

HEMVATI NANDAN BAHUGUNA GARHWAL UNIVERSITY

Minutes of the 20th Meeting of the Finance Committee

Dated : 06th August 2022

The 20th Meeting of the Finance Committee of the University was held on 06.08.2022 through blended mode (both offline and online).

Following members were present-

1. Prof. Annpurna Nautiyal, Vice Chancellor – Chairperson
2. Prof. R.C.Bhatt, Pro-Vice Chancellor, HNBGU
3. Prof. Dinesh Kumar Nauriyal, Former VC, Kumaon University, Dept. of Humanities and Social Sciences, IIT, Roorkee, (EC Nominee)
4. Shri Mohammed Rizwan, Director (Finance), IFD, MHRD, New Delhi (Representative of JS&FA, IFD, MHRD- Visitor's Nominee)
5. Shri Praveer Saxena, Under Secretary, MoE, New Delhi (Representative of JS, MoE- Visitor's Nominee)
6. Prof. S.K.Gupta, Dean School of Management, HNBGU, (EC Nominee)
7. Dr. A. K. Mohanty, Finance Officer (officiating)- Secretary.

Dr. A. K. Khanduri, Registrar, HNBGU also attended the meeting as a special invitee. Prof. Raj Kumar, Vice-Chancellor, Panjab University, Chandigarh (EC Nominee) and Representative of UGC, New Delhi, could not attend the meeting.

At the outset, the Chairperson welcomed all the distinguished members of the Finance Committee and expressed special gratitude to the members for attending and participating in the meeting. She also said that all are looking forward for valuable suggestions and support of the committee in various affairs of the University particularly in financial matter for smooth functioning of the University.

The comments of UGC, MoE and IFD (MoE) on the agenda points received before the meeting were also taken on records.

Thereafter, the agenda items were taken up and after having extensive discussions and deliberations and also taking cognizance of the observations from MoE, IFD and UGC, the following decisions were taken:



Agenda Item No. 20-1:

Confirmation of the Minutes of 18th and 19th (Emergent) Meeting of the Finance Committee.

Draft Minutes of the 18th Meeting of Finance Committee held on **05.01.2022** were circulated to all the members through email inviting suggestions/comments on recording of the minutes. Taking into consideration the suggestions/comments of the members, the final minutes had been circulated vide letter dated 13.1.2022 through email followed by speed post. Copy of the minutes is placed at **Annexure-1** for confirmation.

Draft minutes of the 19th (Emergent) meeting of the finance committee held on **13th April 2022** were circulated to all the members. Copies of the minutes are placed at **Annexure-1A** for confirmation.

(Annexure-1 and 1A)

Resolution:

The minutes were confirmed subject to strict compliance of the relevant Statutory provisions of the University and also strict compliance of the related Govt. of India instructions and guidelines including those issued by the Central Vigilance Commission.

Agenda Item No. 20-2:

To consider and approve the "Action Taken Reports" on the decisions taken by the Finance Committee. (18th and 19th (Emergent) Meeting of the Finance Committee held on 05.01.2022 and 13th April 2022.

A brief report of Action Taken on the resolutions of the **Meetings of Finance Committee** is placed at **Annexure-2** for consideration and approval.

(Annexure-2)

Resolution:

The "Action Taken Reports" was reported and recorded subject to strict compliance of the relevant statutory provisions of the University and also strict compliance of the related Govt. of India instructions and guidelines including those issued by the Central Vigilance Commission.



Agenda Item No. 20-3:

A power point presentation to appraise the august body regarding various developmental activities of the University along with a progress of expenditure under various budget heads.

Resolution:

The power-point presentation was made. The committee while considering the progress of the completion of various building projects of the University recommended that after completion of the projects and before possession of the building a joint inspection of construction agency and University officials may be held. Further building committee members and building audit teams may also inspect the buildings. After compliance of observation (if any) as observed by the inspection teams, the buildings may be taken into possession by the University from the construction agency.

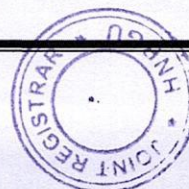
Agenda Item No. 20-4:

To consider and approve the Budget Estimates 2022-23 (Salary, Recurring and Capital Assets) of the University.

As per the direction of UGC, the University has submitted the B.E. for FY2022-23 under Salary, Recurring and Capital Assets heads to the UGC in the prescribed format with the approval of the Chairperson of the FC/EC. Summary of the BE for FY **2022-23** is as below.

