

PANDIT DEENDAYAL ENERGY UNIVERSITY

MINUTES OF THE 40th MEETING OF THE FINANCE COMMITTEE HELD ON 30th NOVEMBER, 2022 AT 12:00 PM AT BOARD ROOM, C BLOCK, PDEU CAMPUS

The following were present:

1. Dr. S. S. Manoharan, Director General	Chairman
2. Shri Ritesh Gandhi, CA	Member
3. Dr. Dhaval Pujara, Director SOT	Member
4. Dr. Anirbid Sircar, Director SOET	Member
5. Prof. Tarun Shah, Registrar	Secretary
6. Shri Abhinav Kapadia, CFO	Invitee

Dr. S. S. Manoharan, Director General PDEU and Chairman Finance Committee, extended a cordial welcome to all the members. Dr. Manoharan apprised the Committee that the University has applied for 2nd Round of its accreditation to the National Assessment and Accreditation Council (NAAC) and has been awarded A++ ranking by NAAC. The Committee members congratulated the Director General and PDEU Team for this outstanding achievement. The following agenda items were discussed:

Item 40/1: Confirmation of Minutes of 39th meeting of the Committee

The Committee approved the Minutes of its 38th meeting held on 27-Jul-22. The Committee directed to submit the compliance to Auditor's Report which was placed in the previous meeting vide agenda item 37/4, by 15-Dec-22. The Committee also discussed to apprise Chairman -Standing Committee regarding the pending matter of GERMI Assets Transfer.

Item 40/2: Review Report of 39th meeting of the Committee

The Committee reviewed the Action Report and confirmed the same.



Item 40/3: Update on appointment of Auditors of the University

The Chief Finance Officer (CFO) apprised the Committee regarding appointment of Statutory Auditor for FY 2022-23 of the University and Expression of Interest (EOI) issued for the same.

As per the terms of EOI, evaluation of bidders shall be done as follows: The bidder,

- a) who meet the pre-qualification criteria, shall be selected on the basis of 40% weightage to the Technical aspect of the bid,
- b) 40% weightage for the Presentation to the Committee, and;
- c) 20% weightage to the Commercial proposal.

The total score shall be out of 100 that: Total Score = {(Score of Tech. Evaluation) + (Score of Presentation) + (Score of Commercial Bid)}. The bidder getting the highest composite techno-commercial score will be awarded the contract.

The Committee was apprised that total 8 bids are received from the interested CA firms. Based on the Pre-Qualification (PQ) criteria of EOI, these CA firm's proposals were assessed and post that Technical Evaluation was done. The summary of the same is as follows:

Sr. No.	Name of the CA Firm	Pre-Qualification Status	Technical Evaluation Score	Rank
1	CNK Khandwala	Y	35	T1
2	T R Chadha & Associates	Y	35	T1
3	R S Patel & Co.	Y	35	T1
4	Agarwal & Dhandhania	Y	35	T1
5	Dhirubhai Shah & Co LLP	Y	35	T1
6	Talati & Talati LLP	Y	30	T6
7	Mukund & Rohit	Y	20	T7
8	Kherada & Co.	Y	18	T8



The Committee took a note of the process followed for Bid Opening, PQ and Technical Evaluation of the Bids as per the EOI terms.

The Committee directed to call top 5 bidders for evaluation based presentation, as per the terms of EOI. The bidders shall make the presentation against the Committee on 17-Dec-22 at PDEU.

Item 40/4: Impact of Reorganization of Engineering Schools / Departments, on Financials

The Committee was apprised regarding the Re-organization of Academic Schools and Departments of FOET at the University, wherein the Engineering Schools are reorganized into School of Technology (SOT) and School of Energy Technology (SoET).

The Committee recommended that as the Re-organization of the Schools happened during the financial year, a separate Budget should be implemented from the next financial year. For the current financial year, Accounting and Budgeting should be done at FoET level only. The Committee also recommended that henceforth, at FoET level, the Budgeting should be done at Department level and later on consolidated at School level. A standard template consisting budget should be shared with all the HoDs and they should be oriented on the same.

The Committee reviewed and approved the basis of allocation of Revenues & Expenses as follows:

Sr. No.	Particulars	Basis
A	Revenues	
1	Tuition Fees	Per Student
2	Registration and Other Academic Fees	Per Student
3	MDP & Consultancy	On Actual



Sr. No.	Particulars	Basis
B	Expenses	
1	Employee Emoluments	No. of employees at each Dept. / School
a	Teaching Staff	
b	Remuneration to Visiting Faculty	
c	Non-Teaching Staff	
2	Educational & Academic Expenses	Per Student
3	Energy and Utility Expenses	Per Student
4	Communication Expenses	Student Strength
5	Legal and Consulting Expenses	Student Strength
6	Administrative Expenses	Student Strength
7	Repairs & Maintenance	Student Strength
8	Travelling Expenses	Student Strength

Item 40/5: Development of Infrastructure at the Campus

The Committee was apprised regarding the development of planned Infrastructure at the Campus in form of Construction of additional floor at Academic Block - E and Installation of Fire Safety System at Academic Block, Cafeteria, Auditorium and Hostels. It was also apprised regarding the status of procurement through tendering process for construction of additional floor at Block - E, Sports Facilities and Fire Safety System.

