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## Atal Bihari Vajpayee-Indian Institute of Information Technology & Management, Gwalior

The 39<sup>th</sup> Finance Committee Meeting of ABV-IIITM, Gwalior was held on 21<sup>st</sup> October 2021 at 05:00 PM at MDP Centre, ABV-IIITM Campus, Gwalior.

Following members were present in the meeting :

- |     |                              |   |                                  |
|-----|------------------------------|---|----------------------------------|
| 1.  | Shri Deepak Ghaisas          | : | Chairman                         |
| 2.  | Prof. Rajendra Sahu          | : | Member                           |
| 3.  | Shri Priyank Chaturvedi      | : | Member (Through Online)          |
| 4.  | Shri Anil Kumar              | : | Member (Through Online)          |
| 5.  | Prof. A. K. Mittal           | : | Member                           |
| 6.  | Shri D. K. Jain              | : | Member                           |
| 7.  | Shri Pankaj Kumar Gupta      | : | Secretary                        |
| 8.  | Dr. Manoj Kumar Dash         | : | Special Invitee                  |
| 9.  | Shri Devashish Das Gupta, CA | : | Special Invitee (Through Online) |
| 10. | Mr. Anil Kumar Garg          | : | Special Invitee                  |

Shri Deepak Ghaisas, the Chairperson, welcomed all the members of the FC. The Chairman placed on record the sincere and untiring efforts put by Shri V K Modi, the outgoing Chairman of the Institute.

**FC/39/01**

### Confirmation of the Minutes of 38<sup>th</sup> Finance Committee Meeting

The Committee was appraised that the minutes of 38<sup>th</sup> Meeting of Finance Committee held on 02<sup>nd</sup> March 2020 were circulated to all the members and no comments were received from any of the Members.

Minutes of the 38<sup>th</sup> meeting of the Finance Committee were confirmed by the Committee.

**FC/39/02**

### Action Taken Report on 38<sup>th</sup> Meeting of Finance Committee

The Action Taken Report on the matters arising out of the decision of 38<sup>th</sup> meeting held on 02<sup>nd</sup> March 2020 was presented before the Committee and the Committee noted the ATR with satisfaction.

However, it was agreed that the matter related to creation of GPF Trust is to be resolved at the earliest and the GPF Subscription amount is to be limited to the prescribed limit as per GPF rules. Institute may explore the various options for maintaining the GPF as like in other central government Institutions. Further alternate sources of Investments as per rules to earn more interest in order to meet the gap was also recommended by Finance committee

The matters with regard to arbitration cases should be resolved in its earlier stages before going to arbitration to save time and money of the Institute.

*Handwritten signatures:*  
Rajendra Sahu  
Anil Kumar Garg



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<b>FC/39/03</b>	<b>Adoption of Audited Accounts and SAR (Separate Audit Report) on the Accounts of the ABV-IIITM, Gwalior for the F.Y.2019-20</b>
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Adopted and ratified by the Committee

It is agreed that the objections of the C&AG Audit may be properly examined and a compliance report be prepared on the objection raised and compliance made by the Institute.

The Compliance Report of Audit Para of SAR is attached as Annexure - I.

<b>FC/39/04</b>	<b>Approval of Annual Accounts of the ABV-IIITM, Gwalior for the FY 2020-21.</b>
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The Annual Accounts for the F.Y.2020-21 were placed before the Finance Committee for scrutiny and recommending it with remarks, if any to the Board for adoption. The Finance Committee examined the same and recommended to the Board for adoption along with the following remarks:

- The amount of Arbitration Award(s) is to be shown as liability in accounts of FY 2020-21.
- The Interest earned on Government Grants is also to be shown as liability in the account for the FY 2020-21 and to be refunded to MoE in current FY 2021-22.
- The Grants received from the government should be kept in Interest Bearing Accounts and not in non-interest bearing accounts.

<b>FC/39/05</b>	<b>To Discuss dispute regarding percentage of consultancy charge payable to EdCIL (India) Limited w.r.t. 'Construction Work of Residential Staff Quarters, Guest House and 2<sup>nd</sup> &amp; 3<sup>rd</sup> Boys Hostel' at ABV-IIITM, Gwalior. (Reference also taken from 37<sup>th</sup> FC Meeting Item No.37.7)</b>
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The committee was appraised of the dispute regarding percentage of Consultancy Charges claimed by EdCIL (India) Limited for the construction of Phase-II works at ABV-IIITM, Gwalior. The Finance Committee observed that this matter is very old and causing blockage of funds of the Institute with the EdCIL resulting in loss of Interest to the Institute. CAG also has highlighted this observation in its report.

The Finance Committee observed that signed agreement cannot be modified, amended or changed unilaterally by any one party, even if it is as per the decision of the Finance Committee or BOG.