B.E.2022-23(Salary, Recurring & Capital Assets)(Rs. In Lakhs)

Major Budget Heads	B.E. 2021-22	BE 2021-22 Approved by UGC	B.E 2022-23
Salary/Arrear including other related components	14378.00	10029.36	13111.39
Recurring including Merged Schemes, Pension/pension arrear, Non-NET Fellowship, Non Salary and others	6353.25	2145.00	7235.69



Capital Assets (includes Books & Journals, Equipments/Laboratory, Campus Development, Furniture & Fixture, Construction of Roads, Providing electricity/ water/ sewerage lines/ plantation, Compound wall, Major repair/renovation /up-gradation, other infrastructure)	1700.00	500.00	1700.00
Total	22431.25	12674.36	22047.08
Internal Receipt	2500.00		

Submitted before the committee for approval.(Annexure-3)

Resolution:

The committee approved the Budget Estimates 2022-23 (Salary, Recurring and Capital Assets) of the University subject to the condition that the estimates are based on a realistic assessment of requirement of funds for the University and also subject to availability of funds from Govt. of India under Salary-36, Recurring -31 and Capital Assets-35 for the financial year. Further the University should ensure that expenditure is restricted within the sanctioned budget grant and no liabilities should be allowed to accumulate. Further it was advised that every year fee should be revised to the extent of 10% considering the increase of expenditures and reduces of internal receipt.

Agenda Item No. 20-5:

To consider the MoE letter dated 07.04.2022 regarding proposal for loan to HNBGU from Higher Education Funding Agency(HEFA).

The MoE vide its letter No. 53-1/2019-CU-V Dated 07.04.2022 informed that the IFD has concurred in for the grant of Rs. 44.60 cr for funding of following three projects through HEFA. Regarding other residential facility projects it has suggested that residential projects may be taken up in a phased manner separately. The University has already applied for funding of loan to HEFA.

Proposal submitted to MoE after approval of FC	(Rupees in Cores)	Proposal Approved by MoE	(Rupees in Cores)



Boys Hostel	14.26	Approved	14.2651
Science Block	11.00	Approved	11.0202
Exam, Laboratory & Faculty Block (Multi purpose Hall)	19.3	Approved	19.3147
Residence for Faculty & NT(chauras)	17.19	To be taken up separately	-
Residences for Non Teaching (Pauri&Tehri)	6.00	To be taken up separately	-
Total Rs.	67.74		44.60

After receiving some clarification from MoE the University has submitted loan application to HEFA and it is in process.

It is proposed that we may further request to MoE for consideration of sanction of loan of Rs. 23.14 for residential projects in view of priorities and necessity felt by the University.

Submitted for consideration.(Annexure -4)

Resolution:

The committee resolved that the process for obtaining HEFA loan for the 03 approved projects to be expedited. Further the University should take up additional proposals of HEFA loan for residences of faculty and non faculty with MoE.

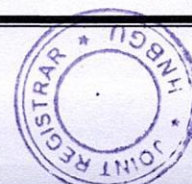
Agenda Item No. 20-6:

To consider the GPF rate of interest to the subscribers of the University for the financial year 2021-22.

On the basis of the recommendation of the GPF investment committee, the University has notified GPF interest rate of **5.96%** for the FY 2021-22 for the employees of the University, based on the interest earned by the University during the FY year 2021-22. During the FY 2020-21, rate of interest was 5.90%. As the University has started investing GPF fund in bonds, in coming years the University can minimize the differences of interest rate of GPF. Present rate of interest notified by the Govt for the FY 2021-22 is 7.1%.(Annexure -5)

Submitted for consideration and approval of the Finance committee.

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Resolution:

The committee was appraised that the University has been paying GPF Interest to the subscribers based on the interest earned by the University by investing GPF fund and not paying higher interest than the interest earned. The committee took note of it and recommended that if the interest earned by the University is less than the rate announced by Ministry of Finance the subscribers shall be paid interest at a lesser rate as per the interest earned by the University.

Agenda Item No. 20-7:

To consider to start Gratuity Insurance and Corpus for Gratuity Payment of the contractual employees of the University.

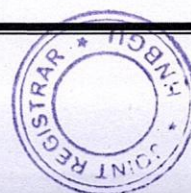
A. Before 15.1.2009, the University had engaged nearly 156 contractual employees/Daily wagers who have been working without any break covered under EPF scheme. All these employees have completed uninterrupted service of minimum five years and became eligible for Gratuity as per Gratuity Act.

As per Gratuity Act 1972, under clause 4A it is compulsory for any organization to obtain an insurance for its liability for payment towards the Gratuity from the LIC established under the Life Insurance Corporation of India Act 1965(31 of 1956) (copy enclosed). Presently these 156 employees are not covered under any Gratuity Linked Insurance Scheme. Since the UGC/MoE may not release any additional grant towards Gratuity of employees who are not appointed against any sanctioned post, it is proposed that we may consider starting Gratuity Insurance for all the contractual/Daily wage employees including employees of the self financing Departments being the principal employer. In that case, there will be no liabilities on the part of the UGC/University. **(Annexure 6A)**

Submitted for consideration.

