



**GOVERNOR'S SECRETARIAT
PUNJAB RAJ BHAVAN
CHANDIGARH-160019**

NO.PR.B-EA-2020/ 2288

Dated: 12-06-2020

To

The Secretary,
Indian Red Cross Society,
Punjab State Branch,
Sector 16, Chandigarh.

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No. 128	15/6/2020

16-06-2020

Sub: Proceedings of Finance Committee of Indian Red Cross Society, Punjab State Branch held on 17th march, 2020.

I am directed to refer to your letter No. HQ/PRC/Pub/FC Mtg/2020-21/13, dated 22nd May, 2020 and to convey you that the proceeding of the meeting mentioned in the subject noted above has been approved by Worthy Principal Secretary to Governor-cum- Chairman Finance Committee, Punjab State Red Cross Society.

Jagpal Singh
Superintendent
Punjab Raj Bhavan

NR

Minutes of the meeting of Finance Committee of Indian Red Cross Society, Punjab State Branch and its allied bodies held on 17th March, 2020 at 3:30 PM under the Chairmanship of Shri J.M. Balamurugan, IAS, Principal Secretary to Governor, Punjab & Chairman, Finance Committee of Punjab State Red Cross Branch at Punjab Raj Bhawan, Chandigarh.


The following were present:-

1. Dr. Gurminder Singh Mehmi, Director ESI, Rep. of Director Health Services, Punjab
2. Sh. Jasinder Singh Dy. Secy. Rep. of Principal Secretary to Govt. of Punjab, Department of Finance, Punjab
3. Mrs. Nishi Jalota, Deputy Director, Rep of DPI (S), Punjab
4. Sh. C.S. Talwar, IAS (Retd), Secretary, Punjab State Red Cross Branch

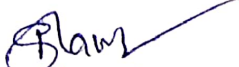
In Attendance:-

1. Sh. Harbans Singh Bhagania, Deputy Secretary, Punjab State Red Cross Branch
2. Sh. Romesh Chand Rana, Deputy Secretary (O), Punjab State Red Cross Branch
3. Sh. Radha Ballabh, Accounts Officer, Punjab State Red Cross Branch
4. Sh. Naveen Sharma, Superintendent Accounts, Punjab State Red Cross Branch

AGENDA ITEM	RESOLUTION	FOLLOW UP ACTION
<p>At the very outset, the Secretary, Indian Red Cross Society, Punjab State Branch welcomed the Principal Secretary to Governor, Punjab-cum-Chairman of the Finance Committee of Punjab State Red Cross Branch and other members of the Committee.</p> <p>Secretary Sh. C. S Talwar, IAS (Retd.) has stated that as per earlier practice only one meeting per annum used to be held, but on the advice of PSG-cum- Chairman of the Finance Committee, we are holding two meetings this year. The practice of holding two meetings per year will be very useful from administrative point of view as it helps in having a mid-term overview and mid-term corrections. First meeting of Finance Committee was held in December 2019 and the second meeting is being held today.</p> <p>After the introduction with all the members of the committee, the meeting started as per Agenda with the permission of the Chair.</p>		
<p>AGENDA ITEM NO. 1.</p> <p>To confirm the minutes of the Finance Committee Meeting held on 11.12.2019 alongwith follow up action.</p>	Confirmed	


Secretary,
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Punjab State Branch
Sector 16, Chandigarh


Deputy Secretary
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Superintendent
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AGENDA ITEM NO. 2.

To consider and approve the Annual Budgets of State Red Cross Branch and its allied Bodies for the Financial Year 2020-2021 as per Annexures shown below:-

BRANCH	INCOME	EXPENDITURE	ANNEXURE
Punjab State Red Cross	7,24,92,579-00	7,23,59,400-00	Annexure 'B'
St. John Ambulance	52,22,000-00	51,42,000-00	Annexure 'B1'
State Red Cross Hospital Welfare Section	14,50,000-00	14,49,000-00	Annexure 'B2'

Approved

The Chairman advised that subtotal of every Budget Head item should be shown separately in future for the sake of greater clarity.

