

राष्ट्रीय फैशन टेक्नालॉजी संस्थान, निफ्ट मुख्यालय, नई दिल्ली

NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HEAD OFFICE, DELHI



कार्यसूची

AGENDA

निफ्ट बोर्ड ऑफ गवर्नर्स की 29वीं बैठक

29TH MEETING OF THE BOARD OF GOVERNORS
OF NIFT

**VENUE : NIFT CAMPUS, HEAD OFFICE
HAUZ KHAS, NEAR GULMOHAR
PARK, NEW DELHI-110 016**

DATE : 29TH JUNE, 2015 (MONDAY)

TIME : 2:30 P.M.

राष्ट्रीय फैशन टेक्नालॉजी संस्थान,
निफ्ट मुख्यालय, नई दिल्ली

No. NIFT/Bd. Sectt./29th /BOG/2015

Date: 25.06.2015

Subject: 29th Meeting of the Board of Governors of the National Institute of Fashion Technology Delhi – Agenda Notes

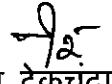
VENUE : NIFT CAMPUS, HEAD OFFICE
HAUZ KHAS, NEAR GULMOHAR PARK,
NEW DELHI-110 016

DATE : 29TH JUNE, 2015 (MONDAY)

TIME : 2:30 P.M.

In continuation of letter no. NIFT/Bd. Sectt./29th BOG/2015 dated 17.06.2015 notifying the 29th Meeting of the Board of Governors of NIFT, agenda notes for the Meeting is forwarded herewith.

आप से अनुरोध है कि आप अपनी सुविधानुसार बैठक में भाग लेने की कृपा करें।


(नीन् टेकचंदानी)

पंजीयक एवं बोर्ड सचिव

To:

1. **Ms. Kiran Dhingra, IAS (Retd.)**
83 C Village
Gancim- Bhatim
Post Office Goa Velha
Talukh Tisvadi
Goa – 403108

Chairperson, BOG NIFT

2. **Mr. Naresh Gujral**
Hon'ble M.P Rajya Sabha
5, Amrita Shergil Marg
New Delhi-110003

Member BOG

3. **Mr. S. Selvakumara Chinnayan**
Hon'ble M.P Lok Sabha
S-3, SCP Residency,
BVB School Main Road, Thindal,
Distt. Erode- 638 012
Tamil Nadu

Member BOG

4. **Ms. Poonam Mahajan**
Hon'ble M.P Lok Sabha
Block no. 2 Bhima Worli Sagar
Cooperative Society
Dr. Pochkhanwala Road, Worli Mumbai- 400 030

Member BOG

- | | | |
|-----|---|-------------------|
| 5. | Mr. B.P Pandey
AS&FA, Ministry of Textiles
New Delhi | Member BOG |
| 6. | Ms. Sunaina Tomar
DG-NIFT & Joint Secretary, Ministry of Textiles
New Delhi | Member BOG |
| 7. | Mr. Sukhbir Singh Sandhu
Joint Secretary (CU&L)
Ministry of Human Resource Development
Shastri Bhawan, New Delhi – 110 001 | Member BOG |
| 8. | Mr. Sunil Sethi
President
Fashion Design Council of India
209, Okhla Industrial Estate, Phase III
New Delhi – 110020 | Member BOG |
| 9. | Ms. Kavita Bhartia
M/s Ogaan
2, Amrita Shergill Marg
New Delhi-3 | Member BOG |
| 10. | Mr. William Bissell
Managing Director
Fabindia Overseas Pvt. Ltd.
C-40, Phase-II, 2 nd Floor, Dayal Estate
New Delhi - 110020 | Member BOG |
| 11. | Dr. A Sakthivel
Chairman,
M/s Poppys Knitwear Pvt. Ltd.
33 M. P. Nagar, Kangu Nagar Extn.
Tirupur – 641 607 (Tamil Nadu) | Member BOG |
| 12. | Ms. Namita R.L Chowdhary
Roshan Corner,
The Lawrence School Sanawar,
Tehsil-Kasauli, District-Solan
Himachal Pradesh - 173204 | Member BOG |
| 13. | Mr. Sabyasachi Mukherjee
Fashion Designer
Sabyasachi Couture
80/2, Topsia Road South
MarutiBagan
Kolkata- 700046 | Member BOG |
| 14. | Mr. Pradyumna Vyas
Director
National Institute of Design
Ahmedabad – 380 007 | Member BOG |

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

29th MEETING OF THE BOARD OF GOVERNORS

A G E N D A

VENUE : NIFT CAMPUS, HEAD OFFICE
HAUZ KHAS, NEAR GULMOHAR PARK,
NEW DELHI-110 016

DATE : 29TH JUNE, 2015 (MONDAY)

TIME : 2:30 P.M.

AGENDA ITEM NO.	PARTICULARS	PAGE
2901	Confirmation of the minutes of 28 th Board of Governors meeting of National Institute of Fashion Technology held on 23 rd February, 2015 at NIFT, Head Office, New Delhi	1-13
2902	Action Taken Report of Previous and Last Meeting of the BOG	14-111
<u>MATTERS ARISING OUT OF FINANCE & AUDIT COMMITTEE (F&AC)</u>		
2903	Review and Approval of Annual Accounts for the Financial Year 2014-15	112-142
2904	Reappointment of Current Internal Auditors or Appointment of New Internal Auditors for the Financial Year 2015-16	143-154
2905	Consolidated Internal Audit Report of NIFT for the Third Quarter Ended on 31 st December, 2014	155-198
<u>OTHER MATTERS</u>		
2906	Housing Benefit to Officers and Faculty in NIFT- Audit Para of C&AG for consideration by circulation	199-219
2907	Nomination to the Sub- Committees of the Board	220-225
2908	Signing of MoU with Politecnico di Milano (PM), Italy	226-233
2909	Proposal to set up Extension Training Center of NIFT- Raebareli at Varanasi	234-243
2910	Any other item with the permission of Chair	244

AGENDA ITEM NO. 2901

**CONFIRMATION OF THE MINUTES OF 28th BOARD OF GOVERNORS MEETING OF
NATIONAL INSTITUTE OF FASHION TECHNOLOGY HELD ON 23RD FEBRUARY, 2015 AT
NIFT, HEAD OFFICE**

The minutes of the 28th Meeting of BOG held on 23rd February, 2015 (**Annexure 2901/I**) at NIFT, Head Office, New Delhi was circulated to the Members. No comments have been received.

The Board may consider confirmation of the above Minutes.

**MINUTES OF THE 28TH MEETING OF BOARD OF GOVERNORS (BOG) OF NIFT
HELD ON 23.02.2015 (MONDAY) AT 3:15 P.M. IN THE BOARD ROOM AT THE NIFT
HEAD OFFICE IN NEW DELHI**

Present:

1. The following members were present:
 - i. Ms. Kiran Dhingra, IAS (Retd.), Chairperson, BOG NIFT
 - ii. Mr. Naresh Gujral, Hon'ble, Rajya Sabha
 - iii. Mr. S. Selvakumara Chinnayan, Hon'ble M.P Lok Sabha
 - iv. Ms. Sunaina Tomar, Joint Secretary, Ministry of Textiles
 - v. Mr. Sunil Sethi, President, Fashion Design Council of India
 - vi. Dr. A. Sakthivel, Chairman, Poppys Knitwear Pvt. Ltd.
 - vii. Ms. Namita R.L Chowdhary
 - viii. Mr. Sabyasachi Mukherjee, Fashion Designer, Sabyasachi Couture
 - ix. Mr. Pradyumna Vyas, Director, National Institute of Design
 - x. Mr. Prem Kumar Gera, Director General, NIFT

Leave of Absence:

2. The following members were granted leave of absence:
 - i. Ms. Poonam Mahajan, Hon'ble M.P Lok Sabha
 - ii. Mr. B.P Pandey, AS&FA, Ministry of Textiles
 - iii. Mr. Sukhbir Singh Sandhu, Joint Secretary (CU&L), Ministry of Human Resource Development
 - iv. Ms. KavitaBhartia, M/s Ogaan
 - v. Mr. William Bissell, Managing Director, Fabindia Overseas Pvt. Ltd.

3. The Chairperson BOG informed the Board about sad demise of Sh. L.V. Saptharishi, IAS (Retd.), former Director General- NIFT. The Chairperson BOG remembered the contributions of Sh. Saptharishi during June, 1997 to October 2000 and thereafter in framing Textiles Policy for which he provided valuable inputs to her. The Board members observed one minute silence to pray for the departed soul. The Board of Governors also decided to send condolences to his family.

AGENDA ITEM NO. 2801

**CONFIRMATION OF THE MINUTES OF 26TH BOARD OF GOVERNORS MEETING OF
NATIONAL INSTITUTE OF FASHION TECHNOLOGY HELD ON 18TH NOVEMBER, 2014
AT NIFT, HEAD OFFICE, NEW DELHI AND EMERGENCY MEETING OF BOARD (27TH
BOG) HELD ON 27TH JANUARY, 2015 AT NIFT, HEAD OFFICE**

4. The Board was informed that Minutes of the 26th meeting held on 18.11.2014 and the Emergency meeting held on 27.01.2015 were circulated to all members inviting their comments/suggestions.
5. The DG NIFT requested the Board that he may be allowed to place his perspective on the minutes issued for the Emergency meeting. He mentioned that the minutes would get ratified without his inputs. Noting that at the stage of confirmation, only the members present could raise an objection or moot an amendment, the Chairperson said that an opportunity to voice his views would be given under 'Any other item' taken up before closure of the meeting.

Since no comments were received on either set of minutes, the Board confirmed them as correct recordings of the proceedings.

AGENDA ITEM NO. 2802

ACTION TAKEN REPORT ON 26TH MEETING OF THE BOG HELD ON 30.09.2014 & 18.11.2014

6. Action taken report on 26th meeting of the BOG held on 30.09.2014 & 18.11.2014 were noted by the Board with the following observations:

- (i) A meeting of the Quality Control Committee consisting of members of BoG was long delayed and needed to be organized soon. Ms. Namita Chowdhary agreed to take the initiative to fix the date for the meeting in consultation with the other member on the quality committee Mr. Sunil Sethi. If required, the committee could invite an expert from outside to suggest measures to be taken for improving the delivery of academics in NIFT Campuses.
- (ii) The DG informed the Board that necessary orders for implementing the HR policy had been issued, save those which required to be incorporated in Statutes and implemented thereafter. The Board had placed an embargo on recruitment on Group A posts for understanding the HR policy of NIFT. The DG informed the Board that the recruitment at NIFT needed to be taken-up as many courses had been started with a vision that faculty and staff would be in place in due course. The Chairperson inquired if separate rosters for the contract and the Regular posts had been created, and if the SC/ST/OBC reservations had been incorporated in each, and suggested that the same should be placed for inspection in the next Establishment Committee meeting, as the rosters had to recognize the existing posts as already filled and then define the mode for future vacancies in the rosters. Prior to starting recruitment, she advised the DG to draw up the list of possible eminent persons to chair the Selection Committee, and of subject experts to assist it, for approval of the Board.
- (iii) Chairman also drew attention to the recommendation of the Establishment Committee that in making recruitments, the first post should be filled on contract, as that implied that single or isolated posts should be filled on contract basis, to obviate the discontent of such employees at the lack of promotional avenue if they are on the regular roster, and said that this method may pose difficulties of accountability in the case of sensitive posts. For isolated and sensitive posts, such as of project engineers, e.g., the recruitment should be as far as possible on deputation basis. The Board desired to see a list of posts declared as 'sensitive' as per the CVC guidelines to take a final decision.
- (iv) JS, MoT also pointed out that a draft cabinet note for extension of timeline for implementation of OBC Quota and increase in the fund had been received. The proposal mentioned that the approval of the Board was awaited. She said the Ministry could not entertain a proposal that did not have the Board approval. The Chairperson pointed out that the agenda item on the issue was before the Board, but it did not provide detailed reasons for escalation as sought in the last meeting. The DG requested to discuss the item for providing clarification. Since CVO was asked to study the Mumbai construction project under OBC Quota and the report was still awaited from CVO, the work under OBC Plan fund was held up. The Board directed the CVO to expedite the report allowed to seek extension of time for implementing of the OBC projects. After brief discussion, the Board decided that for the time being, for preparing the Cabinet note, a proposal for extension of timeline for implementation of OBC Quota may be sent to MoT.

- (v) Sh. Sunil Sethi raised his concerns and pointed out that the Mumbai project had been delayed badly, efforts should be made to complete the project. Keeping in view the delay in implementing the building Projects, he desired that a Standard Operating Procedures for large constructions projects may be laid down. Private Agencies who monitors the construction projects may be hired as PMCs.
- (vi) Sh. Sunil Sethi pointed out to the Board that M/s M.C. Jain & Co., Chartered Accountant had done a commendable job, however their contract was terminated as allegedly they did not have experience in Process Audit. When they had done a good job and understood NIFT, they should have been preferred. Chairperson pointed out that the issue had been discussed in a previous meeting, and it had been agreed that in future the appointment and termination and remuneration of the internal and statutory auditors would be brought before the Board for approval, as this was an important part of any Board's system of control and should not be delegated. The Chair also pointed out that a process audit was not confined to the audit of the system of maintenance of accounts and accounting; it necessarily looked into all processes of an organization, and included such things as inventory management, maintenance management by drawing up schedules and adhering to them, administrative processes for issue of orders and follow up of them, etc. She suggested a list of processes that would be audited in current year may be brought to the notice of the Board. It was agreed that academic processes may not be subjected to process audit as a sub-committee of the BoG was working on the same. It suggested that the work of establishment division and processes related to Board meeting and follow up of its directions may be part of the first Process Audit.
- (vii) Regarding Admissions 2015, the DG informed the Board that as per the directions, Admission Procedure of 2013-14 (not 2012-13 as noted in minutes) was being followed up for 2015-16(not 2014-15 as noted in minutes). The Board also took note of the corrections that suggested to modify the minutes suitably.
- (viii) The DG informed the Board that the Negotiating Committee and Empowered Committee constituted to oversee the admissions for 2015 had been notified, and the proposal received from Associate Professor Amisha Mehta had been forwarded to the JS in MoT. She was requested to convene a meeting of the Negotiating Committee for a quick decision in the matter.
- (ix) Hon'ble Members Mr. Sethi, Mr. Gujral, Ms. Namita Chowdhary and Mr. Sabyasachi Mukherjee felt that basic facilities/ amenities, basic infrastructure in the labs etc. and state of maintenance of NIFT Centres, especially of the Delhi Campus were inadequate and required urgent attention to uphold the claim of the Institution of being premier. Sh. Sabyasachi pointed out that private foreign affiliated fashion design colleges were being set up and would attract the cream if NIFT did not upgrade its standards and continued to coast on past reputation. Members wholeheartedly agreed and discussed ways in which the issue of maintenance and modernization of course equipment could be given attention. The importance of priority to this issue was impressed upon the DG. Hon'ble MP Mr. Gujral wanted the Campus to have a tough disciplinarian with background in Armed forces to be appointed in Delhi Campus. The DG bemoaned the absence of a Joint Director in the Delhi Centre. It was agreed that, the quality Committee would give the issue of equipment and course modernization to the latest fashion pedagogy its attention. It was also felt that if before the start of every Board meeting, members made a inspection tour of the facilities of Delhi Campus, for which the Director, Delhi Campus would take them around in the Campus premises, it would help highlight their concern on this matter.

AGENDA ITEM NO. 2803

**CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE FIRST QUARTER
ENDING ON 30TH JUNE, 2014 AND ACTION TAKEN REPORT ON THE POINTS RAISED
THEREIN**

&

AGENDA ITEM NO. 2804

**CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE SECOND QUARTER
ENDED ON 30TH SEPTEMBER, 2014**

7. Consolidated Internal Audit Report of NIFT for the First Quarter ending on 30th June, 2014 & action taken report on the points raised therein and Consolidated Internal Audit Report of NIFT for the Second Quarter ending on 30th June, 2014 were taken note of by the Board, with the comment that such post facto appreciation of the position had little point, and effort to get timely quarterly reports to the Board must be intensified. Reading some of the audit comments, the Chairperson wanted to know the remedial action on the violation of delegated financial powers by the Director, NIFT Kangra Campus. The Board took note of the internal auditor's report with a direction that remedial action should continue to be brought in the action taken notes to its satisfaction.

AGENDA ITEM NO. 2805

**C&AG COMMENTS ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 2014**

&

ADDITIONAL AGENDA ITEM NO. C

**SUBMISSION OF ANNUAL REPORT AND AUDITED ACCOUNTS OF NIFT FOR THE
YEAR 2013-14**

8. Chairperson – BOG desired that major observations of the C&AG Auditor on the Annual Accounts for the year ended 31st March, 2014 may be highlighted to the Board. Director (F&A) briefed the Board that there were two major observations of the C&AG Auditor. One was regarding treatment of the Utilised Grant, which were being Transferred to Corpus/Capital Fund. As per C&AG Audit, plan funds received from the Government(s) were required to be shown under a distinct category instead of adding the same in Corpus/Capital fund. Director (F&A) stated that this issue was discussed with internal auditors and they had agreed that we may accept the recommendation of C&AG and seek government approval before transferring utilised grants to Corpus/Capital Fund. The second major objection was regarding charging of depreciation on fixed assets created/purchased out of Government Grants to its income and Expenditure account but not recognizing the corresponding income from Government Grants in accounts. Director (F&A) pointed out that the issue was also discussed with the internal auditors and they supported the accounting policy followed by NIFT on this issue. The Board took note of the C&AG comments on the Annual Accounts and suggested to take it up with the office of C&AG for follow up and an early resolution.

9. Regarding submission of Annual Report and Audited Accounts of NIFT for the Year 2013-2014 to the Ministry without Board approval, the Board expressed its concern and dissatisfaction at the impropriety. The DG explained that the report was placed in the agenda in the last meeting of the Board, and again sent by circulation, but could not be taken up. The Chairperson pointed out that Parliament was hardly likely to consider that sufficient explanation, if the matter came to their notice, and also opined that NIFT need not have rushed the Annual Report along with C&AG Comments on the Audited Accounts to MoT

without Board's approval but could have placed a Late Statement in Parliament as per procedure, and followed up with submission in the Budget session. This had been resorted to by NIFT in the past, and delay by one session, while not the best practice, was certainly better than laying on the table of Parliament a report that did not have the approval of the competent authority. Mr. Gujral MP agreed that the matter could be viewed very seriously, if the report was taken up by the PAC for examination, and said that the parliament secretariat might be consulted by the JS to see if the report could be withdrawn or if post facto approval would remedy the default. The DG was asked to place before the Board in its every meeting a list of agenda, which were mandatory for the Board to examine and give its decisions.

AGENDA ITEM NO. 2806

PROPOSAL FOR REVISED ESTIMATE 2014-15 & BUDGET ESTIMATE 2015-16 (REVENUE)

13. Director (F&A) presented the Revised Estimates 2014-15 and Budget Estimate 2015-16 (Revenue) to the Board. Sh. Sunil Sethi, as member of the F&A committee, informed the Board that F&AC did not approve the RE 2014-15 and BE 2015-16 (Revenue) as the actual expenditure was very less as compared to the BE 2014-15 as the Campuses were unable to spend the annual sanction. He informed that F&AC felt that the Campuses were over projecting their revenue expenditure. Therefore DG- NIFT was directed to rework the RE 2014-15 & BE 2015-16. The Director (F&A) apprised that as per the directions of the F&AC RE 2014-15 & BE 2015-16 had been reviewed and revised and the same had been approved by the Chairperson F&AC on file.