The Finance Committee also discussed the justification given by the EdCIL for consultancy charges and recommended to BoG to consider the same and resolve the matter by reconciliation as per terms and conditions of the agreement executed for the Phase-II construction works in the year 2003. The matter being 17 years old, the recommendations was made to the Board that to go by the

*[Handwritten signatures]*



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earlier signed agreement and the % charges mentioned there in and get the refund of the monies from EdCIL at the earliest

<b>FC/39/06</b>	<b>Items for Reporting :</b> <b>(a) Arbitration award in the matter between M/s Quality Construction Co. vs. UoI (CPWD) No. ARB/RB/Delhi/143.</b> <b>(b) Status of Arbitration between M/s Buddiraja Electricals V/s UOI (CPWD) for the work of C/o ABV-IIITM Gwalior (Phase IV) SH: Pdg and Installation of Street &amp; Compound</b> <b>(c) Arbitration award in favour of M/s M/s Passim Water Services V/s UOI (CPWD) for the work of C/o ABV-IIITM Gwalior (Phase IV) SH: Pdg. 2x5000 LPH R/O Plant for drinking water in Pocket-A</b>
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The committee was appraised that the Arbitration disputes were between Contractor and CPWD. The Finance Committee also concurred with the fact that legal opinion should be obtained by the Institute and advised to convey the same to CPWD.

The committee agreed that all the arbitration cases should be defended meticulously, by the Institute obtaining documents from CPWD related to constructions and give its feedback/opinion with appropriate arguments to defend the case..

<b>FC/39/07</b>	<b>Audit Paras contained in the C&amp;AG of Indian (Report No.6 of 2020) on compliance Audit Observations titled "Recovery / Adjustment of Advances from M/s EdCIL Rs.4.32 crore (IIIT, Gwalior)"</b>
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The committee was appraised about the Audit Para raised by C&AG of India (Report No.6 of 2020) and about the outstanding mobilization advance laying with EdCIL India Ltd., New Delhi.

The Finance Committee is of the view that the dispute matter with EdCIL should be dealt as stated in Item no. FC/39/05 and be resolved at the earliest. The Interest may also be recovered from the EdCIL on outstanding mobilization amount.

Further the committee has suggested that the all three matter i.e. EdCIL, AICTE and ERNET should be dealt by the Institute in a time bound manner.

<b>FC/39/08</b>	<b>Matching Grant of Rs 50 Lakhs from Institute Corpus to MSME Project</b>
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The Committee was appraised about the matter and noted the same.

Chairperson suggested that in Initial phases the faculties and statues of the Institution should be given preference for developing Incubitees.

*R. Gupta* *Rajendra Singh*



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**FC/39/09**

**Any other item with permission of chair**

Following matters were discussed:

- (a) **Additional residential requirement for students - One Boys Hostel approx. 300 rooms.**

The FC agreed in principle with an approx. outlay of Rs. 40.00 crore.

- (b) **Under pass for connectivity between Pocket A and Pocket B.**

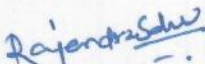
The FC agreed in principle with an approx. outlay of Rs. 3.00 crore.

- (c) **Recovery of amount from Mr. R P Dwivedi on account of wrong pay fixation at the time of joining for the post of Registrar at ABV-IIITM, Gwalior**

Recovery may be made as per rules and accountability may be fixed for such anomaly.

- (d) **Case of Mr. D K Dwivedi regarding anomaly in Grade Pay.**

To be recovered as per rules. However the amount of Leave Encashment, Gratuity and Last Month Salary should be adjusted against the recovery and balance should be paid immediately as full and final settlement.

  
Director

  
Registrar In charge

  
Chairman BoG



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## Atal Bihari Vajpayee-Indian Institute of Information Technology & Management, Gwalior

### Annexure - I

Compliance Report of the Separate Audit Report on the accounts of Atal Bihari Vajpayee-Indian Institute of Information Technology & Management, Gwalior for the year 2019-20 received vide letter no. No.CEA-I/AMG-II/SAR-17/ABVIIIITM,G/2019-20/D - 221 dated 15/03/2021