For approval please

DISTRICT RED CROSS BRANCHES	INCOME	EXPENDITURE	ANNEXURE
Hoshiarpur	41,10,000-00	1,23,76,500-00	Annexure 'B3'
SAS Nagar, Mohali	1,95,40,000-00	1,28,77,000-00	Annexure 'B4'
Amritsar	1,27,10,000-00	1,13,63,000-00	Annexure 'B5'
Fatehgarh Sahib	20,70,000-00	20,00,000-00	Annexure 'B6'
Fazilka	86,30,000-00	88,90,000-00	Annexure 'B7'

Noted

For information please

AGENDA ITEM NO. 3**STATUS OF BUDGET FOR THE YEAR 2019-2020**

The Punjab Govt, Deptt. of Finance has made provision under Head Demand No 11 Detailed Account No 2210-

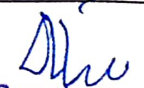
Medical and Public Health 01- Urban Health Services- Allopathy 110- Hospital and Dispensaries (Non Plan) at Sr. No 31(Salary) and 36 (Non Salary) grant to Red Cross Society which is bifurcated as under:

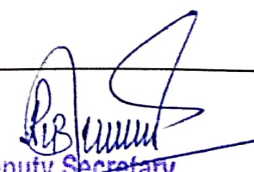
Salary =Rs. 1.35 Crores

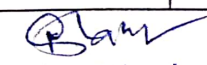
Non Salary =Rs. 1.65. Crores (for various Red Cross activities)

Noted

STATEMENT OF EXPENDITURE INCURRED AGAINST THE PUNJAB GOVT- GRANT -IN-AID (SALARY) OF Rs. 90,00,000/- DURING THE FINANCIAL YEAR 2019-20 (UPTO JAN. 2020)


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<u>RECEIPT</u>		<u>EXPENDITURE</u>	Noted	
Govt.-in-Aid received from Punjab Govt. (Deptt. of Health & Family Welfare, Punjab Chandigarh Detail are as under:- 1 st quarter Rs. Nil 2 nd quarter Rs. Nil 3 rd Quarter Rs. 90,00,000/-	Rs. 90,00,000/-	1. State Red Cross Branch Staff Salary - 1,34,43,526 2. Payment of retirement benefits - 6,78,677 3. Salary staff of Saket Hospital , Patiala - 23,37,726 4. Payment of TA bills of staff - 6,510 5. Payment of Medical Claims - 23,312		
Total:	90,00,000/-	Total expenditure incurred Rs. 1,64,89,751		

NOTE:-

1. Against the earmarked Grant-in-Aid of Rs. 1.35 Crore (Salary) for the year 2019-20, a sum of Rs. 90,00,000/- has been received in so far. However, total expenditure incurred till date against this Grant is Rs. 1,64,89,751/-. As such, the expenditure of Rs. 74,89,751/- has been incurred in excess of the grant received. Grant under Salary Head of the staff for the months of Dec.,2019,Jan, Feb & March 2020 for a sum of Rs. 45,00,000/- is yet to be received and the expenditure for these four months of salary would be incurred of Rs 52,12,480/- (Approx.).
2. Necessary bill for the month of December, 2019 has already been submitted in the first week of January, 2020 to the Director, Health & Family Welfare, Punjab, for releasing this amount.
3. If the Salary grant amounting to Rs. 45,00,000/- of the salary for the months of December, 2019, January, February and March, 2020 is released by the Punjab Govt. even then an additional amount of Rs. 82,02,231/- will have to be spent on salary component by Punjab Red Cross Branch from its own resources.

For information please


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AGENDA ITEM NO. 4**STATUS OF GRANTS RECEIVED FROM PUNJAB GOVT.**

It is submitted that we have applied for Annual Grant-in-Aid to the Director, Health & Family Welfare, Punjab for Rs. 3,00,00,000/- (Rs. Three Crore only) vide this office letter No. RC/Accounts/2019/806 dated 30 May 2019. Punjab Govt. has Sanctioned Rs. 1,35,00,000/- for the salary and Rs. 75,00,000/- for non-salary (activities of Red Cross) of first two quarters for the year 2019-20. We have not received any amount pertaining to non salary grant of Rs. 1,65,00,000/- from Govt. of Punjab upto 31.01.2020.

For information please.

