

# PANDIT DEENDAYAL ENERGY UNIVERSITY

MINUTES OF THE 38<sup>th</sup> FINANCE COMMITTEE MEETING HELD ON 20<sup>th</sup> MAY,  
2022 AT 2:30 PM AT PDEU.

The following were present:

- |                                          |           |
|------------------------------------------|-----------|
| 1. Dr. S. S. Manoharan, Director General | Chairman  |
| 2. Shri Ritesh Gandhi, CA                | Member    |
| 3. Dr. Sunil Khanna, Director SoT        | Member    |
| 4. Prof. Tarun Shah, Registrar           | Secretary |
| 5. Shri Abhinav Kapadia, CFO             | Invitee   |

Dr. S. S. Manoharan, Director General - PDEU and Chairman - Finance Committee, extended a cordial welcome to the new member – Shri Ritesh Gandhi along with other members. He also appreciated the contribution of Shri Nitin Shukla as an active member on the Committee upto now. He apprised that in the last couple of years, the University has increased its student intake specifically in B.Tech program from 780 to 1200. This increase in intake has resulted into additional revenue financial support for the capacity building in infrastructure and recruitments.

Item 38/1: Confirmation of Minutes of 37<sup>th</sup> meeting of the Committee  
The Committee approved the Minutes of its 37<sup>th</sup> meeting held on 01-Feb-22.

Item 38/2: Review Report of 37<sup>th</sup> meeting of the Committee

The Committee reviewed the Action Report and confirmed the same. The Committee was apprised regarding:

1. The amendment in Scholarship Scheme with an objective to benefit 100+ students under these proposed scholarship schemes for each academic batch.
2. The University's registration u/s 10 23 (c) of Income Tax has been done.
3. The ongoing installation of Fire Safety System as required State Fire Prevention Services, Govt. of Gujarat.
4. The installation of Solar PV Rooftop at the campus with more than 670 KW capacity.
5. The ongoing Center of Excellence and Lab Infrastructure development at the University.



Item 38/3: Budget Estimates of the University for FY 2022-23

The CFO presented the Budget Estimates of the University for FY 2022-23 along with School-wise financials to the Committee. The summary of the same is as follows:

(Rs. in Lakhs)

Sr. No.	Particulars	FY 19-20	FY 20-21	RE 21-22	BE 22-23
A	Total Income	14,699	12,770	17,053 <sup>1</sup>	22,010 <sup>2</sup>
B	Total Expenses	14,065	12,726	13,648	18,429
1	Human Resources	6,532	6,634	7,640	9,920
2	Admission & Student Activity Expenses	1,969	542	884	1,886
3	Academic Expenses	760	719	894	1,422
4	Infrastructure & Maintenance Expenses	1,654	1,634	1,476	1,625
5	Hostel Expenses	1,243	674	698	864
6	Contingency	-	-	21	352
7	Depreciation	1,907	2,524	2,035	2,360
C	Operational Surplus / Deficit	635	45	3,405	3,581
D	CAPEX	1,032	7,430	1,427	5,641

<sup>1</sup>Outstanding Fees of FY 2020-21 received to the tune of Rs. 1,676 lakhs is included in RE 2021-22

<sup>2</sup>Outstanding Fees for the FY 21-22 to the tune of Rs. 1,729 lakhs is considered in BE 2022-23

**A. Total Income: Rs. 22,010 lakhs (RE 21-22 Rs. 17,053 lakhs)**

(Rs. in Lakhs)

Sr. No.	Particulars	SPT	SPM	SLS	SOT	Hostels	Central Office	Total
1	UG	1,556	-	4,982	10,719	-	417	17,673
2	PG & Ph. D.	47	1,091	132	564	-	46	1,881
3	Hostels	-	-	-	-	1,870	-	1,870
4	MDP / Consultancy	10	15	10	100	-	-	135

5	Interest & Other Income	-	-	-	-	-	450	450
	TOTAL	1,613	1,106	5,125	11,383	1,870	913	22,010
	RE 21-22	1,336	1,029	4,112	8,704	999	874	17,053

