

MINUTES

The Finance Committee (FC) meeting was held on Tuesday, the 22nd October, 2019 at 11.30 p.m., in the Vice-Chancellor Committee Room to consider various agenda items. The meeting was attended by the following:

Professor Yogesh Kumar Tyagi Vice-Chancellor	Chairman
Professor J. P. Khurana Pro-Vice Chancellor	Member
Shri Siya Sharan Treasurer (Officiating)	Convener
Shri Subodh Ghildiyal Director (CU), MHRD	Member (Visitor's Nominee)
Shri Fazal Mahmood Dy. Secretary (IFD), MHRD	Member (Visitor's Nominee)
Dr. V.K. Agarwal	Member (Elected)
Shri Anupam Srivastava University Engineer	Invitee
Professor T. K. Das Registrar	Secretary

Smt. Darshana M. Dabral, Jt. Secretary and Financial Advisor, MHRD could not attend the meeting. Shri Fazal Mahmood, Dy. Secretary (IFD), Deptt. of Higher Education, MHRD attended the meeting as the nominee of Smt. Darshana M. Dabral, Jt. Secretary and Financial Advisor, MHRD.

Shri Girish C. Hosur, Jt. Secretary (CU), MHRD could not attend the meeting. Shri Subodh Ghildiyal, Director (CU), Deptt. of Higher Education, MHRD attended the meeting as the nominee of Shri Girish C Hosur, Jt. Secretary (CU), MHRD.

Shri Kapil Aggarwal, Joint Finance Officer, Sh. Sudhir Sharma, IAO, Sh. T. Vengadesan, Joint Registrar (Finance), Sh. Pardeep Kumar, Dy. Registrar (Finance) assisted the Committee in its deliberations.

At the outset, the Vice-Chancellor, Chairman of the Finance Committee, welcomed the members and invitees.

The agenda items were taken up one by one for consideration.

1. CONFIRMATION OF MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 8thAUGUST, 2019

- 1.1 Minutes of the Finance Committee meeting held on 8th August, 2019 were circulated to all the members. After a brief discussion the minutes of the previous Finance Committee meeting held on 8thAugust, 2019 were confirmed.

- 1.2 For the item No. 4.2 of the minutes of previous meeting dated 8th August, 2019, one of the members interpreted the views that the staff engaged on contractual basis shall not be paid remuneration less than that of the rates of minimum wages prescribed by the Govt. of NCT of Delhi.

2. ACTION TAKEN REPORT

- 2.1 Action Taken Report of the minutes of previous meeting of the Finance Committee held on 8th August, 2019 was placed before the committee, which was noted.

3. TO REPORT THE SEPARATE AUDIT REPORT (SAR) RECEIVED FROM THE DIRECTOR GENERAL OF AUDIT (CE) ON THE ACCOUNTS OF THE UNIVERSITY OF DELHI FOR THE FINANCIAL YEAR 2017-18

- 3.1 The Separate Audit Report (SAR) dated 26.8.2019 on the Annual Accounts of the University for the Financial Year 2017-18 received from the Office of the DGACE was placed before the Finance Committee. After the deliberations, the Separate Audit Report on the Annual Accounts for 2017-18 was recommended for approval of the Executive Council.

4. TO CONSIDER THE UN-AUDITED ANNUAL ACCOUNTS OF THE UNIVERSITY, PROVIDENT FUND, NEW PENSION SCHEME, UNIVERSITY PRESS AND HALLS & HOSTELS FOR THE YEAR 2018-19.

- 4.1 The Committee considered the un-audited Annual Accounts for the financial year 2018-19. It was also considered that MHRD vide letter F. No.4-5/2019-CU.II dated 22.10.2019 has communicated that the un-audited accounts be prepared as per revised accounting format, duly approved by the C & AG. The Committee noted that the Annual Accounts have been prepared in the new formats prescribed by the MHRD, duly approved by the O/o C & AG of India. After due deliberations, the Committee recommended that duly signed un-audited Annual Accounts of the University for the Financial Year 2018-19 be placed before the Executive Council for approval.