14. The Chairperson BOG inquired about the Head Office Expenses. Director (F&A) informed that upto year 2012-13, HO used to charge 20% of the first year fee income as overhead charge from the Campuses. This charge was not made in the year 2013-14, in view of the high interest income at HO. Now there was a fall in the interest income therefore from the year 2014-15, it was decided that 20% of the 1st year fee of the students would be retained at HO. Chairperson opined that it was difficult to monitor the HO expenses as HO could easily pass it on to the campuses through Debit Notes/ Credit Notes. She directed that a process audit of system of issuing Debit Notes/ Credit Notes to the campuses should be done as a regular part of the internal audit.

15. Ms. Namita Chowdhary inquired about the admission fee which had not as yet been refunded to the students who had sought admission last year. Director (F&A) informed the Board that there were approximately 7 cases of refund of fee pending including 1 case of fee refund for NRI candidate. In explanation of the delay, he said that many applicants had deposited their fees through multiple bank drafts, so as to avoid giving PAN to the Bankers. This made reconciliation of fees received a difficult task leading to delays of refund. The Board directed that the fee may be refunded without further delay and authorised him to make all pending refunds in anticipation of reconciliation after keeping 10% of the amount till verification or re-conciliation, if required.

16. In view of the above, the Board considered and approved the Revenue RE 2014-15 of Rs. 177.28 Crores and Revenue BE 2015-16 of Rs. 205.53 Crores as recommended by F&AC.

AGENDA ITEM NO. 2807

RE 2014-15 & BE 2015-16 (CAPITAL)

17. Director (F&A) presented the Revised Estimates 2014-15 and Budget Estimate 2015-16 (Capital) to the Board. It was also pointed out by JS, MoT that amount of Rs. 50 Crores was provided in the year 2014-15 out of the OBC Quota funds. Director (F&A) stated that NIFT is

likely to utilize only 40 crores and would not be able to utilize balance Rs.10 Crores. The Board members felt that instead of returning the amount to MoT same could be used for procurement of academic infrastructure. Sh. Sunil Sethi pointed out that NIFT campuses had not purchased 3D printers till date. DG NIFT informed that Gandhinagar campus had acquired such a printer long back when its cost was as high as Rs 40 lakhs. It could not be repaired and had to be disposed of as unserviceable item. The current prices of these printer are less than Rs 2 lakhs for all Campus Directors had been asked to work on. He promised suitable action to acquire the same. The Board considered and approved the RE 2014-15 of Rs. 137.39 Crores and BE 2015-16 of Rs. 154.58 Crores as recommended by F&AC.

AGENDA ITEM NO. 2808

ACCOUNT OF REIMBURSEMENT OF MOBILE HANDSET TO ENTITLED OFFICERS

18. The Director (F&A) informed the Board about the need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. Deliberations took place on the proposal of reimbursement of mobile handset to the NIFT officers and Board considered and directed that reimbursement of mobile handset of NID may be studied and put up before the Board.

AGENDA ITEM NO. 2809

APPROVAL FOR HIKE IN FEE FOR EXISTING STUDENTS FOR THE YEAR 2015-16

19. Director (F&A) apprised the Board that in the 26th BOG meeting held on 30.09.2014, a uniform increase of 12% for all students seeking admission for the Academic year 2015-16 with a further hike of 10% in every subsequent year was approved. This hike of 12% was applicable for both old as well as new students.

20. However, from the minutes of the last BOG meeting it was not clear as to whether the hike of 12% was for old students' also.

21. After due discussion the Board approved 10% hike in fee for old students for the year 2015-16 and subsequent years.

AGENDA ITEM NO. 2819

PROPOSAL FOR AMENDMENT IN THE COMPOSITION OF SELECTION COMMITTEE FOR GROUP "A" POSTS

22. DG -NIFT presented the proposal for amendment in the composition of Selection Committee for Group "A" Posts. He informed the Board that the Empowered Committee of the Board on drafting the Statutes in its meeting held on 13/01/2015 has recommended changes in the Composition of Selection Committee for Group "A" posts, whereby the Director General NIFT should not be the member of the Selection Committee. The DG NIFT and Mr. Sethi expressed that this was not a desirable situation as the NIFT Act 2006 required the DG to be a Principal Executive Officer.

23. The Chairperson of Board recalled previous discussions on the issue, in which the Board had agreed that the existing practice in NIFT - by which the DG was deciding the composition of the selection panel, chairing the selection committee making the selection, and then accepting the recommendation of the selection committee and issuing the appointment orders all on his own- had gone outside of all known systems of checks and balances and concentrated powers in a single person, was unhealthy and needed change. The Board had

asked the Establishment Committee to study and submit recommendations. DG had brought the matter directly to the Statute Committee; since the chair of the two committees and the majority of members were common, discussion had been allowed. The Statute Committee had before it the recommendation of the DG that the DG should chair the Selection Committee and the appointments should be made by the Board. It also had before it the practice followed by successive DG's, of issuing the appointment orders without further reference to the Board. The practice of the DG of exercising the powers of appointment seemed not to have the authority of the Board; the Registrar had been unable to provide a resolution which could be examined to understand why and how the Board had delegated the power of the Appointing Authority to the DG-NIFT, that such a situation had arisen in which one person had untrammelled power. After detailed deliberation, the Statute Committee had decided that the reason for the DGs arrogating to themselves the powers of the Board was probably the desirability of issuing orders immediately on a selection being finalized, and the infrequency with which the Board met. The Statute Committee had felt that regularizing this practice would contribute efficiencies to the processes of recruitment, and the Board should be recommended that it agree to the delegation with the proviso that every appointment made should come to it for information and ratification. However, this could only be countenanced if the Selections were made at arm's length, by a Selection Committee that carried conviction to the public and the Board of being impartial and above board. The Statute Committee had therefore recommended that the Chairman of the Selection committee for all group A posts be an eminent person with an established reputation for sagacity and impartiality, and the composition as already approved by the Board, of at least two non-functional Board members, and outside experts out of a panel recommended by the Board. DG-NIFT should not be a member of the Selection Committee.

24. Ms. Namita Chowdhary pointed out that in order to appear consistent, the rationale of the above proposal should be extended to Group 'B' posts as well. Chairperson conceded the reasonableness of that argument, as DG-NIFT was an Appointing Authority for Group 'B' also.

25. Deliberation at length took place on the matter and the following was approved:

- (i) The Director General of NIFT shall be the Appointing Authority for Group "A" and "B" posts and
- (ii) The composition of Selection Committee for Group "A" and "B" posts shall be as under:
 - (a) Chairperson- An eminent person having administrative and personnel experience from a panel selected by the Board or a member of the Board of Governors other than ex-officio members.
 - (b) Two members of the Board (by name).
 - (c) Two Experts (chosen by the DG from the panel approved by the Board).
 - (d) Chairperson of the respective Academic Department for faculty appointments.

It would be mandatory for the Committee to have a member of the Board for making every selection. The letter of appointment of the selected candidates should be issued on the recommendations of Selection Committee which would be placed before the Board for its information.

DG would bring the proposals for appointment of specific persons before the Board for approval accordingly. The statutes could meantime be amended as approved herein and sent to the Ministry.

TABLED AGENDA ITEM NO. C

PROPOSAL TO CONSTITUTE "BUILDING & WORKS SUB-COMMITTEE" OF THE BOARD

26. The Board considered and approved the constitution of "Building & Works Sub-Committee" of the Board along with its powers and functions as brought out in the agenda notes with a further direction that it may exercise power of holding people responsible and fixing their responsibility. The Board authorised the drafting committee on Statutes to include the constitution of "Building & Work & Committee" in the proposed statutes.

TABLED AGENDA ITEM NO. I

TECHNICAL COLLABORATION BETWEEN NIFT AND MCGAN'S OOTY SCHOOL OF ARCHITECTURE

27. DG- NIFT proposed the agenda regarding Technical collaboration between NIFT and McGan's Ooty School of Architecture and Sh. S. Selvakumara Chinnayan, Hon'ble M.P. seconded the same.

28. McGan's Ooty School of Architecture had approached MoT and NIFT seeking necessary support from NIFT to setup McGan Institute of Fashion Technology (MIFT), a new institute proposed by McGan's to establish fashion courses at their Ooty Campus. DG informed the Board he would like Bengaluru Campus to undertake this as a project under NIFT's Project Policy. However Chapter 10, Para 10.1 of the NIFT Academic Manual relating to Domestic Linkages provided for technical assistance in various academic areas to the state Government for courses of the level of polytechnics and ITIs. The policy also mentioned that 'NIFT had not encouraged requests from private institutions or bodies for any level of such linkages.'

29. The Board was also informed that Section 6(v) of the NIFT Act provided that the functions of the Institute included to cooperate with educational or other institutions in any part of the world having objects wholly or partly similar to those of the Institute by exchange of faculty members and scholars and generally in such manner as may be conducive to their common objective.

30. The Board was also apprised that the BOG of NIFT in its 4th meeting held on 2nd April 2003 vide agenda item no. 0417 had approved the providing of technical support to institutions set up by State Government. In past, NIFT had entered into an MoU with private institutes like School of Fashion Technology (SOFT) Pune and Govt. of Kerala sponsored Center for Continuing Education Kerala(CCEK) for providing technical assistance in various academic areas.

31. Mr. Sunil Sethi recalled that the Board in one of its meetings had decided that NIFT should not open any new NIFT Campuses. In this regard, DG informed the Board that NIFT was not opening any new NIFT Campus in Ooty, but that the proposal was for Collaboration for Course development/review and training to faculty. Mr. Sabyasachi was of the opinion that before providing training to faculty of institutes like McGan, NIFT faculty should update themselves as per the industry standards and get training from the outside expert from International fashion institutes. The Chairperson BOG apprised the Board that there was always a dearth of faculty in NIFT and as a result the faculty members of NIFT always complained for the increased workload in terms of administrative responsibilities, CEP, etc. It was also pointed out that in the MoU, it was mentioned that MIFT would use the name of NIFT viz. "In technical collaboration with NIFT", which the Board actively discouraged, as it was wary of its name being used by fly-by-nighters to attract students to its rolls. It had therefore decided against working with any privately funded institutions.

32. Hon'ble Member Mr. Selevakumara Chinnayan, MP reminded the BoG that one of the primary reasons for enacting NIFT Act 2006 was to promote Fashion Education in India. It would not be proper if NIFT did not support McGan's efforts, when it was ready to pay for its services. After discussion at length, it was decided that NIFT faculty may consider assisting through training MIFT faculty for development of its course curriculum but McGan should not be allowed to use NIFT's name while promoting McGan Institute of Fashion Technology (MIFT) by stating it as an institute set up "**in technical collaboration with NIFT**", and its course curriculum should not be developed and given to it by NIFT as its own faculty needed to focus on its own resource building. In view of the above the draft MoU may be suitably modified before extending support to MIFT.

AGENDA ITEM NO. 2822

ANY OTHER ITEM WITH THE PERMISSION OF CHAIR

33. Due to paucity of time no other agenda items could be discussed. However, the following issues of urgent importance were raised by members and decisions taken:

- (a) Sh. Sunil Sethi pointed out that the Senate was comprised of mainly the officials of NIFT and there were only four outside members namely Mr. Sunil Sethi, Mr. Pradyumna Vyas, Ms. Anith Arora and Dr. Bhoop Singh. He suggested that all academic matters were considered in the Senate including curriculum review therefore the Senate should be reconstituted so as to involve more and more outside experts from the industry. The Board directed Dean to put up an agenda in this regard in the next meeting of the Board and for the members to suggest suitable names.
- (b) Ms. Namita Chowdhary drew attention to representations she had received as Board member, which she wished to share with the Board. A Mr. Sanjay Naik, faculty at Gandhinagar had requested for transfer of the Campus due to personal reasons. His request was handed over to the DG for consideration.
- (c) Ms. Namita Chowdhary pointed out that NIFT Delhi had hired Attendants and Junior Assistants through Placement Agency and they were not given any benefits available to others etc. Such persons had represented wanting to be hired by NIFT directly instead of through a Placement Agency. DG explained that this practice was being followed in all other organizations, and was not unlawful. He also clarified that NIFT was hiring them through placement agencies by paying minimum wages to the Placement Agencies. He agreed to check that the Placement agencies was not exploiting them in violation of the contract with NIFT.
- (d) Ms. Namita Chowdhary also inquired about the action taken against Mr. Vasant Kothari, former Joint Director, NIFT Bhopal for his alleged misconduct of sexual harassment. DG-NIFT apprised that on the basis of report of Internal Complaints Committee (ICC) imposition of a suitable penalty on Sh. Kothari was under consideration.
- (e) DG- NIFT informed the Board that the Board had ratified minutes of the Emergency Meeting, but he should be allowed to make a statement as during the Emergency meeting he did not get an opportunity. He circulated a statement to all members present in the meeting. He wanted to read it, but paucity of time prevented him to do so, and he asked for it to be taken on record. The DG mentioned that he was asked to recuse from the emergency meeting as the agenda revolved around the report submitted by the CVO, which arraigned the DG for decisions taken in Admissions 2014 beyond his delegated authority without authority of the Board. He informed that he

was denied an opportunity during the meeting to present his perspective comprehensively. A Copy of the CVO Report was also not provided to him, till he could obtain it from the Chairperson, who had circulated it all members of BoG except him. He further mentioned that as instructed by the Board he recused himself from the emergency meeting and placed all the facts suo-moto before the BOG to give a correct picture. He also pointed out that the proceedings of the meeting and recording of minutes of the emergency was not proper. He brought out few mistakes in the minutes and the same should be corrected. For example, he had explained how the software used in 2013 was used for three rounds whereas in the minutes, the same had not been mentioned. He also informed that the Board had decided to deprive the DG from writing the performance appraisal of Director (Admissions), CVO and Associate Professor Amisha Mehta who provided inputs to the Board for helping it to understand Admission 2014. The above decision was against the DoPT norms of writing performance appraisal. As per the DoPT norms, in order to write performance appraisal, the supervisor should have seen the performance of the officer reported upon for at least three months. The Board should review the above decision, which was contrary to the DoPT instructions. Without giving a single example of wrong allocation of admission to the wrong candidate, the Board had minuted that the logic applied to design the software was flawed. Similarly without indicating a case of excessive use of power, the Board had passed adverse comments in para 7 of the minutes of Emergency meeting. He also informed the Board that there was not a single instance to conclude that there had been any colorable exercise of powers by the DG.

- (f) Chairperson BOG said that the meeting had recused the DG, but he had indeed been called in and given a chance to have his say. His suo-moto statement had also been considered. In addition to the Agenda note, the Board had been informed of the procedures and improprieties of Admissions 2014 by the CVO's report. The intention of the Board had been, since 30th September, 2014, to ensure that the complaints and allegations attendant on Admissions 2014 did not dodge the process of Admissions 2015, and had the Board got evidence of action being taken by the DG as per its directions of 30th September, 2014, there would have been no need for the Emergency Meeting. The Board in that meeting had focused on giving directions to ensure a smooth process of Admissions in 2015, and she requested the DG to extend his cooperation to this end. She disagreed that the Board writing the performance appraisal of the officers involved in the Admissions process was improper, even if unprecedented, for the reasons given in the minutes. As to the CVO's report, she told the DG that since the Board was not the Disciplinary Authority of the DG, it was not in a position to issue him a show cause notice or to consider his explanation; the Board had taken the broadest possible view in its desire to get on with work on hand and had not alleged malafides for the process of admissions 2014; the CVO's report had been sent to the Ministry to take necessary action as deemed fit. Mr. Sunil Sethi added that he appreciated the hard work put into NIFT by DG.
- (g) The Board took note of the views of the DG NIFT but did not agree that there was anything improper in the minutes that needed to be amended.

The meeting ended with vote of thanks to the Chair.

A list of remaining agenda items that could not be discussed and would be taken in next meeting of Board of Governors of NIFT:-

AGENDA ITEM NO. 2604

Proposal for Approval of Revised Estimated Cost of Building Works under MOT's OBC Plan Funds

AGENDA ITEM NO. 2606

Allowing NIFT to follow GFR Rule 145 and GFR Rule 146 for works

AGENDA ITEM NO. 2607

Consolidated internal audit report of NIFT for the fourth quarter ending 31st march, 2014 and action taken report on the points raised therein

AGENDA ITEM NO. 2612

Status of Appointments of Group 'A' Posts

AGENDA ITEM NO. 2614

Progress reports of the construction projects of NIFT for the period ending – December, 2014

AGENDA ITEM NO. 2615

Taking note of the minutes of the 20th, 21st and 22nd meeting of Senate of NIFT

AGENDA ITEM NO. 2616

Status of pending disciplinary proceeding cases of Head Office

ADDITIONAL AGENDA ITEM NO. A

Nomination to the Sub- Committees of the Board

ADDITIONAL AGENDA ITEM NO. B

Status of pending court cases of all NIFT campuses & Head Office

AGENDA ITEM NO. 2613

Status report on Admission 2014

VOLUME- 2

AGENDA ITEM NO. 2810

Creation of additional administrative post in Finance & Accounts department of NIFT Head Office

AGENDA ITEM NO. 2811

Housing benefit to officers and faculty in NIFT- Audit para of C&AG

AGENDA ITEM NO. 2812

Creation of additional administrative posts at NIFT Kannur

AGENDA ITEM NO. 2813

Creation of additional administrative posts at NIFT campus, Patna

AGENDA ITEM NO. 2814

Creation of posts for NIFT campus at Srinagar, J&K

AGENDA ITEM NO. 2815

Creation of additional administrative posts at NIFT Bhubaneswar

AGENDA ITEM NO. 2816

Signing of MoU with Ecole Duperre, France

AGENDA ITEM NO. 2817

Signing of MoU with Esmod Berlin, Germany

AGENDA ITEM NO. 2818

Signing of MoU with Swiss Textile College (Stc), Zurich, Switzerland

AGENDA ITEM NO. 2820

Status of Capital Expenditure and Revenue Income & Expenditure for Six Months ending September 30, 2014

AGENDA ITEM NO. 2821

Admission – 2015 : Investment on Advertisement

TABLED AGENDA

TABLED AGENDA ITEM NO. A

Action Taken Report On Emergency Board Meeting (27th Meeting) Held On 27.01.2015

TABLED AGENDA ITEM NO. B

Estimate Towards Interiors, Furnishings, Air-Conditioning, Networking and Wi Fi works in the Gandhinagar Campus

TABLED AGENDA ITEM NO. D

Ms. Sonali Gupta, student of B.Des FP (D) batch 2014-18 for transfer from NIFT Kangra to NIFT Raebareli Campus under Student Permanent Transfer policy

TABLED AGENDA ITEM NO. E

Ms. Kshipra Singh, student of KD for Inter Campus Temporary transfer from NIFT Chennai to NIFT Bengaluru Campus

TABLED AGENDA ITEM NO. F

Change of discipline within the same Campus under Student Permanent Transfer of Ms. Brahammani Naga Sai from AD to FC in Hyderabad campus and Ms. Nisita M from AD to LD at Chennai Campus

TABLED AGENDA ITEM NO. G

Proposal for Inter Campus Temporary Transfer of Mr. Rajan Kumar, student of TD-III for Inter Campus Temporary Transfer from NIFT Raebareli to NIFT Patna Campus as a special case

TABLED AGENDA ITEM NO. H

Proposal of Ms. Apoorva, student of BFT-III for Student Permanent Transfer from NIFT Hyderabad to NIFT Patna

TABLED AGENDA ITEM NO. J

Setting Up a Chair on "Textile and Apparel" At NIFT by Ministry of Labour and Employment (MoLE) and NIFT.

