

National Institute of Fashion Technology
NIFT Head Office, New Delhi
Establishment Department

NIFT/HO/Estt.II/Audit Para of CAG/2014

27/03/2015

OFFICE MEMORANDUM

The Board of Governors in its 5th meeting held on 16/10/2008 ratified the recommendations of the Standing Committee of the Board on Establishment Matters for payment of "Housing Benefit Incentive" on graded basis in lieu of HRA and vide Office Order dated 21/10/2008 the decision of the Board was communicated to all campuses for payment of Housing Benefit Incentive on graded basis of (i) Rs. 8000 per month to Assistant Professors, Account Officers & Assistant Registrar/Directors (ii) Rs. 12000/- per month to Associate Professors & Deputy Registrar/Directors (iii) Rs. 15000/- per month to Registrar/Joint Directors (iv) Rs. 20000/- to Professors/Sr. Professors & Directors and (v) actual to the Director General.

2. The Audit Party of the Indian Audit & Accounts Department which conducted the inspection of Accounts of NIFT in 2013 observed that despite having emoluments structure identical to those of Central Government employees, the decision of NIFT for payment of Housing Benefit Incentive (HBI) in lieu of House Rent Allowance (HRA) is in violation to the instructions of Ministry of Finance's OM dated 30/09/2008. NIFT replied that it was not able to provide Government accommodation to Officers/Faculty and HRA admissible as per Government of India's order is very less for suitable accommodation. The Audit Party was also informed that the Board of Governors under the overall control of Central Government manages the affairs of NIFT and the Pay & Allowances admissible to NIFT employees are fixed with the prior approval of Board of Governors without the approval of Ministry of Finance.

3. The reply of NIFT was not accepted by the Comptroller and Auditor General of India and it viewed that decision taken by NIFT Board cannot override Government of India's orders. A para on "Irregular payment towards Housing Benefit Incentive" was included in the report of Union Government (Commercial). The Public Accounts Committee of Lok Sabha has decided to take oral evidence on the Audit para. The time of sitting of Committee is likely to be decided shortly. The Committee has asked the Ministry of Textiles to collect and keep ready the requisite material/record required in the course of examination.

4. The above position was explained to the Standing Committee of the Board on Establishment Matters in its meeting held on 13/01/2015 and the Committee minuted that there was no option but to withdraw the HBI. The recommendations of the Committee for withdrawal of HBI w.e.f. 01/04/2015 was placed before BOG in its 28th meeting held 23/02/2015. Due to paucity of time it could not be taken up. With the approval of chair it was circulated and approved by the Board of Governors.

5. Based on the above, the office order dated 21/10/2008 referred to in para 1 above for payment of HBI to the Officers/Faculty of NIFT is withdrawn. The rate of HRA admissible to the employees of NIFT posted in campuses located in various cities/towns shall be at par with

the rate of HRA admissible to Central Government employees in terms of Ministry of Finance, Department of Expenditure's OM no. 2(13)/2008-E.IIB, dated 29/08/2008 and other orders for amendment issued from time to time.


(Registrar)

To

1. All Campus Directors
2. Director (Admin), Head Office
3. Director (F&A), Head Office
4. Director (NRC/IT) with a request to upload this OM in the NIFT's website.
5. CVO, NIFT Head Office
6. Dean (A), NIFT Head Office
7. Head (AA), NIFT Head Office
8. COE, NIFT Head Office
9. All CPs, NIFT Head Office
10. DD(F&A), NIFT Head Office
11. DD(Estt.), NIFT Head Office
12. Asst. Board Secretary & Legal Officer
13. Ps to DG NIFT
14. Guard File