

18th July, 2013

Minutes of the 26th Meeting of the Governing Board, INFLIBNET Centre
Tuesday, 9th July, 2013 at UGC Main Office, New Delhi

Chairman

Prof. N Mukunda Chairman, Governing Board, INFLIBNET Centre

Members

Prof. R K Kale Vice-Chancellor, Central University of Gujarat
Prof. Jai Rup Singh Vice-Chancellor, Central Uni. of Punjab, Bathinda
Prof. Ajit Kembhavi Director, IUCAA, Pune
Dr. Kuncheria P Issac Member Secretary, AICTE, New Delhi
Dr. Jagdish Arora Director, INFLIBNET centre & Member Secretary

Invitees

Dr. (Mrs.) Renu Batra Jt. Secretary (IUC), UGC, New Delhi
Dr. Upamanyu Basu Financial Advisor, UGC, New Delhi
Dr. (Mrs.) S B Gupta Under Secretary, UGC, New Delhi
Mrs. Gurjeet Kaur Section Officer, UGC, New Delhi

Dr. Akhilesh Gupta, Secretary, UGC, Dr. Adesh Pal, Vice-Chancellor, Gujarat University, Ahmadabad, Dr. Rajan M Welukar, Vice-Chancellor, University of Bombay and Dr. R K Chadha, Additional Secretary, Lok Sabha, New Delhi could not attend the meeting because of prior commitments.

1. Confirmation of the Minutes of the 25th Meeting of the Governing Board held on Saturday, 13th April, 2013 at INFLIBNET Centre, Gandhinagar

The Minutes of the 25th Meeting of the Governing Board of the INFLIBNET Centre held on 13th April, 2013 at INFLIBNET Centre, Gandhinagar were confirmed as circulated, since no comments were received from the members.

2. Report on Action Taken and Progress Made since 25th Meeting of the Governing Board held on 13th April, 2013 at INFLIBNET Centre, Gandhinagar

Dr. Jagdish Arora presented the following brief report on action taken on the decisions made during 25th Meeting of the Governing Board.

2.1. Minutes of the 25th Meeting of the Governing Board and 19th Meeting of the Finance Committee were circulated to the members. No comments were received from members.

2.2. Guidelines for operation of R & D Unit at INFLIBNET Centre and incentives to be given to the scientists for research projects and consultancies are being implemented.

- 2.3. The decision on enhancing salary to the contractual staff of the Centre was implemented w.e.f. May 2013.
- 2.4. The additional contractual manpower for maintenance and servicing of the new Institute Building are being appointed.
- 2.5. The proposal for allowing retirement benefits to the Director, INFLIBNET Centre requires additions / amendments in the Bye-Laws of the INFLIBNET Centre. As such, this item is being put up for the approval in the 13th Meeting of the Governing Council being held on 9th July, 2013 at UGC Main Office for approval. Approval of the UGC will also be sought in this regard.
- 2.6. An amount of Rs. 3,89,347.00 on account of writing-off of fans, light fittings and fixtures gifted to the Gujarat University and to the Gujarat Educational Society is being adjusted in the institute accounts.
- 2.7. A request has been sent to the UGC to allow the Centre to recruit 4 SOUL Coordinators and 8 Technical Assistants using the revenue generated by the INFLIBNET Centre on sale and maintenance of SOUL Software.
- 2.8. The Centre has initiated action for hiring of a separate vehicle for SOUL Support and Maintenance Unit of the INFLIBNET Centre.
- 2.9. The new GPF Rules of the Centre based on Central Government GPF Rules have been conveyed to the UGC as required.
3. **Deduction of TDS from subscription Amount paid to the Publishers: Show Cause Notice issued by the Income tax Department, International Taxation Wing, Ahmadabad: Approval of Reply to the Show Cause Notice**