The Committee approved the construction of additional floor at Block - E considering the increase in intake especially in B.Tech. (Computer Engineering). The Committee approved the installation of Fire Safety System at Academic Block, Cafeteria, Auditorium and Hostels, to fulfil as a statutory requirement. The Committee approved the Fund Allocation for these projects as follows:

(Rs. in Cr.)

Sr. No.	Project	Fund Allocation
1	Phase II of Sports Facilities	11.40
2	Construction of additional floor at Academic Block E	7.12



Sr. No.	Project	Fund Allocation
3	Installation of Fire Safety System at Academic Block, Cafeteria, Auditorium and Hostels	7.15
	Total	25.67

The Committee recommended to consider the incremental Budgetary Provision of Rs. 5.67 crores in the Revised Budget Estimates of FY 2022-23.

Item 40/6: Revised Cost Estimates and Means of Finance of SMRC

The Committee was apprised regarding the procurement of 50 MW Product Line and the ongoing work of Solar Manufacturing and Research Center (SMRC) at PDEU campus. The Director General updated on the status of project and shared that PDEU is the only Academic Institution in the country which is setting up such state-of-art manufacturing facilities under Make in India mission. This facility shall be manufacturing Solar Panels and shall play a pivotal role in training students on the latest manufacturing operations.

The Committee reviewed the financials of the project. The Committee was apprised regarding reason of increase in Total Cost of Project and Financial Gap:

- a) Due to change in Custom Duty and GST norms, overall cost is increased by Rs. 3.25 crores. It was apprised to the Committee that F&A Team is working with the Tax Counsel to claim GST credit from this transaction which may amount to Rs. 1.75 crores. However, the same would be in the form of deferred finance.
- b) The higher infrastructure cost is due to the fact that the facility is being setup on a virgin land area and there are no basic amenities like power, drainage, etc. to run the Centre. While building infrastructure, these basic amenities



are also be factored which can also shall support other upcoming projects.

- c) GEDA has sanctioned Rs. 17.14 crores of which 50% has to be kept as Endowment Funds. Hence, out of total financial assistance, Rs. 8.57 crores (which are parked separately as Fixed Deposits and interest earned on it shall help to sustain the operations of the plant). Accordingly, the total funds available for the project are Rs. 12.57 crores (principal of Rs. 8.57 crores and accumulated interest of Rs. 4 crores), as approved in 37th meeting of Finance Committee.
- d) Considering the overall Project Cost of Rs. 26.43 crores and the funds available from GEDA Rs. 12.57 crores, the total Financial Gap based on the estimates amounts to Rs. 13.86 crores, as tabulated below:

(Rs. in lakhs)

Sr. No.	Particulars	Amt.
A	PO for 50 MW Product Line (M/s Ecoprogetti, Italy)	1,125
B	Po for Phase I & Additional Work (M/s Bhumi Pro)	394
C	Construction & Other Works Phase II	809
D	HVAC Work	181
E	Fire Safety / Furniture / Other Works	20
F	Architect Fees @ 4.5% + GST (M/s HCP DPM)	75
G	Consultancy for TEV Report + Tender (GITCO)	9
H	Contingency	30
I=A:H	Total Estimated Costing	2,643
J	Grant from GEDA (Utilisable Grant + Interest on Endowment)	1,257
K=I-J	Financial Gap	1,386

The Committee was also apprised that as per the directions of Standing Committee, M/s GITCO has been appointed to carry out the Techno Economic Viability (TEV) study of this project. The Committee has also directed to appoint an OEM to run this plant operations and that appointment should be done through a fair & transparent competitive process. The

Committee considered to meet the Financial Gap from Endowment Funds of the University. The Committee recommended to place proposal in ensuing meeting of Standing Committee along with TEV analysis.

Item 40/7: Utilization of Academic and Infrastructure Development Fund

The Committee was apprised that the "Academic and Infrastructure Development Fund" has been created for maintenance and up-gradation of existing assets and augmentation of Academic & Infrastructure facilities at the University. The funds to the tune of Rs. 1,342 lakhs has been earmarked in FY 2021-22.

The Committee reviewed the proposal to finance Rs. 325.01 lakhs from Academic Infrastructure & Development Funds for infrastructure creation / up gradation during Apr-22 to Nov-22. The Committee was of the view that CAPEX for replacement of Air-Conditioning to the tune of Rs. 57.28 lakhs can only be considered under this provision, and the rest i.e. construction of Class Rooms (Rs. 114.58 lakhs) and installation of Fire Safety System (Rs. 153.15 lakhs) should be from regular CAPEX Budget of the University.