AGENDA ITEM NO. 2902**ACTION TAKEN REPORT OF PREVIOUS AND LAST MEETING OF THE BOG**

26 th BOG: 30.09.2014 Agenda Item No.2601 Subject: CONFIRMATION OF THE MINUTES OF 25TH BOARD OF GOVERNORS MEETING OF NATIONAL INSTITUTE OF FASHION TECHNOLOGY HELD ON 26TH JUNE, 2014 (THURSDAY) AT 10:30 A.M. IN THE INDIA HABITAT CENTRE, LODI ROAD, NEW DELHI		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
<p>2. The minutes of the previous meeting had been circulated to the Board members for their comments. Ms. Namita R.L. Chowdhary pointed out that in the last meeting, the item no. 2543 regarding "Setting up named Chair(s) at NIFT" had not been approved. Sh Sunil Sethi shared her recollection. The Chairperson agreed to the following modification :-</p> <p><u>"Agenda Item No. 2543</u></p> <p><u>'Setting up named Chair(s) at NIFT</u></p> <p>'The BOG after thorough review of the policy on setting up named chair(s) at NIFT gave its in-principle approval so that the idea could be pursued."</p>	<p>NIFT has started consultation with Ministry of Labour and Employment (MoLE) and MoLE has shown interest in setting up a "Chair on Textiles and apparel" at NIFT. Accordingly a draft MOU is being prepared and sent by DG to Chairman BOG for feedback on circulation over mail. However, Head Research is now asked to put up the draft as agenda for approval of BOG. The same is being prepared and will be put up in next BOG.</p>	<p>The draft MoU as an agenda was placed before the Board in its 28th meeting held on 23.02.2015. However due to paucity of time the agenda could not be discussed.</p>
26 th BOG: 30.09.2014 Agenda Item No.2603 Subject: FEE REVISION FOR THE YEAR 2015-16		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
<p>12. The Board also recalled that in its last meeting held on 26.06.2014, a Quality Committee consisting of Sh. Sunil Sethi, Ms. Namita Chowdhary, Dr. A. Sakthivel and Dean (A) as the</p>	<p>A meeting is being organized by Dean (A) to hold the Quality Committee Meeting.</p>	<p>Committee was requested for convenient & suitable dates for organizing a meeting to discuss the same vide following letters.</p> <p>i) Vide letter no. NIFT/ Dean</p>

<p>member Secretary was constituted for assuring the Board about quality of NIFT education. The Chairperson requested the committee to take on its agenda the issue of upgradation of academic equipment and facilities, and also invited Sh. S Mukherjee to join it as a member.</p>		<p>A/2004/BOG/70 dated 10th September 2014.</p> <p>ii) Vide letter no. NIFT/ Dean A/2004/BOG/70 dated 13th October 2014.</p> <p>iii) Vide letter no. NIFT/ Dean A/2004/BOG/70 dated 16th February 2015.</p> <p>Copy of letters enclosed at Annexure-2902/I</p>
<p>26th BOG: 30.09.2014 Subject: Other Issues discussed</p>		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
<p><u>Point No. 18 of the minutes dt. 30.09.2014</u></p> <p>18. Sh. Sethi drew attention to the revised estimates for buildings under MOT's OBC Plan Funds and Admissions 2014, and expressed particular concern at the proposed revision to the Mumbai Project, which amounted to Rs 30 crores, of which about a quarter was on account of delays in execution and more than half on account of changes in specifications after award of contract. He wanted to know who had authorized it, as he was in the F&AC subcommittee and did not remember the matter raised in any meeting. Nor did he remember delegating these powers below the BOG. The Project Engineer explained that the Project was given to CIDCO as NIFTs turn key consultant and that agency had its own internal mechanisms for fixing the responsibility for delays etc. and were expected to deliver the completed projects. Besides the above mechanism, NIFT has set up a review committee. There was also a Joint Committee consisting of Chief Engineer of CIDCO and Director Mumbai campus which had decided the changes in the building as</p>	<p>There are no CVC guidelines per se in respect of 'works' to be executed. An organization which does not have its own 'Works Manual' is expected to follow the Works Manual of an established Engineering Organization like CPWD / Railways / MES etc.</p> <p>The matter is being examined. In view of the procedural lapses and negligence observed prima facie, PE Mumbai was placed under suspension on 31.12.2014 in view of his superannuation.</p>	<p>There are no CVC guidelines per se in respect of 'works' to be executed. An organization which does not have its own 'Works Manual' is expected to follow the Works Manual of an established Engineering Organization like CPWD / Railways / MES etc.</p> <p>In view of the procedural lapses and negligence observed prima facie, PE Mumbai was placed under suspension on 31.12.2014 in view of his superannuation.</p> <p>Charge sheet dated 24.03.2015 under Rule 14 of CCS (CCA) Rules was issued to Shri Govindan Kutty. Reply of Shri Govindan Kutty has been examined and his response has not been found satisfactory. Since Shri Govindan Kutty was a</p>

<p>necessary. The BOG was satisfied with neither explanation Chairperson pointed out that CVC frowned heavily on post contract changes in terms and conditions that had financial ramifications. She asked the CVO to study the matter and inform the Board as to the procedure advised by CVC and the procedure followed, and to point out deviations. The Board also directed that the revised estimates be divided into the following three parts for it to take decisions in the matter:</p> <p>(i) Cases involving Cost escalation with no delay, where increases could be justified provided they were in accordance with the terms of the contract.</p> <p>(ii) Cases of cost escalation with delay, where the reasons for delay were necessary and the fixing of accountability for the delay would have to be tackled; and</p> <p>(iii) Cases with change in scope of the work, examination of the procedure against the procedure advised by CVC, and a fixing of accountability</p> <p>The Board suggested that an independent agency like CPWD, NBCC or Engineers India Limited (EIL) be engaged to check the reasonableness of the proposal in line with the three parts above. The proposal would be discussed in detail in next meeting.</p>	<p>M/s CIDCO and the Mumbai Centre have been requested to get the revised estimates examined / vetted by an independent agency like CPWD, NBCC or EIL. The same is awaited.</p>	<p>Gr-A officer, it is proposed to seek ex-post facto approval of CVC for its first stage advise and also for nomination of a CDI as Inquiry Officer.</p> <p>A report regarding procedural deviation observed in the matter is under finalization and will be submitted shortly.</p> <p>NIFT Mumbai has appointed M/s IIT (Mumbai) to examine the revised estimate in respect of Mumbai Construction. It is informed by the Mumbai Campus that within weeks time IIT will submit its final report.</p>
<p>26th BOG: 18.11.2014 Agenda Item No. 2503 Subject: DELEGATION OF FINANCIAL POWERS</p>		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
6. The Director (F&A) apprised the Board that for smooth functioning of NIFT, the	The Board has approved the delegation of financial	On the said issue, only reply of Bhopal Campus has been received stating that there

<p>Board in its meeting held in February, 2013 had delegated the financial powers to DG, the Directors and Officers at Head Office and Campuses. While making the said delegation, the power to pay Statutory/Periodical Payments like Taxes, Dues, Electricity/Water charges & Telephone Charges were left out inadvertently. The proposal was to include the same in delegation of powers. The matter was placed before the F&A Committee, which had recommended inclusion of the same. The Board while approving the recommendation of the Finance & Audit Committee suggested that delegation be given with an appropriate ceiling in order to curb profligate use, and require the approval of the next higher authority in case the ceiling was crossed.</p>	<p>powers to pay Statutory/Periodical Payments like Taxes, Dues, Electricity/Water charges & Telephone Charges were left out inadvertently, with an appropriate ceiling which can't be decided without consultation of the campuses who actually need to exercise the financial powers. Therefore, in order to decide the appropriate ceiling, the views of the Campuses have been sought through email dated 11-02-2015. After getting their views, a circular would be issued fixing a ceiling.</p>	<p>should be no ceiling limit as these are mostly payable to Govt. departments and payable amount depends on usage of Electricity, water, telephone and for payment of taxes etc. depends on applicability of tax rate as per Govt. norms. Moreover, these amount will differ from campus to campus. They have further suggested that in all such cases or for payment of a specific amount & above, as deemed fit, the Centres can inform/mark a copy to Finance Deptt. HQ simultaneously.</p>
<p>7- On the subject of controlling growing expenditures, the Board endorsed the decision that yearly budgetary grants should be subject to more stringency, and the revised budget for the year, which showed a low pace of utilization, should be subject to a cut wherever possible, say an overall 10% cut on Revenue expenditure, in order to ensure that funds were not expended at the end of the year only because there was budget availability.</p>		<p>Also, a reminder mail dated 19.06.2015 has been written to all the campuses asking them to give their views on the matter urgently.</p> <p>While approving the RE (2014-15) for Revenue items the F&AC had approved an amount of Rs. 177.28 crores which was Rs. 13.58 crores less than what was brought before the Committee for approval. And the same was also approved by the Board. Therefore this direction of the Board has been duly taken care of.</p>
<p>26th BOG: 18.11.2014 Agenda Item No. 2506 Subject: STATUS OF C&AG PENDING AUDIT PARAS</p>		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
<p>12. The Board took note of C&AG audit paras. The Chairperson expressed her concern over the undue time and cost overruns in execution of construction projects in NIFT. She drew attention to the audit comments on the projects in Delhi and the problem confronting</p>	<p>The Govt. construction agencies viz. CPWD, NBCC, EPIL and EIL were requested to undertake study of our ongoing construction projects for suggesting suitable measures to improve our ongoing</p>	<p>No further action has been taken in this regard due to non availability of regular PE(Bldg.) at Head Office. Shri Sanjay Jain, Ex. PE(Bldg.) Head Office had left the organization in March 2015 and at present Mr. B. Chayapathi, EE at NIFT Bangalore is holding additional</p>

<p>the Mumbai project, which suggested inexperience, lack of application of mind, and lack of competence, at best. After discussion, the Board advised that a competent agency like CPWD, EIL or NBCC should be engaged by NIFT to study the tender documents, contracts, safeguards and procedures followed for construction of its campuses and other civil projects in last five years in order to suggest remedial measures and improvements to be adopted by the Institution to eliminate cost and time overruns and legal battles in regard to its construction works.</p>	<p>and future projects. However, only EIL has responded. The EIL has shown its inability to undertake this work. The other organizations have not responded in this regard. Sh. Pradeep Sharma, Addl. G.M. (Engg.), NBCC also visited the office of D.G. to discuss the matter. However, no response has been received from NBCC in this regard.</p>	<p>charge of PE(Bldg.), Head Office. The further action will be taken up in due course.</p>
<p>13. The Board also came to the conclusion that the present Project Engineer was not experienced or senior enough to handle the on going construction projects of NIFT. DG NIFT informed that the post of Project Engineer is of rank of senior Executive Engineer of CPWD which could be filled up by a person holding analogous post or junior post. The contract with the present incumbent had expired but he had been given extension as the advertisement of the post had not met with satisfactory response. The DG had met DG CPWD who had informed him that CPWD was itself short of Executive Engineers and had suggested that taking into account the scope of construction work at NIFT, the DG should ask for a Superintending, if not Chief Engineer, who, moreover, were available for deputation. DG submitted that if the level of post was increased to the level of Superintendent Engineer in the grade pay of Rs. 8700/-, NIFT may perhaps get few suitable candidates. The Board agreed for up-gradation of the post and it was decided that the revision of the Recruitment Rules should be</p>	<p>The decision of the Board to upgrade the post of Project Engineer to the post of Superintendent Engineer in the grade pay of Rs. 8700/- has been noted and action would be taken accordingly.</p>	<p>The matter of revision in RRs ^{will} is being placed in the Standing Committee of the Board on Establishment Matter on 30/06/2015. in next meeting</p>

put before the Establishment Committee immediately.		
26 th BOG: 18.11.2014 Agenda Item No. 2508 Subject: <u>ESTIMATE TOWARDS INTERIORS, FURNISHINGS, AIR-CONDITIONING, NETWORKING AND WI FI WORKS IN THE GANDHINAGAR CAMPUS</u>		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
16. The Board noted that the proposal would lead to expenditure beyond the approved amount by the Union Cabinet. For funding the proposed infrastructure from OBC plan funds, the Board asked to be given an overall picture from where funds for this purpose would be made available as there was no surety that Government would agree to an increase in the allocation for the purpose.	Decision of the Board to give an overall picture from where funds for this purpose would be made available has been noted and a separate agenda will be placed before the Board.	Decision of the Board has been noted and a revised agenda will be placed before the Board.
26 th BOG: 18.11.2014 Agenda Item No. 2514 Subject: <u>ENGAGEMENT OF AN ARCHITECT AND PMC FOR CONSTRUCTION OF PANCHKULA CAMPUS</u>		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
21. The DG-NIFT briefed the Board on the proposal. Government of Haryana had allotted 10 acres of land and agreed to provide a financial grant for construction of Panchkhula campus. The DPR for Panchkula had been revised to match the funds that Govt of Haryana had agreed to provide for the Campus. The Government of Haryana that wanted NIFT to execute the project, but the Finance and Audit Committee had felt that NIFT did not possess the competency to select an Architect and PMC and otherwise to handle such projects. Accordingly Principal Secretary Technical Education Deptt of Government of Haryana had been requested to construct this campus. The present proposal was to inform the Board that in	The Govt. of Haryana has been requested to select a competent architect and to include at least three members of the BoG of NIFT in the committee for selection of Architect. The response of Govt. of Haryana is awaited. Further, the matter of setting up of the Centre is currently under review with the Chief Minister's office.	In his letter dated 02.12.2014 addressed to the State Government, DG-NIFT informed that the BOG had suggested that competitive bids may be invited from renowned architects after following due process and at least three members of the BOG of NIFT may be associated with the selection process in order to ensure that the architect selected was competent enough to put up a NIFT building in Panchkula. After the bids had been invited by the Haryana Police Housing Corporation (HPHC), the matter was brought before the Hon'ble Chief Minister, Haryana who decided that the NIFT Panchkula project shall be designed by the State's Architecture Department. Accordingly, a team of three members comprising an

accordance of the decision of F&AC, Government of Haryana had nominated Haryana Policy Housing Corporation (HPHC) for initiating the process of selection of an architect, which could not be completed due to general elections to the Legislative Assembly of the State.

22. The Board noted that the aesthetics and architectural quality of the new NIFT campuses did not reflect innovation or creativity to inspire the students and the faculty who would be the users of the campus. The Board felt that a less bureaucratic procedure needed to be followed, by inviting a competition for the design and ensuring that it received good response, in which the final choice of the design was that of the Board. The Board suggested that Government of Haryana be requested to redo the exercise and call for designs from renowned architects for selection, with fees to be paid for this purpose as per the Rules of the Council of Architects. The Board would join the Government of Haryana in the selection of the Architect based upon the most appropriate design submitted.

23. The Board was also not in favour of seeking financial bids from architects or of fixing their fees in percentage terms of the estimate. The first led to a decision that did not depend on the quality of the design, and the second to the temptation to add to the costs of construction. Instead, the percentage being generally charged by Architects as advised by the CPWD or the Council of Architects could be converted into an absolute figure based on the allocation with NIFT for the construction, and fixed at that figure. The DG was requested to follow up

architect from the Department of Architecture, Haryana and a Superintending Engineer and an Executive Engineer, both from the HPHC and a representative of Technical Education Department, Haryana visited Gandhinagar Campus from 11.06.2015 to 14.06.2015 to have general idea about planning /design concepts for the Panchkula project. State Government is yet to inform NIFT regarding the current status of preparation of design etc. for the Campus project.

accordingly with Govt. of Haryana.		
6 th BOG: 18.11.2014 Agenda Item No. 2515 Subject: C&AG COMMENTS ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
24. The Director (F&A) informed the Board that recently the Ministry had informed that when the Cabinet had approved the Block Grant in 2007, along with additional liability towards pay and allowances due to implementation of 6 th Central Pay Commission Report, NIFT have only 7 Campuses. Therefore the Pay Commission arrears would only be given for the 7 old Campuses and not for all 15 Campuses. Accordingly, the calculation for arrears was revised and sent to Ministry and there response was awaited. The Board directed that this should be pursued with the Ministry vigorously to get funds due and admissible as per the decision of the Cabinet.	A reminder letter dated 28 th January, 2015 has been sent to the MoT requesting them to release a grant of Rs. 46.90 Crores to NIFT to meet the additional burden arising on account of 6 th CPC.	The Ministry has not yet taken any action in this matter. A second reminder letter no.1551(243)/NIFT/OSD(F&A)/Admissibility of 6th CPC/14-15 has been sent to the Ministry dated 21st April, 2015. (copy enclosed vide Annexure-2902/II)
26 th BOG: 18.11.2014 Agenda Item No. 2517 Subject: SPECIAL REPAIR WORKS IN THE NIFT DELHI CAMPUS		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
25. Discussion took place on the proposal for special repair works in the NIFT Delhi Campus. Taking note of large number of items pertaining to the construction of infrastructure, and the reports being received of inappropriate changes, an empowered Building Committee consisting of following members was constituted by the Board:- <ul style="list-style-type: none"> i) Sh. Sunil Sethi ii) Ms. Kavita Bharti iii) Sh. William Bissel iv) Sh. Naresh Gujral v) The Director General 	An empowered building committee has been constituted. It has been proposed to convene a meeting of the empowered committee in the first week of March, 2015. A convenient date has been sought from the committee members.	Empowered Building Committee meeting was not held due to Mr. Sanjay Jain then PE(Bldg.) has left the organization in March 2015 and Mr. B. Chayapathi Executive Engineering who is working on deputation from CPWD Karnataka at NIFT Bangalore has been given additional charge of PE (Bldg.). It has been proposed to convene the meeting in the 2 nd week of July, 2015 by Incharge PE(Bldg.)

<p>Establishment Committee had taken note of the violation of RRs in all those cases where faculty was given conditional promotion to acquire the PhD within 5 years from date of promotion and they have not possessed the same within the stipulated time. The provision of RR that "exceptional published/professional work can be treated equivalent to PhD" was also noted. It noted that the Senate with the help of Expert Committee had been asked to frame the guidelines of the no. of paper, kind of journals etc. which would be considered equivalent to PhD., an essential qualification required for promotion to the post of Associate Professor and Professor as per existing RRs.</p>	<p>Rachna Patni, a consultant for advise NIFT in this matter. She has submitted her report to Dean which will be submitted to Senate shortly.</p>	<p>recommended to the Establishment Committee to consider grant of one time waiver and revision of RR appropriately. Copy of the Minutes is enclosed at Annexure-2902/IV.</p>
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26th BOG: 18.11.2014 .

