

राजस्थान केन्द्रीय विश्वविद्यालय
CENTRAL UNIVERSITY OF RAJASTHAN



Minutes

for the

Thirty Third [33rd] Finance Committee Meeting

**Venue : Conference Room, Administrative
Building, CURAJ**

Date : 16.04.2021

Time : 12:15 PM onwards

**MINUTES OF THE 33RD FINANCE COMMITTEE MEETING HELD ON FRIDAY,
16TH APRIL, 2021 AT 12:15 PM**

The Thirty Third meeting of the Finance Committee of the Central University Rajasthan was held on Friday, 16th April, 2021 at 12:15 PM onwards through online in the Conference Room, Second Floor, Administrative Building, Central University of Rajasthan. The following members were present in the meeting:

1. Prof. Neeraj Gupta : Chairman
Vice Chancellor (I/c)
2. Additional Secretary (CU), : Member
Ministry of Education
Attended by
Sh. Vishwajeet Kumar,
Director(ICT), MoE
(Attended through online)
3. Dr. Jitendra Kumar Tripathi : Member
Joint Secretary (CU), UGC
(Attended through online)
4. Dr. B. K. Mohaptra : Member
(Attended through online)
5. Prof. Akhil Ranjan Garg : Member
(Attended through online)
6. Sh. Santosh Kumar Srivastava : Ex-officio Secretary & Finance Officer (I/c)

The following could not attend the meeting and were granted leave of absence:

1. Joint Secretary & Finance Advisor, MHRD
2. Prof. Ashok Kumar Nagawat

The following attended the meeting as a special invitee:

1. Shri K. V. S. Kameswara Rao, Registrar
2. Sh. D. K. Aggarwal, OSD(Finance)
3. Sh. Pradeep Garg, SE cum PD, MNITPC, CPWD
4. Sh. A. K. Jain, Former Spl DG (Elect.), CPWD
5. Sh. Sultan Singh, Executive Engineer

AGENDA FOR THE THIRTY THIRD FINANCE COMMITTEE MEETING

Item No.	Particulars	
33-1.0	Welcome by the Hon'ble Vice Chancellor	
33-2.0	Confirmation of Minutes of the Thirty Second Finance Committee Meeting and Action Taken Report	
	33-2.1	Confirmation of Minutes of the Thirty Second Finance Committee Meeting
	33-2.2	Action Taken Report
33-3.0	Reporting Items	
	33-3.1	To report the Public Notice of UGC regarding continuance of the UGC schemes upto 31.03.2022
	33-3.2	To report the Ministry share of funds of 02 nd installment, received from Ministry of Education under HEFA Scheme
	33-3.3	Minutes of Building & Works Committee, alongwith the abstract cost of Building Projects
33-4.0	Items for Consideration	
	33-4.1	To consider the Arbitration Award for the work of Construction of Staff Quarters (Type-B, C & D) executed by the CPWD
33-5.0	Table Items	
	Any other items with the permission of the Chair.	

