GOVERNMENT COLLEGE OF ENGINEERING, KARAD
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MINUTES OF 16th FINANCE COMMITTE MEETING HELD ON 19th DECEMBER 2020

The 16th meeting of Finance Committee was held on 19/12/2020 at 11.00 am in Meeting Hall Government College of Engineering, Karad. Following Members were present for the meeting:

1	Chairman	Prof. A. T. Pise, Principal, GCE Karad	Karad
2	Invitee Member	Mr Shahajirao Jagdale (Ex BoM Member)	Karad
3	Invitee Member	Prof. P. M. Khodke (CPA, NPIU Delhi)	Through VC Delhi
4	Member	CA R. G. Tanksale	Karad
5	Member	CA Shirish Godbole	Karad
6	Invitee Member	Dr. D.R. Nandanwar (Jt. Director R.O. Pune)	Through VC Pune
7	Member	Dr. R. K. Shrivastav	Karad
8	Member Secretary	Dr. S. J. Wagh	Through VC
9	Statutory Auditor	CA Madhav Pol	Karad
10	Internal Auditor	CA Kuldeep Joshi	Karad

Hon. Chairman Prof. (Dr) A. T. Pise welcomed all members. Hon. Chairman gave his opening remarks and explained the purpose of holding the meeting and highlights. With the permission of House, Hon. Chairman started with the agenda. The minutes of the meeting are as following:

Item No.16.1

To confirm the minutes of 15th Finance Committee meeting held on 29.08.2020

The house confirmed the minutes of 15th Finance Committee meeting held on 29.08.2020.

Item No.16.2

To report actions taken on the minutes of 15th Finance Committee meeting held on 29.08.2020

Member Secretary presented action taken report to the house.

- While discussing student fees Prof. Pise informed the house that, some of the student of Civil showing inability in depositing college fees. Head of respective department has conducted several meetings with students. Also, several representatives of student association pleaded to grant relaxation, same has been forwarded to DTE. Amidst the pandemic situation government has instructed not to terminate service of casual or contractual worker, also fixed expenses that stay the same regardless of activity viz. electricity, gardening, security expenses etc. need to be paid. To absorb the cost of fixed & revenue expenditures, institute fees shall be collected, considering pandemic situation institute has already granted multiple instalments as a relaxation. Also, government is not giving non salary grant

While discussing scholarship fees receivable, Prof. Pise queried accounting treatment of fees receivable in context of fees booked as income but still lying as receivable over the years. Upon which house guided that, "Accounting shall be done on mercantile basis only."

- While discussing on 80G registrations, CA Godbole informed the house that CBDT has extended or deferred the implementation of the new procedure for approval/ registration of certain entities u/s 10(23C), 12AA & 80G of the Income Tax Act, 1961. House advised to complete registration procedure before due date.

In context of 80G & donations, CA Tanksale advised to prepare detailed CSR proposal of institute. He enlightened the house that, CSR helps an institution build a reputation in different ways; it helps and improves the acceptability of the institute among the local communities. In addition, Hon Mr. Jagdale advised CSR appeal shall be made to large corporates to widen the doors of CSR funds.

Also for construction of SC ST hostel funded by AICTE & institute, in this regard institute has informed to government that some funds are collected from alumni, CSR and various agencies. In context of this 80G registration must be obtained immediately.

With the above suggestions, house approved the action taken report.

Item No.16.3

To discuss and recommend Internal Audit Report for financial year 2019-20 to BoM

Prof. Pise invited internal auditor to present internal audit report.

Due to non-existence of BoM, with detailed discussion on financial aspects house approved internal audit report for financial year 2019-20.

Item No. 16.4

To discuss and recommend a draft Statutory Audit Report For financial year 2019-20 to BoM

Prof. Pise invited statutory auditor to present internal audit report.

CA Pol briefly informed the house about financial stats of institute, he shown satisfaction over financial performance of institute during FY 2019-20.
During protracted discussion on financials, some highlighting suggestions were as under.

- Electronically submitted form 10 state the purpose for which the income is holding accumulated or set apart and the period for which the income is to be managed or set apart. In which shall no case surpass more than five years.
- Accumulation of Income made during FY 2017-18 of Rs 2.75 Crores need to be utilized on or before 31-03-2023.
- CA Pol advised switching/alteration of purpose clause of accumulation set apart during FY 2017-18 i.e. Rs 2.75 crores for Hostel Building.
- During prolonged discussion on accumulation, CA Tanksale queried whether switching/alteration of purpose clause of accumulation is practicable? Whereon CA Pol informed, pandemic situation is justifiable ground to substantiate such switching/alteration/modification of purpose clause of accumulation.
- Hon Mr. Jagdale suggested draft proposal for switching/alteration/modification of purpose clause of accumulation shall be made while making subsequent budget.
- Prof. Pise well informed the house that, expected cost of Hostel building is Rs 9 Crores. But house shown concern that application of accumulated funds set apart is time bound. Whereon Hon Mr Jagdale advised detailed progress report of construction shall be made.
- House advised application of accumulated funds towards building construction, shall be made by liquidating earmarked funds.
- CA Pol advised fixed deposits of earmarked funds shall be made of Rs 10 lakhs for conveniently applying it to utilization of accumulated funds. In context of this, existing fixed deposits shall be split accordingly.
- House given well intended advice that list of earmarked fixed deposit shall be presented in next meeting.
- Prof. Pise informed the house, institute has spent nearly Rs 1 crore on construction of other building, for which accumulation fund has been set apart during FY 2018-19. In context of which, CA Joshi advised construction expenditure shall be made strictly by liquidating ear marked fixed deposits.
- House unanimously resolved that, "Hitherto expenditure booked on construction of other building, which required to be absorbed by liquidating ear marked fixed deposits. House hereby directs to appropriate previously booked construction cost towards ear marked fund set apart."

