

MINUTES OF THE 26TH FINANCE & AUDIT COMMITTEE (F&AC) MEETING HELD ON 21ST JANUARY, 2014 (TUESDAY) AT 4.30 P.M. AT THE OFFICE OF SS&FA, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

The following officials were present:

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| 1. Smt. Anita Agnihotri, SS&FA, MOT | Chairperson |
| 2. Smt. Sunaina Tomar, Jt. Secretary, MOT | Member |
| 3. Sh. Sunil Sethi | Member |
| 4. Sh. Prem Kumar Gera, DG-NIFT | Member |
| 5. Sh. Anand Kumar Kedia, Director(F&A), NIFT | Member Secretary |

Sh. Abdul Malik, Deputy Director (F&A) - NIFT, Sh S.P Singh, Deputy Director (F&A) – NIFT, Sh Sanjay Jain, Project Engineer – NIFT and Khushboo Khandelwal, Assistant – NIFT were also present.

Mr. Rajan Scahdeva from V.Sahai & Tripathi Co. (last year's internal auditor), Mr. Manoj Kumar Patawari and Mr. Deepak Jain from M.C. Jain & Co. (current year's internal auditor) were special invitees for the meeting.

Smt. Priya Dutt, Hon'ble M.P. Lok Sabha and Sh. William Bissell were granted leave of absence.

AGENDA ITEM NO. 2601

To confirm minutes of the 25th meeting of Finance & Audit Committee held on 19th November, 2013 at 3.30 p.m. at the office of AS&FA, Ministry of Textiles, Udyog Bhawan, New Delhi

The minutes of the meeting had been circulated to all the member of the Committee. No changes or modifications were proposed. Therefore, the minutes were confirmed without any modifications.

AGENDA ITEM NO. 2602

Action Taken Report on last minutes of the Finance & Audit Committee Meeting

The Action Taken Report on the decisions of the last meetings of the F&AC was noted with the following directions:

- (i) Most of the decisions taken by the F&AC in their 23rd, 24th and 25th meeting as mentioned in the agenda note could not be implemented because the matters could not be discussed in the 23rd BOG Meeting held on 29.11.2013 due to paucity of time. Therefore, these matters would be put up again for approval in the upcoming BOG it will be implemented after the approval of BOG.
- (ii) In the preceding meetings of F&AC, it was decided that DG should take up the matter of admissibility of claims for 6th CPC arrears at the highest level. SS&FA had suggested in the previous meeting of F&AC to take up the matter by fixing a meeting with Secretary (Textiles), where Joint Secretary and Financial Advisor of the Ministry could be invited. DG apprised the members that a letter was sent to the Secretary (Textiles) seeking for an appointment from her to discuss the matter in detail. SS&FA suggested to Joint Secretary (MOT) to obtain convenience of Secretary (Textiles) for such a meeting.

AGENDA ITEM NO. 2603

Fee Structure for Academic Year 2014-15

DG – NIFT apprised the members on the agenda item pertaining to the fee structure for the academic year 2014-15.

The members of the committee were informed that in February, 2013, the Board while approving 10% hike in fee for the academic year 2013-14, had also directed that from 2014-15, fees may be increased by 15% for regular Non-NRI students and 25% per year for NRI students for next three years.

DG- NIFT brought to the notice of the members present that the implementation of 10% hike in 2013-14 had led to an agitation amongst the students of particularly 2010-11 batch due to which the matter was again taken up in the BOG meeting held in July, 2013 wherein the Board gave relief to 2010-11 batch and approved the 10% hike in their existing fees. From the understanding of the above decision of the Board, in the prospectus for the academic year 2014-15 fees were increased by 10% over last year.

To this, Mr. Sunil Sethi, Hon'ble member of BOG explained that the deliberations held in the Board meeting in February, 2013 were not correctly reflected in the minutes. According to him,

the Board had directed for increase in fee by 15% for regular Non-NRI students and 25% for NRI students over the course duration i.e. for the period of complete 4 years and not “**per year**”. Perhaps this was the cause of whole confusion as these were not corrected in subsequent meetings which were held with a reconstituted Board.

Seeing to the above, DG-NIFT proposed 10% increase in fees for the academic year 2014-15 for all students including NRI students. He further stated that for future years, a comprehensive note on fee policy will be brought before F&AC in its next meeting.

F&AC took note of the same and recommended 10% increase in fees for the academic year 2014-15 for all students including NRI students.

AGENDA ITEM NO. 2604

Proposed Purchase & Procurement Policy

Due to scarcity of time, the agenda could not be discussed. After confirming the availability of all the members present, SS&FA directed to take up the matter in the Adjourned 26th F&AC Meeting scheduled to be held at 10.30 a.m. on Monday, 3rd February, 2014.

AGENDA ITEM NO. 2605

Engagement of an Architect and PMC for construction of Panchkula campus

Detailed discussion on engagement of an architect for construction of NIFT Campus at Panchkula, Haryana took place. F&AC was of the opinion that the construction of a campus in a campus funded by a state government should be their responsibility. Accordingly, F&AC recommended that the campus construction project at Panchkula should be taken up by the Government of Haryana through a transparent bidding process.

AGENDA ITEM NO. 2606

C&AG comments on the Annual Accounts for the year ended 31st March, 2013

The comments as given by the Comptroller & Auditor General of India (C&AG) along with the Management replies were presented to the members of the Committee for their due consideration. The F&AC took note of the same.

Also, Director (F&A) referred to the C&AG's comment which stated that an amount of Rs. 10.94 crore has been shown as recoverable in the books of account from Ministry of Textiles in respect of block grant approved by Ministry on 20th November, 2007 for 2009-10 on account of additional liability towards pay and allowances due to implementation of 6th Central Pay

Commission Report. Though NIFT has incurred the related expenditure and claimed the amount from the Ministry, the latter had not released the above amount till 31.03.2013 even after lapse of four financial years.