DETAILED MINUTES

Item No.	Particulars	
33-1.0	<p>Welcome by the Hon'ble Vice Chancellor</p> <p>At the outset, Prof. Neeraj Gupta, Vice Chancellor(I/c) & Chairman of the Finance Committee, welcomed the members of the Finance Committee.</p>	
33-2.0	<p>Confirmation of Minutes of the Thirty Second Finance Committee Meeting and Action Taken Report</p>	
33-2.1	<p>Confirmation of Minutes of the Thirty Second Finance Committee Meeting</p> <p>Copy of the Minutes of the Thirty Second Finance Committee Meeting held on 26th March, 2021 is enclosed [Annexure-A, Page No. 14 to 29]. Draft Minutes were circulated to all members through e-mail on 27.03.2021 for confirmation/comments. After receiving the confirmation from some members and some minor corrections from one member, the final amended minutes have been finalized and sent to all members on 08.04.2021.</p> <p>The University has received comments on agenda items of 33rd Finance Committee meeting, from the Office of the JS&FA, Ministry of Education vide its letter no. F.No.9-5/2019-IFD.pt, dated 15th April, 2021 (Annexure -G, Page No. 50 to 51), from the Office of the AS (CU), MoE vide its letter no. F.No. 48-3/2021-CU.III dated 16th April, 2021 (Annexure -H, Page No. 52 to 53), from the Office of the Joint Secretary (CU), UGC vide letter no. F.45-6/2017(CU) dated 15th April, 2021 (Annexure -I, Page No. 54 to 55) and also received comments on minutes of 32nd Finance Committee meeting from the Office of the Joint Secretary (CU), UGC (Annexure-J, Page No. 56 to 61). The comments given as mentioned above have been considered and deliberated by the members.</p> <p>Resolution of FC: The Finance Committee noted the comments received from Ministry of Education and UGC on agenda and comments from UGC on minutes of 32nd Finance Committee meeting. After deliberation, the Finance Committee confirmed the minutes.</p>	
33-2.2	<p>Action Taken Report:</p>	
	26-5.1	<p>To consider the sitting fee to various committees member /guests/ visitors/ experts for official/ academic work</p> <p>A Committee vide office order no. CURAJ/R/F.107/ 2019/4605 dated 13.02.2019 has been constituted. The report on the same will be placed after finalization of the same in the forthcoming meeting of Finance Committee.</p>
	31-3.11	<p>To report the Establishment of Separate Department of Vocational Studies and Skill Development in Central University of Rajasthan</p> <p>The University vide its letter No. CURAJ/R/F.127/2021/3651 dated March 16, 2021 has requested to the Secretary, UGC to consider the detailed proposal submitted by the University and also release of additional fund for Establishment of Separate Department of Vocational Studies and Skill Development.</p>

	31-3.13	To report the request for approval to utilize the unspent balance under the Budget Head-Capital for construction of Hostels for OBC	The Matter is under process.
	32-3.10	To report the status of recoverable funds from UGC, under the UGC Faculty Recharge Programme Scheme	The matter is under process.
	32-4.1	To consider the Draft Budget Estimates for the year 2021-22	The Draft Budget Estimate for the year 2021-22 has been approved by the Executive Council Meeting in its 41 meeting held on 07.04.2021 and the submission of approved Budget Estimates for the year 2020-21 is under process.
	32-4.2	To consider the pending cases of NPS in respect of Ex-CURAJ employees whose PRAN not generated during their service at Central University of Rajasthan	The matter is under process.
Resolution of FC: The Finance Committee noted the action taken report.			
33-3.0	Reporting Items		
	33-3.1	To report the Public Notice of UGC regarding continuance of the UGC schemes upto 31.03.2022	
		The UGC vide its Public Notice No. F.1-8/2016(CPP-II)/Pt. dated 27 th March, 2021 informed that the UGC schemes mentioned at annexure will continue upto 31.03.2022 [Annexure-B (Page No. 30 to 32)] . Accordingly, the University has taken further action for the schemes mentioned in the Public Notice.	
Resolution of FC: The Finance Committee noted the contents.			
	33-3.2	To report the Ministry share of funds of 02nd installment, received from Ministry of Education under HEFA Scheme	
		The University has requested to Ministry of Education vide its letter No. CURAJ/R/F.125/MHRD/2020/2658 dated December 30, 2020 mentioning that as per the sanctioned letter/MoU schedule-II & III, the Grant will be received after every six month and deposit with Canara Bank Escrow Account No. 4859101001548. Against the total loan amount of Rs. 97.80 Crore the Ministry share @ 90% of 2 nd installment comes to Rs. 4,40,10,000/- and the University share comes to Rs. 48.90 lakh. Now, the Ministry has released the part payment of Rs. 1,09,91,003/- against the 02 nd installment of Rs. 4,40,10,000/- [Annexure-C, Page No. 33 to 44] . The amount of Rs. 1,09,91,003/- have been deposited with the Canara Bank. Now, the HEFA vide his letter No. HEFA/INT-116/CUR/2021 dated 03.04.2021 has send the demand notice for interest repayment for Rs. 10,86,926/-. The same is being forwarded to Ministry of Education for releasing the interest repayment amount of Rs. 10,86,926/-.	
Resolution of FC: The Finance Committee noted the contents.			