Dr. Arora briefed the members about show-cause notice issued by the International Taxation Wing of the Income Tax Department and opinion of renowned Shri D.P. Mittal, senior advocate and taxation expert obtained by the INFLIBNET Centre. The members considered the opinion expressed by the senior advocate who categorically maintained that subscription e-books and e-journals cannot be treated as royalty. Members noted that the INFLIBNET Centre, through UGC-INFONET Digital Library Consortium and NLIST programme, subscribes to e-journals and e-books through 29 publishers. These publishers have their headquarters in one of the five countries namely USA, UK, Germany, the Netherlands and Thailand, all the five countries are signatory to the Double Taxation Avoidance Agreement (DTAA) with India. Subscription to e-journals and e-books is not considered as royalty under the treaty. Since international treaty prevails upon domestic law in case of conflict, the sale of journals and books would be treated as business income of foreign publishers and would not be taxable in India especially in absence of business connection or permanent establishment in India. Sh. Mittal also opined that retrospective operations cannot be implemented in case of substantive provisions. It can only be implemented in case of procedural provisions.

Members also noted that there are 5 other Govt.-funded consortium and none of them have deducted TDS from the remittances made by them to the foreign publishers for subscription to e-journals. Dr. Arora also mentioned that the INFLIBNET Centre did not deduct TDS on payments made to the foreign publishers for subscription to e-resources on the advice of

taxation experts in Ahmadabad as well as auditors of the Centre. Members also noted that the Centre, on the basis of recommendation made by the National Steering Committee of the UGC-INFONET Digital Library Consortium, in its 7th Meeting held on 24th June, 2013 is in the process of obtaining opinion of one more taxation consultants of international repute, i.e. either KPMG or Ernst and Young. It was agreed that the Centre may also obtain expert advice on applicability of service tax on subscription to e-journals and e-books.

After detailed discussions and deliberations, the Committee authorized Prof. Ajit Kembhavi, Chairman, NSC and Prof. N. Mukunda to approve submission of reply to the taxation authority based on two opinions.

4. Approval of Rates of Negotiations for Subscription to E-resources for the UGC-Infonet Digital Library Consortium for the years 2013-2017

The rates negotiated by the Negotiation Committee of the UGC-Infonet Digital Library Consortium for the years 2013-2017 were approved by the Governing Board on recommendations of the National Steering Committee in its Meeting held on 24th June, 2013. The members noted that the annual increase in rates of subscription were restricted to 2 to 5% in most of the cases.

5. Approval of Additional Contractual Staff for Administrative Works

The Governing Board approved two additional administrative staff for making Assets Register as per the observations made by the audit team from Comptroller of Auditor General in its last audit conducted in the previous financial year.

6. Continuation of Contractual Positions of Project Officers Sanctioned during XI Plan Period

The Governing Board recommended that the INFLIBNET Centre may be allowed to continue to appoint four project officers sanctioned during the XI Plan Period. However, it was recommended that specific approval of the UGC may be obtained in this regard.

Approval of the Minutes of the Meeting of the 19th Meeting of the Building Committee held on 17th April, 2013 at INFLIBNET Centre, Gandhinagar

The Governing Board opined that the Minutes of the Building Committee should first be taken to the Finance Committee to consider financial implications and once the Finance Committee recommends the Minutes of the Building Committee, it may be placed before the Governing Board for approval.

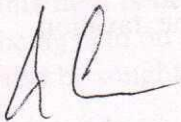
8. Extension of the Term of Account Consultant

After brief discussions and deliberations, the Governing Board approved extension of services of Account Consultant for one year on monthly payment of ₹45,000/-.

9. Enhancement of the Remuneration of the PS to the Director

The Governing Board approved revision in remuneration payable to the P.S. to Director from ₹32,000/- to ₹37,000/- per month. The Committee felt that the position should be available to the INFLIBNET Centre on permanent basis rather than on contract.

The Meeting ended with a vote of thanks to the Chair.



Prof. N. Mukunda
Chairman, Governing Board



(Jagdish Arora)
Director, INFLIBNET Centre