**B. Total Expenses: Rs. 18,429 lakhs (RE 21-22 Rs. 13,648 lakhs)**

(Rs. in Lakhs)

Sr. No.	Particulars	SPT	SPM	SLS	SOT	Hostels	Central Office	Total
1	Human Resources	900	706	1,588	6,128	-	598	9,920
2	Admission & Student Activity Expenses	155	120	497	579	-	534	1,885
3	Academic Expenses	125	62	166	731	24	315	1,423
4	Infrastructure & Maintenance Expenses	164	91	197	721	864	452	2,489
5	Contribution to University Expenses	106	47	337	802	187	(1,473)	-
6	Contingency	30	20	58	184	23	37	352
7	Depreciation	189	44	248	1,103	776	-	2,360
	TOTAL	1,663	1,090	3,091	10,248	1,874	463	18,429
	RE 21-22	1,398	978	2,224	6,979	1,645	424	13,648

**C. CAPEX: Rs. 5,641 lakhs (RE 21-22 Rs. 1,427 lakhs)**

(Rs. in Lakhs)

Sr. No.	Particulars	RE 21-22	BE 22-23
A	Building & Allied Infrastructure	866	2,807
1	Land & Building	-	2,000
2	Office Equipment	822	629
3	Furniture & Fixtures	44	178
B	Academic Infrastructure	562	2,834
1	Computers & Software	45	904
2	Laboratory Equipment & Library	517	1,930
	Total ( A + B )	1,427	5,641

**D. Means of Finance:**

Based on the Budget Estimates of FY 22-23, the financial summary of Means of Finance is as follows:

(Rs. in Lakhs)

Sr. No.	Particulars	Total
A	Total Income	22,010
B	Total Expenses	18,429
C	Operational Surplus / Deficit	3,581
<i>Add Back:</i>	Depreciation	2,360
D	Operational Cash Surplus / (Deficit)	5,941
E	CAPEX	5,641
F	Net Operational Cash Surplus / (Deficit)	300

The Committee was apprised that the following main considerations are the part of budget:

- No increment in Fees for the Academic Year 2022-23.
- Hostel occupancy at 2,200 beds (85% of total capacity of 2,600 beds).



- MDP & Consultancy Income of Rs. 135 lakhs.
- Outstanding Fees Rs. 1,729 lakhs of FY 2021-22 now in the Revenues of BE 22-23
- Provision of Rs. 1,241 lakhs for Recruitment of 98 faculties & 35 staff.
- Increments / Salary Rise of faculties & staff during the year at 7%.
- The recovery of fees and also increase in the faculty intake by 30% to meet the ideal student faculty ratio.
- Provisions:
  - Rs. 435 lakhs for Admission Expenses
  - Rs. 300 lakhs for Convocation Expenses considering 2 convocations as 1<sup>st</sup> happened in Apr-22 of this year.
  - Rs. 251 lakhs for International Exposure Program (IEP)
- Over the discussion, Shri Ritesh Gandhi desired to know how the budget is prepared, in response of which CFO apprised that it starts from bottom level i.e. the departmental level, the school level and then the University level.
- Provision for TAShip / Fellowship to 285 Ph.D & M.Tech students of Rs. 484 lakhs (RE 21-22 Rs. 322 lakhs)
- Provision for Library Expenses of Rs. 258 lakhs
- Provision of Rs. 225 Lakhs for research and development activities.
- With the implementation of NEP 2020, the University shall have to re-assess the budget based on actual intake from year to year.
- The student strength shall increase from 7,000 to 9,000 by 2024. Hence, it shall require additional investment in Infrastructure and Recruitment of employees.

The Committee approved the Budget Estimates for FY 2022-23.