5. DRAFT SUMMARY BUDGET (REVISED ESTIMATES 2019-20 AND BUDGET ESTIMATES - 2020-21) FOR DISCUSSION AND FURTHER GUIDANCE

- 5.1 Draft summary Budget (Revised Estimates 2019-20 and Budget Estimates - 2020-21) was discussed in detail. The University Engineer was asked to provide complete details of requirement for building projects with year wise break up to be appended as Extra Budgetary Resources. The detailed budget may be presented in next meeting of the Finance Committee.

6. TO REPORT THE STATUS OF AUDIT PARAS OF THE UNIVERSITY

- 6.1 The Committee directed to hold Standing Audit Committee (SAC) regularly, take/recommend remedial corrective measures for each para and submit the action taken report (ATR) in next meeting of

Y.S.
H.S.
S.D.

7. TO REPORT THE MEMORANDUM OF UNDERSTANDING WHICH HAVE BEEN SIGNED BETWEEN UNIVERSITY OF DELHI AND CPWD FOR UNDERTAKING THE VARIOUS PROJECTS OF THE UNIVERSITY OF DELHI

7.1 The Memorandum of Understanding signed between University of Delhi and CPWD for undertaking the various projects of the University of Delhi was placed before the Committee and noted. Finance Committee suggested to consider inclusion of Engineering, Procurement and Construction (EPC) clause in the MoU as per CPWD manual. The Registrar shall request the CPWD to include the EPC clause in all MoUs already signed by the University.

8. ANY OTHER ITEM

8.1 Comments of the MHRD (IFD) received vide letter F. No. 9-2/2017-IFD dated 18.10.2019 from the Under Secretary on the agenda items were placed before the committee and noted.

8.2 Comments of the MHRD (Department of Higher Education) received from the Director (CU) vide letter F. No.4-5/2019-CU.II dated 22.10.2019 on the agenda items were placed before the committee and noted.

8.3 Comments of the UGC received from the Education Officer vide letter No. F.43-8/2012 (CU) dated 22.10.2019 on the agenda items were placed before the committee and noted.

8.4 A Statement containing status of arbitration cases pending for arbitration awards at Annexure - I along-with arbitration cases awarded at Annexure - II were also placed before the committee. Payment in any of the arbitration cases should be processed only with due approval of Arbitration Committee, Building Committee and Finance Committee.

The meeting ended with a vote of thanks to the chair.


