

**राष्ट्रीय प्रौद्योगिकीसंस्थानमिजोरम**  
**NATIONAL INSTITUTE OF TECHNOLOGY MIZORAM**  
 (An Institute of National Importance under Ministry of Education, Govt. of India)  
 CHALTLANG, AIZAWL, MIZORAM – 796012

**MINUTES OF THE 20<sup>TH</sup> MEETING OF BOARD OF GOVERNORS BY  
 CIRCULATION DATED 12.08.2020 & 19.08.2020**

<b>BOG 20.1</b>	<p><b>PROPOSAL FOR APPROVAL OF THE ANNUAL ACCOUNTS FOR THE YEAR 2019-20 FOR REGULAR AUDIT</b></p> <p><b>Background:</b>          As per the time frame for submission of Annual Report and Audited Accounts issued by the Ministry, the Institute has to submit the approved Annual Accounts to PAG Mizoram by 30th June. The Institute was determined to abide by the time frame but for COVID-19 pandemic lockdown, the process was delayed. The Annual Accounts of the Institute for the year 2019-20 is ready for submission to the PAG for regular audit in fulfilment of Clause 22 (2) of the NITSER Act, 2007.</p> <p>Proposal is hereby placed before the BoG for approval of the Annual Accounts for 2019-20 for regular audit of the PAG Mizoram. Copy of the Annual Accounts is placed at <b>Annexure-I</b></p>
	<p><b>Comment received from IFD Wing of the Ministry of Education:</b>          The Dy.Secretary (IFD) requested furnishing of reply on the following points to examine the matter further:</p> <p>(i) Under Schedule 17, the administrative and general expenses have increased by about 48% over last year from Rs. 4.23 crore to Rs. 6.25 crore. What is the justification for such a large increase in the administrative and general expenses of the Institute? And</p> <p>(ii) Under Schedule 18, an expenditure of Rs. 8.78 lakhs has been met on a new item of hiring vehicle (taxi) while no such expenditure had been met during the last year. What is the justification for this new item of expenditure?</p> <p>Justification and clarification was furnished to the IFD Wing vide No.NITMZ/G-1/2/2015/696 dated 20.08.2020. A copy of which is <u>enclosed</u> with this meeting minutes.</p> <p>With the clarification furnished, the JS&amp;FA, Ministry of Education conveyed her approval to the Annual Accounts 2019-20 on 26.08.2020</p>

	26.08.2020
	<b>Decision of the BoG</b> <b>All the members conveyed their approval of the Annual Accounts of NIT Mizoram for the year 2019-20 for regular audit of the PAG Mizoram.</b>
<b>BOG 20.2</b>	<b>Payment of GST liability on rent for hired buildings under NIT Mizoram w.e.f 01.07.2017 i.e since the implementation of GST till date</b>
	<p><b>Background:</b> Since the establishment of the NIT Mizoram, the Institution has been functioning from its temporary campus in Aizawl, Mizoram. 16 (sixteen) privately owned buildings have been hired on payment of rent for the different requirements of the Institution, i.e. Administrative, Academic, Central Library and Halls of Residences. Till date, 14(fourteen) buildings are currently hired on rental basis within the projected budget of Rs 3,67,70,000.00 with an annual 5% escalation during the year.</p> <p>These privately owned buildings are occupied by the NIT Mizoram by entering into Lease Agreements with the Lessors and after due procedures are fulfilled, i.e. assessments of buildings, rates examined &amp; recommended by the Building Hiring Committee and duly approved by the Building &amp; Works Committee &amp; Finance Committee.</p> <p>Every Lease Agreement entered by the NIT Mizoram with every individual Lessor has mutually been agreed upon by both parties, in that, taxes, levies, cessetc shall be paid by the Lessor, wherein Clause 9 of the Lease Agreement maybe referred, <b><i>“The Lessor has agreed to pay all present and future property taxes, levies, taxes, cessetc to the concerned authorities to ensure peaceful enjoyment of the premises by the Lessee”</i></b>, copy is enclosed at <b>Annexure - I of BOG 19.5</b></p> <p>As such, the NIT Mizoram has been under the presumption that all tax related issues/payments would have been settled by the Lessors. It has also transpired that neither the Institute/Lessee nor the Lessors had inadvertently been ignorant on the payment of taxes/GST and action had not been taken. As such, the payment of taxes during the pre-GST and GST periods were not recognized by both parties, i.e. the Lessor nor Lessee.</p> <p>As on 19.11.2019 and 11.12.2019, the NIT Mizoram was informed</p>



Finance, Department of Revenue, that the renting of immovable property is taxable under GST law, copy is enclosed at **Annexure - II & Annexure - III of BOG 19.5**. As per the GST Act, 2017, renting of an immovable property, being an indirect tax, the liability for payment of GST is to be borne by the receiver of the service/goods. i.e. NIT Mizoram.