- CA Pol advised; ear marked fixed deposits kept for other building & furniture should be liquidated, and appropriate the same towards construction & furniture cost incurred during year. After absorption of existing expenditure on building & furniture, remaining fund shall be deposited for short term in multiple of Rs 10 Lakhs for utilization conveyance.

With above prolonged discussion house discussed & recommended statutory audit report for FY 2019-20.

Item No.16.5

To discuss and recommend about taxes on surplus amount

For financial year 2019-20 to BoM

During prolonged discussion on statutory audit report, house also discussed applicability of exemption under section 10 & 11 of Income Tax Act 1961.

CA Pol enlightened the house that, any income received by any university or educational institution existing solely for purpose of education and is financed by Govt. is fully exempt from tax u/s 10(23C)(iiiab). He further added institute is substantially financed by state government hence exempted from payment of income tax under section 10(23C) sub clause iii(ab) of Income Tax Act.

After discussing feasibility of exemptions under Section 10 & 11, house unanimously resolved to opt for exemption under section 10(23C) sub clause iii(ab) of Income Tax Act.

Item No. 16.6

To note and recommend Audit Report of TEQIP-III

For financial year 2019-20 to BoM

Prof. Pise invited TEQIP auditor to present statutory audit report.

After brief discussion on audit report, house recommended audit report of TEQIP-III for FY 2019-20.

Item No. 16.7

To note and approve the pending TEQIP-III Bills

Prof. Pise informed the house that, institute has not received funds from NPIU under TEQIP-III during last 3months, institute has received bills amount to Rs. 13,66,250/- and paid the said amount due to urgency of Vendors, Students, Faculties. Due to delay in funding TEQIP activities are continued but funds are given from institute, Rs.5,00,000/- bills in process under TEQIP-III during last 3months.

Considering need of an hour & discussing accounting treatment for the same, house approved pending TEQIP-III bills.

Item No. 16.8

To grant approval for PF and ESI contribution of Contract Employees

Prof. Pise informed the house, how implementation of revised rule will affect net inflow in the hands of employees due to deduction on entire amount, though it will generate future benefits for them. He further added different salary scales will affect nearly from Rs.667-Rs.1350 on monthly basis. In short, revised rule will increase future benefits but will affect current cash inflow of employees.

CA Godbole suggested to implement revised rules of PF and ESI contribution with prospective effect.

House discussed & approved implementation of revised rules of PF and ESI contribution with prospective effect.

Item No. 16.9

To grant approval for Non-potable water lifting from Khodshi Weir "Non-potable water lifting from Khodshi Weir" at GCE, Karad.

Prof. Pise informed the house that, to overcome scarcity of water for non-drinking purposes like gardening, domestic use, etc. proposal has been made for lifting of non-

potable water from Khodshi Weir and has been submitted to Tembhu Lift Irrigation dept. He further said actual demand of water is 2,83,284 litres/day for total 1700 students and faculty including residential and non-residential. As per Irrigation dept. Khodshi Weir does not have provision of Lifting Non-Irrigation water. Hence, for lifting non-irrigation water department charges Rs. 1 lakh per hector as restoration cost. Water irrigation department has estimated nearly Rs 18.07 lakhs as restoration cost for said cause. Amidst pandemic to minimize the cost, institute has reduced water demand to 89,376 litre/day for total 1064 residential including students and faculty and proposal has been newly submitted to the irrigation department and for this demand Irrigation department has calculated Rs. 5.70 lakhs as restoration cost.

Same proposal submitted to Maharashra Krishna Khore Vikas Mahamandal, Pune. Department has queried said proposal. As per government resolution 11, restoration cost of said proposal is 2.03 lakhs per hectare. Applicability of said resolution will result in restoration cost of Rs 11.57 lakhs with condition that 30% water shall be reused.

House discussed and approved proposal for non-potable water lifting from Khodshi Weir along with restoration cost of 11.57 lakhs.

Item No. 16.10

To discuss and approve write-off proposal of furniture and equipment

Prof. Pise enlightened the house about government resolution regarding write off of old and obsolete furniture & equipment. He presented detailed list of old and obsolete furniture & equipment of various departments & hostel for perusal. After prolonged discussion house approved write off proposals as per directives of government & given permission for auction of the same. Due to nonexistence of BoM, write off proposal kept in FC for final approval.

House discussed and approved write-off proposal of furniture & equipment.

