



केन्द्रीय विद्यालय संगठन / Kendriya Vidyalaya Sangathan  
18, संस्थानिक क्षेत्र / 18, Institutional Area  
शाहीद जीत सिंह मार्ग / Shaheed Jeet Singh Marg  
नई दिल्ली-16 / New Delhi - 16  
Phone No. 011-26858570

F. 110240(3) FC/2018-KVS (Budget)

Dated: 09.05.2018

**Sub: Minutes of the meeting of the Finance Committee held on 28<sup>th</sup> March, 2018 at 11 A.M. in Room No. 116 'C' of Shastri Bhawan, MHRD, New Delhi.**

A copy of the Minutes of the Finance Committee Meeting held on 28<sup>th</sup> March, 2018 in Room No. 116 'C' of Shastri Bhawan, MHRD, New Delhi duly approved by the Vice-Chairperson, KVS & Chairperson, Finance Committee, KVS is enclosed. Comments, if any, may be forwarded to the undersigned by 23<sup>rd</sup> May, 2018.

(Dr. E. Prabhakar)

Joint Commissioner (Training & Fin.)

&

Member Secretary, Finance Committee

Encl: As above

**Distribution:-**

1. All Members of the Finance Committee, KVS
2. PPS to Vice-Chairperson, KVS & Chairperson, Finance Committee, KVS, MHRD, Shastri Bhawan, New Delhi.
3. The Joint Secretary & Financial Advisor, MHRD, Shastri Bhawan, New Delhi.
4. The Joint Secretary (SE-II) MHRD, Shastri Bhawan, New Delhi
5. The Commissioner, KVS (HQ), New Delhi.
6. The Additional Commissioner (Admn.), KVS (HQ).
7. The Additional Commissioner (Acad.), KVS (HQ).
8. The Joint Commissioner (Pers.)/(Admn)/(Acad)/(Trg.) KVS (HQ).
9. The Superintending Engineer, KVS (HQ).
10. All Branch Officers of KVS (HQ), New Delhi.
11. The Dy. Commissioner (EDP) with the request to upload the same in KVS website.

**डा. ई. प्रभाकर / Dr. E. Prabhakar**

संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)

केन्द्रीय विद्यालय संगठन, (मुख्यालय)

Kendriya Vidyalaya Sangathan (HQ)

18, संस्थागत क्षेत्र, कटवारिया सराय,

शाहीद जीत सिंह मार्ग, नई दिल्ली-110016

18, Institutional Area, Katwaria Sarai,

Shaheed Jeet Singh Marg, New Delhi-16



**MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON**  
**28<sup>th</sup> MARCH, 2018 at 11:00 AM**

- No.1:- To confirm the minutes of the last meeting of the Finance Committee held on 23.11.2017  
Since no comments were received, the minutes were confirmed.
- No.2:- Proposal for Financing the creation of Capital Assets through Higher Education Financing Agency (HEFA)

The Commissioner, KVS informed the Finance Committee that the Higher Education Financing Agency (HEFA) was registered as a section -8 company under the Companies Act, on 31<sup>st</sup> May, 2017. HEFA is a joint venture of MHRD, Government of India and Canara Bank for financing creation of Capital Assets in Higher Education Institutions in India. Presently, HEFA provides financial assistance for creation of educational infrastructure and R&D in India's premier higher educational institutions.


During a recent meeting at MHRD, it was suggested that KVS should explore the possibility of financing the construction of KV buildings through HEFA.

It was observed that the present provisions for funding by HEFA cover the institutions of Higher Education. The matter was taken up verbally with the Secretary, Higher Education wherein, he clarified that MHRD is in process of making provisions for including institutions of school education like KVS and NVS for funding under HEFA.

As per the existing provisions of HEFA, the principal component shall be paid out of internal accruals of the borrowing institution and interest component shall be borne out of budgetary grants being provided by MHRD. As per discussions with the Secretary, Higher Education, these provisions may get modified in near future.

The Finance Committee observed that there would be three kinds of proposals pertaining to KVs with reference to HEFA loan.