33-3.3		<p>Minutes of Building & Works Committee, alongwith the abstract cost of Building projects</p> <p>The meeting of the 22nd Building and Works Committee is scheduled to be held on 13th April, 2021 and the minutes of the said meeting will be sent separately.</p> <p>The minutes of the Building & Works Committee meeting were sent through e-mail and presented before the Finance Committee members during the meeting. The minutes of Building & Works Committee meeting is enclosed at <u>(Annexure –K, Page No. 62 to 77)</u>.</p> <p><u>Resolution of FC:</u> The Finance Committee noted and considered the minutes of Building & Works Committee meeting with a minor correction in the resolution Sr. No. 1 i.e. word “<i>an advance</i>” be replaced with the word “<i>deposit</i>” against item no. 22-4.1 and recommended to Executive Council for approval.</p>						
33-4.0	Items for Consideration							
33-4.1		<p>To consider the Arbitration Award for the work of Construction of Staff Quarters (Type-B, C & D) executed by the CPWD</p> <p>The work of Construction of Residential Quarters 12 Nos. Type-C (G+2), 32 Nos. Type-D (G+3) including Water Supply, Sanitary Installation, Drainage & Electrical Works, etc. was awarded by the University to CPWD vide letter No. CURAJ/R/F.45/2013-14/467-68 dated 02.05.2013 with (revised) AA&ES amount of Rs. 142423,700/-.</p> <p>The work Construction of Residential Quarters 24 Nos. Type-B (G+2) including Water Supply, Sanitary Installation, Drainage & Electrical Works, for CURaj was also awarded by the University to CPWD and accorded (revised) AA&ES of amount of Rs. 137531200/- vide its letter No. CURAJ/R/F.45/2013-14/469-70 dated 02.05.2013.</p> <p>The CPWD has awarded the both the above works to M/s AYG Realty Pvt. Ltd. (erstwhile known M/s Choudhary & Choudhary India Ltd.).</p> <p>The CPWD vide its letter No. 54(Arb.)/EE/IIITKPD/2020/73 dated 22.02.2020 has informed that the agency has gone into arbitration for these works for settlement of disputed claims. Further, the CPWD vide its letter No. 54(Arb.)/EE/IIITKPD/2020/91 dated 28.02.2020 requested to deposit the sum of Rs. 600000/- against each work (i.e Rs. 1200000/-) towards arbitration fees and other expenses.</p> <p>Later, the CPWD vide its letter No. 54(Arb.)/EE/IIITKPD/2021/77 dated 24.02.2021 <u>[Annexure-D, Page No. 45 to 46]</u> intimated regarding the Arbitration award for the said works with a request to release the payment of arbitration amount latest by 31st March, 2021 so that the amount of arbitral award can be released to the contractor within 60 days from date of award i.e. by 20th April, 2021 and further interest on this award is avoided.</p> <table border="1" data-bbox="451 1661 1425 1959"> <tr> <td data-bbox="451 1661 532 1892">1.</td> <td data-bbox="532 1661 980 1892">C/o Residential Quarters 12 Nos. Type-C (G+2), 32 Nos. Type-D (G+3) including Water Supply, Sanitary Installation, Drainage & Electrical Works, etc. for CURaj (as per CPWD Letter No. 77 dtd. 24.02.2021)</td> <td data-bbox="980 1661 1425 1892">Arbitration Award published on 22.02.2021, Amount Rs. 17710527/- (excluding the GST reimbursement and future interest @12% p.a. as per claim No. 8 & 9).</td> </tr> <tr> <td colspan="2" data-bbox="451 1892 980 1959"></td> <td data-bbox="980 1892 1425 1959">CPWD demanded amount Rs. 2.29 Crores (including interest</td> </tr> </table>	1.	C/o Residential Quarters 12 Nos. Type-C (G+2), 32 Nos. Type-D (G+3) including Water Supply, Sanitary Installation, Drainage & Electrical Works, etc. for CURaj (as per CPWD Letter No. 77 dtd. 24.02.2021)	Arbitration Award published on 22.02.2021, Amount Rs. 17710527/- (excluding the GST reimbursement and future interest @12% p.a. as per claim No. 8 & 9).			CPWD demanded amount Rs. 2.29 Crores (including interest
1.	C/o Residential Quarters 12 Nos. Type-C (G+2), 32 Nos. Type-D (G+3) including Water Supply, Sanitary Installation, Drainage & Electrical Works, etc. for CURaj (as per CPWD Letter No. 77 dtd. 24.02.2021)	Arbitration Award published on 22.02.2021, Amount Rs. 17710527/- (excluding the GST reimbursement and future interest @12% p.a. as per claim No. 8 & 9).						
		CPWD demanded amount Rs. 2.29 Crores (including interest						