Item No. 16.11

To note and overview compliance of Audit remarks of Store

House noted and overviewed compliance submitted by institute against audit remarks raised in store audit.

Item No. 16.12

To discuss and approve renewal subscription of E-Journals

Prof. Pise informed the house that institutes renewal of E-Journals subscriptions is due for the period of Jan-Dec 2021. Considering proposed autonomous renewal, NBA accreditation and University affiliation renewal of subscription is essential. Mr. Jagdale sir asked about volume of reimbursement, whereon Prof. Pise told quantum of reimbursed subscription. Mr. Jagdale sir advised preparation of bifurcated data of IEEE papers highlighting usages by student and professors. Whereon Prof. Pise shown him said bifurcated data, upon which House offered satisfactory remarks.

House discussed & granted approval for renewal of subscriptions for 2021.

Item No. 16.13

To note and approve the MIS AMC expenditure

As per the renewal of MIS contract & supplier's modified AMC on August 31, and discussion in the meeting, regarding one manpower on site & online meetings institute has selected option of "Manpower service support of 50% head office & remaining 50% remuneration to the services of manpower appointed by institute." Accordingly, institute IT cell has recommended Mr. Salman Kagadi with remuneration of Rs 20000/- per month.

Prof. Pise informed the house that institute has taken services of the Mr.Salman Kagadi as an assistance liasoning officer between MIS and institute. Prof. Khodke advised to check integrity of person so appointed. In view of that written understanding from

person so appointed shall be taken, and person so appointed shall be abided by written terms & conditions.

With above discussion house noted & approved MIS AMC expenditure with approval of remuneration of Mr. Salman Kagadi.

Item No. 16.14

To note and approve the rates of Services and Purchase of items required frequently

Prof Pise informed the house, institute requires some items and services which rates are not varied from time to time and these are required frequently as per the need of institute departments, hostels, garden, different activities and students' projects. He further added that feedback from the mentors & performance auditor of TEQIP showing serious concern over time in between lunch and dinner in concern with growing age of students. They suggested breakfast shall be kept in morning and lunch shall kept accordingly. In view of that Head of departments unanimously agreed to change the timing of timetable. During joint meeting of mess contractor, warden and rectors' rates of breakfast & menu has finalized.

Also, mess contracts of existing mess owners continued after getting satisfactory feedback from students & without increasing existing rates per student.

With prolonged discussion house noted & approved the rates of services and purchase of items required frequently and continuation of mess contracts with breakfast.

Item No. 16.15

To note and approve acceptance of Student PhD fee

Prof. Pise informed the house that students other than approved research center of GCEK, want to use the facilities and his guide from GCEK. For conveyance of those student's institute has adopted policy of taking 50% fee of the same program to institute

and follow the rules and regulation of institute. Also, those students are interested to take this institute as research center, same fee will be applicable for guide from the institute or outside.

House discussed & approved policy of accepting student Phd in such exceptional cases.

Item No. 16.16

To note and overview current year receipts & receivables

House noted & discussed current year receipts and receivables of institute.

Item No. 16.17

To note and overview TEQIP-III Action Plan

Prof. Pise presented TEQIP-III action plan as required by TEQIP for additional assistance.

House noted and overviewed TEQIP-III action plan.

Item No. 16.18

To discuss any other item with the permission of chair

- Prof. Pise informed the house that, institute has kept alumni record separately also alumni independent PAN under income tax. House advised that in legal terms having different PAN alumni is separate legal entity. Alumni record need not be consolidated in annual accounts of institute. Alumni record shall be finalized considering previously filed data, without merging it with accounts of institute.
- In context of reuse of 30% water out of uplifted from Khodshi weir, institute has proposed 3 STP's having location at G,H & J quarter, near to Gymkhana/Mechanical department, back side of D hostel to overcome acute shortage of water and as per government guidelines. House unanimously

approved implementation of water recycling/reuse project. In context if this house delegated powers to Principal & EMF committee for execution of the same and actual expenditures shall be kept in next meeting of finance.

- Committee has inaugurated sewage treatment plant, visited garden in front of D hostel for boys and garden of G, H & J block for girls. Committee has expressed satisfaction over work of Environmental Measure Framework (EMF) committee. In addition to this committee suggested to dispose of waste outside hostel surroundings and beautification of surrounded area of hostels. In context of this house has delegated powers to Principal for approval of the same and actual expenditures shall kept in next meeting of finance.
- NBA team for UG program is likely to visit on February 2nd/3rd week and PG program is in April while for extension of autonomy committee is likely to be visited in March/April 2021. In view of this incidental expenditures viz. refurbishment, maintenance, overhauling of equipment, renovations, common amenities, campus upliftment need to be done. In context of this house has delegated powers to Principal for approval of the same and actual expenditures shall kept in next meeting of finance.
- Legal advisor has given opinion regarding services of outsourced employees from contractor, shall be given minimum 15 days termination to avoid legal complications.
- In context of reuse of 30% water out of uplifted from Khodshi weir, institute has proposed 3 STP's having location at G,H & J quarter, near to Gymkhana/Mechanical department, back side of D hostel.

Member Secretary **Chairman**

Finance Committee,
Government College of Engineering, Karad