Schools proposed for construction, where all the approvals are in place and there are no encumbrances. This will include 50 schools approved vide Cabinet Note dated 22.02.2017 with unit cost of construction of school building @ Rs. 18.23 Cr. in 2017-18 and 11 ongoing projects where approval of revision of cost by Cabinet is not required.

  
1

**डा. ई. प्रभाकर / Dr. E. Prabhakar**  
संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)  
केन्द्रीय विद्यालय संगठन, (मुख्यालय)  
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9/5/18



ii) Where approvals of revised cost estimates are yet to take place. This will include schools where the unit cost of construction of school buildings is variable on account of the fact that these were approved in earlier years and needs to be revised in view of cost escalations as per present norms. Unit cost of School Buildings, as approved by the Govt. is detailed below:

Sl No.	Cabinet note dated	Unit cost for construction of school buildings (Rs. in Cr.)	No. of KVs sanctioned	No. of schools buildings constructed	No. of KVs under construction	No. of school buildings yet to be constructed
1.	Prior to 2006.	--	29*	00	04	25
2.	26.06.2006	2.50	145	76	23	46
3.	15.02.2010	6.53	107	24	24	59
4.	17.02.2014	14.55	54	01	19	34
5.	22.02.2017	18.23	50	00	00	50


\*This refers number of KVs where buildings are yet to be constructed.

(iii) Set of proposals where there is a need for the replacement of dilapidated school buildings either fully or partly on account of safety of children.

Since revision of user charges has not yet come into force and continuity of funds generation is not certain, the Committee felt that the proposal of KVS to repay principal component of loan from anticipated user charges of Rs.600 Cr. (being mobilized through proposed revision of user charges), would not be feasible or prudent. The Committee therefore recommended that the repayment of both the Principal and interest under HEFA loan should be met from out of Govt. Grants for creation of Capital Assets.

Based on the above facts, it was decided that KVS should prepare 3 sets of proposals based on the following guidelines:-

KVS shall prepare proposals among three verticals, one for 61(50+11) school buildings for which the proposals are already approved, second where appraisals/approvals of revised cost estimates are yet to be taken - 223(164+59) school buildings and third where repairing/replacement of school buildings is to be undertaken. HEFA loan may be availed of for the first 2 verticals, for the 3rd, it shall be undertaken out of Capital grants.

  
**डा. ई. प्रभाकर / Dr. E. Prabhakar**  
 संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)  
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The details of these three proposals are described below:-

(a) Proposal for seeking first loan from HEFA for approved schools.

There are 50 new KVs approved in the year 2017-18. Proposals for these 50 KVs can straightaway be moved for seeking loan from HEFA. The estimated cost for the 50 KVs would be Rs. 911.50 Cr. (Rs.18.23 Cr. as unit cost). For completion for construction activities, the funds would be required in three years i.e. Rs 300 Cr. in 2018-19, Rs 300 Cr. in 2019-20 and Rs 311.50 Cr. in 2020-21.

Besides the above, there are 70 on-going projects out of which 11 proposals do not require approval of Govt. for cost escalation as it is within the powers vested with Secretary, MHRD. KVS may send a proposal to MHRD, seeking approval up to 20% escalation for these 11 KVs.

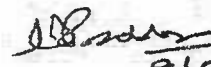
Loan requirement from HEFA for these 11 ongoing projects would be around Rs. 121.Cr. of which Rs. 78.Cr. would be required in 2018-19 and Rs.43 Cr. in 2019-20.

KVS may submit a comprehensive proposal, as detailed below, for sanction of loan of Rs.1032.50Cr.(Rs.911.50Cr.+Rs.121Cr.) during the year 2018-19.

- The amount of Rs 1032.50 Cr. would be required in three years. Since funds are released to the construction agencies on the basis of progress report, HEFA may disburse the loan on monthly basis/actual requirement of KVS during the period from June, 2018 to March, 2021.
- Since the grants are being received by KVS on monthly basis, the loan (principal and interest) may also be repaid in monthly installments.
- As per the existing provisions of HEFA, repayment period of loan should not be more than 10 years. As such, the loan will be repaid (tentatively) in 106 monthly installments.
- The interest of Rs 247.34 Cr. (tentative) has been worked out for the period June, 18 to March, 2027 as per the existing interest rate of HEFA i.e. 8.50%. (Details in Annexure I)

  
26/11/18

3  
डा. ई. प्रभाकर / Dr. E. Prabhakar  
संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)  
केन्द्रीय विद्यालय संगठन, (मुख्यालय)  
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- The total Principal component of Rs 1032.50 Cr. and total interest component of Rs 247.34 Cr. would be paid in 106 installments during the period from June, 2018 to March, 2027, out of Grants for Creation of Capital Assets.