Though Clause 9 of the Lease Agreement is the standing agreement between the Lessors and the Lessee i.e. NIT Mizoram on the issues related to payment of taxes and that the Lessors are bound to pay the concerned taxes, it may no longer hold ground as the GST mandate indicates that the NIT Mizoram is required to pay the GST @ 18% w.e.f. July 2017, [since the GST Act, 2017 came into force] being the consumer of the services/receiver of services.

It may also be added that the NIT Mizoram has had a series of discussions with the Lessors based on their representations; copies are enclosed at **Annexure - IV of BOG 19.5**. and through the discussions, it has transpired that the Lessors are not willing to pay the GST liabilities based on the Lease Agreement and poised for filing litigation cases against the Institution, if, the contents GST Act 2017 are not acted upon. Although the Principle of Estoppel is liable to prevent the Lessors from bringing a particular claim other than what was agreed upon in the Lease Agreement, the payment of GST may be obligatory on the Lessee's part, as defined in the GST Act 2017.

Legal advisory has also made it clear that GST on Rent is payable by the NIT Mizoram as *"although Agreement has been made between the Institute and the building owner wherein it was stated that the owner would be liable to make payment towards property taxes etc, it would be pertinent to note that the GST after coming into force has required tenants to be liable for payment towards GST at the rate specified"*, copy is enclosed at **Annexure - V of BOG 19.5**.

Given the afore said GST rule position and legal advisory, the NIT Mizoram may be required to act in conformity to the mandate of the GST Act, 2017 and payment of GST @ 18% for those leases crossing the threshold limit of Rs.10.00 Lakhs per annum w.e.f. July, 2017, till date [ceiling of taxable amount for supply of service under GST is Rs. 10.00 lakhs in Mizoram as the state comes under special category] The NIT Mizoram is also required to deduct 2% [1% CGST & 1% SGST] of the applicable GST paid to the supplier of the service i.e. the Lessor and to file the TDS Returns in Form GSTR-7. Therefore, GST

arrears accrued w.e.f. July, 2017 till August, 2020, along with interests, may be required to be paid at the earliest time frame.

Given that the GST Act, 2017 and its application as 'receiver of services' is binding on the NIT Mizoram and due to the urgency for payment of GST and settlement of GST arrears, the Institution may project its requirements in the Revised Estimates, FY 2020-21 and the immediate requirement of Rs. 1,64,98,348.65 (Rupees One Crore Sixty Four Lakh Ninety Eight Thousand Three Hundred Forty Eight only) may be paid from the Institute funds under the Head of OH- 31. The Summary Sheet for all the Buildings on Rent Payment of GST on Rent @ 18% and the Abstract on Building-wise Rent & GST @ 18% is enclosed at **Annexure - VI (i) - (xii) of BOG 19.5.**

It may be added that the approved budget for FY 2020-21 under the Head of Accounts - Infrastructure Expenses -Building Rent amounts to Rs. 3,67,70,000.00 and the immediate requirement amounts to Rs. 4,23,69,239.98, due to the required payment of GST on Rent plus interests. Therefore, an amount of Rs. 55,99,239.98.00 (Rupees Fifty Five Lakh Ninety Nine Thousand Two Hundred Thirty Nine and Ninety Eight Paise only) is being projected as additional fund requirement for the Revised Estimates of FY 2020-21 on account of the requirement of GST payment [with interests @ 18% w.e.f. 01.01.2020 - 31.03.2021]. The Summary Sheet for Rent of all Buildings with GST @ 18% and Interest for the FY 2020-21 is at **Annexure - VII of BOG 19.5.** Abstract on Fund Requirement under the Minor Head of Building Rent may be referred at **Table-1 of BOG 19.5**