		and GST)
2.	C/o Residential Quarters 12 Nos. Type-B (G+2) including Water Supply, Sanitary Installation, Drainage & Electrical Works, for CURaj (as per CPWD Letter No. 77 dtd. 24.02.2021)	Arbitration Award published on 22.02.2021, Amount Rs. 15585122/- (excluding the GST reimbursement and future interest @12% p.a. as per claim No. 8 & 9). CPWD demanded amount Rs. 2.01 Crores (including interest and GST)
<p>The extract of Arbitration claims award enclosed (<u>Annexure A</u>) [<u>FC-Annexure-E, Page No. 47 to 48</u>]</p> <p>On the basis of letter No. 54(Arb.)/EE/IIITKPD/2021/77 dated 24.02.2021, for this amount, the University have shown the provisional liability in the Books of Accounts in the FY 2020-21. The University has taken the approval from the UGC vide its letter No. F.1-3/2019(CU) dated March 23, 2020 [<u>Annexure-F, Page No. 49</u>] for Rs. 4,16,73,647.00 towards payment of any committed liability to the CPWD.</p> <p>The above is put up for the information to the members and to consider to release the Arbitration amount to CPWD.</p> <p>The matter is also being put up in the ensuing Building & Works Committee meeting which is scheduled to be held on 13.04.2021 and the resolution/recommendation of the Building & Works Committee will be sent separately.</p> <p><u>Resolution of BWC:</u> The Project Director/SE, CPWD gave details of the award sent by CPWD vide their letter No 54(Arb.)/EE/IIITKPD/2021/77 dated 24.02.2021. While explaining the process of award he stated that CPWD officials have properly defended the same as per rules and procedures and also by the legal counsel appointed by Addl Solicitor General. It was pointed out that CPWD is legally bound by the award that is to be paid by 22nd April 2021. The final decision on release of payment is taken by the Competent Authority of the CPWD after technical and legal examination as per well-established process of CPWD. The Building and Works Committee after detailed deliberation on various aspects of award and taking note of expert opinion of special invitees resolved as under:</p> <ol style="list-style-type: none"> 1) The awarded amounts of both the Arbitration cases are to be transferred to CPWD as an Advance for further processing at their end after following the due procedure and rules in such matters. 2) Legal consultant of the University opined that prima facie there are few claims that could be challenged in the court of law. It was decided that the Legal Consultant of the University will send his written submission to the CURaj at the earliest which will be forwarded to Project Director/SE, CPWD, MNIT Project Circle, Jaipur for taking up the matter with Techno-Legal Cell and at appropriate level of authority of CPWD. It was also noted by the BWC that the final decision in the matter whether to challenge or not to challenge will be with the Competent Authority of the CPWD. 3) BWC also resolved that the responsibility in both the arbitration cases, fully lies with CPWD and CPWD shall take all possible 		

measures to safeguard the interest of Government of India and the University. Any query on these Arbitration awards either by Audit, UGC or Ministry of Education, Govt. of India will be dealt with and responded/settled by CPWD on priority. This was noted and agreed to by the Project Director/SE, CPWD, MNIT Project Circle, Jaipur for compliance.

