



#51, Stock Exchange Towers,
1st Floor, 1st Cross, J C Road,
Bengaluru - 560027.
PH No.:080-22228666.

SANCTION MEMORANDUM

REF: SAN/UOD/765/2023-24

DATE: 23-01-2024

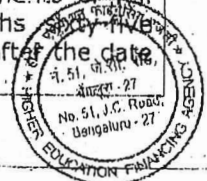
THE REGISTRAR,
UNIVERSITY OF DELHI
NORTH CAMPUS, DELHI - 110007

Dear Sir/Madam,

Sub: Term Loan of Rs. 261.33 Crores sanctioned to the Institute.

We are pleased to inform you that the Institute's proposal for Term Loan of Rs. 261.33 Crores has been sanctioned on the following terms and conditions:

| | | | | | |
|--------------------------|---|---|--------------|--------------------------|--------|
| Nature of Facility | Term Loan | | | | |
| Amount | Rs. 261.33 Crores. (Rupees Two Hundred and Sixty One Crores and Thirty Three Lakhs Only) | | | | |
| Purpose and Project Cost | For the purpose of construction and purchase of equipment/furniture as mentioned below: (Rs. in Crores) | | | | |
| | Sl. No | Particulars | Project Cost | | |
| | | | Civil | Equip/ Furniture/ others | Total |
| | 1 | Construction of New Building for Faculty of Technology | 93.94 | 101.68 | 195.62 |
| | 2 | Wi-Fi Connectivity & Expansion of network at University of Delhi (North Campus, South Campus and Dhaka Hostel Complex) and all the colleges (approx., 90 colleges) (List of colleges attached in annexure IX) | 0.00 | 65.71 | 65.71 |
| | | Total | 93.94 | 167.39 | 261.33 |
| Margin | Nil | | | | |
| Security. | Primary: Hypothecation of Equipment/Furniture purchased out of HEFA Loan. Collateral: Charge on the following to the extent of our Loan amount / outstanding dues: Fee Receivables Account Grants Receivables Account | | | | |
| Interest | | | | | |
| Applicable | 5.55% p.a. (Other details related to Rate of Interest furnished under Para III). ROI is subject to change as advised by Board of HEFA from time to time. | | | | |
| Reset of ROI | Next reset shall be on 01.04.2024 and every quarter thereafter on the said date. The ROI may also be reset any time before the said date, as per the directions of the HEFA Board. | | | | |
| Repayment | A) Principal The Loan is repayable in 20 Half Yearly Installments of Rs. 13.0665 Crores (Rupees Thirteen Crore Six lakhs and sixty five thousand only) each commencing from 6 months after the date of 1 st disbursement. | | | | |





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| | |
|-----------------------------------|--|
| | <p>The University falls under Window Category III as per "RISE by 2022", accordingly, the University has to repay 10% of the Principal portion i.e. Rs. 1.30665 crore from internal resources. The balance 90% of Principal portion i.e., Rs. 11.75985 crore of the proposed loan shall be fully serviced out of MOE Grants.</p> <p>B) Interest Institutes falling under Window category III, 100% of Interest shall be paid out of Govt. grants. Interest is charged to the loan account at monthly rests on compounded basis. However, interest accrued at the end of the calendar quarter (i.e., March, June, September and December) has to be repaid within 30 days from the completion of the quarter. Due Date will be 30 of the month after the completion of quarter.</p> |
| Scheduled Project completion date | 24 months from the date of start |
| Validity of Sanction | One Year. However, Institute has to execute the loan documents within 45 days from the date of sanction conveying letter. |
| Disbursement | <p>Directly to Vendor/Agency</p> <p>Conditions: All disbursements from the loan shall be made directly to CPWD / contractor / Vendor/ Implementing Agency / Project monitoring consultant (PMC) against production of bills / certificate.</p> <p>Disbursements are permitted at the request of the institution, in cases where advance payments have to be made to CPWD / Contractors as per the MOU signed by the institution with CPWD/Contractors against submission of copy of MOU and demand notice.</p> |
| Upfront fee | Nil |
| Documentation charges | Nil |
| Commitment Charges | Nil |
| Annual Review Charges | Nil |
| Stamp Duty on Documentation | Actuals to be paid by the institute |

Conditions:

1. Institute to submit an undertaking for the following:

- a) Institute shall ensure that copy of contract agreement/letter of award in respect of all project components which are awarded and yet to be awarded shall be submitted to HEFA.