B. In this regard it is also to submit that, the University has sought a proposal through LIC about the monthly premium rate and one time initial contribution as the responsibilities of LIC will be on past years of service. An estimate of LIC along with scheme of Gratuity is enclosed. As per estimate monthly contribution will be Rs. 22.02 lacs and past service benefit cost will be Rs. 402.43 lacs.

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As it is mandatory to comply the Gratuity Act and there will be no grant from UGC and MoE in this regard, it is proposed that the University may create a corpus towards payment of Gratuity to the eligible employee from the internal receipt of the University. The self finance deptts will also create their corpus separately towards payment of gratuity from their share of 40% earning.

Submitted for consideration.(Annexure -6B)

Resolution:

The committee was of the opinion that the payment of Gratuity to the contractual employees of the University has wider implications. For regularization of the above contractual/Daily wage employees as one time measure the University should constitute a committee with external members to go through all the pros and cons on engagement, continuation vis a vis provision of regularization as per various supreme court judgements . The committee may be given a mandate to come out with comprehensive solution as one time measure considering the facts that many of the employees have already working uninterruptedly for more than 20 years. Recommendations of the committee to be submitted to UGC.

Agenda Item No. 20-8:

To consider the payment of Gratuity to Prof. S. P. Kala, Ex-Professor, Deptt of MBA (Self-finance) from the self finance fund of the Department.

1. Prof. S.P.Kala joined as Professor against the post sanctioned by the Govt. of UP vide GO NO. 943 dated 20.3.1997. Vide above said GO the post was created post under self finance scheme.
2. Prof. Kala joined in the Department on 8th June 1998.
3. On completion of his 60 years age Prof. Kala superannuated on 30th June 2011 after uninterrupted service of 13 years.
4. Prof. Kala was under EPF Scheme-1952.
5. Prof. Kala has received all the benefit under the EPF scheme as applicable as per EPF rules.
6. In the year 2003 the State Govt vide office order dated 15.10.2003 clarified that the teachers appointed under self fiancé scheme of MBA department of HNB Garhwal University will only get their salary, DA and other allowances from the income generated from the self fiancé source. No fund will be sanctioned from the Govt for any other benefits.

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There are several grievances starting from PMO, MoE and CIC pending with the University regarding release of Gratuity. Considering the provision under the Payment of Gratuity Act 1972, it is proposed that Prof. Kala may be paid his dues of gratuity from the self finance fund of the MBA Dept. Payment will be made as per clause 4(2) of the Gratuity Act i.e. " For every completed year of service of part thereof in excess of six months, the employer shall pay gratuity to an employee at the rate of fifteen days' wages based on the rate of wages last drawn by the employee concerned. **(Annexure-7)**

Resolution:

The committee was informed that the payment of Gratuity under Gratuity Act 1972 is under active consideration of MoE. The University may hold the matter till issuance of notification by MoE in this regard.

Agenda Item No. 20-9:

To consider to contribute employer's share as per the Employees' Provident Fund and Miscellaneous Provisions Act 1952.

The Hemvati Nandan Bahuguna Garhwal University, Srinagar Garhwal, Uttarakhand registered under 'The Employees' Provident Fund and Miscellaneous Provisions Act 1952' since the year 2004-2005 with registration ID UKDDN0033149000. Presently, we have been depositing PF for nearly 165 employees. All these employees are engaged on contractual/Daily wage basis and some of them are appointed in self-finance departments. EPF contribution of employees under self finance Departments are paid from resource generation head of the Departments. Out of these employees, nearly 15 employees are in teaching posts and others are working as Non-teaching posts. At present basic salary of all these employees ranges from Rs. 18000 to Rs.1,56,000.

Presently the University is deducting @ of 12% of Basic and DA from the employees towards their EPF and contributing @13.15% (PF-3.67%, EPS-8.33%, ELDI-0.5% and Admn charges-0.65%).Accordingly, depositing EPF @25.15% of employee's basic salary and DA every month in PF accounts.

Recently, it has came to the notice from EPF website "present rate of contributions" that at best an employer can contribute @13.15% on maximum wage ceiling of Rs. 15000/-. Accordingly the University can only contribute Rs 1975 per employee in their respective EPF account. However, presently we are contributing much higher amount which ranges from Rs. 3175 to Rs.23775 per employee. In a recent audit, in a similar case for outsourced employees C&AG has made objection and accordingly the University ratified the rate of contribution.