SECRETARY


CHAIRMAN

STATUS OF ARBITRATION CASES FOR FINANCE COMMITTEE

S.No.	Name of work	Agency	Features of the work	Status
1	Repair of dilapidated/ broken RCC chajja exterior wall painting, plaster, aluminium work and repair work in New Administrative Block, University of Delhi	M/s NCR Developers	Date of award of work: 7.3.2015 Date of completion: 31.12.2015 Cost of work as per agreement: Rs 47,39,140.00 Payment released: Rs 24,60,030.00 Balance payment as per agreement: Rs 22,79,110.00 Amount for extra work claimed: Rs 15,36,576.00	Since the additional work claimed is without approval of competent authority hence not paid and the agency has gone for arbitration. In the meeting of the Arbitration Committee dated 29.04.2019 (minutes signed on 09.05.2019), it was recommended that agreement amount may be released in the first instance and for remaining amount on account of deviation, extra/substitute item etc may be released after getting approval of the deviation cum extra item statement by the competent authority in accordance of the provisions under the EC resolution no. 87. After getting the approval of competent authority for release of payment on account of balance payment, security deposit/EMD etc., the agency may be requested to withdraw the other claims. In view of the above, the balance payment out of the agreement amount will be released on submission of the bill by the agency which is submitted on 11.10.19.
2	Provision of Lift well in various existing buildings, University of Delhi	Sh Naresh Sachdeva	Date of award of work: 19.2.15 Date of completion: 31.12.2015 Cost of work as per agreement: Rs 6276885.94 Payment released: Rs 34,85,893.00 Balance payment as per agreement: Rs 27,90,993.00 Amount for extra work claimed: Rs 18,04,821.00	Since the additional work claimed is without approval of competent authority, hence not paid and the agency has gone for arbitration. In the meeting of the Arbitration Committee dated 29.04.2019 (minutes signed on 09.05.2019), it was recommended that agreement amount may be released in the first instance and for remaining amount on account of deviation, extra/substitute item etc may be released after getting approval of the deviation cum extra item statement by the competent authority in accordance of the provisions under the EC resolution no. 87. After getting the approval of competent authority for release of payment on account of balance payment, security deposit/EMD etc., the agency may be requested to withdraw the other claims. In view of the above, the bill of the balance payment out of the agreement amount is processed. The funding agency i.e. UGC is requested to give consent for it.
3	Provision of facilities for persons with disabilities and special needs in various buildings at University of Delhi (North campus and South Campus)	M/s Nand Kishore Anil Kumar	Date of award of work: 1.5.15 Date of completion: 9.4.16 Cost of work as per agreement: Rs 3,00,17,818.00 Payment released: Rs 2,98,00,000.00 Balance payment as per agreement: Rs 2,17,818.00 Amount for extra work claimed: Rs 1,06,66,960.00	Since the additional work claimed is without approval of competent authority, hence not paid and the agency has gone for arbitration. In the meeting of the Arbitration Committee dated 29.04.2019 it was recommended that agreement amount may be released in the first instance and for remaining amount on account of deviation, extra/substitute item etc may be released after getting approval of the deviation cum extra item statement by the competent authority in accordance of the provisions under the EC resolution no. 87. After getting the approval of competent authority for release of payment on account of balance payment, security deposit/EMD etc., the agency may be requested to withdraw the other claims. In view of the above, the funding agency is to be requested to allocate additional funds to meet out the expenditure.
