,81,834.00
5	2017-18	91,25,00,000.00	21.11.2019	32,40,49,588.00	11,28,64,569.00	43,69,14,157.00
6	2018-19	62,71,87,110.00	07.03.2023	22,27,34,867.00	20,17,22,829.00	42,44,57,696.00
7	2019-20	170,79,77,098.00	16.07.2021	61,25,97,934.00	11,48,02,016.00	72,73,99,950.00
8	2021-22	64,76,18,900.00	13.12.2022	27,68,18,223.00	6,71,83,532.00	34,40,01,755.00
Total:-		868,96,09,088.00		300,52,05,771.00	319,18,78,531.00	619,70,84,302.00

- All figures are tentative/approximate in nature. Final calculations shall be given by IT department.
- The amount mentioned for Sr. No.2, 4, 6 are as per rectification allowed by the IT department dated 23.12.2024

It is pertinent to mention that University had adopted, the direct tax 'Vivad se Vishwas' Scheme-2020' for the A.Y. 2009-10, A.Y. 2010-11, A.Y. 2011-12 & A.Y. 2012-13, as per advice of M/S Vaish Associates Advocates and with the approval of Finance Committee and Board of Governors, IKGPTU.

The decision of the Finance Committee meeting held on 18.03.2020 taken vide Agenda Item No. 37.04 is reproduced as below:

"Finance Committee has decided to adopt "The Direct Tax Vivad Se Vishwas scheme 2020 for A.Y. 2009-10, 2010-22, 2011-12 and 2012-13. Finance Committee also took notice of the fact that Income Tax Office has not issued any demand notice for A.Y 2013-14 2014-15 and 2016-17."

The matter was placed to the Board of Governors through circulation dated 20.03.2020. The Chairman, BOG via email dated 27.03.2020 approved the agenda item **(Annexure-V)**. Accordingly, the University has adopted this scheme and deposit the tax for the A.Y. 2010-11, A.Y 2011-12 & A.Y 2012-13 (Approx Rs. 187.06 Cr). The matter was placed in the 76th meeting of Board of Governors held on 22.07.2022, the Board approved the same vide Agenda Item No. 76.3 **(Annexure-VI)**.

Now, The Government of India has introduced "The Direct Tax 'Vivad Se Vishwas' Scheme, 2024" vide Circular No. 12 of 2024 to provide for dispute resolution in respect of pending income tax litigation. The objective of the Scheme is to, *inleralia*, reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process. The copy of Notification is attached at **Annexure-VII**

To adopt 'Vivad se Vishwas Scheme – 2024', the University referred the matter to Advocate M/s Vaish Associates, New Delhi and CA/Advocate Shri Dinesh Sarna of Jalandhar.

Advocate M/s Vaish Associates vide email dated 16.12.2024 advised as under:

"The University has been claiming, for assessment years 2013-14, 2014-15 and 2015-16, exemption in terms of section 10(23C)(iiiab) of the Income Tax Act, 1961 ('the Act'). In the previous 'Vivad se Vishwas Scheme 2020', the University had settled the appeals for assessment years wherein exemption was being claimed under section 10(23C)(iiiab) of the Act in view of the adverse judgement of the

Honorable Supreme Court in the case of Visvesvaraya Technological University Belagavi, Karnataka.

For coming to the aforesaid conclusion, we have considered the fact that the issue on merit is principally covered against the University by the judgment of the Supreme Court, the fact that there shall be substantial saving to the University in the form of waiver of interest and penalty and the protracted litigation involved, in case the University were not to settle the said assessment years under the VsV Scheme 2024.”

Having regard to the aforesaid, and in line with our earlier opinion issued under the VsV 2020 scheme, University may be well advised to settle the appeals for assessment years 2013-14 to 2015-16 and 2016-2017 under the new VsV Scheme 2024. Copy of advice of Advocate M/s Vaish Associates is placed as **Annexure- VIII**

Advice of Advocate/CA Shri Dinesh Sarna is as under:

"We are working in the interest of the University and we all want the University to work with the focus to provide Education and reduced litigation. We totally agree with the view of M/s Vaish Associates. We would like to submit that, in the interest of the university and to reduce litigation we should opt for VSV 2024 till AY 2019-20 and clear all the dues. This is one time opportunity to reduce all our litigation.