#### Item 37/4: Investment Policy of the University

CFO apprised the Committee the objective of formulating the Investment Policy of the University for Investments of the University's funds as per guidelines of MHRD and Income Tax Department. The Committee was apprised that the Investment Policy was approved in 17<sup>th</sup> meeting of Standing Committee. The key elements of the proposed Investment Policy presented to the Committee are as follows:



### *Delegation of Powers*

<i>Decisions</i>	<i>Approval By</i>
<i>Review and Revision of Investment Policy</i>	Standing Committee
<i>New Investments – Long Term (&gt; 3years)</i>	Finance Committee
<i>New Investments – Short-Term (&lt;= 1 Year)</i>	Registrar and Chief Finance Officer
<i>Pre-closure of Investments –Long Term (&gt; 3years)</i>	Finance Committee
<i>Pre-closure of Investments –Short Term (&lt;= 1Year)</i>	Registrar and Chief Finance Officer

### *Securities eligible for Investment*

#### *Category of Eligible Investments, Exposure Limits and Time Horizon*

##### *– Long Term Investments (Surplus Accumulations, Top-ups and Renewals)*

<i>Investment Category</i>	<i>Min.</i>	<i>Max.</i>
<i>1. Government Securities:</i>		
<i>a) Central and State Government Securities (sovereign rating)</i>	<i>35%</i>	<i>70%</i>
<i>b) State Development Loans (SDL's)**</i>		
<i>c) Special CGS &amp; SDL's</i>		
<i>2. Fixed Deposits with Public and Private Sector Banks</i>	<i>10%</i>	<i>30%</i>
<i>3. AAA Rated Bonds and Perpetual Bonds (Includes Bharat Bond ETF)</i>	<i>10%</i>	<i>30%</i>
<i>4. Debt Mutual Funds</i>	<i>0%</i>	<i>20%</i>

##### *– Short-Term Investments ( less than one year):*

- Fixed Deposits with Scheduled Banks < 1 year
- Liquid Funds < 1 Year
- Government of India Treasury Bills



Shri Ritesh Gandhi expressed his concerned on return of investment v/s depreciating value of money as the inflation continues. Hence, it is important to park the funds in long term securities to have positive effective rate of return. The Committee discussed that the endowment funds of the University can be parked in the first phase based on cash flow position of the University. The Committee shared that quarterly cash flow system should be implemented and ERP should be strengthened to give appropriate projections at least on committed liabilities to have proper cash flow assessment. The Committee was apprised that based on discussions with Chief Finance Officer of IIM - Ahmedabad, the following shall be proposed next course of actions:

- 1) Opening of SGL Account / DEMAT Account with Bank
- 2) Appointing an Investment Advisor
- 3) Process of inviting quotes for investments and constituting a Committee to take decisions on real time basis as per the market conditions.

The Committee approved the Investment Policy of the University.

**Item 38/5: Provisional Financials of the University of FY 2021-22**

CFO presented the provisional financial of the University as on 31<sup>st</sup> March, 2022. The summary of the same is as follows:

(Rs. in Lakhs)		
Particulars	2021-22	2020-21
Income	16,892	12,770
Expenditure	13,355	12,726
Excess of Income over Expenditure for the Year	3,526	45
Corpus Funds including Scholarship Funds	22,669	19,371
Capital/Earmarked/ Endowment Funds	14,480	14,953
Gross Block of Assets	37,420	36,263
Overdraft	-	1,763
Total Assets / Liabilities	52,284	48,661

The Committee noted the same.



Item 38/6: Contribution from Reliance Foundation (7<sup>th</sup> Installment)

The Committee was apprised that Reliance Foundation has committed Rs. 150 crores over a period of ten years to PDEU through GERMI, as an endowment fund. The total contribution received till FY 20-21 is of Rs. 82.50 crores in six installments.

The Committee appreciated the gracious effort from the President of the University and noted the contribution of Rs. 10 crores received as seventh installment towards the said commitment in Mar-22.

The Committee recommended putting up this matter in the ensuing Board of Governors meeting for information.

The meeting ended with vote of thanks to the Chair.

Date: 21/06/2022

Place: Gandhinagar

  
Chairman