Table-I

<b>ABSTRACT OF FUND REQUIREMENT UNDER MINOR HEAD- BUILDING RENT DURING FY 2020-21</b>						
[A]	[B]	[C]	[D]	[E] = [C]+[D]	[F] = [B]+[E]	[G] = [F]- [A]
Approved BE during FY 2020-21	Total Rent payable during FY 2020-21	Total GST @ 18% during FY 2020-21	Total Interest on GST till August 2020	Total Liability on Tax during FY 2020-21	Total Approved Budget for Rent during FY 2020-21	Additional Budget required in RE 2020-21 for Rent + GST
3,67,70,000.00	3,61,96,799.00	61,31,878.56	40,562.42	61,72,440.98	4,23,69,239.98	55,99,239.98

Further, it may be indicated that the expenditures for the existing rent payable for the hired buildings by NIT Mizoram will



	<p>simultaneously be revised by accounting for the GST @ 18% as part of rent, w.e.f. September, 2020. The Lease Agreements shall also be revised by adding a fresh clause for inclusion of GST liabilities etc legally vetted and notarised.</p> <p>The matter is placed before the Finance Committee/ Board of Governors for approval.</p>
	<p><b>Decision of the BoG</b></p> <p><b>The agenda was circulated on 19.08.2020 with request to the members for comment/approval conveyed by return mail on or before 26.08.2020. In case of no comment within the time frame, the matter would be considered as approved.</b></p> <p><b>With no comment received from the members, the matter is considered as approved.</b></p>
<b>BoG 20.3</b>	<p><b>PROPOSAL FOR ADOPTION OF THE MINISTRY OF FINANCE GUIDELINES FOR PURCHASE OF COMPUTERS AND FOR APPROVAL OF THE ITEMS FOR PROCUREMENT AS PER MHRD REVISED GUIDELINES FOR UTILISATION OF CPDA</b></p>
	<p><b>Background:</b></p> <p>In connection with the utilisation of Cumulative Professional Development Allowance (CPDA), this is to place before the Board the following proposal for adoption and approval:</p> <ol style="list-style-type: none"> <li><b>1. Adoption of the Ministry of Finance, Department of Expenditure guidelines:</b> The Guidelines for purchase of laptop, tablets, notepad, ultra-book, notebook etc the cost of which shall not exceed Rs. 80,000/- as issued by the Govt. of India, Ministry of Finance, Department of Expenditure, vide OM No.08(34)/2017-E.II(A) dated 20.02.2018 and that the price ceiling of Rs. 80,000/- is exclusive of taxes vide No.08(13)/2018-E.II(A) dated 22.10.2018, copies at <b>Annexure-I &amp; II</b> may be adopted for implementation by the Institute.</li> <li><b>2. Proposal for approval of the list of additional devices:</b> As per the Ministry's letter vide No.35-5/2020-TS.III dated 27.07.2020 under sl.no 3 (iii), copy at <b>Annexure-III</b> to list out a consolidated requirement of devices with specifications and approximate cost, the Institute has taken step in this regard. In view of the teaching-learning process which has undergone change with the on-going pandemic situation and further, consequent to the decision of the</li> </ol>

	<p>12<sup>th</sup> Senate meeting held on 10.07.2020 to conduct the Odd Semester in online mode (already in session w.e.f 6<sup>th</sup> August, 2020) the Committee of Deans and HoDs have worked out the list of additional devices on which the teaching fraternity would heavily bank on for effective online teachings.</p> <p>The detailed Consolidated List recommended is therefore, placed at <b>Annexure-IV</b> for approval of the Board. The Institute will take decision case by case as per the requisition of the individual faculty from the approved list.</p> <p>Expenditure shall be made from the provision of CPDA Fund of the Institute.</p> <p>The Board may therefore, (a) adopt the Ministry of Finance Guidelines for procurement of computer and peripherals (b) approve the Consolidated list of additional devices recommended.</p>
	<p><b>Decision of the BoG</b></p> <p><b>The agenda was circulated on 19.08.2020 with request to the members for comment/approval conveyed by return mail on or before 26.08.2020. In case of no comment within the time frame, the matter would be considered as approved.</b></p> <p><b>With no comment received from the members, the matter is considered as approved.</b></p>

Approval conveyed by the BoG members over mail are maintained in the file for record

  
(DR. LALTHANCHAMI SAILO)  
Registrar cum Secretary  
NIT Mizoram