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- b) Institute shall ensure that the contractor entrusted with the work is having good track record in implementing project of this scale and related guidelines of Central Vigilance Commission are adequately complied with.
- c) The Institute shall ensure submission of the documents such as MoU with CPWD, Architect appointment letter with scope of work etc to HEFA at appropriate time for the proposed project.
- d) Institute shall ensure formation of Project monitoring team and also ensure submission of a copy of the periodic Project Progress report submitted by Executing agency to the Institute along with Institute's review/comments to HEFA to track the progress of the Project. Further, Institute shall also ensure that project is being implemented as per schedule. Time over run, if any, at any point of time will be brought to the attention of the concerned and steps will be taken to catch up with the original schedule.
- e) Institute shall ensure submission of approved building plan to HEFA and also ensure that the same is in line with MOE approval. Any deviation will be informed to MOE/HEFA.
- f) A detailed implementation schedule linked to disbursement of loan shall be drawn in detail referring to civil contract and the same shall be informed to MOE for approval as per prevalent guidelines and the same shall be forwarded to HEFA for monitoring.
- g) Institute shall ensure that the Architectural drawings/building plans are prepared as per local building by-laws and in accordance with National Building Code (NBC) guidelines.
- h) Institute shall ensure that Any deviation in the project scope or project timeline shall be reported to MOE and MOE approval for the same as per relevant guidelines will be submitted to HEFA.
- i) Institute shall ensure obtaining all contracts/ agreements/ clearances/ timely approvals (internal & external) of the project from statutory bodies (wherever applicable).
- j) Any revision in the project implementation schedule will be informed to MOE for approval and the same will be informed to HEFA. The exact timelines as per contracts shall be furnished to HEFA and MOE.
- k) Institute shall ensure submission of copies of the statutory approvals/permissions/clearances/NOC for the proposed project (wherever applicable). Further, Institute shall ensure submission of confirmation that all the terms and conditions of the approvals are complied with.
- l) Institute shall ensure submission of complete details of work to be done in the proposed project. Any deviation shall be informed to MOE/HEFA.





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2) Institute to execute the loan documents within 45 days from the date of sanction conveying letter.

3) The existing main "**Fee receivables**" account of the borrower Institution shall be treated as Escrow Account No 1 and the corresponding bank shall be **Escrow Bank 1**.

4) The existing "**Grants receivable**" account of the Borrower Institution shall be treated as Escrow Account No 2 and corresponding bank shall be **Escrow Bank 2**.

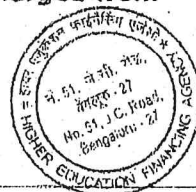
5) The Institution has to open two escrow accounts i.e., **HEFA Principal Repayment Account** (Escrow Account 3) and **HEFA Interest Repayment Account** (Escrow Account 4) with **Canara Bank (Escrow Bank 3) for Term Loan as per HEFA Scheme**. The same will be utilized for repayment of Principal Instalment and Interest for proposed HEFA term loan.

6) The University falls under category **Window 3** of RISE by 2022 scheme, wherein they have to repay 10% of the principal instalment portion from their internal resources and balance 90% out of general grants released by MoE.

Therefore, **on or before the date of disbursement**, upon intimation from HEFA, **Escrow Bank 1** shall debit "**Fee receivable**" account to the extent of Rs.1.30665 Crores being 10% of the principal instalment share of the Institute and **Escrow Bank 2** shall debit the "**Grants receivable account**" to the extent of Rs.11.75985 Crores being 90% of the principal instalment share of the MoE [i.e., total Rs.13.0665 Crores being half yearly principal repayment installment] and similar amounts every 6 months thereafter, **till closure of the loan account** and remit the amounts to principal repayment account maintained with **Canara Bank (Escrow Bank 3)**.

7) The Escrowed amount so received in Principal Repayment Account with Canara Bank shall be first invested in short term fixed deposits **as per borrower's instruction**, for the period that maturity date of deposit to coincide with the due date of half yearly term loan installment and then transferred to HEFA's account on due dates by Canara Bank as advised by HEFA. This amount so received in HEFA's account will be appropriated towards installment due in respect of loan account(s) by HEFA.