- 4) After finalization/settlement of the Arbitration matter, CPWD will submit the details of both the Arbitration cases to the University. The balance amount if any after final settlement of the claim will be refunded to the University.

The committee recommended to place the matter before the Finance Committee and the Executive Council for approval.

The copy of the Arbitration Award is enclosed as detailed below:

1. Arbitration Award Booklet received from the CPWD in respect of Staff Quarters Type B - **Annexure-L (Page No. 78 to 198)**
2. Arbitration Award Booklet received from the CPWD in respect of Staff Quarters Type C and D - **Annexure-M (Page No. 199 to 319)**

Discussion in the FC:

At the outset, the VC (I/C) presented the background in a chronological manner that led to the imposition of the Award. The work of construction of Residential Quarters 12 No. Type C, 32 Nos. Type D and 24 Nos. of Type B was given to CPWD as deposit work after observing the due process of approval. CPWD being the GoI organisation is responsible for taking care of all administrative and legal matter related to construction and is reported to have followed the prescribed procedures as per GFR and GoI rules in the matter. In the BWC meeting it is noted and the CPWD is responsible to respond to all queries of Audit/UGC/MoE etc as related to this matter. There was a prima facie gap in availability of funds with the University that restrained university to transfer funds to CPWD. Now University has to take a decision to make payment on account of the Arbitration Award.

Members desired that the details of the status of funds be recorded in the discussion to provide clarity in the matter.

The status of the fund is mentioned as per following details:

(a) XIth Plan period

(Rs. In lakhs)

Expenditure Head	Funds released during XIth Plan	Funds utilized during XIth Plan
Grants-in-aid General	19225.00	630.30
Grants-in-aid Salary		613.92
Grants for Capital Assets		18122.02
Total	19225.00	19366.24

(b) XIIth plan period: The University submitted the 12th Plan proposal for Rs. 1052.93 Crores to the UGC during the year 2012-13. At that point of time, most of the buildings such as, Academic Blocks, Hostels, Mess, Sports Ground, Semi Permanent Buildings, Peripheral Road, Utility Buildings, Guest House, Staff Quarters, Admin Building etc. were under process/construction. Against the University proposal of Rs. 1052.93 Crore, the UGC has approved the tentative XIIth plan allocation Rs. 307.75 Crore during the financial year

2013-14. *Here it is imperative to reiterate that to adhere the directives of UGC to get accreditation of NAAC, University made its plan of construction activities in advance and initiated to have proper infrastructure facility such as Academic Blocks, Administration Block, Guest House, Sports Complex, Faculty and Staff Housing etc, which are given due weightage in NAAC assessment.*

The detail of grants received and expenditure incurred against capital head of expenditure during 2012-13 and 2013-14 is summarized here under:

(Rs. In lakhs)

Budget Allocation	Grant Received	Expenditure	Balance against Allocated fund
22175.00	16594.06	16550.00	5580.94

At this juncture CPWD vide their letter dated 03-04-2014 requested to deposit the balance amount of Rs. 132.00 Crores to complete the construction of ongoing works.

The Finance Committee discussed in detail the matter pertaining to the Arbitration award with the directive to release Rs. 4,30,00,000/- including payable interest and GST in favor of the contractor. The observations and the recommendation of the Building & Works Committee in this context were taken note of.

The Member of UGC (as Visitor nominee) categorically mentioned that the University should take appropriate action in consonance with the Govt. of India rules and relevant provisions of the GFR, on the subject. He also conveyed that the University has to take a call in the matter. However, the University must examine specific reasons for delay in payment to CPWD and fix responsibility for lapses.