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The University has sought clarification from EPFO office on the following points.

1. Whether the University as employer can contribute Rs. 1975 per month, per employee i.e. 13.15% of Maximum wage limit of Rs.15000 per employee?
2. By contributing the above amount as per point 1 does the University violate any EPF rules?
3. Whether the deduction from employee will be Rs. 1800/- per month i.e. 12% of Rs.15000/ or it will be 12% of their Basic salary and DA?
4. Can the University recover the additional contribution already contributed on and above Rs. 1975/- from the employees?

Clarification received from EPFO is enclosed. As per clarification received the principal employer has to contribute 13.15% on the maximum wage limit of Rs. 15000/- only. However, the employee can contribute on higher side. Considering the above facts after receiving clarification from EPFO, the University has started contributing employer's share as per the notification of EPF office https://www.epfindia.gov.in/site_docs/PDFs/MiscPDFs/ContributionRate.pdf (copy enclosed). The differences of earlier contribution and revised contribution rate to be deposited in a corpus proposed for payment of Gratuity, without burdening any additional cost.

Submitted for consideration. **(Annexure-8)**

Resolution:

The committee took note of it.

Agenda Item No. 20-10:

Request for advice on Negative Corpus of the Annual Accounts of the University in view of making provisions for superannuation /Pension.

The Finance committee of the University in its 10th meeting held on 29-6-2016, while considering the unaudited annual accounts 2015-16 of the University observed that the University has not projected pensionary benefits in the accounts based on actuary valuations. Accordingly the University started projecting Gratuity, Leave Encashment and other pensionary benefits in schedule-3 (current liabilities and provisions) of the Annual Accounts from the FY 2016-17 onwards. As a result of making above provision corpus of the University became negative. The C&AG has also observed that the negative corpus matter be sorted out.

The matter was referred to UGC. The UGC vide its letter dated 7th March 2022 directed that the matter may be consulted with concerned A.G.

Accordingly, the matter was discussed with Deputy Comptroller and Auditor General of India in a meeting held on 7th June 2022. It was informed that the employees of the University are from pensionable establishment and the

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liabilities of pension and other pensionary benefits are lies with Govt of India in view of Central University Act, 2009. Though the Govt of India is paying the pensions and other benefits to the employees of the University, there is no such commitment letter from Govt of India/UGC to make payment to the employees of the autonomous bodies in future also. Accordingly, the University should approach to UGC/MoE for a commitment letter for payment of pension, Gratuity and other pensionary benefits to the employees appointed against sanctioned post. On receiving the same University has to omit the provisions in schedule-3 of Annual Accounts and negative corpus issue will be resolved. Submitted for consideration.(Annexure-9)

Resolution:

The committee resolved that the University should approach to UGC for the commitment letter towards payment of pension, Gratuity and other pensionary benefits to the employees of the University appointed against sanctioned posts.

Agenda Item No. 20-11:

To consider and approve the unaudited Annual Accounts of the University for the financial year 2021-22.

Annual Accounts of the University for the FY 2020-21 was submitted to MoE in Feb, 2022 for placing before the Parliament. The Annual Accounts of the University for the year 2021-22 has been prepared as per the prescribed format issued by the MoE and submitted to DG (Audit) for verification and preparation of Separate Audit Report (SAR). Submitted for approval.

(Annexure-10)

Resolution:

The committee approved the unaudited Annual Accounts of the University for the financial year 2021-22 subject to the condition that preparation and presentation of Annual Accounts for the year 2021-22 are strictly as per the revised formats of Accounts for CEIs and instructions/guidelines which were issued vide MHRD's letter No. 2904/2012-IFD dated 17.4.2015. Further, University should ensure that the interest earned on the Government grant be deposited back to Government account. University should also strictly adhere to the timelines for submission of annual accounts as prescribed by the Ministry of Finance and Ministry of Education.

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Agenda Item No. 20-12:

Status of Audit Paras/Observations raised by the C&AG.


In the Audit Inspection Report April 2020-2021 on account of the HNBGU, the office of the Director General of Audit(Central) has reported that 60 paras are outstanding from the previous year's inspection reports. The matter was discussed with Audit team. Accordingly the University has requested on 20th July 2022 to DG (Audit) office to remove audit para in view of compliance of Audit Inspection Report 2020-21. In last two years the University is able to drop 40 Audit Para so far. Detailed outstanding Audit Paras are placed at Annexure. **(Annexure-11)**

Submitted for kind information.

Resolution:

The Committee recommended that pending audit paras to be settled at the earliest as per GoI rules, in consultations with the office of DGACE.

The Meeting of the Committee ended with thanks to the chair.


Vice Chancellor
Chairperson


Finance Officer
Secretary