Agenda Item No. 2534 and 2546

Subject: **TAKING NOTE OF THE MINUTES OF THE 20TH and 21ST MEETING OF SENATE OF NIFT**

Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
<p>31. While taking note of the minutes, Sh. Sunil Sethi pointed out to the Board that the last meeting of the Senate was proposed to be held in the Hyderabad. He further pointed out that convenience of the Senate members was not sought before organizing a Senate meeting out of Delhi, which discouraged members like him to attend the Senate meeting. He said that most of the Senate members were Campus Directors and other NIFT ex-officio members therefore the Senate</p>	<p>The minutes of 20th and 21st Senate were not ratified in 26th Meeting of BOG. Therefore the same are being placed again at agenda no. 2615 for consideration and taking note of the Board.</p>	<p>The minutes of the 20th and 21st Senate were not ratified in 26th and 28th BOG meeting due to paucity of time. Same will be placed in the next BOG meeting for taking note of by the Board.</p>

<p>meetings should have been organized in Delhi to cut down the administrative expenses on travel and stay. He further pointed out that there were only 4 outside members. Out of which Ms. Aneeth Arora, Designer attended only one Senate meeting. It was therefore suggested that details of those members of the Sub Committee who were not regularly attending the meetings may be brought to the notice of the Board so that new members may be appointed on the sub-committees which should be re-constituted. The DG noted this concern of Sh Sethi and agreed that all future meetings of the Senate would, as far as possible, be held in the Head Office. The Dean would be requested to issue the agenda well in advance, so that members get sufficient notice. Mr. Sethi informed that he needed more time to study the minutes of the Senate in detail and proposed that the agenda items no. 2534 and 2546 may be deferred. The Board approved his proposal.</p>		
<p>26th BOG: 18.11.2014 Agenda Item No. 2610 Subject: RECRUITMENT POLICY</p>		
Summary	Action Taken provided in 28th BOG Meeting	Action Taken for upcoming 29th BOG Meeting
<p>37. The Chairperson of the Board explained the Agenda note on the subject to the members. On her presentation, the Board approved the following:</p> <p>viii) The Chairperson of Board also recommended to make changes in the composition of the Selection Committee for Group 'A' posts. The existing Statutes provided that the Chairperson/ Director General NIFT chair the selection Committee. The DG was thus deciding the selection panel, making the selection, and then accepting the recommendation of the selection</p>	<p>As regards decision at S. No. (viii) & (ix), the Empowered Sub-Committee of the Board in its meeting held on 13-01-2015 further made certain changes in the composition of Selection Committee for Group 'A' post. It was decided that DG</p>	<p>The BOG in its meeting held on 23-02-2015 has approved the proposal for amendments in Composition of Selection Committee of Group 'A' and 'B' posts. The same has been carried out in the draft revised Statutes.</p>

<p>committee, all on his own. The Board concurred with her that this procedure was fraught with the possibility of abuse, and needed to be changed. It was decided that a Board Member other than ex-officio members of the Board or an Industry outside expert should chair the Selection Committee. DG-NIFT should be a member of the Selection Committee. The Board should decide the names of the Board members who would be available as members on the Selection Committee. The experts called to assist the Selection Committee should be from a panel approved by the Board. The presence of the Board member as a non-official member should be mandatory in the Selection Committee meetings. The letter of appointment of the selected candidates should be issued only after the Board approved the recommendations of Selection Committee.</p>	<p>should not be a member in the Selection Committee for Recruitment of Group 'A' post and DG shall be the appointing authority for these posts.</p> <p>The Committee in its meeting held on 15/02/2015 has desired that necessary amendments with regard to composition of Selection Committee be made in the Statutes in anticipation to the approval of the Board and an Agenda to this effect be placed before the Board in the next meeting.</p>	
<p>26th BOG: 18.11.2014 Agenda Item No. Other issues Subject: 38. Due to paucity of time no other agenda items could be discussed. However, the following issues of urgent importance were raised by members and decisions taken:</p>		
Summary	Action Taken provided in 28 th BOG Meeting	Action Taken for upcoming 29 th BOG Meeting
<p>41. Sh. Sunil Sethi informed the Board that in the Academic Curriculum Review Committee, he had strongly objected to the proposal to change the nomenclature of the degree offered at NIFT from Bachelor of Design in Fashion Design to Bachelor of Fashion Technology (B.F.Tech.) in Design. This was the most popular course in the Institution, and the most preferred; a change in nomenclature would unnecessarily confuse the students, without serving any useful purpose. In fact, it was his argument that the intake should</p>	<p>CP-FD has been advised to facilitate this meeting.</p>	<p>a) This point was raised in the Senate with reference to Annexure of Agenda number 2534 of 20th Senate held on 20th February 2014. It relates to starting new courses at NIFT Patna. The annexure is of chapter no. 3 of the Detailed Project Report which was submitted by Head Office to the Govt. of Bihar in 2007 when NIFT Patna Campus was being proposed. On clarification from Director Patna, it is noted that the nomenclature is erroneously mentioned in the Detailed</p>

<p>be increased in popular courses like Fashion Design, Fashion Communication by running two batches in some centres and phasing out courses less in demand. Suggesting instead a change in nomenclature as a solution was unacceptable. The meeting had ended with no decision on the proposal, and he was therefore unhappy to see the changed nomenclature in the Annexure of the agenda item no. 2534 The Board advised that CP(FD), a senior faculty from FD and Dean may examine the above matter and make a presentation before a sub-Committee of the Board comprising of Mr. Sunil Sethi, Mr. Pradhymna Vyas, Ms. Kavita Bhartia, Mr. Sabyasachi Mukherjee and the DG-NIFT.</p>		<p>Project Report (2007) and was during the time when NIFT was still finalizing the degree nomenclature.</p> <p>b) The meeting to discuss the same was initiated by CP-FD however it could not be conducted</p>
<p>48. Sh. Sunil Sethi raised the issue of giving permission to the NIFT faculty to be on the Board of Private Organization. He felt that this compromised the Institution and lowered its reputation. The DG explained that the Dean was given such permission as it increased opportunities for NIFT to establish industry linkages that was necessary to improve the recruitment of NIFT students. Board felt that a conscious decision needed to be taken on the matter, and asked DG to put up an agenda item for a policy decision.</p>	<p>Agenda is being prepared and will be submitted in the next BOG Meeting.</p>	<p>The guidelines for faculty interaction with domestic and foreign institutes was approved by BOG in its meeting 23-07-2012.</p> <p>It was decided that as a General policy, NIFT faculty may be permitted to undertake the activities with (i) Central & State Government Universities/Institutions/Bodies; (ii) National Institutions with whom NIFT have MOU; (iii) International Institutions with whom NIFT have MOU and (iv) All Federations of which NIFT is a member.</p> <p>The existing policy do not permit any faculty for interaction or association with private institutes/bodies.</p> <p>The former DG was of the view that such permission given to faculty will increase the opportunity to NIFT to establish industry linkages that was necessary to improve the placement of NIFT students.</p>

		As the above mentioned guidelines were framed on the recommendations of AAC of Board, the revision if any, shall have the recommendations of AAC/Senate after taking into account the comments of Board members and the views of former DG.
28 th BOG:23.02.2015 Agenda Item No. 2802 Subject: <u>ACTION TAKEN REPORT ON 26TH MEETING OF THE BOG HELD ON 30.09.2014 & 18.11.2014</u>		
Summary		Action Taken
6. Action taken report on 26th meeting of the BOG held on 30.09.2014 & 18.11.2014 were noted by the Board with the following observations: (i) A meeting of the Quality Control Committee consisting of members of BoG was long delayed and needed to be organized soon. Ms. Namita Chowdhary agreed to take the initiative to fix the date for the meeting in consultation with the other member on the quality committee Mr. Sunil Sethi. If required, the committee could invite an expert from outside to suggest measures to be taken for improving the delivery of academics in NIFT Campuses.		Ms. Namita Chowdhary agreed to take the initiative to fix the date for the meeting in consultation with the other member on the quality committee Mr. Sunil Sethi. Copy of letters enclosed at Annexure-2902/I
(ii) The DG informed the Board that necessary orders for implementing the HR policy had been issued, save those which required to be incorporated in Statutes and implemented thereafter. The Board had placed an embargo on recruitment on Group A posts for understanding the HR policy of NIFT. The DG informed the Board that the recruitment at NIFT needed to be taken-up as many courses had been started with a vision that faculty and staff would be in place in due course. The Chairperson inquired if separate rosters for the contract and the Regular posts had been created, and if the SC/ST/OBC reservations had been incorporated in each, and suggested that the same should be		An Agenda item is will be placed before the Board.

<p>placed for inspection in the next Establishment Committee meeting, as the rosters had to recognize the existing posts as already filled and then define the mode for future vacancies in the rosters. Prior to starting recruitment, she advised the DG to draw up the list of possible eminent persons to chair the Selection Committee, and of subject experts to assist it, for approval of the Board.</p>	
<p>(iii) Chairman also drew attention to the recommendation of the Establishment Committee that in making recruitments, the first post should be filled on contract, as that implied that single or isolated posts should be filled on contract basis, to obviate the discontent of such employees at the lack of promotional avenue if they are on the regular roster, and said that this method may pose difficulties of accountability in the case of sensitive posts. For isolated and sensitive posts, such as of project engineers, e.g., the recruitment should be as far as possible on deputation basis. The Board desired to see a list of posts declared as 'sensitive' as per the CVC guidelines to take a final decision.</p>	<p>The CVO has been requested to identify and declare "sensitive posts" as per CVC guidelines. On receipt of information, necessary changes will be carried in RRs for obtaining the recommendations of Establishment Committee of Board.</p>
<p>(iv) JS, MoT also pointed out that a draft cabinet note for extension of timeline for implementation of OBC Quota and increase in the fund had been received. The proposal mentioned that the approval of the Board was awaited. She said the Ministry could not entertain a proposal that did not have the Board approval. The Chairperson pointed out that the agenda item on the issue was before the Board, but it did not provide detailed reasons for escalation as sought in the last meeting. The DG requested to discuss the item for providing clarification. Since CVO was asked to study the Mumbai construction project under OBC Quota and the report was still awaited from CVO, the work under OBC Plan fund was</p>	<p>As per the directions of the Board, a draft cabinet note for extension of time line for, implementation of OBC scheme, has been sent to MOT on 18th March, 2015. Copy enclosed at Annexure- 2902/V.</p> <p>There are no CVC guidelines per se in respect of 'works' to be executed. An organization which does not have its own 'Works Manual' is expected to follow the Works Manual of an established Engineering Organization like CPWD / Railways / MES etc.</p> <p>In view of the procedural lapses and negligence</p>

<p>held up. The Board directed the CVO to expedite the report allowed to seek extension of time for implementing of the OBC projects. After brief discussion, the Board decided that for the time being, for preparing the Cabinet note, a proposal for extension of timeline for implementation of OBC Quota may be sent to MoT.</p>	<p>observed prima facie, PE Mumbai was placed under suspension on 31.12.2014 in view of his superannuation.</p> <p>Charge sheet dated 24.03.2015 under Rule 14 of CCS (CCA) Rules was issued to Shri Govindan Kutty. Reply of Shri Govindan Kutty has been examined and his response has not been found satisfactory. Since Shri Govindan Kutty was a Gr-A officer, it is proposed to seek ex-post facto approval of CVC for its first stage advise and also for nomination of a CDI as Inquiry Officer.</p> <p>A report regarding procedural deviation observed in the matter is under finalization and will be submitted shortly.</p>
<p>(v) Sh. Sunil Sethi raised his concerns and pointed out that the Mumbai project had been delayed badly, efforts should be made to complete the project. Keeping in view the delay in implementing the building Projects, he desired that a Standard Operating Procedures for large constructions projects may be laid down. Private Agencies who monitors the construction projects may be hired as PMCs.</p>	<p>In respect of construction work at Mumbai Campus, NIFT Mumbai has appointed M/s IIT (Mumbai) to examine the revised estimate. As regard the Standard Operating Procedures for large construction projects, it is stated that the guidelines are available in the NIFT F&A Manual (Copy enclosed at Annexure-2902/V(A)). However, modification and improvement of existing guidelines will be done after appointing a consultant as directed by BOG.</p>
<p>(vi) Sh. Sunil Sethi pointed out to the Board that M/s M.C. Jain & Co., Chartered Accountant had done a commendable job, however their contract was terminated as allegedly they did not have experience in Process Audit. When they had done a good job and understood NIFT, they should have been preferred. Chairperson pointed out that the issue had been discussed in a previous meeting, and it had been agreed that in future the appointment and termination and remuneration of the internal and statutory auditors would be brought before the Board for approval, as this was an important part of any Board's system of control and should not be delegated. The Chair also pointed out that a process audit was not confined to the audit of the system of maintenance of accounts and accounting; it necessarily looked into all processes of an organization, and included such</p>	<p>As per the directions of the Board, a separate agenda for the appointment of internal auditor for the financial year 2015-16 has been placed for BOG's consideration and approval in this meeting.</p>

<p>things as inventory management, maintenance management by drawing up schedules and adhering to them, administrative processes for issue of orders and follow up of them, etc. She suggested a list of processes that would be audited in current year may be brought to the notice of the Board. It was agreed that academic processes may not be subjected to process audit as a sub-committee of the BoG was working on the same. It suggested that the work of establishment division and processes related to Board meeting and follow up of its directions may be part of the first Process Audit.</p>	
<p>(vii) Regarding Admissions 2015, the DG informed the Board that as per the directions, Admission Procedure of 2013-14 (not 2012-13 as noted in minutes) was being followed up for 2015-16(not 2014-15 as noted in minutes). The Board also took note of the corrections that suggested to modify the minutes suitably.</p>	<p>The first round of counseling for Admission 2015 started from 15th June, 2015. For the allotment of seats / counseling, procedures as adopted in Admission 2013 is being followed.</p>
<p>(viii) The DG informed the Board that the Negotiating Committee and Empowered Committee constituted to oversee the admissions for 2015 had been notified, and the proposal received from Associate Professor Amisha Mehta had been forwarded to the JS in MoT. She was requested to convene a meeting of the Negotiating Committee for a quick decision in the matter.</p>	<p>The decision of the Committee has been implemented for Admission 2015 counseling.</p>
<p>(xi) Hon'ble Members Mr. Sethi, Mr. Gujral, Ms. Namita Chowdhary and Mr. Sabyasachi Mukherjee felt that basic facilities/ amenities, basic infrastructure in the labs etc. and state of maintenance of NIFT Centres, especially of the Delhi Campus were inadequate and required urgent attention to uphold the claim of the Institution of being premier. Sh. Sabyasachi pointed out that private foreign affiliated fashion design colleges were being set up and would attract the cream if NIFT did not upgrade its standards and continued to coast on past reputation. Members wholeheartedly agreed and discussed ways in which the issue of</p>	<p>Noted. The arrangements would be made to take the Committee around the Delhi Campus.</p>

maintenance and modernization of course equipment could be given attention. The importance of priority to this issue was impressed upon the DG. Hon'ble MP Mr. Gujral wanted the Campus to have a tough disciplinarian with background in Armed forces to be appointed in Delhi Campus. The DG bemoaned the absence of a Joint Director in the Delhi Centre. It was agreed that, the quality Committee would give the issue of equipment and course modernization to the latest fashion pedagogy its attention. It was also felt that if before the start of every Board meeting, members made a inspection tour of the facilities of Delhi Campus, for which the Director, Delhi Campus would take them around in the Campus premises, it would help highlight their concern on this matter.

28th BOG:23.02.2015

Agenda Item No. 2803 & 2804

Subject: **CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE FIRST QUARTER ENDING ON 30TH JUNE, 2014 AND ACTION TAKEN REPORT ON THE POINTS RAISED THEREIN**

&
CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE SECOND QUARTER ENDED ON 30TH SEPTEMBER, 2014

Summary

7. Consolidated Internal Audit Report of NIFT for the First Quarter ending on 30th June, 2014 & action taken report on the points raised therein and Consolidated Internal Audit Report of NIFT for the Second Quarter ending on 30th June, 2014 were taken note of by the Board, with the comment that such post facto appreciation of the position had little point, and effort to get timely quarterly reports to the Board must be intensified. Reading some of the audit comments, the Chairperson wanted to know the remedial action on the violation of delegated financial powers by the Director, NIFT Kangra Campus. The Board took note of the internal auditor's report with a direction that remedial action should continue to be brought in the action taken notes to its satisfaction.

Action Taken

The auditor has reported Violation of delegation of power in case of NIFT Kangra Campus. According to them, in case of joint signing only single signatory had signed the cheques. For purchase of furniture amounting to Rs. 12,47,707/- at DGS&D contract, 12 cheques of Rs. 1,00,000/- had been signed and the basic purpose of fixing cheque signing limit at Rs. 1,00,000/- individually had been defeated.

In reply to the auditor's observation, campus has submitted the following response:

As the centre has been set up through state government grant so one of the signatory has to be nominated by state Government. Earlier the state govt. nominee was there for HDFC Bank A/c. Subsequently NIFT Kangra had opened another bank a/c with Union Bank of India for which the State had not nominated any signatory. That's why the payment was released by single signature of NIFT whose powers was up to Rs. 100000/- only. The campus has requested to Union Bank of India to include joint signatory for amount up to Rs. 10,00,000/- based on Circular No. 17 dated 03.12.2014 issued by NIFT Head Office.

	It has also been decided that at the time of giving approval for purchase of any capital equipment, DG NIFT would allow the campus to issue cheque for higher amount with the joint signature of officers at the campus.
28 th BOG:23.02.2015 Agenda Item No. 2805 & Additional Agenda item no. C Subject: <u>C&AG COMMENTS ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014</u> <u>&</u> <u>SUBMISSION OF ANNUAL REPORT AND AUDITED ACCOUNTS OF NIFT FOR THE YEAR 2013-14</u>	
Summary	Action Taken
<p>8. Chairperson – BOG desired that major observations of the C&AG Auditor on the Annual Accounts for the year ended 31st March, 2014 may be highlighted to the Board. Director (F&A) briefed the Board that there were two major observations of the C&AG Auditor. One was regarding treatment of the Utilised Grant, which were being Transferred to Corpus/Capital Fund. As per C&AG Audit, plan funds received from the Government(s) were required to be shown under a distinct category instead of adding the same in Corpus/Capital fund. Director (F&A) stated that this issue was discussed with internal auditors and they had agreed that we may accept the recommendation of C&AG and seek government approval before transferring utilised grants to Corpus/Capital Fund. The second major objection was regarding charging of depreciation on fixed assets created/purchased out of Government Grants to its income and Expenditure account but not recognizing the corresponding income from Government Grants in accounts. Director (F&A) pointed out that the issue was also discussed with the internal auditors and they supported the accounting policy followed by NIFT on this issue. The Board took note of the C&AG comments on the Annual Accounts and suggested to take it up with the office of C&AG for follow up and an early resolution.</p>	<p>C&AG suggestion has been accepted and implemented in 2014-15. In annual accounts of 2014-15, the grant has been shown in separately as utilized and unutilized.</p> <p>Regarding the charging of depreciation on fixed assets purchased out of Govt. grants, a letter dated 18th May, 2015 has been written to Ministry of Textiles for asking permission for not transferring an amount equal to depreciation charged to the income and expenditure account on such assets. (Copy of the letter is enclosed at Annexure-2902/VI).</p>

Regarding submission of Annual Report and Audited Accounts of NIFT for the Year 2013-2014 to the Ministry without Board approval, the Board expressed its concern and dissatisfaction at the impropriety. The DG explained that the report was placed in the agenda in the last meeting of the Board, and again sent by circulation, but could not be taken up. The Chairperson pointed out that Parliament was hardly likely to consider that sufficient explanation, if the matter came to their notice, and also opined that NIFT need not have rushed the Annual Report along with C&AG Comments on the Audited Accounts to MoT without Board's approval but could have placed a Late Statement in Parliament as per procedure, and followed up with submission in the Budget session. This had been resorted to by NIFT in the past, and delay by one session, while not the best practice, was certainly better than laying on the table of Parliament a report that did not have the approval of the competent authority. Mr. Gujral MP agreed that the matter could be viewed very seriously, if the report was taken up by the PAC for examination, and said that the parliament secretariat might be consulted by the JS to see if the report could be withdrawn or if post facto approval would remedy the default. The DG was asked to place before the Board in its every meeting a list of agenda, which were mandatory for the Board to examine and give its decisions.