Para No. of SAR and Observation made by C&AG Audit	Compliance by the Institute
<p><b>A.1.1 Current Liabilities and Provisions (Schedule-3) – ₹ 22.89 crore :</b> As per Income and Expenditure Account during the year an amount of ₹ 34.34 crore was received as recurring grant-in-aid and against this there was revenue expenditure of ₹ 32.46 crore (excluding depreciation). Thus, ₹ 1.88 crore (₹ 34.34 crore - ₹ 32.46 crore) was to be considered as unutilized recurring grants during the financial year 2019-20. However, in schedule-10 unutilized grant (OH-31 and OH-36) carried forward to next year is shown as 'NIL'. This resulted in understatement of Liabilities and overstatement of Corpus/Capital fund by ₹ 1.88 crore.</p>	<p>The compliance of Audit Para has been made while preparing the Annual Accounts for the FY 2020-21.</p>
<p><b>A.1.2 Earmarked funds (Schedule-2) pertaining to Depreciation Replacement and Development Fund amounting to ₹ 117.46 crore was represented by ₹ 79.84 crore on the Assets side resulting in shortfall of application of funds by ₹ 37.62 crore (₹ 117.46 crore - ₹ 79.84 crore). This was also pointed out on SAR (2016-17). Despite after laps of three years the above shortfall has not been resolved by the Management, this indicates to internal control failure of the Institute.</b></p>	<p>The matter is under process and necessary action will be taken as per rules.</p>
<p><b>A.2.1 Loans, Advances and Deposits (Schedule-8) – ₹ 21.10 crore.</b> This includes ₹ 1.84 crore being debit balance of project accounts (Schedule-3 a(ii)). This resulted in overstatement of Loans, Advances and Deposits by ₹ 1.84 crore and understatement of Current Assets by the same amount. Further, as per Receipts and Payments Account, closing balance of sponsored projects is ₹ 2.25 crore while same is depicted by ₹ 0.42 crore in Current Assets. Difference of ₹ 1.83 crore needs to be reconciled.</p>	<p>The compliance of Audit Para has been made while preparing the Annual Accounts for the FY 2020-21.</p>
<p>Significant Accounting Policy (SAP) no. 4.4 states that fixed assets are valued at cost less accumulated depreciation whereas gross value of fixed assets has been shown in balance sheet. As such depiction of fixed assets in the balance sheet is not as per SAP of the Institute which needs correction.</p>	<p>The matter is under process and necessary action will be taken as per rules.</p>
<p><b>B. General</b> 1. Interest earned on grants-in-aid during the year is ₹ 63.19 lakh to be returned to Ministry as per GFR 2017 provision but the same has not been done. 2. There is difference of ₹ 9.83 lakh in opening balance of sponsored projects (Schedule-3a (ii)) and closing balance of previous year needs to be reconciled.</p>	<p>The reconciliation and compliance of Audit Para has been made while preparing the Annual Accounts for the FY 2020-21.</p>



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### Compliance Report on the Annexure:

Para No. of SAR and Observation made by C&AG Audit	Compliance by the Institute
<b>2. Adequacy of Internal Control System:</b>	
(i) Compliance of 72 paras of Compliance Audit were pending since 1999.	The Replies of all the Audit Para will be submitted shortly and settled accordingly.
(ii) Fixed Assets register has not been produced only blank proforma of stock purchase register was provided.	Fixed asset register is on records however the same is to be updated
(iii) There was unreconciled items as reported in the SAR.	The items have been reconciled.
(iv) There was incorrect accounting and classification as reported in the SAR.	The correct accounting and classification have been made in the account for the FY 2021-21.
<b>3. System of Physical verification of fixed assets:</b> Physical Verification of Fixed Assets has not been conducted since 2008-09.	Physical Verification of Fixed Assets will be made shortly.
<b>4. System of Physical verification of Inventories:</b> Physical Verification of Inventories has not been conducted during the year.	There is no inventory in the books of accounts hence physical verification does not arise.

### Compliance Report on the Management Letter:

Para No. of SAR and Observation made by C&AG Audit	Compliance by the Institute
1. Utilized capital grant (shown in Schedule-10 & Schedule-3) ₹ 6,99,35,854 and as per audit an amount of ₹ 4,09,68,123 has been utilized on capital head. Difference of ₹ 2,89,67,731 to be reconciled.	The compliance of Audit Para has been made while preparing the Annual Accounts for the FY 2020-21.
2. Academic receipts (as per receipt and payment account) during the year is ₹ 15.68 crore while receivables and payables of academic receipts for the year and for previous year was nil. Therefore, academic receipts (Schedule-9) of ₹ 12.38 crore shown in I&E Account, needs to be reconciled.	The reconciliation of Academic Receipts has been done.
3. There is difference of ₹ 6.02 lakh between fixed assets addition during the year (Schedule-4) and extent utilized for Capital Expenditure (Schedule-I) needs to be reconciled.	The reconciliation of difference between fixed assets addition during the year has been done and compliance has been made while preparing the Annual Accounts for the FY 2020-21.
4. The Institute is eligible for income tax exemption under section 10 (23 C) (iiiab), even though TDS has been deducting since long time by the related banks/parties and as a result huge amount ₹ 1.31 crore laid idle to IT Department is a matter of concern which the management need to be taken into account and efforts/ right course of action for its solution should be taken.	The process for obtaining the income tax exemption certificate is in process.