The above said proposal would be subject to the condition that the HEFA makes new provisions regarding repayment of loan (principal and interest) out of Govt. Grants for Creation of Capital Assets.


In the event of sanction of loan by HEFA being less than the fund requirement then KVS shall make a proposal to MHRD separately for seeking fund additionality to the extent of deficit.

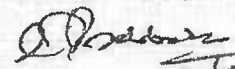
**(b) Proposal for seeking 2nd loan from HEFA after MHRD approves revision in cost estimates of school construction**

In 2006, 2010, 2014 the Govt. has approved sanction of 145 KVs(95+50), 107KVs and 54 KVs respectively with unit cost of Rs.2.50 Cr., 6.53 Cr., 14.55 Cr. in the respective years. It would not be proper to consider and project the unit cost of construction of school buildings as per the present unit cost of Rs.18.23 Cr. for construction of school buildings for the KVs sanctioned during 2006 to 2014 and KVs opened prior to 2006. This includes all those KVs which are in planning stage and also KVs where land is likely to be transferred in favour of KVS and 59 out of 70 on-going projects. Since the 59 KVs are on-going Project, KVS should move a proposal seeking approval of revised cost through EFC/Cabinet.

KVS shall revise the cost estimates and work out the fund requirement based on present cost norms for construction of school buildings and submit a proposal to MHRD seeking the approval on the revised rates of unit cost.

Once the approvals are in place, a comprehensive proposal can be moved to HEFA for seeking a second loan, after reviewing the position of repayment of the first loan and other dues.

  
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9/11/18

4  
डा. ई. प्रभाकर / Dr. E. Prabhakar  
संयुक्त समूह (फिन) / Joint Commissioner (Fin.)  
केन्द्रीय विद्यालय संगठन, (मुख्यालय)  
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(c) Special repairing/replacement of 21 School buildings.


It is observed that there are 21 KVs which require immediate attention for replacement of school buildings either partly or fully as they have been declared unsafe. As the safety of school building is most important, the expenditure on this account may be met out of Govt. grants for Creation of Capital Assets. The roughly estimated fund requirement for replacement of 21 school buildings would be Rs.70 Cr. in 2018-19, Rs. 70 Cr. in 2019-20 and Rs.40 Cr. in 2020-21(total 180 Cr.). The above said requirement would be met out of remainder of grants for Creation of Capital Assets available after repaying the first HEFA loan, as detailed below:-

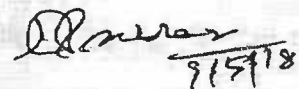
(Rs in crore)

Year	Grants for Creation of Capital Assets	Grants to be utilized for repayment of first HEFA loan			Remainder of Grants available for replacement of 21 buildings
		Principal	Interest	Total	
	(1)	(2)	(3)	4(2+3)	5(1-4)
2018-19	231.35	135.00	9.95	144.95	86.40
2019-20	231.35	132.00	30.37	162.37	68.98
2020-21	231.35	132.00	46.85	178.85	52.50
Total	694.05	399.00	87.17	486.17	207.88

KVS shall make a proposal seeking approval of Secretary, MHRD through SFC for these school buildings.

The Finance Committee considered this agenda item and recommended to the Board of Governors, KVS with above observations as detailed above, for its approval.