Noted for compliance

28th BOG:23.02.2015

Agenda Item No. 2806

Subject: **PROPOSAL FOR REVISED ESTIMATE 2014-15 & BUDGET ESTIMATE 2015-16 (REVENUE)**

Summary

13. Director (F&A) presented the Revised Estimates 2014-15 and Budget Estimate 2015-16 (Revenue) to the Board. Sh. Sunil Sethi, as member of the F&A committee, informed the Board that F&AC did not approve the RE 2014-15 and BE

Action Taken

2015-16 (Revenue) as the actual expenditure was very less as compared to the BE 2014-15 as the Campuses were unable to spend the annual sanction. He informed that F&AC felt that the Campuses were over projecting their revenue expenditure. Therefore DG- NIFT was directed to rework the RE 2014-15 & BE 2015-16. The Director (F&A) apprised that as per the directions of the F&AC RE 2014-15 & BE 2015-16 had been reviewed and revised and the same had been approved by the Chairperson F&AC on file.

14. The Chairperson BOG inquired about the Head Office Expenses. Director (F&A) informed that upto year 2012-13, HO used to charge 20% of the first year fee income as overhead charge from the Campuses. This charge was not made in the year 2013-14, in view of the high interest income at HO. Now there was a fall in the interest income therefore from the year 2014-15, it was decided that 20% of the 1st year fee of the students would be retained at HO. Chairperson opined that it was difficult to monitor the HO expenses as HO could easily pass it on to the campuses through Debit Notes/ Credit Notes. She directed that a process audit of system of issuing Debit Notes/ Credit Notes to the campuses should be done as a regular part of the internal audit.

15. Ms. Namita Chowdhary inquired about the admission fee which had not as yet been refunded to the students who had sought admission last year. Director (F&A) informed the Board that there were approximately 7 cases of refund of fee pending including 1 case of fee refund for NRI candidate. In explanation of the delay, he said that many applicants had deposited their fees through multiple bank drafts, so as to avoid giving PAN to the Bankers. This made reconciliation of fees received a difficult task leading to delays of refund. The Board

A mail was sent to the internal auditors to include processes related to work of establishment division, processes related to Board meetings and follow up of its directions, processes related to issue of debit and credit note of campuses.

The internal auditor has assured that these processes would be covered during year 2015-16.

Fee Refund has been given to all the candidates as directed.

<p>directed that the fee may be refunded without further delay and authorised him to make all pending refunds in anticipation of reconciliation after keeping 10% of the amount till verification or re-conciliation, if required.</p> <p>16. In view of the above, the Board considered and approved the Revenue RE 2014-15 of Rs. 177.28 Crores and Revenue BE 2015-16 of Rs. 205.53 Crores as recommended by F&AC.</p>	
<p>28th BOG:23.02.2015 Agenda Item No. 2807 Subject: RE 2014-15 & BE 2015-16 (CAPITAL)</p>	
<p>Summary</p>	<p>Action Taken</p>
<p>17. Director (F&A) presented the Revised Estimates 2014-15 and Budget Estimate 2015-16 (Capital) to the Board. It was also pointed out by JS, MoT that amount of Rs. 50 Crores was provided in the year 2014-15 out of the OBC Quota funds. Director (F&A) stated that NIFT is likely to utilize only 40 crores and would not be able to utilize balance Rs.10 Crores. The Board members felt that instead of returning the amount to MoT same could be used for procurement of academic infrastructure. Sh. Sunil Sethi pointed out that NIFT campuses had not purchased 3D printers till date. DG NIFT informed that Gandhinagar campus had acquired such a printer long back when its cost was as high as Rs 40 lakhs. It could not be repaired and had to be disposed of as unserviceable item. The current prices of these printer are less than Rs 2 lakhs for all Campus Directors had been asked to work on. He promised suitable action to acquire the same. The Board considered and approved the RE 2014-15 of Rs. 137.39 Crores and BE 2015-16 of Rs. 154.58 Crores as recommended by F&AC.</p>	<p>The status of expenditure on acquisition of capital assets is at Annexure IV of agenda item no. 2903 titled as "Review and Approval of Annual Accounts for the Financial Year 2014-15" placed for discussion during this meeting.</p> <p>Delhi Campus has purchased 3D printer in the month of March, 2015. Head Office is procuring 11machines for 11 Campuses through Centralized Procurement under common tender. The approximate budget of each machine is Rs. 1.75 lakhs. Other Campuses which does not have F&LA Department, there is no requirement for 3D Printers.</p>

28th BOG:23.02.2015

Agenda Item No. 2808

Subject: **ACCOUNT OF REIMBURSEMENT OF MOBILE HANDSET TO ENTITLED OFFICERS**

Summary	Action Taken
18. The Director (F&A) informed the Board about the need for revising the eligibility and defining the financial limit regarding the reimbursement for handset in the existing policy. Deliberations took place on the proposal of reimbursement of mobile handset to the NIFT officers and Board considered and directed that reimbursement of mobile handset of NID may be studied and put up before the Board.	<p>An agenda will be presented before BOG after analyzing the mobile reimbursement policy of NID.</p> <p>A. Norms/policy applicable in NID in respect of reimbursement of mobile handsets to its employees was obtained from NID. As per their policy, reimbursement of the cost of mobile hand set is made once in three years. The officers eligible for reimbursement and the financial limit for reimbursement is as follows:</p> <ul style="list-style-type: none">i) Policy and Planning Committee (PPC) members/HODs/Activity CP – Rs.7,500/- maximumii) Activity Vice CPs/ Coordinators- Rs.5,000/- maximum <p>There is no specific grade pay attached with the various roles and responsibilities of Policy and Planning Committee (PPC) members, Activity Chairpersons, Heads of Departments, Coordinators, and Activity Vice Chairpersons. Officers are nominated for these posts and these officers keep changing.</p> <p>B. As regards to norms of NID, following is submitted:</p> <ul style="list-style-type: none">i) The financial limit for reimbursement of mobile handset was fixed in 2008 and still prevalent in NID. In the present inflationary scenario, in this price, a good quality & durable phone is not available in the market. Also keeping in view the level of the officers who would be made entitled to reimbursement, financial limit does not seems less.ii) There is no other norms/guidelines for mobile handset such as returning of mobile handset in case of resignation, transfer, other posting etc. It is also not clear as to what would be the value of mobile in such an eventuality.

28th BOG:23.02.2015

Agenda Item No. 2809

Subject: **APPROVAL FOR HIKE IN FEE FOR EXISTING STUDENTS FOR THE YEAR 2015-16**

Summary	Action Taken
19. Director (F&A) apprised the Board that in the 26 th BOG meeting held on 30.09.2014, a uniform increase of 12% for all students seeking admission for the Academic	No Action Required to be reported. The directions of the BOG has been followed.

<p>year 2015-16 with a further hike of 10% in every subsequent year was approved. This hike of 12% was applicable for both old as well as new students.</p> <p>20. However, from the minutes of the last BOG meeting it was not clear as to whether the hike of 12% was for old students also.</p> <p>21. After due discussion the Board approved 10% hike in fee for old students for the year 2015-16 and subsequent years.</p>	
<p>28th BOG:23.02.2015 Agenda Item No. 2819 Subject: <u>PROPOSAL FOR AMENDMENT IN THE COMPOSITION OF SELECTION COMMITTEE FOR GROUP "A" POSTS</u></p>	
<p>Summary</p> <p>22. DG –NIFT presented the proposal for amendment in the composition of Selection Committee for Group "A" Posts. He informed the Board that the Empowered Committee of the Board on drafting the Statutes in its meeting held on 13/01/2015 has recommended changes in the Composition of Selection Committee for Group "A" posts, whereby the Director General NIFT should not be the member of the Selection Committee. The DG NIFT and Mr. Sethi expressed that this was not a desirable situation as the NIFT Act 2006 required the DG to be a Principal Executive Officer.</p> <p>23. The Chairperson of Board recalled previous discussions on the issue, in which the Board had agreed that the existing practice in NIFT - by which the DG was deciding the composition of the selection panel, chairing the selection committee making the selection, and then accepting the recommendation of the selection committee and issuing the appointment orders all on his own--had gone outside of all known systems of checks and balances and concentrated powers in a single person, was unhealthy and needed change. The Board had asked the</p>	<p>Action Taken</p> <p>Statutes have been amended and forwarded to the Ministry for approval.</p>

Establishment Committee to study and submit recommendations. DG had brought the matter directly to the Statute Committee; since the chair of the two committees and the majority of members were common, discussion had been allowed. The Statute Committee had before it the recommendation of the DG that the DG should chair the Selection Committee and the appointments should be made by the Board. It also had before it the practice followed by successive DG's, of issuing the appointment orders without further reference to the Board. The practice of the DG of exercising the powers of appointment seemed not to have the authority of the Board; the Registrar had been unable to provide a resolution which could be examined to understand why and how the Board had delegated the power of the Appointing Authority to the DG-NIFT, that such a situation had arisen in which one person had untrammelled power. After detailed deliberation, the Statute Committee had decided that the reason for the DGs arrogating to themselves the powers of the Board was probably the desirability of issuing orders immediately on a selection being finalized, and the infrequency with which the Board met. The Statute Committee had felt that regularizing this practice would contribute efficiencies to the processes of recruitment, and the Board should be recommended that it agree to the delegation with the proviso that every appointment made should come to it for information and ratification. However, this could only be countenanced if the Selections were made at arm's length, by a Selection Committee that carried conviction to the public and the Board of being impartial and above board. The Statute Committee had therefore recommended that the Chairman of the Selection committee for all group A posts be an eminent person with an established reputation for sagacity and impartiality, and the composition

as already approved by the Board, of at least two non-functional Board members, and outside experts out of a panel recommended by the Board. DG-NIFT should not be a member of the Selection Committee.

24. Ms. Namita Chowdhary pointed out that in order to appear consistent, the rationale of the above proposal should be extended to Group 'B' posts as well. Chairperson conceded the reasonableness of that argument, as DG-NIFT was an Appointing Authority for Group 'B' also.

25. Deliberation at length took place on the matter and the following was approved:

(i) The Director General of NIFT shall be the Appointing Authority for Group "A" and "B" posts and

(ii) The composition of Selection Committee for Group "A" and "B" posts shall be as under:

(a) Chairperson- An eminent person having administrative and personnel experience from a panel selected by the Board or a member of the Board of Governors other than ex-officio members.

(b) Two members of the Board (by name).

(c) Two Experts (chosen by the DG from the panel approved by the Board).

(d) Chairperson of the respective Academic Department for faculty appointments.

It would be mandatory for the Committee to have a member of the Board for making every selection. The letter of appointment of the selected candidates should be issued on the recommendations of Selection Committee which would be placed before the Board for its information.

DG would bring the proposals for

<p>appointment of specific persons before the Board for approval accordingly. The statutes could meantime be amended as approved herein and sent to the Ministry.</p>	
<p>28th BOG:23.02.2015 Agenda Item No. Tabled agenda item no. C Subject: <u>PROPOSAL TO CONSTITUTE "BUILDING & WORKS SUB-COMMITTEE" OF THE BOARD</u></p>	
Summary	Action Taken
<p>26. The Board considered and approved the constitution of "Building & Works Sub-Committee" of the Board along with its powers and functions as brought out in the agenda notes with a further direction that it may exercise power of holding people responsible and fixing their responsibility. The Board authorised the drafting committee on Statutes to include the constitution of "Building & Work & Committee" in the proposed statutes.</p>	<p>Included in draft Statutes which have forwarded to the Ministry for approval.</p> <p>The Constitution, functions and powers of the Building & Works Sub-Committee is given at Annexure-2902/VII. In this Committee, three members of the Board are the Member of this Committee. The Board may consider nominating three members of the Board to this Committee of which one shall be nominated as Chairperson.</p>
<p>28th BOG:23.02.2015 Agenda Item No. Tabled Agenda Item no. I Subject: <u>TECHNICAL COLLABORATION BETWEEN NIFT AND MCGAN'S OOTY SCHOOL OF ARCHITECTURE</u></p>	
Summary	Action Taken
<p>27. DG- NIFT proposed the agenda regarding Technical collaboration between NIFT and McGan's Ooty School of Architecture and Sh. S. Selvakumara Chinnayan, Hon'ble M.P. seconded the same.</p> <p>28. McGan's Ooty School of Architecture had approached MoT and NIFT seeking necessary support from NIFT to setup McGan Institute of Fashion Technology (MIFT), a new institute proposed by McGan's to establish fashion courses at their Ooty Campus. DG informed the Board he would like Bengaluru Campus to undertake this as a project under NIFT's Project Policy. However Chapter 10, Para 10.1 of the NIFT Academic Manual relating to Domestic Linkages provided for technical assistance in various academic areas to the state Government for courses of the level of polytechnics and ITIs. The policy</p>	<p>Action Taken Report is placed at Annexure- 2902/VIII</p>

also mentioned that 'NIFT had not encouraged requests from private institutions or bodies for any level of such linkages.

29. The Board was also informed that Section 6(v) of the NIFT Act provided that the functions of the Institute included to cooperate with educational or other institutions in any part of the world having objects wholly or partly similar to those of the Institute by exchange of faculty members and scholars and generally in such manner as may be conducive to their common objective.

30. The Board was also apprised that the BOG of NIFT in its 4th meeting held on 2nd April 2003 vide agenda item no. 0417 had approved the providing of technical support to institutions set up by State Government. In past, NIFT had entered into an MoU with private institutes like School of Fashion Technology (SOFT) Pune and Govt. of Kerala sponsored Center for Continuing Education Kerala(CCEK) for providing technical assistance in various academic areas.

31. Mr. Sunil Sethi recalled that the Board in one of its meetings had decided that NIFT should not open any new NIFT Campuses. In this regard, DG informed the Board that NIFT was not opening any new NIFT Campus in Ooty, but that the proposal was for Collaboration for Course development/review and training to faculty. Mr. Sabyasachi was of the opinion that before providing training to faculty of institutes like McGan, NIFT faculty should update themselves as per the industry standards and get training from the outside expert from International fashion institutes. The Chairperson BOG apprised the Board that there was always a dearth of faculty in NIFT and as a result the faculty members of NIFT always complained for the increased workload in terms of administrative

responsibilities, CEP, etc. It was also pointed out that in the MoU, it was mentioned that MIFT would use the name of NIFT viz. "In technical collaboration with NIFT", which the Board actively discouraged, as it was wary of its name being used by fly-by-nighters to attract students to its rolls. It had therefore decided against working with any privately funded institutions.

32. Hon'ble Member Mr. Selevakumara Chinnayan, MP reminded the BoG that one of the primary reasons for enacting NIFT Act 2006 was to promote Fashion Education in India. It would not be proper if NIFT did not support McGan's efforts, when it was ready to pay for its services. After discussion at length, it was decided that NIFT faculty may consider assisting through training MIFT faculty for development of its course curriculum but McGan should not be allowed to use NIFT's name while promoting McGan Institute of Fashion Technology (MIFT) by stating it as an institute set up "in technical collaboration with NIFT", and its course curriculum should not be developed and given to it by NIFT as its own faculty needed to focus on its own resource building. In view of the above the draft MoU may be suitably modified before extending support to MIFT.

28th BOG:23.02.2015

Agenda Item No. 2822

Subject: **ANY OTHER ITEM WITH THE PERMISSION OF CHAIR**

Summary

33. Due to paucity of time no other agenda items could be discussed. However, the following issues of urgent importance were raised by members and decisions taken:

(a) Sh. Sunil Sethi pointed out that the Senate was comprised of mainly the officials of NIFT and there were only four outside members namely Mr. Sunil Sethi, Mr. Pradyumna Vyas, Ms. Anith Arora and Dr. Bhoop Singh. He suggested that all

Action Taken

As advised by the Senate, names of industry experts were requested from all Chairpersons for re-constitution of Senate. The compiled list of 31 industry experts was submitted to DG- NIFT. DG-NIFT has suggested that consent of industry experts may be obtained for the same.

<p>academic matters were considered in the Senate including curriculum review therefore the Senate should be reconstituted so as to involve more and more outside experts from the industry. The Board directed Dean to put up an agenda in this regard in the next meeting of the Board and for the members to suggest suitable names.</p>	<p>List of Industry Experts is enclosed as Annexure-2902/IX for reference</p>
<p>(b) Ms. Namita Chowdhary drew attention to representations she had received as Board member, which she wished to share with the Board. A Mr. Sanjay Naik, faculty at Gandhinagar had requested for transfer of the Campus due to personal reasons. His request was handed over to the DG for consideration.</p>	<p>On examination, it was found that the case is regarding Shri Sachin Naik, Asstt Director posted at Gandhinagar who is requesting for transfer to Mumbai. The brief of the case is narrated below :</p> <p>In response to an Advertisement to fill the posts of Assistant Director on contract, 06 departmental candidates qualified. Of whom 03 were from Gandhinagar Campus, 01 each from Mumbai, Bengaluru and Kolkata. It was decided by the then DG not to offer the posting at the home town/serving place. Shri Sachin Naik who was working at Mumbai was offered post at Gandhinagar. The 03 candidates namely Shri Chirag Solanki, Shri Parag Adalja and Dr. Hemant Updhyay belonging to Gandhinagar campus were offered posting at Bhopal, Rae Bareli and Patna respectively. Shri Parag Adalja due to his compelling reasons (old age parents) was not interested in posting outside his home town, hence he refused the offer.</p> <p>In case, the request of Shri Sachin Naik is considered, Shri Chirag Solanki and Dr. Hemant Updhyay will fight for posting at Gandhinagar. Shri Parag Adalja, RA may also claim his appointment as Assistant Director and posting at Gandhinagar.</p> <p>To avoid this dispute, the former DG took a decision that nobody should be transferred.</p>
<p>(c) Ms. Namita Chowdhary pointed out that NIFT Delhi had hired Attendants and Junior Assistants through Placement Agency and they were not given any benefits available to others etc. Such persons had represented wanting to be hired by NIFT directly instead of through a Placement Agency. DG explained that this practice was being followed in all other organizations, and was not unlawful. He also clarified that NIFT was hiring them through placement agencies by paying minimum wages to the Placement Agencies.. He agreed to check that</p>	<p>The Campus ensures that all employees hired through Placement Agency are paid salary on time and have received ESIC Card. Their EPF receipt are also submitted by the agency regularly.</p>

<p>the Placement agencies was not exploiting them in violation of the contract with NIFT.</p>	
<p>(d) Ms. Namita Chowdhary also inquired about the action taken against Mr. Vasant Kothari, former Joint Director, NIFT Bhopal for his alleged misconduct of sexual harassment. DG-NIFT apprised that on the basis of report of Internal Complaints Committee (ICC) imposition of a suitable penalty on Sh. Kothari was under consideration.</p>	<p>The services of Shri Vasant Kothari have been terminated vide order dated 26-02-2015.</p>
<p>(e) DG- NIFT informed the Board that the Board had ratified minutes of the Emergency Meeting, but he should be allowed to make a statement as during the Emergency meeting he did not get an opportunity. He circulated a statement to all members present in the meeting. He wanted to read it, but paucity of time prevented him to do so, and he asked for it to be taken on record. The DG mentioned that he was asked to recuse from the emergency meeting as the agenda revolved around the report submitted by the CVO, which arraigned the DG for decisions taken in Admissions 2014 beyond his delegated authority without authority of the Board. He informed that he was denied an opportunity during the meeting to present his perspective comprehensively. A Copy of the CVO Report was also not provided to him, till he could obtain it from the Chairperson, who had circulated it all members of BoG except him. He further mentioned that as instructed by the Board he recused himself from the emergency meeting and placed all the facts suo-moto before the BOG to give a correct picture. He also pointed out that the proceedings of the meeting and recording of minutes of the emergency was not proper. He brought out few mistakes in the minutes and the same should be corrected. For example, he had explained how the software used in 2013 was used for three rounds whereas in the minutes, the same had not been mentioned. He also</p>	<p>No action required</p>

informed that the Board had decided to deprive the DG from writing the performance appraisal of Director (Admissions), CVO and Associate Professor Amisha Mehta who provided inputs to the Board for helping it to understand Admission 2014. The above decision was against the DoPT norms of writing performance appraisal. As per the DoPT norms, in order to write performance appraisal, the supervisor should have seen the performance of the officer reported upon for at least three months. The Board should review the above decision, which was contrary to the DoPT instructions. Without giving a single example of wrong allocation of admission to the wrong candidate, the Board had minuted that the logic applied to design the software was flawed. Similarly without indicating a case of excessive use of power, the Board had passed adverse comments in para 7 of the minutes of Emergency meeting. He also informed the Board that there was not a single instance to conclude that there had been any colorable exercise of powers by the DG.