Director (F&A) pointed out that if this amount of Rs. 10.94 crores is not recovered from the Government, then the same has to be written off in the books of accounts. The projected profit for the financial year 2013-14 stands at Rs. 346.47 lacs. In case the amount as mentioned above is written off, NIFT would be in losses for the financial year 2013-14.

The committee was of the view that if the amount as mentioned above is not recoverable from the government, then the amount has to be written off. F&AC decided that a suitable decision could be taken from the outcome of meeting as envisaged in Agenda Item no 2602.

Supplementary Agenda

AGENDA ITEM NO. 2607

Consolidated Internal Audit Report of NIFT for the period April 1, 2013 to September 30, 2013

The Consolidated Internal Audit Report of NIFT for the six months ending 30th September, 2013 was circulated to the members. Chairperson and Mr. Sethi appreciated the consolidated Internal Audit Report of all fifteen NIFT campuses placed before the Committee members for the first time during their tenure. The observations made by the Internal Auditor M/s M.C. Jain & Co. in their report were discussed in detail during the meeting. It was directed that all the audit objections pointed in the report should be resolved by the next meeting. Rigorous follow up was demanded. The committee also asked for ensuring that the same were not repeated in future.

F&AC showed its concern towards the Staff advances which were outstanding for more than 30 days. It was directed that no further advances should be given to any employee before the previous outstanding advance is settled. Advance should be deducted from employee's salary after 30 days.

DG-NIFT also asked for submission of Action Taken Report on the issues raised by the auditor in their report which have been settled by NIFT in the upcoming BOG Meeting.

AGENDA ITEM NO. 2608

Any other item with the permission of Chair

TABLED AGENDA

To seek approval for carrying out special repair works in the NIFT Delhi Campus

Due to scarcity of time, the tabled agenda could not be discussed. After confirming the availability of all the members present, SS&FA directed to take up the matter in the Adjourned 26th F&AC Meeting scheduled to be held at 10.30 a.m. on Monday, 3rd February, 2014.

MINUTES OF THE ADJOURNED 26TH FINANCE & AUDIT COMMITTEE (F&AC)
MEETING HELD ON 07TH FEBRUARY, 2014 (FRIDAY) AT 4.00 P.M. AT THE OFFICE
OF SS&FA, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

The following officials were present:

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| 1. Smt. Anita Agnihotri, SS&FA, MOT | Chairperson |
| 2. Smt. Sunaina Tomar, Jt. Secretary, MOT | Member |
| 3. Sh. Sunil Sethi | Member |
| 4. Sh. Prem Kumar Gera, DG-NIFT | Member |
| 5. Sh. Anand Kumar Kedia, Director(F&A), NIFT | Member Secretary |

Sh S.P Singh, Deputy Director (F&A) – NIFT, Sh Sanjay Jain, Project Engineer – NIFT and Khushboo Khandelwal, Assistant – NIFT were also present.

Smt. Priya Dutt, Hon'ble M.P. Lok Sabha and Sh. William Bissell were granted leave of absence.

AGENDA ITEM NO. 2604 (Agenda Note brought forward from the Original Meeting)

PROPOSED PURCHASE AND PROCUREMENT POLICY

Director (F&A) presented the salient features of the proposed purchase and procurement policy as explained in the agenda note. The matter was discussed in detail and F&AC did not approve the changes as brought out in the proposed purchase and procurement policy. The Chairperson did not find merit in seeking approval to relax provisions of the General Financial Rules(GFR) 2005 framed by the Ministry of Finance as contained in the proposed policy.

The Committee directed NIFT to follow the existing policy and the GFR 2005 that has been provided in NIFT's Manual. However, the Committee further advised that in case of any deviation from the GFR Rules is required for any large scale procurement and activities where provisions of GFR are affecting the quality / timelines of deliverables, the same could be brought before the F&AC with justification.

AGENDA ITEM NO. 2608 (As tabled in the Original Meeting)

SPECIAL REPAIR WORKS IN THE NIFT DELHI CAMPUS

Shri Sanjay Jain, Project Engineer informed the members of the Committee regarding the intensive and special repairs works required at the Delhi Campus. The Committee recommended the proposal of major renovation / replacement work required in the Delhi Campus to the Board of Governors as brought out and explained in the agenda note. The DG brought to the notice of the Committee that NIFT did not have positive experience with CPWD in the past for its various campuses across the country. He explained that this work may not attract the NBCC to take this work as it was not big enough for NBCC. He suggested that NIFT may be allowed to carry out the repairs as per the GFR 2005. The Committee suggested that the repair work be executed through agencies like CPWD, NBCC or any other such agencies which are approved by the Ministry of Urban Development.

ADDITIONAL AGENDA ITEM NO. 2607

HONORARIUM TO DIRECTOR GENERAL, NIFT

The DG NIFT excused himself from the deliberations on this issue. Director (F&A) apprised the committee members about the comprehensive Projects & Consultancy Policy being followed by NIFT wherein faculty members and other non teaching staff of administration at all levels are allowed to undertake consultancy up to 60 days per year. For this they are entitled for consultancy fees and incentives respectively from the earnings of the project. He further informed the committee that through this agenda note, approval was sought for paying honorarium to Director General – NIFT from the project earnings for his contributions @ Rs. 10,000 per day based on engagement in the projects for a maximum cap of 60 days per annum.

Discussion was held regarding this matter during the meeting. The F&AC did not approve the proposed Honorarium to be paid to the Director General on the basis that it is part of his official duty to supervise all project works. In case, the DG considers that this is not a part of his original work, he need not undertake that as it involves financial implication.