8) As per proposed revised HEFA scheme, Institutes falling under Window Category III, 100% interest obligation is to be serviced out of grants released by MoE, hence upon receipt of Interest demand notice from HEFA, **Escrow Bank 2** shall debit the Grant receivable account to the extent of 100% quarterly interest (being the interest debited monthly to the loan account during the calendar quarter i.e., March, June, September and December quarters) before 10th of April, July, October and January months every year, and in any case **within 30 days from the closure of quarter and same shall be transferred to Interest Repayment Account** maintained with Canara Bank (Escrow Bank 3). Such amount shall be transferred to HEFA's account immediately but not later than 2 working days. This Amount will be appropriated towards interest due by HEFA. **Last Due date of payment of interest will be 30th of April, July, October and January months respectively. Penal interest @ 2% shall be charged from due date for the period of delay in payment of interest.**





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9) University shall ensure that Grant will be provided by MOE for servicing 90% of principal amount and complete servicing of interest towards the proposed loan, as applicable to Window 3 HEFA Loans.

10) University to ensure submission of Physical Progress Report on a quarterly basis as per the prevailing guidelines through PMS portal of HEFA.

11) Any deviation in the project scope or the project timeline has to be reported to HEFA and approval by MoE as per relevant guidelines for the same, may be submitted.

12) The responsibility of carrying out due diligence before issuing a request for release of funds lies with the University. It shall be the responsibility of the University to ensure that the process laid down in their Statutes and the guidelines issued by the Government are followed scrupulously.

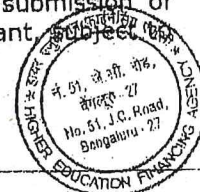
13) Disbursement from the loan shall be made directly to CPWD/Vendor/Executing Agency, as per their demand notice. Loan amount shall be released in stages based on the progress of work. Following documents/papers should be submitted for each disbursement:

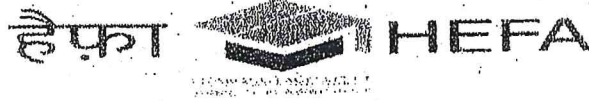
- i) Request letter signed by the Director/Registrar.
- ii) Demand Notice/Bill of the PMC/Contractor.
- iii) Copy of the Internal Approvals permitting payment of the Bill.
- iv) Progress Report submitted by PMC along with the expenditure statement.
- v) Recent Photographs of the Project indicating the progress.
- vi) In case of payment of bills under LC:
 - a) Request from the University signed by the Director/Registrar.
 - b) Copy of LC
 - c) Confirmation from the Bank that documents under the LC are in order and strictly in compliance of LC terms.
 - d) Demand from LC opening bank for payment specifying the amount and account number to which the remittance has to be made.

14) In cases, where advance payments have to be made to CPWD/Vendor/Executing Agency/Contractors as per the MOU signed by the institution with CPWD/Vendor/Executing Agency/Contractors, disbursements are permitted at the request of the institution, against submission of copy of MOU along with demand notice issued by the Executing Agency/Contractors.

Preliminary expenses which form part of the project cost and incurred by the institution immediately prior to sanction of the loan like payments made to the Architect, Fees paid to statutory authorities towards approvals, advance deposit amount paid, if any, to CPWD/NBCC or any other Executing Agency/Vendor as per the terms of the MOU/Agreement signed with them, shall be reimbursed after receiving Chartered accountant certificate / letter in this regard, from the Institute:

Amount spent by the institution on the sanctioned project prior/after the approval by SFC / EFC / Cabinet may also be reimbursed to the institution on submission of evidencing documents and original bills certified by Chartered Accountant. These costs / expenses forming part of the project cost.





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15) During review of the project (from time to time), if it is found that the project is not being implemented as per the laid down plans, the Board may take a decision to stop further funding. The University shall abide by the decision of the Board in this regard.

16) Insurance cover for Theft, Burglary and Fire to be obtained for all equipment, machinery etc, proposed to be purchased out of HEFA finance. The policy shall be assigned in favour of HEFA, wherever applicable.

17) Inspection by HEFA will be carried out as and when deemed necessary.

18) The applicable stamp duty expenses in connection with execution of documents for the proposed loan shall be borne by the University.

19) Notwithstanding anything contained herein above:

This sanction does not vest in anyone, the right to claim any damages against HEFA, for any reason whatsoever.

The disbursement under this sanction is subject to:

➤ **Availability of funds**

Please return the duplicate copy of the sanction letter duly signed by the authorized signatories, for having accepted all the terms and conditions contained herein.

"As per the Orders of the Board of Directors dated 20-01-2024"

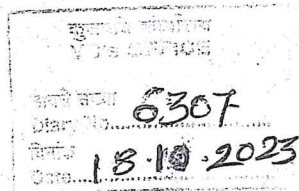
Yours faithfully,

SUNIL DUTT VERMA
SENIOR EXECUTIVE VICE PRESIDENT

Copy to:

The Bureau Head - Central Universities,
Department of Higher Education,
Ministry of Education, Govt. of India,
Shastri Bhavan,
New Delhi.