Item 40/8: Update on Investment of University Funds

The CFO apprised the Committee regarding Investments in T-Bills and GOI Securities in Sep-22 & Oct-22 to the tune of Rs. 112 crores. The investments made in GOI Securities (GSec) and T-Bills have led to better security and improvement in yield by approx. Rs. 1.47 crores p.a.

The Committee appreciated the efforts done by F&A Department for placement of Rs. 112 crores of funds in T-Bills and GOI Securities. The Committee inquired about the fixed deposits maturity profile and recommended that after earmarking financial commitments, these fixed deposits on



their maturity should be invested for higher yield in line with the Investment Policy.

Item 40/9: FOET Admissions during the year 2022 and its Financial Impact

The Committee was apprised regarding status of B.Tech and M.Tech FEOT admission during the Academic Year 2022. The total B.Tech students admitted are 889 against the budgeted admission of 1,200+ which shall result in a negative impact on the budgeted Revenues by Rs. 8.30 crores in FY 22-23. The total M.Tech students admitted are 88 against the budgeted admission of 198 which shall result in a negative impact on the estimated Revenues by Rs. 1.55 crores in FY 22-23 only.

The Committee noted the status of FoET B.Tech admission and indicated concern that more than 300 seats are vacant in various engineering disciplines. The Committee also shared concern regarding about low admissions in M.Tech and recommended that the School Directors may look into merging some M.Tech program at Department level. The Committee also discussed regarding the outstanding fees, principally from freeship card and International students. The Committee also noted that there is an improvement in admission under D2D initiative of ACPC.

The Committee directed CFO to revise the financial estimates of FY 2022-23 based on the admissions and place the same in the ensuing meeting of the Committee.

Item 40/10: Notification from Education Dept., GoG and Fees determination of all programs of the University

The Committee was apprised that PDEU has been granted Centre of Excellence vide notification (no. COE/102020) Dt. 04-Jan-22. Now the fees of all professional courses at the University shall be decided by the University only. In the COE



proposal, the University has submitted the following rules for determination of fees:

- a. To seek to recover fully the recurring expenditure.
- b. To levy about plus 15% for reasonable surplus (categorized as such by the Apex Court) towards Depreciation of fixed assets, Replacement, Expansion, Augmentation and Modernization (DREAM).

Further, the Committee was apprised about the notification from Education Dept. Govt. of Gujarat Dt. 21-Oct-22 which has laid down amended rules of Gujarat Professional Technical Education Colleges or Institutions (Regulation of Admission and Fixation of Fees) Act, 2007. As per the notification, the process to be followed for fee determination by COEs is as follow:

- a. The University shall, by way of a declaration, inform the Appellate Committee about the proposed fee structure to be implemented.
- b. If the appellate Committee, within a period of three weeks of receipt of declaration, find that the proposed fee structure substantially constitutes profiteering and /or imposition of capitation fees, the declaration shall be referred back with comments to enable the University to modify the fee structure accordingly.
- c. Only after four week from submitting the declaration the University shall start its admission process with the proposed fee structure.

The Committee noted the notification from Education Dept., GoG and recommended that the fee structure for all courses should be worked out with respective School Director by 15-Dec-22 and then be placed for review of Registrar and Director General before 31-Dec-22. The determination of



fees for the next Academic Year should be done on priority basis to avoid any delay in admission process. The Committee approved the proposed Fees determination structure.

Item 40/11: Incremental Budget for NAAC Accreditation of the University

The Committee was apprised regarding the total expenses incurred have exceeded over the original budgeted expenses of Rs. 58.17 lakhs, for the NAAC accreditation process.

The Committee was of the view that the major expenditure has been done for preparation of exhibition pavilion to showcase the Technology Development and best practices adopted at the University. It was established that this has carried highest marks by the visiting NAAC Peer Team as these initiatives were appreciated by them.

The Committee approved the incremental budget of Rs. 34.50 lakhs for NAAC accreditation process i.e. the total expenditure of Rs. 92.67 lakhs.

Item 40/12: Reports of Pre-Audit up to 30-Sep-22

The Committee noted the Pre-Audit Report submitted by M/s Manubhai & Shah and directed the following:

- a) The Committee recommended that issuance of Purchase Order (PO), in a standard format should be implemented with immediate effect from TCS *ion* / ERP and to circulate to all the concerned.
- b) The Committee noted other Pre-Audit observations, and was of the view that Labor License & other statutory requirements are essential and should be called for



before awarding contract to the Vendor / Service Provider.

- c) The Committee was of the view that proper vendor due diligence should be done.

Item 40/13: Update on Income Tax Matters

The Committee noted that the University has been able to get IT refunds along with interest to the tune of Rs. 24.80 Lakhs for Assessment Year 2021-22.

The Committee also noted that the ITR of the University has been filed for AY 2022-23 and thereby adhering to the statutory requirement of Income Tax.

Item 40/14: Provisional Financials of the University as on 30-Sep-22

The Committee noted that the Provisional Financials of the University as on 30-Sep-22.

The meeting ended with vote of thanks to the Chair.

Date: 09/12

Place:

Apshwale

Chairman

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