4	Vertical extension (Two stories) of Dr. B.R. Ambedkar Centre for Bio-Medical Research at University of Delhi	M/s Nand Kishore Anil Kumar	Date of award of work: 31.12.2008 Date of completion: 31.8.2010 Cost of work as per agreement: Rs 2,26,96,182.00 Payment released: Rs 2,71,19,724.00 Balance payment as per agreement: nil Extra amount claimed: Rs 64,09,677.00 (Under Clause 10C, hiring of shuttering/establishment on account of work stopped, material loss/escalation and interest on late payment etc)	After release of the final payment the agency has claimed payment under clause 10C and other claims and moved to the Court. The High Court already rejected the plea due to time bar and directed the claimant to go to the lower court/ mediation. It was denied by Counsel of DU to make any payment being time bar. The matter is pending in the lower Court. The matter was placed before the Arbitration Committee. The Arbitration committee recommended to obtain the legal opinion regarding payment of the amount on account of Clause 10C. The committee also recommended for payment of reimbursement of testing charges etc. as per the contract agreement. After getting the approval of competent authority for release of payment on account of Clause 10C and reimbursement of testing charges etc. the agency may be requested to withdraw the other claims.
5	Restoration/ renovation of Botany department (Old and new block) at University of Delhi	M/s Nand Kishore Anil Kumar	Date of award of work: 31.12.2009 Date of completion: 10.8.2013 Cost of work as per agreement: Rs 6,12,95,726.00 Payment released: Rs 7,03,26,014.00 Balance payment as per agreement: nil Extra amount: Rs 1,47,92,859.00 (Under Clause 10C, reimbursement of testing charges, difference in VAT deductions, interest on late payment and penalty deposited on VAT before releasing final payment etc)	After release of the final payment the agency has claimed payment under clause 10C and other claims and moved to the Court. The High Court already rejected the plea due to time bar and directed the claimant to go to the lower court/ mediation. It was denied by Counsel of DU to make any payment being time bar. The matter is pending in the lower Court. The matter was placed before the Arbitration Committee. The Arbitration committee recommended to obtain the legal opinion regarding payment of the amount on account of Clause 10C. The committee also recommended for payment of reimbursement of testing charges etc. as per the contract agreement. After getting the approval of competent authority for release of payment on account of Clause 10C and reimbursement of testing charges etc. the agency may be requested to withdraw the other claims.
6	Construction of Lecture Halls (Mathematical Science building) at North Campus through PMC M/s RITES	M/s Arora Construction Co Pvt Ltd	Work executed through PMC M/s RITES DOS: 4.11.2009 DOC: 31.05.2013 Amount as per agreement: Rs 18,22,16,084.21	The work was executed by M/s RITES as PMC of University of Delhi. The executing agency M/s Arora Construction Co Pvt. Ltd. has moved to court for appointment of Arbitrator to resolve the dispute. The arbitrator appointed earlier by RITES has been terminated by the Court on request of the agency and RITES has been directed to appoint another Arbitrator to resolve the dispute.
7	Supply, installation, commissioning warranty and game support on integrated security system for CWG-2010	M/s ECIL (3 cases)	CWG-2010 project executed by M/s ECIL. Rates finalized by MHA i) DU Rugby Agreement amount: Rs 13,18,07,264/- ii) DU Colleges agreement amount: Rs 11,53,97,415/- iii) Poic ground amount: Rs 1,82,88,366/- Total amount as per agreement: Rs 26,96,32,258/- Payment released: Rs 14,25,12,491.00	The tenders for the Security equipment for CWG-2010 were invited by MHA and rates were also finalized by the MHA and the venue owners were asked to sign the agreement with ECIL. The payment was not released as per the instructions of MHA/MOYAS. The agency has moved to the court due to non payment. The Sole Arbitrator issued arbitration award in favour of ECIL. Later on the cases were referred to the Ministry of Law. Law Secretary advised ECIL to approach MHA to settle the issues. The MHA has issued directions to Secretary, Higher Education that the decision of Law Secretary will be binding on both the parties i.e. ECIL and Secretary Education/ Delhi University. Further ECIL is yet to submit their grievances/ case to Secretary Law.