The High Court may decide in our favour but we do not know about the time frame in which it will be decided. After the decision, other unforeseen factors may come our way and we might lose on other grounds also. Rather than getting into litigations, we should avail this one time opportunity and according to us it will be in the interest of the University. Otherwise, we will go by the decision of the University."

Copy of the advice of Shri Dinesh Sarna, CA is placed as **Annexure-IX**

That demand and recoverability status as received from Income tax Department and Calculation chart prepared by Advocate/CA Shri Dinesh Sarna, the tax liability is under:

SR. NO.	A.Y	GROSS TAX INCLUDING INTEREST AS PER DEMAND NOTICE	INTEREST CALCULATION @ 12% pa till 30.11.2024	PENALTY @ 100% OF DISPUTED TAX (APPROX.)	Total Amount to be paid if not opted for VSVS-24.	Tax to be paid under VSVS-2024
1	2013-14	190,05,97,402.00	47,51,49,350.50	64,87,07,920.00	302,44,54,672.50	64,64,77,304.00
2	2014-15	179,26,31,508.00	35,85,26,301.60	66,15,55,001.00	281,27,12,810.60	65,38,01,449.00
3	2015-16	-----	-----	-----	-----	-----
4	2016-17	57,10,81,834.00	11,42,16,366.80	25,87,42,238.00	94,40,40,438.80	22,56,66,815.00
5	2017-18	43,69,14,157.00	20,97,18,795.36	32,40,49,588.00	97,06,82,540.36	18,13,16,474.00
6	2018-19	42,44,57,696.00	3,39,56,615.68	22,27,34,867.00	68,11,49,178.68	16,33,63,085.00
7	2019-20	72,73,99,950.00	20,36,71,986.00	61,25,97,934.00	154,36,69,870.00	57,22,93,259.00
8	2021-22	34,40,01,755.00	3,78,40,193.05	27,68,18,223.00	65,86,60,171.05	25,83,98,237.00
TOTAL		619,70,84,302.00	143,30,79,608.99	300,52,05,771.00	1063,53,69,681.99	270,13,16,623.00
TOTAL (Approx. in Cr.)		619.7	143.3	300.52	1063.53	270.13

The advice of Advocate M/s Vaish Associates and Shri Dinesh Sarna CA/Advocate was placed before the ITST Committee of the University and the Committee deliberated on VsVs 2024 in meeting dated 17.12.2024. It has recommended to adopt VSV Scheme for A.Y 2013-14 to A.Y 2021-22 in the financial interest of the University. The copy of the minutes is enclosed at **Annexure-X**

On the basis of recommendations received from ITST Committee of the University, the matter was placed to PSTE to Govt. of Punjab-cum-Chairman, Board of Governors, IKGPTU for approval to adopt the VsVS 2024.

The matter was referred to Additional Advocate General, Punjab for advice. The advice of the Additional Advocate is placed as **Annexure-XI**. However, the relevant para of the legal advice of the Additional Advocate General, Punjab is reproduced as below:

*"Thus keeping in view the fact that, rejection orders were passed after considering the evidence on record in the form of transactions entered into by the university, which appears to be irrebuttable, **I am of the considered view that the University may opt for Vivad Se Vishwas Scheme 2024 for the A.Y. 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-19, since the university is required to pay Tax and shall save on to the payment of Interest and Penalty.** However, for the Assessment Years 2019-2020 and 2021-2022, there are certain errors as evident from the facts and figures which have been ignored, while passing the Assessment Orders confirming Demand of Tax. The University may apply for filling Rectification Application, Rectification Applications u/s 154 of Income Tax Act, 1961, and upon rectification having been allowed, the University may opt for "Vivad Se Vishwas Scheme 2024" for the said years as well. "*

Keeping in view of the advice of Additional Advocate General, Government of Punjab, the matter is placed before the Finance Committee for consideration and approval of adoption of Direct Tax Vivad Se Vishwas Scheme, 2024 for the A.Y 2013-2014 to 2021-2022 and payment of due tax as per IT Department.

Item No. 42.4: Any other item with the permission of the Chair.