F.No.4-5/2022-CU.II
Government of India
Ministry of Education
Department of Higher Education



Shastri Bhawan, New Delhi
Dated 11th October, 2023

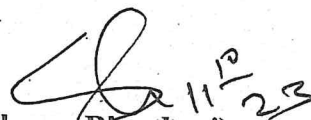
OFFICE MEMORANDUM

Subject: Minutes of the meeting of Public Investment Board (PIB) to consider funding to University of Delhi from Higher Education Financing Agency – reg.

The undersigned is directed to forward herewith a copy of the minutes of the Public Investment Board (PIB) meeting held under the Chairmanship of Finance Secretary & Secretary (Expenditure) on 17.07.2023 in North Block, New Delhi to appraise the financing amounting to Rs 938.33 crore to University of Delhi from HEFA, duly approved by Hon'ble Minister of Education and Hon'ble Minister of Finance for information and necessary action.

Encl: as above

R-3464
19/10/23


(Shreya Bhardwaj)

Deputy Secretary to the Govt. of India

To,

1. Finance Secretary & Secretary (Expenditure), Department of Expenditure, Ministry of Finance, North Block, New Delhi
2. JS & FA, D/o HE, MoE, New Delhi
3. Executive Vice President HEFA, 6th Floor, Naveen Complex, No. 14 MG Road, Bangalore -560001.
4. Vice-Chancellor, DU with a request to take further necessary action to approach/apply HEFA.

Copy to:

1. PSO to Secretary (HE), MoE
2. PPS to AS (Edu), MoE

4-5/2022-CU.II

286417/1023/101

F.No.13(04)/PFC-II/2023
Government of India
Ministry of Finance
Department of Expenditure
Public Finance Central – II

North Block, New Delhi
25th July, 2023

OFFICE MEMORANDUM

Subject: Minutes of the meeting of Public Investment Board (PIB) held under the chairmanship of Finance Secretary & Secretary (Expenditure) for financing of campus development projects worth Rs. 938.33 Crore of University of Delhi from Higher Education Financing Agency (HEFA) for the period 2023-24 to 2025-26-reg.

The undersigned is directed to forward herewith the minutes of the Public Investment Board (PIB) meeting held under the chairmanship of Finance Secretary & Secretary (Expenditure) on 17.07.2023 at 4:15 PM in the Fresco Room (No.169-D), North Block, New Delhi for "financing of campus development projects worth Rs. 938.33 Crore of University of Delhi from Higher Education Financing Agency (HEFA) for the period 2023-24 to 2025-26" for necessary action of Department of Higher Education, Ministry of Education.

2. Department of Higher Education is requested to take appropriate approval of the competent authority as per DoE's OM No. 24(35)/PF-II/2012 dated 05.08.2016.
3. This issues with the approval of Finance Secretary & Secretary (Expenditure).

Encl: Minutes of the meeting

Secretary
Department of Higher Education
Shastri Bhawan, New Delhi

Hema Jaiswal
25/07/2023
(Hema Jaiswal)
Dy. Director General (PFC-II)

हेमा जायसवाल / HEMA JAISWAL
उप महा निदेशक / Deputy Director General
वित्त मंत्रालय / Ministry of Finance
व्यय विभाग / Department of Expenditure
भारत सरकार / Government of India
नई दिल्ली / New Delhi

Copy to: -

1. JS & FA, Ministry of Education, Shastri Bhawan, New Delhi.
2. AS (Budget Division), D/o of Economic Affairs, North Block, New Delhi
3. CEO, NITI Aayog, NITI Bhawan, New Delhi

PIB on financing of campus development projects of DU: Meeting held on 17.07.2023

Minutes of the meeting of Public Investment Board (PIB) under the chairmanship of Finance Secretary & Secretary (Expenditure) for financing of campus development projects worth Rs. 938.33 Crore of University of Delhi from Higher Education Financing Agency (HEFA) for the period 2023-24 to 2025-26 held on 17.07.2023 at 4:15 PM in the Fresco Room (No.169-D), North Block, New Delhi.

A meeting of Public Investment Board (PIB) under the chairmanship of Finance Secretary & Secretary (Expenditure) for appraisal of proposal of Department of Higher Education for financing of campus development projects worth Rs. 938.33 Crore of University of Delhi from Higher Education Financing Agency (HEFA) for the period 2023-24 to 2025-26 was held on 17.07.2023 at 4:15 PM in the Fresco Room (No.169-D), North Block, New Delhi. List of participants is at **Annexure-I**.