In addition to the above, some members of the Finance Committee raised certain other issues which are summarized below:

- Belated supply of Working Drawings, design and instructions/decisions to the Contractor as recorded in the hindrance register which has been given cognizance by the Arbitral Tribunal while announcing the award.
- In case it was the responsibility of the consultant engaged by the University to provide the drawings etc., what action the University proposes to initiate?
- The matter related to award of royalty payment i.e., whether NOC was required to be produced by the contractor and whether Central University of Rajasthan functioning under the administrative control of the Govt. of India was exempted from payment of royalty?
- Could it be concluded that had the contractor or the consultant or CPWD obtained the NoC, the University could have saved the amount of Royalty? This needs to be clarified.
- The rate of interest as per the arbitral award is 10% against the maximum rate of interest prevailing at present i.e. not more than 5% to 7%. This could not be accepted as the arbitral award should not be beyond the scope of law. This needs to be contested unless specifically mentioned in the CPWD manual or agreement. It was submitted by the CPWD officials present in the meeting that the award of the arbitrator in matters of rate of interest is part of judicious discretion of the Hon'able Arbitrator.
- The specific reasons for delay in the release of payment to the contractor? Whether it was due to late receipt of funds from the UGC/MHRD or otherwise?

The representative of Additional Secretary (CU), MoE observed that looking at the legal aspects, the matter seemed to be a case of fate accompli. He emphasized that the details of the matter should be recorded in chronological order. Also, the reasons for delay in this Arbitration award must be documented to serve as a learning for future by the University and other institutions so that any such occurrence could be avoided in future.

The Following is the gist of details apprised to the Committee:

1. As per the standard procedure, the University has assigned all its construction works to the CPWD, which is an authorized construction Agency/Department of Govt. of India, having all expertise on the subject matter. The Contractor filed the case against the CPWD under Indian Arbitration Act, where the party was the CPWD only and not the Central University of Rajasthan.
2. The SE, CPWD (Special Invitee) gave a detailed account of the procedures followed by the CPWD, in the matter of arbitration along with the line of defence in the interest of the University. It was informed that the CPWD had followed all provisions of the GFR and relevant applicable rules of GoI.

The table of award given by the Arbitrator is given here-under: **(See Annexure-L, Page No. 197 and Annexure-M, Page No. 318)**

Claim No.	Amount Claimed (Rs.)		Amount Awarded (Rs.)		Interest awarded @ 10% p.a. from	
	Type C & D Quarter	Type B Quarter	Type C & D Quarter	Type B Quarter	Type C & D Quarter	Type B Quarter
1.	3,13,178/-	2,04,341/-	2,29,706/-	1,23,882/-	N.A	N.A
2.	43,17,595/-	38,95,204/-	43,17,595/-	38,95,204/-	24.06.2018	21.06.2018
3.	7,99,126/-	1,80,565/-	7,99,126/-	1,80,565/-	24.06.2018	21.06.2018
4.	19,29,349/-	16,51,488/-	Nil	Nil	N.A	N.A
5.	8,83,659/-	11,38,295/-	Nil	Nil	N.A	N.A
6.	17,92,833/-	16,35,660/-	7,97,541/-	7,96,371/-	24.12.2019	24.12.2019
7.	3,75,60,340/-	3,51,61,020/-	1,10,66,559/-	1,00,89,100/-	24.12.2019	24.12.2019
8.	Declaratory award on GST		-	-	-	-
9.	Interest		-	-	As above	As above
10.	6,00,000/-	6,00,000/-	5,00,000/-	5,00,000/-	N.A	N.A
Counter Claim No. 1	8,00,000/-	8,00,000/-	Nil	Nil	N.A	N.A
Total			1,77,10,527/-	1,55,85,122/-		

c. The SE, CPWD further clarified that Arbitration award can be challenged in higher court under Section 34 of Indian Arbitration Act. However, there are very limited grounds on which Arbitration award can be challenged in the court. Hence decision to challenge arbitration award in higher court needs to be taken wisely based on provisions of Sec 34 of Indian Arbitration act and past experiences. As desired by CURAJ, the comments/suggestions of legal counsel of CURAJ on arbitration award, submitted via email dated 15-4-2021, have been forwarded to SDG, PRCH, CPWD for consideration.

d. SE CPWD also clarified that major reasons for award amount being in favor of claimant in above two arbitration cases w.r.t. CURAJ works, were:

i. During the period between 2014-16 the delay was largely due to non-availability of funds. CURAJ was short of funds and didn't get adequate