Noted

AGENDA ITEM No. 5**EPF SCHEME- STATUS AND LINE OF ACTION**

The Regional Office of Employees Provident Fund Organization, Sector-17, Chandigarh vide their letter No. RO/CHD/C-IV intelligence-Misc./1496 dated 09.03.2017 (Annexure 'C') wrote to this office that the Central Govt. in exercise of its powers under section 16(2) of the Employees Provident Funds & Misc. Provisions Act 1952 exempted from the operation of the Act to certain establishments fulfilling terms & conditions as specified in Notification No. SO/1431 dated 14.05.2010 (Annexure 'D') upto 31.03.2015. Now the Centre Govt. has decided not to extend the grant of exemptions to these establishments and consequently, all such establishments have come under the preview of the Act w.e.f. 01.04.2015. The Employees Provident Fund Organization is requesting times and again to extend the social security benefits under the Act to all eligible employees of the Red Cross Society engaged either directly or through contractor w.e.f. 01.04.2015

2. In an another letter No. Compliance Wing-A/1302 dated 13.03.2018 (Annexure 'E') received from EPF Office, it was mentioned that they will take "forced coverage of our establishment".

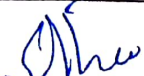
3. As a consequence of this the matter was considered in Finance Committee meeting held on 22.03.2018 (vide supplementary Agenda item No. 10) (Annexure 'F') and then in Managing Body meeting held on 08.06.2018 (vide Agenda item No. 6) (Annexure 'G') and it was resolved to implement the EPF Scheme in Punjab State Red Cross Branch w.e.f. 01.04.2018.

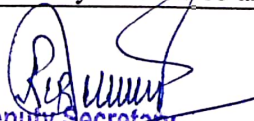
4 The above decision taken in the Managing Body meeting of Punjab Red Cross Society is well in tune with the advice of Indian Red Cross Society, National Headquarters, New Delhi which was received vide their letter No G-28001/01/2018/F&A/Misc/2092 dated 30.08.2018 (Annexure 'H').


5. But the EPF office is continuing to insist that the EPF Scheme should be implemented from back date i.e 01.04.2015. A number of letters and notices have been issued by EPF office and

Noted

The Chairman advised that it would be better if the matter is sorted out by organizing a meeting between the higher authorities of both sides so that the wastage of precious time & efforts of both sides is avoided & the avoidable litigation is also avoided.


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<p>enquiry U/S 7-A has also been initiated.</p> <p>6. If we implement the EPF Scheme from back date i.e. 01.04.2015, it may be an additional burden on the Red Cross Society of big amount to the tune of Rs. 40 lakh. This is unjustified in the light of the legal opinion as well as the advice received from the Indian Red Cross Society, National Headquarters, New Delhi. A very clear and firm opinion given by Indian Red Cross Society, National Headquarters, New Delhi is as under:-</p> <p>"The Indian Red Cross Society is statutory body set up under the Indian Red Cross Society Act 1920. Being a statutory body, by virtue of Section 16(1)(C) of the Employees Provident Funds and MP Act 1952, it is specifically exempt from the applicability of the provision of the said Act.</p> <p>It is also pertinent that the Indian Red Cross Society is notified under Section 8(2) of the Provident Funds Act 1925, and as such its employees are entitle to the benefits of the said Act and which benefits are being duly extended.</p> <p>In view of the position explained above, you are requested to inform to the concerned authority about the status of Indian Red Cross Society regarding applicability of relevant Provident Funds Act accordingly".</p> <p>7. The final decision of course always rests with the relevant Courts of jurisdiction. Since our legal experts and the Indian Red Cross Society, National Headquarters, New Delhi, have categorically stated that our case is solid and has lot of merit and also because the EPF Scheme is not applicable on our Red Cross Branch, therefore we are contesting and propose to continue to contest the case in the relevant Courts of jurisdiction, in the interest of the Red Cross Society, till the matter reaches its final logical conclusion.</p>		
<p><u>AGENDA ITEM NO.6</u></p> <p><u>Any other Agenda item.</u></p>	<p>While discussing the Budget item No. 4(II) (Income) Care and Support Centre, Patiala of Red Cross. The Chairman advised that we should explore the possibility and efforts should be made to take the said project from NACO directly.</p>	

The meeting ended with the vote of thanks to the Chair.

Secretary
Punjab State Red Cross Branch
Chandigarh.

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