(f) Chairperson BOG said that the meeting had recused the DG, but he had indeed been called in and given a chance to have his say. His suo-moto statement had also been considered. In addition to the Agenda note, the Board had been informed of the procedures and improprieties of Admissions 2014 by the CVO's report. The intention of the Board had been, since 30th September, 2014, to ensure that the complaints and allegations attendant on Admissions 2014 did not dodge the process of Admissions 2015, and had the Board got evidence of action being taken by the DG as per its directions of 30th September, 2014, there would have been no need for the Emergency Meeting. The Board in that meeting had focused on giving directions to ensure a smooth process of Admissions in 2015, and she requested the DG to extend his

No action required

<p>cooperation to this end. She disagreed that the Board writing the performance appraisal of the officers involved in the Admissions process was improper, even if unprecedented, for the reasons given in the minutes. As to the CVO's report, she told the DG that since the Board was not the Disciplinary Authority of the DG, it was not in a position to issue him a show cause notice or to consider his explanation; the Board had taken the broadest possible view in its desire to get on with work on hand and had not alleged malafides for the process of admissions 2014; the CVO's report had been sent to the Ministry to take necessary action as deemed fit. Mr. Sunil Sethi added that he appreciated the hard work put into NIFT by DG.</p>	
<p>(g) The Board took note of the views of the DG NIFT but did not agree that there was anything improper in the minutes that needed to be amended.</p>	<p>No action required</p>

Annexure - 2902/I



राष्ट्रीय फैशन टेक्नोलॉजी संस्थान
National Institute of Fashion Technology

70

प्रोफेसर डॉ० वंदना भंडारी
डीन - अकादमिक

Prof. Dr. Vandana Bhandari
Dean - Academic

369

NIFT/Dean A/ 2004/BoG/70

10th September 2014

Shri. Sunil Sethi
BoG Member
National Institute of Fashion Technology
New Delhi-110016

Subject: Organizing visit of Committee members at NIFT Campuses

Dear Sir,

This is with reference to the 22nd Senate meeting held on 26th August 2014 at NIFT Head Office. During the meeting the Board expressed its concern over the variable quality of education from campus to campus due to expansion of campuses, and the unavoidable focus on achieving economic feasibility of Campuses.

Keeping in view the concerned issues, it was suggested that 2-3 Board members get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

The Board decided that the following committee may be formed comprising of internal and external members who may visit various campuses to study the quality of education offered at NIFT Campuses.

- Mr. Sunil Sethi
- Ms. Namita Chawdhury
- Dr. A. Sakthivel
- Dean(A), member secretary : To coordinate the visits

As per the responsibility of member secretary I may request the committee members to kindly communicate the suitable dates in October to the undersigned for visiting the NIFT campus.

With regards,

Yours Sincerely,

प्रोफेसर डॉ० वंदना भंडारी, डीन-अकादमिक
Prof. Dr. Vandana Bhandari, Dean-Academic

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NIFT/Dean A/ 2014/BoG/70

13th October 2014

Shri Sabyasachi Mukherjee
BoG Member
Couture 80/2, Topsia Road
South Maruti Bagan Road,
Kolkata - 400 046, West Bengal

Subject: Organizing visit of Committee members at NIFT Campuses

Dear Mr. Mukherjee,

The issue of variable quality of education from campus to campus due to expansion of campuses and the focus on achieving economic feasibility of Campuses was discussed in the BOG of NIFT.

It was suggested that 3-4 Board members get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

The Board decided that the following committee may be formed comprising of internal and external members who may visit various campuses to study the quality of education offered at NIFT Campuses.

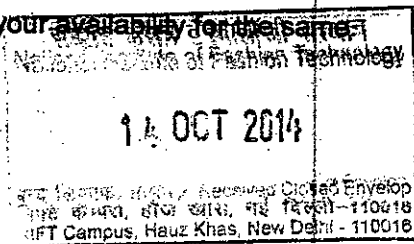
- Mr. Sunil Sethi
- Ms. Namita Chawdhury
- Dr. A. Sakthivel
- Dean(A), Member Secretary : To coordinate the visits

In a subsequent meeting of the BoG you have also been requested to join this Committee.

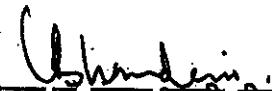
Ms. Namita Chawdhury has suggested that the last two weeks of October, 2014 would be convenient for the first meeting. It is suggested that since the BOG will meet on 27th October, 2014 in Bengaluru, a plan of action could be developed at that time to take this forward.

Please confirm your availability for the same.

With regards,



Yours Sincerely,


प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक
Prof. Dr. Vandana Bhandari, Dean-Academic

Copy to : DG- NIFT for information please



राष्ट्रीय फैशन टेक्नालॉजी संस्थान
National Institute of Fashion Technology

By Speed Post

प्रोफेसर डॉ० वंदना भंडारी
डीन - अकादमिक

Prof. Dr. Vandana Bhandari
Dean - Academic

13th October 2014

NIFT/Dean A/ 2014/BoG/70

Dr. A. Sakthivel
BOG member NIFT
Chairman
Poppys Knitwear Pvt. Ltd.
33 M.P. Nagar, Kangu Nagar Extn.
Tirupur - 641 607 (Tamilnadu)

Subject: Organizing visit of Committee members at NIFT Campuses

Dear Dr. Sakthivel,

The issue of variable quality of education from campus to campus due to expansion of campuses and the focus on achieving economic feasibility of Campuses was discussed in the BOG of NIFT.

It was suggested that 3-4 Board members get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

The Board decided that the following committee may be formed comprising of internal and external members who may visit various campuses to study the quality of education offered at NIFT Campuses.

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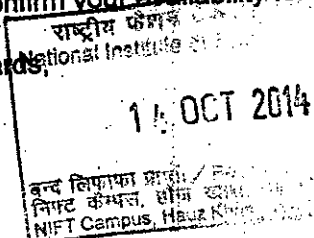
In a subsequent meeting of the BoG Mr. Sabyasachi Mukherjee has also been invited to join this Committee.

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Prof. Dr. Vandana Bhandari, Dean-Academic

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National Institute of Fashion Technology

By speed post

प्रोफेसर डा० वंदना भंडारी
डीन - अकादमिक

Prof. Dr. Vandana Bhandari
Dean - Academic

NIFT/Dean A/ 2014/BoG/70

13th October 2014

Mr. Sunil Sethi
BoG Member
President - FDCI
209, Okhla Industrial Estate
Phase - III, New Delhi - 110 020

Subject: Organizing visit of Committee members at NIFT Campuses

Dear Mr. Sethi,

The issue of variable quality of education from campus to campus due to expansion of campuses and the focus on achieving economic feasibility of Campuses was discussed in the BOG of NIFT.

It was suggested that 3-4 Board members get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

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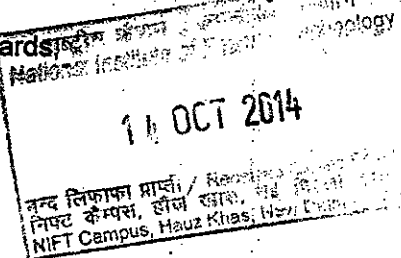
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Yours Sincerely,

Vandana Bhandari

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Prof. Dr. Vandana Bhandari, Dean-Academic

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National Institute of Fashion Technology

प्रोफेसर डॉ० वंदना भंडारी
डीन - अकादमिक

Prof. Dr. Vandana Bhandari
Dean - Academic

13th October 2014

NIFT/Dean A/ 2014/BoG/70

Ms. Namita R.L. Chowdhary
BoG Member
Roshan Corner,
The Lawrence School Sanawar
Tehsil-Kasauli, District Solan
Himachal Pradesh
Ph. 094181-61311

Subject: Organizing visit of Committee members at NIFT Campuses

Dear Ms. Namita Chawdhury,

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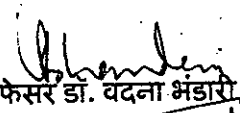
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With regards,

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Prof. Dr. Vandana Bhandari, Dean-Academic

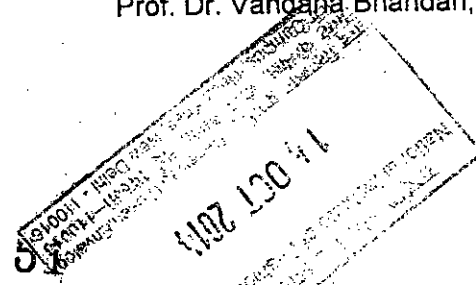
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National Institute of
Fashion Technology

Dean Academics <dean@nift.ac.in>

गुणवत्ता समिति की बैठक के आयोजन हेतु /Organizing a meeting of Quality Committee .. reg .

Dean Academics <dean@nift.ac.in>

Mon, Feb 16, 2015 at 5:33 PM

To: Namita Choudhary Board Member <namsna@yahoo.co.in>

Cc: DG NIFT <dg@nift.ac.in>

NIFT/Dean A/ 2004/BoG/ 30

16 फरवरी 2015

विषय: गुणवत्ता समिति की बैठक का आयोजन/Organizing a meeting of Quality Committee

प्रिय सुश्री चौधरी/Dear Ms. Chaudhary,

The issue of variable quality of education from campus to campus due to expansion of campuses, and the focus on achieving economic feasibility of campuses, was discussed on the BOG of NIFT. It was suggested that 3 to 4 Board members may get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

Attention is drawn to the duties of the Academic Affairs Committee (AAC) which is set up under the NIFT Statutes to monitor the following:

1. To oversee and ensure compliance with existing academic policies of the Institute,
2. To oversee the maintenance and improvement of academic standards of the Institute;
3. To assist the Board in establishing policies and systems for ensuring the highest academic standards and best practices for furthering the interest of the Institute and its stakeholders;
4. Any other duties as may be assigned by the Board.

यह बहुत सराहनीय होगा यदि आप गुणवत्ता समिति की बैठक के आयोजन के लिए मार्च के दूसरे सप्ताह में किसी सुविधाजनक तिथि और अपनी पसंद के स्थान से अवगत करा दें।

It would be very much appreciated if you could give a convenient date in 2nd week of March & place of your choice to enable us to hold this meeting.

038/डीन/15
16/2/15

सादर / With Regards,

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक/
Prof. Dr. Vandana Bhandari, Dean (Academic)

प्रेषित/To:

सुश्री नमिता आर एल चौधरी
निफ्ट शासी मंडल सदस्य

प्रतिलिपि प्रेषित/Copy to:

महानिदेशक को सूचनार्थ / DG - for information

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक

Prof. Dr. Vandana Bhandari, Dean-Academic

राष्ट्रीय फैशन टेक्नालॉजी संस्थान/National Institute of Fashion Technology
वस्त्र मन्त्रालय, भारत सरकार/ (Ministry of Textiles, Govt. of India)
हाउस खास नई दिल्ली-110016/ Hauz Khas, New Delhi-110016. India

Land line: 00-91-11-26542033/34

Mobile: +919811032665

National Institute of
Fashion Technology

70

BOG

Dean Academics <dean@nift.ac.in>

404158

गुणवत्ता समिति की बैठक का आयोजन हेतु /Organizing a meeting of Quality Committee..reg.

Dean Academics <dean@nift.ac.in>
To: "Sh. Sunil Sethi" <sunil@alliance-india.com>
Cc: DG NIFT <dg@nift.ac.in>

Mon, Feb 16, 2015 at 4:56 PM

NIFT/Dean A/ 2004/BoG/70

16 फरवरी 2015

विषय: गुणवत्ता समिति की बैठक का आयोजन/Organizing a meeting of Quality Committee

प्रिय श्री सेठी/Dear Mr. Sethi,

The issue of variable quality of education from campus to campus due to expansion of campuses, and the focus on achieving economic feasibility of campuses, was discussed on the BOG of NIFT. It was suggested that 3 to 4 Board members may get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

Attention is drawn to the duties of the Academic Affairs Committee (AAC) which is set up under the NIFT Statutes to monitor the following:

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4. Any other duties as may be assigned by the Board.

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038/37/15
16/2/15

2/16/2015

National Institute of Fashion Technology Mail - गुणवत्ता समिति की बैठक का आयोजन हेतु /Organizing a meeting of Quality Committee..reg.

सादर / With Regards,

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक/

Prof. Dr. Vandana Bhandari, Dean (Academic)

प्रेषित/To:

श्री सुनील सेठी,

निफ्ट शासी मंडल सदस्य

प्रतिलिपि प्रेषित/Copy to:

महानिदेशक को सूचनार्थ / DG - for information

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक

Prof. Dr. Vandana Bhandari, Dean-Academic

राष्ट्रीय फैशन टेक्नालॉजी संस्थान/National Institute of Fashion Technology

वस्त्र मन्त्रालय, भारत सरकार/ (Ministry of Textiles, Govt. of India)

हाउज खास नई दिल्ली-110016/ Hauz Khas, New Delhi-110016: India

Land line: 00-91-11-26542033/34

Mobile: +919811032665

National Institute of
Fashion Technology

Dean Academics <dean@nift.ac.in>

विषय: गुणवत्ता समिति की बैठक के आयोजन हेतु/Organizing a meeting of Quality Committee ... reg.

Dean Academics <dean@nift.ac.in>

Mon, Feb 16, 2015 at 5:49 PM

To: Sabyasachi Mukherjee <publicrelations@sabyasachi.com>

Cc: DG NIFT <dg@nift.ac.in>

NIFT/Dean A/ 2004/BoG/30

16 फरवरी 2015

विषय: गुणवत्ता समिति की बैठक के आयोजन हेतु/Organizing a meeting of Quality Committee ... reg.

प्रिय श्री मुखर्जी / Shri Mukherjee,

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It would be very much appreciated if you could give a convenient date in 2nd week of March & place of your choice to enable us to hold this meeting.

सादर / With Regards,

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक/

Prof. Dr. Vandana Bhandari, Dean (Academic)

प्रेषित/To:

श्री साबया साची मुखर्जी / Shri-Sabyasachi Mukherjee

निष्पट शासी मंडल सदस्य /NIFT BOG Member

प्रतिलिपि प्रेषित/Copy to:

महानिदेशक को सूचनार्थ / DG - for information

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक

Prof. Dr. Vandana Bhandari, Dean-Academic

राष्ट्रीय फैशन टेक्नालॉजी संस्थान/National Institute of Fashion Technology

वस्त्र मन्त्रालय, भारत सरकार/ (Ministry of Textiles, Govt. of India)

हाउज खास नई दिल्ली-110016/ Hauz Khas, New Delhi-110016. India

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National Institute of
Fashion Technology

Dean Academics <dean@nift.ac.in>

गु वत्ता समिति की बैठक का आयोजन हेतु /Organizing a meeting of Quality
Committee .. reg

Dean Academics <dean@nift.ac.in>

To: Poppy's <sakthi@poppysknitwear.com>, info <info@poppysknitwear.com>
Cc: DG NIFT <dg@nift.ac.in>

Mon, Feb 16, 2015 at 5:42 PM

NIFT/Dean A/ 2004/BoG/30

16 फरवरी 2015

विषय: गुणवत्ता समिति की बैठक का आयोजन/Organizing a meeting of Quality Committee

प्रिय डॉ. सेक्थिवेल/Dear Dr. Sakthivel,

The issue of variable quality of education from campus to campus due to expansion of campuses, and the focus on achieving economic feasibility of campuses was discussed on the BOG of NIFT. It was suggested that 3 to 4 Board members may get associated with NIFT and give their recommendations on measures to be taken for assuring the Board about quality of NIFT education.

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It would be very much appreciated if you could give a convenient date in 2nd week of March & place of your choice to enable us to hold this meeting.

03/02/15
12/02/15

2/16/2015

National Institute of Fashion Technology Mail - गुणवत्ता समिति की बैठक का आयोजन हेतु /Organizing a meeting of Quality Committee ... reg

सादर / With Regards,

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक/

Prof. Dr. Vandana Bhandari, Dean (Academic)

प्रेषित/To:

डॉ. ए. सेकियवेल / Dr. Sakthivel,

निफ्ट शासी मंडल सदस्य /NIFT BOG Member

प्रतिलिपि प्रेषित/Copy to:

महानिदेशक को सूचनार्थ / DG - for information

प्रोफेसर डॉ. वंदना भंडारी, डीन-अकादमिक

Prof. Dr. Vandana Bhandari, Dean-Academic

राष्ट्रीय फैशन टेक्नालॉजी संस्थान/National Institute of Fashion Technology

वस्त्र मन्त्रालय, भारत सरकार/ (Ministry of Textiles, Govt. of India)

हौज खास नई दिल्ली-110016/ Hauz Khas, New Delhi-110016. India

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Mobile: +919811032665



राष्ट्रीय फैशन टेक्नालॉजी संस्थान
National Institute of Fashion Technology

Annexure-2902/II

आनन्द कुमार केडिया; सी. ए., भा. रा. से.
निदेशक (वित्त एवं लेखा)
Anand Kumar Kedia, C.A., I.R.S.
Director (Fin. & Accts)

Reminder-II

1551(243)/NIFT/OSD(F&A)/Admissibility of 6th CPC/14-15

April 21, 2015

To

Ms. Sunaina Tomar,
Joint Secretary,
Ministry of Textiles, Udyog Bhawan
New Delhi.

Madam,

Subject: Payment of additional burden arising on account of 6th CPC.

Ref: This office letters of even no. dated 07.11.2014 and 28.01.2015.

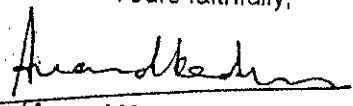
Kindly refer to this office letters under reference on the abovementioned subject (copy enclosed) requesting to release to Grant to Rs 46.90 Crores to meet the liability mentioned under subject.

In this regard, it is stated that even after lapse of more than four months no response is received from ministry. The C&AG auditors have raised objection on this issue. The Finance & Accounts Committee of NIFT headed by the Additional Secretary MOT, has also directed us to pursue this matter with Ministry and get it settled urgently.

Hence, it is once again requested to kindly expedite the matter and release a grant of Rs. 46.90 crore to NIFT to meet additional burden arising on account of 6th CPC.

This issues with the approval of DG, NIFT.