	<p>and timely funds from the UGC/Ministry of HRD, GOI despite frantic persuasion at all levels. Thus, CURAJ failed to release adequate and timely funds to the CPWD which in turn delayed payments to the contractor for the work done. Works stopped for long periods and got delayed due to non-release of funds. Hence period of work got extended from time to time and the contractor had to bear extra cost of overheads and financing cost.</p> <p>ii. There was also delay initially in release of drawings by design consultant of CURAJ. On this matter, the Vice Chancellor CURAJ informed the committee that the bill of Master Planner amounting to Rs. 29.02 lakhs has been kept on hold and the matter will be dealt with properly after thorough examination of the matter of delayed submission of drawings etc.. Necessary action will be initiated against the Design Consultant after examination of the matter by the already constituted committee. This matter was already placed before 22nd BWC meeting vide item no. 22-4.2 and BWC resolved as follows:</p> <p>“The committee recommended to hold the bill payment and to get examined the same thoroughly by the committee that was constituted for this purpose. This committee will also include Shri A. K. Jain, Former Spl DG (Elct) CPWD to provide the inputs and guidance to the committee in finalization of the pending bill of M/s CP Kukreja (Master Planner).”</p> <p>iii. With regard to the amount of award of royalty payment, it was clarified that it is not additional payment to be made by CURAJ. The SE CPWD further clarified that the Contractor has procured all construction materials like sand, stone aggregates, earth etc. used in above works of CURAJ, after payment of due royalty to state authorities. As per Rajasthan Govt. rules, the Contractor should obtain NOC from the Mining department of Rajasthan Govt. before payment of the final bill of work to him. In spite of having paid all royalty for the materials in the above-mentioned works, the contractor could not get NOC because of some procedural lapse. The CPWD had withheld some money from the final bills paid to the contractor, pending submission of NOC by the contractor.</p> <p>The Contractor had claimed in Arbitration for release of his withheld money which was accepted by the Arbitrator. The Arbitrator has taken into consideration the various aspects of contract, applicable law and past court judgments while deciding to release the withheld amount of the contractor’s money.</p> <p>Hon’ble Arbitrator has considered the fact that there was no notice/demand from Rajasthan Govt. till date since the award of works in the year 2013 w.r.t recovery of any amount from the contractor towards royalty. Hence the Hon’ble Arbitrator has released the contractor’s own money. CURAJ is not making any payment towards royalty under this award.</p> <p>e. The SE CPWD informed that the process of taking decision on acceptance of arbitration awards w.r.t above works has been going on in the office of the SDG, Project Region, Chandigarh, CPWD. CURAJ has been parallelly requested by the CPWD for release/ deposit of Arbitration award amount so that payment to claimant can be released by 22 April 2021 and GOI does not bear avoidable interest liability. He also mentioned that CPWD has kept CURAJ well informed at all stages of arbitration in above matters.</p> <p>3. Sh AK Jain (Special Invitee) also reiterated that as per the Arbitration award clause No. 18.4.6 (C), the full and final payment is to be made to contractor within 60 days from date of receipt of award. Up to this date, there will be no interest. Otherwise, the future interest @ 12% per annum</p>
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		<p>from the date of award to the actual date of payment will also be payable by the respondent to the claimant for the entire awarded amount under this award.</p> <p>4. It was noted by the committee that in the instant case, both the awards were given on 22.02.2021 and the date of releasing the payment is calculated as 22.04.2021. In case of payment is made after 22.04.2021, there will be a recurring additional expenditure of Rs. 3.35 lakhs per month on account of interest on awarded amount plus interest @ 12% on account of declaratory award on GST. Accordingly, the total interest liability comes approximately to Rs 4 Lacs per month that shall become applicable from 22.02.2021.