2. At the outset, the Chair welcomed all the participants and invited Secretary, Department of Higher Education (DHE) to present the proposal before the PIB. Secretary, DHE thanked the Chair and, after presenting a brief outline of the proposal, asked Vice Chancellor, Delhi University of Delhi to present the details of the proposal, its broad objective and rationale for submitting the proposal for consideration by the PIB for appraisal of the said project. Salient points presented before the PIB are as follows:

2.1 The Project is for funding of Rs.938.33 Crore to University of Delhi from HEFA for infrastructure development and Creation of Capital Assets including Construction of New Buildings for Faculty of Technology, Student's accommodation, Academic Buildings as well as Wi-Fi connectivity & Expansion of network in the entire University Campus, Hostel and all and its colleges.

2.2 The project is sponsored by Higher Education Financing Agency (HEFA). University of Delhi is a Central University under the Ministry of Education and falls under Window-III of HEFA policy guidelines. As such the proposal is submitted for funding from HEFA to University of Delhi in accordance with terms and conditions for taking the finance from HEFA. The repayment shall be decided as per the agreement signed between University and the HEFA.

2.3 Under Window-III, 10% of the repayment of loan will be borne by the University. The remaining 90% of repayment of loan and interest there in will be borne by the Government of India.

2.4 Stated aim and objective of the project: The objective is to provide funds to the University of Delhi (which is a Central University) for Construction of its Academic and Administrative Building, Faculty of Technology, Hostel Building as well as to provide Wi-Fi

Ministry Of Finance, D/O Expenditure F. No. 13(04)/PFC-II/2023

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H. Jaishwal
25/07/2023
हेमा जायसवाल / HEMA JAISWAL
उप महानिदेशक / Deputy Director General
वित्त मंत्रालय / Ministry of Finance
व्यय विभाग / Department of Expenditure

4-5/2022-CU.II

286417/2023/101

PIB on financing of campus development projects of DU: Meeting held on 17.07.2023

facilities for its Academic and Administrative purposes. The project is proposed keeping in view the enormous growth in enrolment of students as well as academic expansion of Faculties and Departments over a time.

3. **Total proposal outlay of the project: - Rs.938.33 Cr** - The details of the projects are as under: sub-components are as below:

| S.No. | Proposed Project/Activities | Plinth Area (in Sqm.) | Estimated Cost as per Par 2021 (Rs. In crores) | Estimated completion time (Months) |
|--------------|---|---|--|------------------------------------|
| 1. | Construction of New Building for Faculty of Technology | 34080 | 195.62 | 24 |
| 2. | Construction of Building for Student's accommodation at Dhaka complex | 33474 | 161.00 | 24 |
| 3. | Construction of 2 Nos Academic blocks at Delhi School of Economic | 26000 | 201.00 | 24 |
| 4. | Construction of New Academic building at Surajmal Vihar under Phase-1 | 18000 | 120.00 | 24 |
| 5. | Construction of College/Academic Building at Roshanpura, Najafgarh under phase-1 | 15000 | 100.00 | 24 |
| 6. | Construction of New Academic Building at vacant land at Dwarka | 14400 | 95.00 | 24 |
| 7. | Wi-Fi Connectivity & Expansion of network at University of Delhi (North Campus, South Campus and Dhaka Hostel Complex) and all the colleges (approx. 90 colleges) | Approximate 3,00,000 students will be benefited | 65.71 | 24 |
| Total | | | 938.33 | |

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H. Jaiswal
25/07/2023

हेमा जायसवाल / HEMA JAISWAL
उप महानिदेशक / Deputy Director General
वित्त मंत्रालय / Ministry of Finance
व्यय विभाग / Department of Expenditure
भारत सरकार / Government of India

PIB on financing of campus development projects of DU: Meeting held on 17.07.2023

4. Discussion by the Members of the PIB on the proposal. After the detailed presentation, the Chair requested the members of the PIB to offer their views on the proposal. The comments offered are as hereunder:

4.1 Comments of Chief Advisor Cost: Advisor (Cost) has raised the following issues:

- (i) He stated that as per Window-III structure, Central Universities need to pay 10% of the principal portion of the loan. He suggested that cost of the loan from HEFA for the project may be shared in the ratio 90:10 between the Govt and the Institute/ University respectively. Hence, instead the 10% repayment after disbursement, the University may pay its share upfront. This will save the interest cost also.
- (ii) Whether cost escalation of the project would be required since the PAR 2021 has been used for costing of the projects?
- (iii) It is seen that one project namely Faculty of Technology has been proposed to be constructed through NBCC and the others are proposed to be constructed through CPWD. The rationale for the choice of two agencies may need to be explained?