Yours faithfully,


(Anand Kumar Kedia)

A Premier Institute of Design, Management & Technology
A statutory body under the NIFT Act 2006

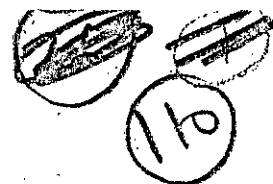
NIFT Campus, Hauz Khas, New Delhi - 110016

Tel +91 11 26522568 (D) | Fax +91 11 26532603 | e-mail director.finance@nift.ac.in

www.nift.ac.in

Annexure - 2902 / III

No.A-28014/2/2009-Vig.
Government of India
Ministry of Textiles



Udyog Bhawan, New Delhi
21st May, 2009

OFFICE ORDER

The following procedures shall be followed for recording of the Annual Confidential Reports (ACRs) of senior officers / functionaries of NIFT:-

Sr. No.	Post	Reporting Authority	Reviewing Authority	Accepting Authority
1	Director General, NIFT	Secretary (Textiles)	Minister of Textiles	Minister of Textiles
2.	Directors of NIFT and all other functionaries/senior officers reporting to DG, NIFT.	Director General, NIFT	Secretary (Textiles)	Minister of Textiles (wherever applicable)

2. Accordingly, the ACRs may be completed and forwarded to the respective authority on time.
3. This issues with the approval of Secretary (Textiles).

(Manish Gupta)

Director

Email : tvigil@nic.in

☎ 011-23061003

☎ 011-23061561

etc

Director General,
National Institute of Fashion Technology,
New Delhi

Copy for information to -

PS to Minister of Textiles
Sr. PPS to Secretary (Textiles)
Sh. Inderjit Singh, Director (NIFT)

Extracts minutes of Agenda item no. 2304 of 23rd Senate held on 15.04.15

AGENDA ITEM NO. 2304

Exceptional Published / Professional Work and its equivalence to the PhD at NIFT

Registrar & the Board Secretary apprised the Senate that in 2010, the Recruitment Rules (RRs) for the post of Professor / Asst. Prof in NIFT were revised. In the RRs there is a requirement of PhD for promotion to the post of Associate Professor and Professor. Faculty members were given promotion with a condition that all those who did not possess PhD degree were required to obtain the same within 5 years from the date of appointment. As per Recruitment Rules, this could be extended by 2 years. The Recruitment Rules also provide that "**Exceptional published/ professional work can be treated equivalent to PhD**". All faculty members who had not met the conditions were asked to provide the details of their work, which could be treated as equivalent to PhD.

Senate was informed that an Expert Committee consisting of Dean (A), CP-DFT, CP-FMS along with co-opted members including experts from industry deliberated on the matter several times and also looked at the practices prevalent in other international schools. Dean had briefed the Standing Committee of the Board on Establishment matters in its meeting held on 18.02.2014 where she informed that the practice was not very popular or prevalent though it did exist in some schools. Senate took note that the Establishment Committee had felt that 'if a faculty had failed to acquire the degree even after 7 years, the DG could not afford to ignore the fact that the Recruitment Rules stood violated'. In the meeting the Chairperson had advised that NIFT may hire the services of a professional/ consultant to devise and suggest a mechanism. Accordingly, Dr. Rachana Patni, Founder Consultant, Matrix of Enquiry was engaged. The Senate was informed that Dr. Patni had given her report and she had advised for constitution of Evaluation Committee and had also proposed norms for evaluation.

Deliberation at great length took place on the matter. The Senate members were of the view that exceptional published/professional Work could not be considered equivalent to PhD since Ph.D. requires intense academic rigour and therefore has a national and international recognition. It appreciated that many faculty members who were under obligation to acquire PhD could not meet their commitment due to various reasons including teaching load and additional academic administrative responsibilities placed on them. In order to accommodate their interests only one time waiver of 3-5 years for acquiring the PhD degree could be given to the existing faculty. The Senate recommended that the Standing Committee of the Board on Establishment matters may deliberate upon this issue and consider grant of waiver. Senate also recommended that the Committee may consider revision in RR for removing this clause which has been causing confusion among faculty members. Senate did not accept the Report of Dr. Rachna Patni who had suggested a mechanism for determining equivalence of exceptional work to be treated as PhD. However, some of the members were of the view that NIFT had initially granted only UG and PG Diplomas. One of the eligibility criteria for pursuing the PhD was a Masters Degree. After passing of the NIFT Act, 2006, NIFT had started granting degrees from 2007. For those who held Diplomas of NIFT earlier were given an option to convert their diplomas into degrees by completing the Bridge Programme. Therefore the time period of 5 years extendable by two years may be counted w.e.f. 2009-2010 when the Bridge Programme was introduced. The Senate recommended to the Establishment Committee to consider grant of one time waiver and revision of RR appropriately.

Annexure-2902/V



राष्ट्रीय फैशन टेक्नालॉजी संस्थान
सांविधिक संस्थान निफ्ट अधिनियम 2006, द्वारा शासित और
वस्त्र मंत्रालय, भारत सरकार द्वारा स्थापित
NATIONAL INSTITUTE OF FASHION TECHNOLOGY
A Statutory Institute under the NIFT Act, 2006 and
set up by the Ministry of Textiles, Government of India

प्रेम कुमार गेरा, आई.ए.एस.
महानिदेशक

Prem Kumar Gera, IAS
Director General

No.1551 (241)/NIFT/DD (F&A)/Revised Estimate of OBC Funds

18th March 2015

Subject: Cabinet Note (draft) – Extension of timeline for utilisation of OBC Quota fund in NIFT.

Dear Ms Sunaina Tomar,

NIFT had submitted a draft Cabinet Note in this regard vide letter of even number dated 29.01.2015 including the cost escalation of Rs 48.68 crore. The proposal for the cost escalation is under consideration of BOG, NIFT for approval. As directed and discussed during BOG meeting, the revised draft Cabinet Note incorporating only time extension till March 2017 is enclosed herewith for necessary action at your end. It is requested to kindly ignore the draft Cabinet Note submitted earlier through letter dated 29.01.2015. The proposal for cost escalation of Rs 48.68 crore will be forwarded in due course after approval of BOG, NIFT.

It may kindly be noted that evaluation of the OBC Plan Scheme by an independent evaluator has been completed and the same will also be submitted shortly.

With regards,

Yours Sincerely,

(Prem Kumar Gera)

To

Ms. Sunaina Tomar
Joint Secretary
Ministry of Textiles
New Delhi-110007

Copy No. _____

NOTE FOR CABINET

Subject: Upgradation of existing NIFT Campuses for implementation of reservation for OBC students – Extension of timeline for utilization of fund

1. Introduction

- 1.1 This note seeks the approval of the Cabinet for extension of timeline for utilization of fund approved by the Cabinet in its meeting held on 2nd April 2013 for infrastructure upgradation of existing NIFT campuses for implementation of OBC quota in NIFT.
- 1.2 The cabinet had approved the OBC Quota Implementation initially in its meeting held on 26th February, 2009 for infrastructure upgradation of existing National Institute of Fashion Technology (NIFT) Campuses for implementation of OBC quota in NIFT.
- 1.3 Further, the Cabinet had approved extension of timeline for utilization of balance fund under OBC Quota for an amount of Rs. 195.01 Crore by four years beyond 31.03.2011 i.e. up to 31.03.2015 in its meeting held on 2nd April, 2013.
- 1.4 The implementation of the OBC quota reservation is a statutory requirement and NIFT is committed to implement the statutory requirement.

2. Background

- 2.1 The NIFT was set up by the Ministry of Textiles, Government of India in the year 1986 as an autonomous society under the Societies Registration Act, 1860 fully funded and supported by the Government as a National level Institute for Fashion Design, Management, and Technology to prepare and train professionals to meet the challenges of the dynamic global market in promoting India's exports in textiles, garments, lifestyle products and other fashion goods.
- 2.2 NIFT has been running full-time Degree programmes through its Fifteen Campuses located at New Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Gandhinagar, Bangalore, Raebareli, Kannur, Kangra, Bhopal, Patna, Jodhpur, Shillong and Bhubneshwar. Recognizing the contribution and pre-eminent role played by NIFT in providing thought leadership to the fashion industry, crafts sector and in the field of professional education, the Government through an Act called 'National Institute of Fashion Technology Act, 2006', granted statutory status to NIFT. NIFT is now empowered to award degrees and other academic distinctions. The President of India is the Visitor of the Institute under the NIFT Act, 2006. NIFT admits more than 2600

students per year in the under graduate and post-graduate courses in its fifteen Campuses.

2.3 The scope of the scheme, for upgradation of existing NIFT Campuses and implementing reservation for OBC students (hereinafter referred to as the Scheme), is to create additional infrastructure facilities at existing NIFT Campuses, construction of additional class rooms, laboratories, hostel accommodation for students, purchase of machinery and equipments etc. The hostel facilities are required to be created for students admitted to various Campuses of NIFT including the additional OBC students. The scheme will accommodate the extra students admitted in various Campuses, the need for which has arisen due to implementation of OBC quota in NIFT by the Government of India, pursuant to Supreme Court guidelines.

2.4 Evaluation of implementation of OBC Plan Schemes in NIFT:

An Evaluation of implementation of OBC Plan Schemes in NIFT has been done as per the instructions of Ministry of Textiles by an independent agency M/s Midstream Marketing & Research Pvt. Ltd. The agency has submitted its report on 02nd March 2015.

As per evaluation study report –

- i) OBC scheme of NIFT has provided a great chance for many students from backward categories to have an opportunity for pursuing quality professional courses, which otherwise they may not be able to access.
- ii) OBC scheme has contributed significantly in-terms of creation of the assets & academic infrastructure. Hostels, specifically for girls have been constructed. The requirement of Boys hostel has been ignored. There is need to provide hostel for boys also on priority basis.
- iii) Ministry's support to NIFT under plan scheme is praiseworthy but there is need to provide financial support under the non-plan scheme so that quality of human resources particularly teaching faculty can be improved across all the NIFT campuses.
- iv) The presentation/ self-confidence rate of reserved category (OBC) students was far lower than that of general category students. Some initiatives need to be taken for ensuring the availability of remedial courses/ teaching with respect to language & personality development skills to pull these students at par with general candidates.

NIFT is taking steps to remove the shortcomings as pointed out in the report.

3. **Previous Cabinet decision and implementation thereof**

3.1 The Central Government had decided to implement OBC quota reservation without reducing the seats for the general category students. This required additional infrastructure to meet this obligation. In 2008-09, for up-gradation of infrastructure in the existing NIFT Campuses (Delhi, Kolkata, Bengaluru,

No.1/9/2009-NIFT
Government of India
Ministry of Textiles

SECRET

Gandhinagar, Chennai, Hyderabad and Mumbai) the Union Cabinet approved Rs. 360 Crore under the 11th Five Year Plan in its meeting held on 26th February, 2009. The extracts of the minutes of the meeting and the approval para are at Annexure-I.

3.2 Further, Cabinet in its meeting 2nd April, 2013, had approved the extension of timeline for utilization of OBC fund up to F.Y. 2014-15. However, Rs.16.78 crore pertaining to proposed Infrastructure at NIFT Hyderabad and Chennai Campuses were dropped. Therefore, net approved allocation under OBC fund stands reduced to Rs. 343.22 crore (Rs.360 crore – Rs.16.78 crore). The extracts of the minutes of the meeting and the approval para are at Annexure-II

3.3 Till 31.03.2014 Rs.222.06 crore has been utilized and Rs.121.16 crore remained unutilized by NIFT. The year-wise breakup of the amount utilized till 31.03.2014 is furnished below:

Sr. no.	Year	Amount utilized (Rs. In Crores)
1	2008-09*	59.99
2	2009-10*	74.19
3	2010-11*	13.88
4	2011-12	13.62
5	2012-13	28.21
6	2013-14	32.17
	Total	222.06

* As incorporated in the previous cabinet note dated 14.03.2013

3.4 The year-wise proposed utilization of OBC fund starting from the financial year 2014-15 is furnished below:

Sr. no.	Year	Proposed Amount to be utilized (Rs. In crore)
1	2014-15	60.12
2	2015-16	50.00
3	2016-17	11.04
	Total	121.16

3.5 As per the 27% reservation quota policy for OBC, the detail of admissions given by NIFT from 2008 is as under:

Year	Total Seats (Nos.)	OBC admission	
		(Nos.)	(%age)
2008	1656	238	14%
2009	1950	417	21%
2010	2120	564	27%

No.1/9/2009-NIFT
Government of India
Ministry of Textiles

SECRET

2011	2180	587	27%
2012	2306	608	26.4%*
2013	2680	723	27%
2014	2710	680	25 %*

* Sufficient eligible applicants in MF Tech and MFM under this Category were not available. Hence, some seats remained vacant.

4. Campus-wise Major construction/ Other Activities

4.1 The construction and up gradation of infrastructure of existing NIFT Campuses is in its final stage. Campus-wise major construction activities undertaken from OBC fund are as under –

Sr. No	Campus	Construction Activities
1	Kolkata	A Girls hostel and an Academic-cum Administrative block has been completed and is partly operational.
2	Bengaluru	Construction of a new academic block and two additional floors over existing Girls hostel has been completed and is operational.
3	Hyderabad	Construction of an Additional Girls Hostel Block and addition of two floors on existing class rooms been completed and is operational.
4	Gandhi Nagar	Construction of a 200 bedded Girls hostel, addition of 2 floors over Academic blocks and a Students' Multi Activity Centre (SMAC) has been completed, hostel has become operational.
5	Chennai	Construction of girls hostel is in progress and construction of new Academic block and construction of additional Academic block over G+2 is in progress.
6	Mumbai	Construction of Academic Blocks is in progress and students' hostel has been completed.
7	Delhi	Construction of a New Academic block, students' hostel at the Campus is in progress.
8	Head Office	Video Conferencing facility.

4.2 Justification for delay in implementation of the Cabinet decision regarding utilization of OBC Quota

The construction work of Delhi, Mumbai, and Chennai campuses are being carried out by the Central/ State Government Agencies. The projects could not be completed as per the time schedule due to statutory and administrative reasons which include the following:

Delhi

The construction of Building at Delhi Campus is being carried out by the DSIIDC (A construction agency of Govt. of Delhi). The commencement of project was delayed due to delay in approval of building plans and taking NOCs from various local authorities i.e. DUAC (Delhi Urban Art Commission), Monument Authority of

India, DDA (Delhi Development Authority) etc. Further, the response to the initial tenders floated by DSIIDC for construction of building of Delhi Campus was very poor and re-tendering was done. The work was started in Feb. 2014 and is expected to be completed by March 2017. However, after furnishing it with equipment and machinery it will be put to use in the semester starting from July 2017.

Mumbai

The construction of Building at plot no. 15 & 20 is being carried out by CIDCO (A government construction agency of Govt. of Maharashtra). The project was started in August 2010 with the stipulated date of completion as April 2012 (for plot no. 15) and October 2012 (for plot no. 20). Construction of girls' hostel has been completed. However the project relating to construction of Academic building has been delayed and the work is still in progress. The reason for delay is the slow progress of work by the contractor that M/s CIDCO Ltd. had engaged. Disciplinary action has been initiated against the Project Engineer in NIFT who was coordinating with CIDCO, for various issues including lack of attention in DPR, delays that may lead to cost escalation. The target date for completion is 31st December 2016.

Chennai

The construction of SMAC building has been completed, however, construction of Girls' Hostel at Chennai is under progress. The construction work is being carried out by the CPWD. The work was started in August 2012 and was scheduled to be completed by December 2014. There was delay in start of work by CPWD and also during the execution of work. The work is still in progress and expected to be completed by September 2015.

5. Proposal

5.1 As the funds could not be utilized fully within the timeline approved by the Cabinet, approval for extension in timeline for utilization of the balance unutilized OBC Quota fund is solicited for two more years beyond 2014-15, i.e. up to the financial year 2016-17.

5.2 For efficient utilization of plan funds inter-campus allocation of OBC Quota fund within the overall approved funds during the extended period may be allowed.

5.3 The proposed timeline for extension utilization of OBC Quota Funds of Rs.169.84 crore (i.e. balance OBC quota fund of Rs.121.16 crore out of already approved Rs.343.22 crore is as under:-

Sr. no.	Year	Proposed amount to be utilized (Rs. In crore)
1	2014-15	60.12
2	2015-16	50.00
3	2016-17	11.04

No.1/9/2009-NIFT
Government of India
Ministry of Textiles

SECRET

	Total	121.16
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* The year-wise actual utilization may vary from the fund requirement as mentioned above.

5.4 The likely timeline for completion of various projects is as in the table given below:

Sr. No	Campus	Construction Activities	Expected date of completion
1	Chennai	Construction of SMAC and Girls Hostel.	September 2015
2	Mumbai	Construction of Academic Blocks is in progress and students' hostel has been completed.	December 2016
3	Delhi	Construction of a New Academic block, students' hostel at the Campus is in progress.	March 2017

6. Inter – Ministerial Consultation:

6.1 The Ministry may update this para.

7. Approval sought from the Cabinet:

7.1 Extension of timeline for utilization of OBC Quota fund of Rs 121.16 crore by two years beyond 31.03.2015 i.e. upto 31.03.2017.

7.2 NIFT may be permitted for variation in the amount of expenditure to be incurred within the overall approved funds during the extended period.

7.3 NIFT may be allowed the inter-campus allocation of OBC Quota fund within the overall approved funds during the extended period.

8 The implementation Schedule is at Appendix- I.

9. This Note has been approved by the

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Joint Secretary to the Govt. of India

Place: New Delhi

Date:th....., 2015

Appendix- I

Statement of Implementation Schedule

- Subject Upgradation of existing NIFT Campuses for implementation of reservation for OBC students – Extension of timeline for utilization of fund.

Gist of decision required	Projected Benefits	Time Frame and manner of implementation/ Reporting to Cabinet Secretariat
(i) Extension of timeline for utilization of OBC Quota fund of Rs 121.16 crore by two years beyond 31.03.2015 i.e. upto 31.03.2017.	This will enable upgradation of facilities for implementation of OBC reservation in NIFT and operating the campuses more effectively and efficiently.	Year Projected Utilization
(ii) NIFT may be permitted for variation in the amount of expenditure to be incurred within the overall approved funds during the extended period.		2014-15 Rs. 60.12
		2015-16 Rs. 50.00
		2016-17 <u>Rs. 11.04</u>
		Total Rs. 121.16
(iii) NIFT may be allowed inter-campus allocation of OBC Quota fund.		

1. The other work related to service matters such as recruitment promotion, transfer/posting, extension of - contracts/deputations, disciplinary matters, maintenance and completion of ACRs, permission for going abroad, sanction of HBA, forwarding of applications outside NIFT, acceptance of resignations, grant of special pay, grant of sabbatical leave, permission for presentation of papers etc, shall continue to be handled by Head Office.

1. Concurrence of proposals relating to Works

broadly the following points should be kept in view while giving concurrence to the proposals relating to works after verifying that budget exists and funds available:

- a. Whether the existing procedures have been followed.
- b. Whether the proposal comes within the delegated powers of the approving authority.
- c. Whether the nature of tender is open, limited or single-whether approval of the competent authority where-ever necessary has been obtained before floating the tender.
- d. In case of limited tenders whether selection of parties has the approval of the competent authority whether the credentials of the parties considered under the limited tender enquiries have been examined and found to be in order.
- e. Whether reasonable time limit, extension of time limit has been considered in the tender enquiry in case of short tender whether specific approval of the competent authority has been obtained.
- f. Whether the tenders were opened by a committee duly approved including a Finance representative.
- g. Whether comparative statement has been prepared in the prescribed format of the Company.
- h. Whether Finance vetting where required exists on the comparative statement.
- i. Whether the tender has been processed by a committee duly approved by the competent authority where prescribed.
- j. Whether earnest money has been deposited by the party.
- k. Whether notice inviting tender has been duly prepared and vetted by Finance where prescribed before issue.
- l. Whether any advance considered in the proposal is fully guarded against proper security and approved by competent authority-whether recovery schedule has been appropriately considered so as to ensure full recovery before completion of the work.
- m. In respect of machinery advance against hypothecation of assets it may be ensured that appropriate steps have been taken by the sanctioning authority to ensure that the machineries brought to site are in running condition to the entire satisfaction of the engineer-in-charge and the same are free from any charge or encumbrances and are properly insured. The advance in any case should not be more than the value of assets to ensure full security of the advance.