  
26/11/18

  
9/15/18

डा. ई. प्रभाकर / Dr. E. Prabhakar  
संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)  
केन्द्रीय विद्यालय संगठन, (मुख्यालय)  
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**Item No.3:- Proposal for payment of salary to the employees of KVS posted at KV HPCL Jagiroad (Assam), KV HPCL Panchgram (Assam) and CCI Bokajan (Assam) out of Vidyalaya Vikas Nidhi (Corpus at KVS(HQ) 20%) on loan basis**

Finance Committee expressed its grave concern over non-payment of salaries to the regular employees of said 03 KVs. Since the provisions of VVN do not allow payment of salaries to employees, it was decided that the loan as proposed by KVS for payment of salaries to the employees in above 03 KVs may be met out of user charges generated by KVS.

The Finance Committee considered the agenda and recommended to the Board of Governors, KVS with above observations, for its approval.

**Supplementary Agenda:-**

**Item No.1:- Requests of Project/Institutes for conversion of Project/Institute of Higher Learning Sector Kendriya Vidyalayas under Civil Sector.**

KVS may move proposal for conversion, if such sick units have been referred to BIFR by concerned Ministry.

The Finance Committee considered the agenda and recommended to the Board of Governors, KVS for its approval.


**Item No.2:- Renewal of Agreement between Kendriya Vidyalaya Sangathan & State Bank of India, Mumbai in respect of Kendriya Vidyalaya Sangathan Employees' Provident Fund (KVSEPF): Management of Fund for further three months from 16.03.2018.**


The proposal has been ratified by the Finance Committee as per concurrence of IFD (MHRD) for extension by three months (up to 15.06.2018) for SBI as portfolio manager.

The Finance Committee considered the agenda and recommended to the Board of Governors, KVS for its approval.

The list of members present is enclosed as Annexure 'A'.

The meeting ended with vote of thanks to the Chair.

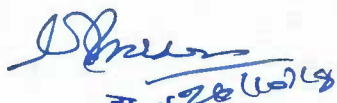
  
**डा. ई. प्रभाकर<sup>6</sup> / Dr. E. Prabhakar**  
संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)  
केंद्रीय विद्यालय संगठन, (मुख्यालय)  
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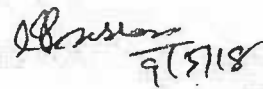
ANNEXURE - 'A'

LIST OF MEMBERS PRESENT IN THE FINANCE COMMITTEE  
MEETING HELD ON 28<sup>th</sup> MARCH, 2018

1. Ms. Rina Ray, IAS,  
Special Secretary (SE),  
Ministry of HRD,  
Govt. of India & Vice-Chairperson,  
Kendriya Vidyalaya Sangathan,  
New Delhi-110001  
Chairperson
2. Ms. Darshana Momaya Dabral,  
Joint Secretary & Financial Adviser  
Ministry of HRD, Govt. of India,  
New Delhi-110001  
Member
3. Shri Santosh Kumar Mall, IAS,  
Commissioner,  
Kendriya Vidyalaya Sangathan,  
New Delhi-110016  
Member
4. Ms. Poornima Rajendran,  
Deputy Secretary (Training),  
Ministry of Defence, New Delhi  
Member
5. Dr. E. Prabhakar  
Joint Commissioner (Trg. & Fin.),  
Kendriya Vidyalaya Sangathan,  
New Delhi-110016  
Member  
Secretary



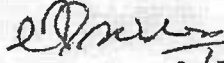
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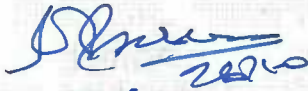
  
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### Special Invitees

1. Shri Sanjay Kumar, IAS,  
Joint Secretary (SE-II)  
Ministry of HRD, Govt. of India,  
New Delhi-110001
2. Dr. Shachi Kant,  
Joint Commissioner (Pers.)  
Kendriya Vidyalaya Sangathan,  
New Delhi-110016
3. Shri Anil Kakaria,  
Deputy Secretary (Finance),  
Ministry of HRD, Govt. of India,  
New Delhi-110001
4. Shri T.S. Giri,  
Supdt. Engineer,  
Kendriya Vidyalaya Sangathan  
New Delhi -110016.

  
9/3/19



डा. ई. प्रभाकर / Dr. E. Prabhakar  
संयुक्त आयुक्त (वित्त) / Joint Commissioner (Fin.)  
केन्द्रीय विद्यालय संगठन, (मुख्यालय)  
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