4.2 Comments of CPWD: Additional Director General (CPWD), on the matter raised by Advisor (Cost) regarding awarding the project Construction of Faculty of Technology to NBCC, stated that the CPWD Unit looking after the building maintenance and infrastructure of Delhi University is capable of constructing and maintaining the proposed projects. Therefore the construction of the Faculty of Technology should also be given to CPWD. He informed the members that CPWD does not charge any Development fee from Government Institutions, however, NBCC charges fee @4%.

Response of DHE: Vice Chancellor of Delhi University stated that the choice of NBCC for awarding the project for construction of the Faculty of Technology project to NBCC has been carefully thought through. He stated that it is desirable to have competition between the agencies which will improve the quality of the buildings to be constructed. Regarding the escalation of cost beyond PAR 2021, he stated that the additional cost, if any, if arises, will be borne by University.

4.3 Comments of NITI Aayog: Sr Adviser PAMD NITI Aayog made the following comments –

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H. Jaiswal
25/07/2023

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JAWHARLAL NEHRU
UNIVERSITY OF DELHI
DEPARTMENT OF FINANCE
OFFICE OF THE DEPUTY DIRECTOR GENERAL
OF EXPENDITURE

हेमा जायसवाल / HEMA JAISWAL
उप महानिदेशक / Deputy Director General
वित्त मंत्रालय / Ministry of Finance
व्यय विभाग / Department of Expenditure
भारत सरकार / Government of India

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PIB on financing of campus development projects of DU: Meeting held on 17.07.2023

- (i) Considering that AICTE has only recently lifted the moratorium on establishment of new engineering colleges, which was earlier imposed due to low enrolments, whether there is sufficient demand in the country to justify creation of large capacity of new engineering seats. He questioned the rationale behind the setting up of the Faculty of Technology in Delhi University stating that low demand for engineering colleges in Delhi NCR has led to closure of several such institutes by the AICTE.
- (ii) He stated that the cash flow statements presented for the viability of the proposals are incomplete as they do not consider all OPEX requirements and CAPEX requirements related to equipment etc. He suggested that a detailed examination of all anticipated costs and revenues should be done to ascertain the financial sustainability of the projects. He further, stated that Department of Higher Education has not come out with any policy on the fee fixation in various Higher education Institutes (HEIs). In this regard, he referred to the Justice Shri Krishna Committee Report which has recommended total recovery of CAPEX of such projects.
- (iii) He pointed out that there is a huge variation in the fee being charged by various institutions for higher education across the country, indicating adhocism in determination of fee. This increases the risk that repayments may not be financially sustainable as fee is the major component of the IRG for Universities. He stated that AICTE fixes the norms and guidelines for charging tuition and other fees. Likewise, Delhi University should also lay down principles to guide the determination of fee. In this regard, he referred to the Justice Shri Krishna Committee Report which has recommended total recovery of CAPEX of such projects. He was of the view that without Government mandated policy on fixation of fee to be charged and its incremental hike and also considering the interest cost of the project which is under Window -III of HEFA, projects posed before the PIB would not be viable.
- (iv) He stated that universities are known for constructing iconic buildings and suggested that DU should call for design competitions to arrive at the best possible architectural designs. He also suggested maximising the height of the buildings, especially for residential and hostel buildings, rather than spreading horizontally to optimise on the scarce land resources. This will also allow expansion in case permissible FAR is increased at a later stage.

Ministry Of Finance, D/O Expenditure F. No. 13(04)/PFC-II/2023

H. Jaiswal
25/07/2023

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JAWAID AMEEN
Deputy Director General
Ministry of Finance
Government of India

हेमा जायसवाल / HEMA JAISWAL
उप महानिदेशक / Deputy Director General
वित्त मंत्रालय / Ministry of Finance
व्यय विभाग / Department of Expenditure
भारत सरकार / Government of India

PIB on financing of campus development projects of DU: Meeting held on 17.07.2023

- (v) He also suggested HAM model of implementation to leverage private sector efficiencies in project execution and O&M.

Response of DHE: The Vice Chancellor of Delhi University stated that the Faculty of Technology under the aegis of prestigious university like Delhi University will attract the best students of the country. In the current year, as against limited seats available, 10000 applications have been received. He was, therefore, confident that Faculty of Technology project posed before the PIB would be viable and would be able to have IRG of Rs. 30 Crores as projected in the PIB Memo. He stated that the proposed fee charge would be sufficient to cover the CAPEX of the project. Secretary, Department of Higher Education assured the PIB that HAM Model would also be considered for future projects and in this regard DHE shall issue clear policy guidelines after due deliberations.