</p> <p>5. It was apprised to the committee that University sent its various requests during the FY 2014-15 and 2015-16 to MHRD and UGC for releasing Capital Grants to liquidate the CPWD liability. Some of them are enlisted here under [Annexure-N (Page No. 320 to 344)]:</p> <p>a. University Letter dated 16.4.2014 to Joint Secretary (CU&L), erstwhile MHRD now MoE for consideration of funds under Capital in respect of liability to CPWD Rs. 132.00 Crores.</p> <p>b. D.O. Letter from Vice Chancellor CURaj to Director (CU), UGC dated 25.04.2014 to release Rs. 132.00 Crores under Capital Head towards liability to CPWD, required to be paid during FY 2014-15. It was requested in the said letter to consider Rs 200 crore Budget allocation during FY 2014-15 towards Capital Expenditure.</p> <p>c. CURaj Letter dated 28.10.2014 to Joint Secretary (CU), UGC and copy to Secretary and Joint Secretary (CU&L), erstwhile MHRD now MoE for consideration of additional funds under Capital in respect of liability to CPWD/others, amounting to Rs. 75.00 Crores.</p> <p>d. UGC accepted the genuine demand of CURaj and had written a letter to Ministry vide Letter dtd 24.11.2014 addressed to JS(CU), erstwhile MHRD now MoE from JS(CU), UGC to consider additional grant of Rs. 75.00 Crore under Capital Head to meet committed liability of Central University of Rajasthan during FY 2014-15. [Annexure-O (Page No. 343)]</p> <p>e. D.O. Letter from Vice Chancellor CURaj dated 12.12.2014 to JS(CU&L) erstwhile MHRD now MoE for immediate allocation and release of Rs. 75.00 Crore under Capital Head during FY 2014-15 to meet out the committed liabilities towards CPWD for completion of ongoing building projects.</p> <p>f. Letter dtd. 29.01.2015 from Vice Chancellor, CURaj to Dr. K. P. Singh, JS(CU) for immediate release of Rs. 15.00 Crore on urgent basis.</p> <p>g. D.O. letter dated 17.02.2015 from JS(CU), UGC for constitution a committee of experts for finalization of Budget Allocation for FY 2015-16.</p> <p>h. D.O. letter dated 21.08.2015 from JS(CU), UGC for recommendation of additional allocation of Rs. 30.00 Crore under Non-recurring head</p> <p>i. Letter from UGC dtd. 29.01.2016 in respect of approval of additional fund of Rs. 45.00 Crore to complete construction of ongoing incomplete works.</p> <p>j. As mentioned in agenda, the amount has been shown under provisional liability in the Books of Accounts in the FY 2020-21 and University is having the approval of UGC for Rs. 4,16,73,647.00 towards payment of committed liability/liability towards CPWD.</p> <p>k. With reference to (h) above, Rs. 30.00 Crore was received to University on 13.10.2015 and with reference to (i) above, Rs. 45.00 Crores was received to University on 01.09.2016. Thus, there was a delay in receiving the</p>
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	<p>funds from UGC against various committed liabilities to CPWD/to complete construction of ongoing incomplete works and it is clearly established that University was not having funds during that period.</p> <p>Resolution of FC: In the light of the facts stated above in chronological order and keeping in view the legal position of the arbitral award which is binding on the CPWD, the Finance Committee considered the resolution of the Building & Works Committee and resolved to recommend to the Executive Council to accept the Arbitration Award as fait accompli and to release the funds to the CPWD as deposit amount (not as an advance) for further appropriate action at the end of the CPWD, after observing all the technical, procedural and legal aspects and safeguarding the interest of the Central University of Rajasthan and Govt. of India. The amount may be paid from the available funds at the University under Capital Head.</p> <p>The Finance Committee also suggested for preparation of a report on the lessons learnt from these arbitration awards for future works.</p> <p>The Finance Committee also observed that the responsibility to reply to the audit paras if any in future and any inquiries w.r.t these arbitration awards shall lie with the CPWD which shall respond to all such queries promptly and get them settled.</p> <p>With this, the same is recommended to Executive Council for consideration and approval.</p>
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At the end of the meeting, the Finance Officer (I/c) offered vote of thanks to all the members of the Finance Committee.

*****THANK YOU*****