STATUS OF ARBITRATION CASES FOR FINANCE COMMITTEE

S.No.	Name of work	Agency	Features of the work	Status
1	Provision of Athletic Track at Polo Ground & Vivekananda College (CWG-2010 project)	Shiv Naresh Sports Pvt Ltd (PMC-M/s EIL)	Date of award of work 31.12.2009 Date of completion 25.09.2010 Cost of work as per agreement Rs. 8,19,97,615/- Completion cost i/c V. College Rs. 10,59,90,552/- Payment released Rs. 4,75,35,533/-	The Hon'ble Court directed to release the balance certified payment for Rs. 4.12 Crore to the agency and to deposit the balance of interim award for Rs. 2.30 Crore (Out of total interim award for Rs. 6.42 Crore) Since the payment to the agency was to be made from CWG-2010 project account funded by Ministry of Youth Affairs & Sports, the University should seek the concurrence of the Ministry of Youth Affairs & Sports before making payment. The response of the MOYAS, was received vide letter dated 9th April, 2019. The Arbitration Committee in its meeting held on 11.03.2019 (minutes signed on 22.03.2019) recommended to comply with the orders of Hon'ble High Court dated 13.03.2019. The Committee also recommended to challenge the difference amount of Rs. 6.42 Crore and Rs. 4.12 Crore after the final award by the Ld. Arbitrator. As per orders of the Hon'ble Court, the payment of Rs. 4.12 Crore has been released to the agency and Rs. 2.30 Crore has been deposited in the Treasury of High Court. Final award is made by the Ld. Arbitrator on 11.10.2019 in two parts. Rs. 4,51,38,784/- payable for part A (Polo ground) along with interest and for Part B (Vivekananda College) the Claimant is given liberty to seek relief in respect of claims from appropriate forum in accordance with law.
2	Provision of seating system for Commonwealth Games 2010	Shiv Naresh Sports Pvt Ltd (PMC-M/s EIL)	Date of award of work 19.06.2010 Date of completion 25.09.2010 Cost of work as per agreement Rs. 3,92,73,400/- Completion cost Rs. 3,38,21,853/- Payment released Rs. 3,04,39,667/- Balance payment as per agreement Rs. 33,82,886/-	During the hearing of Execution petition on 5.7.2019, the Hon'ble Court directed to release the payment. It was submitted that principle amount will be paid within the period of 15 days and for interest necessary approvals are required to be taken from the MOYAS. The Court directed to release the balance committed amount within 15 days and also mentioned that it is expected that the JD will clear the entire amount during the period of 10 weeks. The MOYAS was requested to give consent on interest part on 13.08.2019 in view of the arbitration award. No communication received from the MOYAS. The matter was listed on 27.09.2019 in the Court and the Cheques for balance certified amount along with the Arbitration Cost were handed over to the agency. During the hearing, Hon'ble Court directed to issue Warrant of attachment for attaching the Bank account No 20433273217 Allahabad Bank Timarpur Delhi of the JD i.e. University of Delhi amounting to Rs. 1.25 Crore. Keeping in view the difference in balance amount of work done awarded by Arbitrator and that certified by the EIL, the proposal has been submitted for challenging the same after seeking the Legal opinion.
3	Construction of hostel and staff flats at Dhaka Complex	M/s Ahluwalia Contracts	Date of award of work 24.03.2009 Date of completion 31.03.2012 Cost of work Rs. 84,81,60,319/- Payment released Rs. 83,29,42,246/- Balance payment as per agreement: Rs. 1,52,18,073/-	Since the clarifications from MTA and DONER and UGC were received, on the recommendations of the Arbitration Committee M/s RITES has been requested to release the balance certified amount of Rs. 1,52,18,073.00 to avoid any further interest to M/s Ahluwalia Contracts Pvt. Ltd. along with the Arbitration charges of Rs. 4,00,000.00. M/s RITES informed that the Arbitration award dated 20.09.18 made by the Ld. Arbitrator has been challenged in the court and RITES is in process to release the balance certified payment.
4	Construction of 200 Boys hostel warden flats and servant quarter in the campus of International Students Hostel (contract dated 27.10.1983)	Sunita Constr Pvt Ltd	Date of award of work 2.11.1983 Date of completion 15.06.1986 Cost of work as per award Rs. 37,15,862/- Payment released as per records Rs. 37,27,468/-	The payment as per arbitration award /c interest for Rs. 31,90,128.73 has already been released to the agency. The Court was informed that the University has already released the payment to the agency.
5	Construction of 64-C and 16-D type flats in Reids Line University of Delhi (Contract dated 22.03.1984)	Sunita Constr Pvt. Ltd	Date of award of work 22.03.1984 Date of completion 30.09.1985 Cost of work as per agreement : Rs. 46,13,480/- Payment released : Rs. 37,43,410/-	The payment as per arbitration award /c interest for Rs. 45,31,676.90 has already been released to the agency. The Court was informed that the University has already released the payment to the agency.
6	Outdoor high mast sports light for Rugby field and Athletic track for Commonwealth Games 2010 at North Campus Delhi University (CWG-2010 Project)	M/s Philips Electronics India Pvt Ltd	Date of award of work 25.09.2009 Date of completion 10.08.2010 Cost of work as per agreement Rs. 7,18,62,800/- Cost of completion Rs. 6,80,68,631/- Payment released Rs. 6,26,14,631/- Balance payment as LD imposed Rs. 54,54,000/-	The arbitration committee recommended to seek the legal opinion as to whether the arbitration award may be challenged or not in the light of various decisions of Supreme Court on giving relief to the agency on account of Liquidity damages imposed by the employer/PMC due to delay and where no loss occurred on account of delay in completion time of the work. On 15.05.2019, the Counsel Adv. Aakanksha Kaul has opined that the payment may be released in compliance of the Award to avoid any further interest. The matter was further persuaded with the executing agency M/s Philips to waive off the interest being long association with the University of Delhi. The agency, vide its communication dated 21.06.2019, agreed to waive off the interest amount subject to the payment is released by 30.06.2019. Accordingly the proposal to release the payment was processed for approval of the competent authority. The competent authority advised to place the matter before the Finance Committee. The Finance Committee has approved to release the payment, and the payment of Rs. 54,54,000.00 has been released.

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