4.2 Comments of Budget Division, DEA: Additional Secretary, Budget Division has raised the following issues:

- (i) As per AICTE Report it has been observed that the Institutes/Universities are not following any principle as regards the fee to be charged.
- (ii) He supported the point raised by Additional Advisor (Cost) regarding the sharing the cost of loan in the ratio 90:10 between Gol and the Institute/University
- (iii) He further stated that the release of funds from HEFA should be Just in Time (JIT) and there should not be any delay in disbursement of Government GIA to the implementing agency through HEFA.
- (iv) He also referred to the new projects which are currently under consideration of the PIB sought to know whether it will also entail creation of posts.

Response of DHE: Vice Chancellor of Delhi University assured that a mechanism would be put in place to ensure that there are no delays in release of funds to the contractor and there would be no parking of funds either in the account of the implementing agency or the University. Regarding additional posts, the Vice Chancellor stated that no additional posts are being sought.

4.4 Comments from PFC-II Division: Additional Secretary, PFC-II stated that it is the first project proposed by Delhi University to HEFA and since the overall cost of all projects included in the PIB memo is more than Rs. 500 Crores it has been presented for the consideration of PIB. He stated that the project has been correctly posed under Window-III of HEFA under which the University will have to bear 10% of the total project cost which comes to Rs. 93.80 Crores. The University will have to

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pay this cost over loan tenure of 10 years under HEFA. Referring to the costing of various projects he stated that there appears to be no consistency across various projects with regard to components of the project. Referring to the NBCC project proposal for the Faculty of Technology, he stated that this includes proposed expenditure for baggage scanners and metal detectors which may not be required in a teaching Institute. Further, the proposed Dhaka Complex includes the costing for "Pressurized Mechanical Ventilation" while the same has not been costed for the other projects which also have basements. He also referred to the proposed costing for "Goods Lift" in hostel and faculty complex inquiring about the usefulness having such lifts. He sought assurance from Delhi University about collection user charges as projected in the PIB Memo since the viability, based on which PIB is considering the projects, depends upon the proposed user charges. He also inquired about the requirement of additional post if any once projects are ready.

Response of DHE: The Vice Chancellor Delhi University stated that the issues highlighted would be looked into and the items which are not required in an educational institute setting will be removed. As regards the requirement of goods lift, DG, CPWD informed the PIB that the design and structure of the projects are such that it would require goods lift as well. Regarding the pressurised basement, it was clarified that the requirement is specific as the proposed building has two levels of basement.

Remarks of Secretary (DHE): In his concluding comments, Secretary, Department of Higher Education stated that while CPWD has a dedicated unit in Delhi University, it is facing capacity the challenges on account of the workload. Therefore, after due consideration, DHE/DU has decided to award one project to NBCC. He hoped that the competition between two agencies will result in improved quality of construction. Regarding the variability in costing of the projects, he informed the PIB that a Committee under the Director, IIT Tirupati has been constituted, which has DG, CPWD as Member, which has been tasked with standardizing costing projects in future.

5. Observations from the Chair: Finance Secretary and Secretary (Expenditure) summed up the discussions with the following observations:

- (i) The project has been posed under Window-III of HEFA and therefore it is aligned with the HEFA policy;

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 वित्त मंत्रालय / Ministry of Finance
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- (ii) DHE and DU may ensure that user charges as proposed in the PIB Memo are levied and suitable increments at appropriate times are made to ensure that the projects remains viable;
- (iii) The decision to award one project to NBCC is also consistent with the GFRs 2017. Therefore, PIB considers this be an administrative decision of DHE.
- (iv) DHE may look into the possibility of HAM model for its HEI projects in future.
- (v) PIB will recommend the projects posed.
- (vi) Post approved does not come under preview of PIB.
- (vii) No liability in terms of Post creation should occur as a result of approval of this proposal.
- (viii) Cost structure needs to be rationalized and should be uniform except special intervention required for some particular/special purpose.
- (ix) This is the last proposal approved as per the ongoing HEFA policy (under Window-III , Interest borne by GOI and repayment 10% by the institute and 90% GOI)

6. Recommendations of PIB: After detailed deliberations PIB recommended the proposal of DHE under Window -III of HEFA for financing of campus development projects worth Rs. 938.33 Crore of University of Delhi from Higher Education Financing Agency (HEFA) for the period 2023-24 to 2025-26 with the following recommendations:

- (i) DHE to ensure that the projects are completed within the stipulated time i.e. 24 months and there should not be any cost & time overruns. Project-wise details are at Annexure-II.
- (ii) Funding support from the Government under Window-III of HEFA will be limited to the costs projects in the PIB Memo under consideration. Additional costs, if any, on account of revised PAR will be borne by Delhi University out of its own resources.
- (iii) DHE to ensure that IRG commitments are met. No further financial support from the Government will be provided towards these projects.
- (iv) Output/Outcome & year-wise targets of the projects shall be clearly formulated by the Department which will ensure its adherence by Delhi University.
- (v) The recommendation of the present proposal is the last proposal appraised under the current HEFA policy [under Window-III] in which 100% interest would be borne by Government of India which will also bear 90% of the principal.
- (vi) HEFA policy regarding interest calculation needs to be re-examined by DHE in consultation with HEFA and DFS.

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- (vii) DHE/HEFA may consider HAM Model for future projects and in this regard DHE shall issue clear policy guidelines.
- (viii) HEIs, including University of Delhi may be encouraged to enhance capacity utilization, revenue generation strategies by setting up alumni endowment funds, etc.
- (ix) An online dashboard with progress of sanctions, construction, commissioning, post commissioning utilization, repayments, revenue generation etc. along with outcomes such as students passing out, research projects completed, etc may created and should be reviewed quarterly at DHE.

The meeting ended with Vote of Thanks

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Annexure-I

List of Participants

| Sr. No. | Name | Designation |
|--|--------------------------|---|
| Department of Expenditure | | |
| 1 | Dr. T.V. Somanathan | Finance Secretary & Secretary (Expenditure) |
| 2 | Shri Sanjay Prasad | Additional Secretary (PFC-II) |
| 3 | Ms. Hema Jaiswal | Deputy Director General (PFC-II) |
| 4. | Shri Pawan Kumar | Additional Chief Advisor (Cost) |
| Budget Division, D/o Economic Affairs | | |
| 1 | Shri Ashish Vachchani | Additional Secretary (Budget) |
| NITI Aayog | | |
| 1 | Shri Anurag Goyal | Senior Advisor (PAMD) |
| Department of Higher Education | | |
| 1 | Shri K. Sanjay Murthy | Secretary |
| 2 | Shri Sunil Kumar Barnwal | Additional Secretary |
| 3 | Shri Sanjog Kapoor | Joint Secretary and Financial Advisor |
| 4 | Ms. Shreya Bhardwaj | Deputy Secretary (CU) |
| 5 | Shri Mukesh Kumar | Deputy Secretary (Fin.) |
| 6 | Shri Vivek Ashish | Director |
| 7 | Shri Pushkar Kumar Singh | Under Secretary (CU) |
| 8 | Ms. Kiran Arora | Under Secretary (Fin.) |
| 9 | Ms. Ishita Thaman | Assistant Director |
| University of Delhi | | |
| 1 | Prof. Yogesh Singh | Vice Chancellor |
| 2. | Dr. Vikas Gupta | Registrar |
| 3. | Shri Girish Ranjan | Finance Officer |
| 4. | Prof. Sanjeev Singh | Director |
| 5. | Shri Anupam Srivastava | Chief Engineer |
| 6. | Ms. Saumya Gautam | Assistant Director |

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Annexure-II

Details of the approved Projects

| S.No. | Project/ Activities | Plinth Area (in Sqm.) | Estimated Cost as per Par 2021 (Rs. In crores) | Estimated completion time (Months) |
|--------------|---|---|--|------------------------------------|
| 1. | Construction of New Building for Faculty of Technology | 34080 | 195.62 | 24 |
| 2. | Construction of Building for Student's accommodation at Dhaka complex | 33474 | 161.00 | 24 |
| 3. | Construction of 2 Nos Academic blocks at Delhi School of Economic | 26000 | 201.00 | 24 |
| 4. | Construction of New Academic building at Surajmal Vihar under Phase-1 | 18000 | 120.00 | 24 |
| 5. | Construction of College/Academic Building at Roshanpura, Najafgarh under phase-1 | 15000 | 100.00 | 24 |
| 6. | Construction of New Academic Building at vacant land at Dwarka | 14400 | 95.00 | 24 |
| 7. | Wi-Fi Connectivity & Expansion of network at University of Delhi (North Campus, South Campus and Dhaka Hostel Complex) and all the colleges (approx. 90 colleges) | Approximate 3,00,000 students will be benefited | 65.71 | 24 |
| Total | | | 938.33 | |

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