- n. Whether the rates offered by the contractors have been checked by the Engineer-in-charge and certified as reasonable.
- o. Whether escalations, if any, considered in the proposal are clear with specific formula as may be acceptable in order to avoid any ambiguity in future.
- p. Whether turn over tax etc., if any applicable has been considered. Execution of Contract Agreement or Award of Work should be done before commencement of the work.
- r. Any other point that may come to notice during scrutiny.

In case any procedural shortcomings and / or any deficiency in respect if any important points as referred to above are noticed, the same may be suitably highlighted while giving concurrence to the proposal.

In pursuance of the observation of the board of governors on the standing operating procedure for the construction projects taken on in its 13th meeting held on 18th March, 2011 agenda items no. 1317 is as follows:

- Standard Operating Procedure for Construction Project**
1. The necessity of requirement for a construction project may be analyzed with justification and rough estimates approved by the Director of the center.
 2. Funds should be available for the project with status of sanction approvals.
 3. The Proposal of Project should be technically examined by the engineering authorities of the center.
 4. The proposal should be submitted to building Deptt. of Head Office with rough estimates for their recommendations.
 5. The recommendation of building Deptt. of Head Office are further required to ascertain the availability of funds.
 6. The proposal may be submitted to DG for consideration / approval in principal.
 7. The approval is further required by the FC/BOG.
 8. The DPR is to be prepared by the center as follows.
 - a) Preparation of design and building plan.
 - b) Approval of building plan by local authorities
 9. Analysis of DPR by the Building Deptt of Head Office
 10. Analysis of DPR for financial inputs by Finance Deptt of Head Office
 11. Approval of Draft DPR by DG NIFT for submission to FC / BOG for approval.
 12. The selection of mode and agency for construction and MOU may also be approved by the DG/FC/BOG as per proposal of the center duly recommended by Building and Finance Deptt.

Added June Page

- ing of expenditure in construction year wise/quarter wise required.
- MOU to be finalized with construction agency by the centre.
15. Transfer of fund to centers by Head Office.
 16. Release of funds as per MOU by the centre
 17. Monitoring of progress of work by the centre Director and Building Deptt Head office in terms of MOU and report of progress to be sent to Building Deptt Head Office highlighting delay in execution of work, if any, with reasons for the same.
 18. The monthly expenditure report of the project may be monitored by the centre Director to keep a watch over expenditure on the project.
 19. Payment to the agency for the project should be released by the centre after verifying the completion of physical status of the project.

20. The building Deptt of H.O. to monitor the progress and submit the report to DG, NIFT, in case of any slow progress the matter would be taken up with the construction agency and remedial measures would be taken.
21. Utilization certificates may be furnished by the Centre in the form of GFR 19-A at the end of the year to Head Office.

Release of Funds on works (D.G's circular no.1551(150)/NIFT/DR/Release of fund/10-11 dated 24th November,2010

Before transferring any funds for any projects, it must be ensured that the project has been approved by the Competent Authority, necessary formalities with local authorities have been completed, and adequate funds are available for the completion of the project.

CVC Guidelines for Mobilization Advances - as communicated by Vigilance Division(HO) vide letter no.01/30/2009-Vig./557 dated 8/3/2011

The various guidelines/ circulars/Office Memorandum Issued by the Central Vigilance Commission on account of Mobilization of Advance are as follows:

Nb. 400 I - C.E. -
Government of India
Central Vigilance Commission
(NIFT Organisation)

Satarkta Bhawan,
I.N.A Colony,
New Delhi - 10023
Dated : 08.06.2004

OFFICE MEMORANDUM

Mobilization Advance

In order to address the problem of misuse of mobilization advance provision in the civil and other works, the Commission had issued an O.M. dt. 8.12.1997 for grant of interest bearing 'Mobilization Advance' in selected works. In view of references from certain organizations on this issue, the Commission has reviewed the issue and it has been decided to modify and add the following provisions in the existing O.M. This may be read as addendum to the Commission's O.M. dt. 8.12.1997.

- (i) If the advance is to be given, it should be expressly stated in the NIT/ Bid Documents, indicating the amount, rate of interest and submission of BG of equivalent amount.
- (ii) The advance payment may be released in stages depending upon the progress of the work and mobilization of required equipments etc.
- (iii) There should be a provision in the contract for adjustment of advance progressively even as the bills are cleared for payment.



राष्ट्रीय फैशन टेक्नालॉजी संस्थान
National Institute of Fashion Technology

आनन्द कुमार केडिया, सी. ए., भा. रा. से.
निदेशक (वित्त एवं लेखा)
Anand Kumar Kedia, C.A., I.R.S.
Director (Fin. & Accts)

NIFT/HO/DD (F&A-II)/Parliament Report/2013-14

18th May, 2015

Ms. Sunaina Tomar
Joint Secretary
Ministry of Textiles, Govt. of India
Udyog Bhawan,
New Delhi

Sub: Transfer to income of an amount equal to depreciation on fixed assets purchased out of Government Grant - reg.

Madam,

1. This is with reference to the C&AG observation in their separate audit report (SAR) on NIFT Annual Accounts for the financial years 2012-13 and 2013-14 regarding the charging of depreciation on fixed assets created / purchased out of Govt. Grants. The observation is reproduced below:

"B.1 Excess of Income over Expenditure transferred to Corpus/Capital Fund Rs.18.74 crore.

A reference is invited to the CAG's Comment No. B.1 on the annual accounts of the NIFT for 2012-13 which stated that NIFT had charged depreciation on fixed assets created/purchased out of Government Grants to its Income & Expenditure accounts but did not recognize the corresponding income from Government Grants, which should have been recognized to the extent of depreciation charged on fixed assets created/purchased out of Government Grants. The said treatment is in violation of AS-12.

NIFT has charged depreciation of Rs.18.73 crore in its books of Accounts for 2013-14. However, as details of gross book value of Assets in terms of Government Grants and own funds were not available, exact impact of non-recognition of above income could not be ascertained."

2. To above observation, the NIFT had replied to C&AG that the government grants were accounted in compliance with principles / guidelines of Accounting Standard-12 (Copy enclosed) and there was no violation. The NIFT has been following this practice of accounting, since its inception i.e. 1986.

A Premier Institute of Design, Management & Technology
A statutory body under the NIFT Act 2006

NIFT Campus, Hauz Khas, New Delhi - 110016

Tel +91 11 26522568 (D) | Fax +91 11 26532603 | e-mail director.finance@nift.ac.in

www.nift.ac.in



-2-

As NIFT Campuses and its assets have been acquired from Government Grant received either from Ministry of Textile or various State Governments. The C&AG observation is based on para 8 of AS-12 treating the Govt. Grant as, given for specific fixed assets, while NIFT has considered the said Government Grant as, Promoter's Contribution / Shareholder Fund, in view of para 5.2 (i), 5.4, 10 and 16 of AS-12. Grants given to NIFT for establishing a campus fulfills all the conditions laid down in para 5.2 (i), i.e. *"grants are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected in the case of such grants"*. This was the reason for recognizing grants as Promoters Contribution / Shareholder Fund and not recognizing the corresponding income from Government Grants (corresponding to Depreciation).

3. Further, the matter was discussed verbally with officers in C&AG in which it was suggested that if the concerned Ministry gives its consent to treat such grants as Promoter's Contribution / Shareholders Fund, then the treatment of NIFT will be accepted and depreciation on fixed assets purchased out of government grant will be allowed.

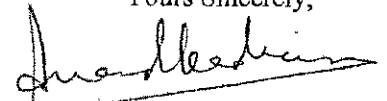
4. If NIFT transfers an amount equal to Depreciation on assets acquired out of Govt grant to its income, as suggested by C&AG, then NIFT will not have sufficient fund to replace its assets in future. In that event NIFT would seek fund from ministry on regular basis for replacement of its assets.

5. Therefore the ministry may give NIFT permission sought in para 3 above. Alternatively a commitment may be given by Ministry that it will provide funds to NIFT on regular basis for replacement of assets.

An early reply is solicited as the finalization and auditing of NIFT annual accounts for the financial year 2014-15 is in process.

This issues with the approval of DG-NIFT.

Yours Sincerely,



(Anand Kumar Kedia)

Constitution of the "Building & Works Sub-Committee" as approved by the Board in its 28th BOG Meeting held on 23.02.2015:

- a. Three members of the Board of which one shall be nominated as Chairperson.
- b. The Director General, ex-officio member.
- c. The Joint Secretary in charge NIFT in Ministry of Textiles.
- d. The Campus Director of the concerned campus(s).
- e. One expert each from Civil and Electrical Engineering Wing of Central and State Government or any autonomous body of repute- Member.
- f. The Project Engineer, Ex-officio member.
- g. The Registrar, Member Secretary to the committee: provided that in addition to the above the Chairperson may in consultation with the Director General, co opt a member as and when required.

Functions of the Building & Works Sub-Committee:

- a. Scrutinize and approve the tender documents of original construction works and terms and conditions of the contract for such works for its timely completion and quality control.
- b. Scrutinize and approve the design, estimates and specifications of the material as may be considered necessary.
- c. Enlist suitable contractors and accept tenders and give appropriate directions for original construction works.
- d. Settle rates not covered by the tender and issues arising out of the tender.
- e. Settle claims and disputes with contractors on all works.

The Powers of Building & Works Sub-Committee:

- a. Examine and approve proposals of original capital construction works with estimates up to Rs. 10 crores.
- b. Recommend to the Board through the Finance and Audit Committee the proposals of construction of all original capital works having financial estimates of Rs. 10 crores and above.
- c. Scrutinize estimates prepared for all major works and to supervise progress of construction.
- d. Settle rates not covered by the tender and issues arising out of the tender.
- e. Settle claims and disputes with contractors on all works.

Annexure - 2902/VIII

1. After the 28th meeting of the BOG held on 23.02.2015, DG NIFT visited NIFT Bengaluru on 28.02.2015 and a meeting between DG, Chairman McGAN & the Project team of Bengaluru was held. Minutes of the meeting dated dt. 28.02.2015 are placed at **Annexure A**.
2. In accordance with the meeting dated 28.02.2015, the MoU was modified and the MoU between McGan's School of Architecture and NIFT Bengaluru was signed on 18.03.2015 **Annexure B**. The approval for the MoU was given by DG-NIFT to Director Bengaluru on 18.03.2015 via email.
3. Comparison of the old MoU i.e. which was placed before the Board for its consideration in the 28th meeting dated 23.02.2015 and the MoU signed on 18.03.2015 is placed at **Annexure C**.
4. The major changes which were made in the MoU after the meeting dated 28.02.2015 are enumerated below for ready reference:
 - (a) Word "collaboration" was replaced by the words "support and services"
 - (b) Word "technical support" was replaced by the word "Academic Support"
 - (c) To establish Fashion Courses at their Ooty Campus in collaboration with NIFT was replaced by "seeks support and services of NIFT to establish Fashion Courses".
 - (d) Scope of the Support and services was limited to training of the faculty of MSFD
 - (e) Clause 1.5 containing 1.5.1 to 1.5.6 of the MoU regarding Usage of Name of NIFT in which it was mentioned that McGan shall not use NIFT name and logo without specific authorization of Director General NIFT etc. were removed from the MoU and only two clauses 1.4.1 and 1.4.2 stating that McGan shall not use the NIFT name and logo of NIFT for anything other than the support and services provided by NIFT was mentioned.
5. On 15.05.2015 McGan published their admission advertisement in the Times of India newspaper using NIFT's name and Logo and the words "with Academic Support of NIFT".
6. When this issue of publication was brought to the notice of the Chairperson BOG, she gave directions to the Registrar for publishing a denial in the form of public notice making clear to the public that there was no collaboration between the McGan and NIFT as the Board had not approved the usage of name by the Private Institutions.
7. Subsequently, DG gave directions to Director Bengaluru for issuing a public notice. Accordingly, Director Bengaluru got published a public notice (**Annexure D**) dated 19.05.2015 in the Deccan Herald and Prajavani Newspaper on 20.05.2015 and the Hindu paper on 21.05.2015.
8. Subsequently, a Legal opinion regarding termination of the MoU was received from NIFT's legal Counsel at HO on 21.05.2015 (**Annexure E**)
9. In response to the Public notice issued by the NIFT Bengaluru, McGan's approached City Civil and Sessions Judge (Vacation Bench) Bangalore on 23.05.2015 and filed

Arbitration Petition and Interlocutory Application praying for Injunction Order restraining NIFT from

- (a) unilaterally cancelling or withdrawing the terms of the MoU and
- (b) withdrawing the academic support and services of training to the McGan faculty
- (c) interfering in any manner from the usage of NIFT name and logo by McGan for the Academic support and services

10. In the meanwhile, on 23.05.2015 with the approval of the Chairperson BOG, a legal notice was issued to McGan with the following directions:

- (a) To show cause as to why, the MOU dated 18.03.2015 should not be terminated in terms of clause 1.4.2 of the MoU, within 14 days of receipt of this notice.
- (b) To withdraw the advertisement dated 18.05.2015 and issue a fresh advertisement with adequate visibility in all the same newspapers and other media in which your advertisement dated 18.05.2015 appeared clarifying that the name and logo of NIFT and the use of word 'Academic Support' had been used incorrectly and without any authorization from NIFT. That the same has to be done within 2 days of the receipt of this notice.

11. On McGan's petition, the matter was heard by the City Court Bangalore on 23.05.2015 and an ex parte Injunction was granted restraining NIFT from unilaterally cancelling or withdrawing the terms of the MoU and McGan was allowed to use NIFT name and logo till the disposal of above mentioned petition. The matter is listed on 22.08.2015.

12. In the legal opinion dated 21.05.2015, NIFT Legal Counsel had opined for termination of the MOU, as McGan's have used the name and logo of NIFT without there being any cause to do so as per the MoU. Further intent of the MoU was limited to training the faculty of McGan's for specific courses whereas they have used the NIFT's name and logo for other courses also.

13. Subsequently, a letter dated 29.05.2015 was received from McGan's on 01.06.2015 stating that Public Notice dated 19.05.2015 was issued unilaterally by NIFT and requested that a meeting for dispute resolution under clause 4.0 of the above said MoU dated 18.03.2015 may be fixed.

14. In this regard, it is mentioned that in the MoU dated 18.03.2015 entered between McGan's and NIFT there is a clause 4.0 which provides for settlement of the disputes and clause 4.1 speaks about the resolution of the disputes by a Committee comprising of the Chairman/ Chairperson of the McGan's and DG-NIFT.

15. In the meanwhile Director Bengaluru vide his email dt. 09.06.2015 has informed that McGan's have filed a Caveat Petition before the High Court of Karnataka.

In the legal opinion dt. 09.06.2015 (**Annexure F**), M/s M.V. Kini have opined that as per clause 4.0 of the MoU, NIFT should constitute a Dispute Resolution Committee & NIFT should show its conduct towards abiding the terms of the Agreement as it will have a bearing on the Suit as well as in any Arbitration case that may be filed for monetary loss caused as damages and refund of Rs. 20 lakhs. They have also opined that NIFT should file its Replies to I.A. and A.A. No, 163/2015 and seek vacating the interim orders passed by the City Civil Court Bangalore. An application for preponing the case is also to be filed.

16. The above opinion was shared with Chairperson BoG. Chairperson BoG vide her email dt. 10.06.2015 has advised that if NIFT decides to go ahead with the Committee, NIFT should take their battery of lawyers to sit in the back row for advice. She has also desired that legal opinion of the Counsel may be taken on the following:

- (a) The MoU provides that training would be given and that the use of NIFT logo and name must in no way be used. The second point was clearly covered by the right to unilateral withdrawal with no notice. Would the Committee and the arbitration clause in case of dispute then refer to the first?
- (b) The injunction stops NIFT from "interfering in nay manner from McGan's use of the NIFT name and logo" but what exactly is "interference"? Would publication of the factual situation without any threat to withdraw be classified by the court as attractive of contempt?

Legal opinion, as desired, is being sought and will be put up in due course.

17. In view of the legal advice following actions are being taken:

- (i) A meeting of the Committee consisting of Chairman McGan and DG-NIFT will be convened on 2nd July with the battery of lawyers. Vide letter dt. 22.06.2015 Director Bengaluru has been requested to convey the same to the McGan's.

The exparte Injunction Order has been received by McGan's by providing wrong facts to the Court, therefore Director Bengaluru has been directed on 22.06.2015 to file a petition for vacation of stay, a petition for early hearing and counter reply to the Arbitration Application and Interlocutory Application before Civil City Court of Bengaluru.

- (iii) Since, the reply to the legal notice received from McGan's is not satisfactory, NIFT Legal Counsel at HO have been requested to issue a rejoinder to the reply to the McGan under intimation to NIFT HO.

18. An e-mail was sent to Director Bengaluru on 26.06.2015 reminding of the urgency of the matter as till date no status report on the actions mentioned at pt. 19 has been received from Bengaluru.

The Meeting held on 28th February 2015 regarding the McGans Project.

The following members were present during the discussion of McGANs Project held at NIFT Bengaluru campus on 28th February 2015 11:30 AM onwards:

1. Mr. PK Gera IAS, Director General NIFT – Chair
2. Prof. V Sivalingam, Director NIFT Bengaluru Campus
3. Mr. Muralikumaran, Chairman, McGans Ooty School of Architecture (Sri Angala Parameshwari Educational Trust).
4. Dr Yathindra L, Associate Professor, NIFT Bengaluru.
5. Mr. Prashanth K C, Associate Professor NIFT Bengaluru.

DG NIFT briefly discussed the project discussion that happened during the recent Board of Governors (BOG) meeting held on 23rd Feb 2015 at NIFT Delhi. The concerns raised during the BOG meeting were discussed. The BOG had suggested removing the phrase "in Technical Collaboration with NIFT."

DG NIFT invited the options to take this project forward without the phrase "in Technical Collaboration with NIFT." The Members of this meeting felt that the NIFT's role would be only to develop specialized course content in the area of Fashion education, lay out the infrastructure plan required to implement the courses and train the faculty to teach the proposed courses as per the agreed MOU.

Mr. Muralikumaran said, it is acceptable that McGAN's would not use the phrase "in Technical Collaboration with NIFT" in any form. But he would mention that service availed to develop the course content and faculty trained by NIFT.

DG NIFT mentioned that the McGAN's shall not use the name and logo of NIFT for anything other than support and service provided by NIFT. The same would be modified in the MOU clause 1.5.

Mr. Muralikumaran requested to modify the clause that restricts McGAN's to operate only from their Ooty campus and give him a flexibility to offer the program based on their feasibility. DG NIFT replied that McGAN's could operate anywhere other than where NIFT campuses are operating.

DG NIFT also briefed that the team implementing this project would frequently visit the McGAN campus and monitor the effective implementation of the curriculum through participating in Juries and interactions with their students and faculty as per the MOU.

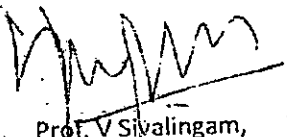
The Members of this meeting also felt that in the MOU clause 1.4.1 about the periodic monitoring of the progress of implementation of the curriculum. The review report should be jointly prepared by NIFT team and McGAN's team as per the MOU.

DG NIFT advised McGAN's should ensure that the course curriculum and other materials developed by NIFT to be kept in safe custody. Mr. Muralikumaran accepted this clause with exception to use it for the purpose of affiliation from the jurisdictional University. Accordingly the IPR clause no. 3.3 in the MOU to be modified.

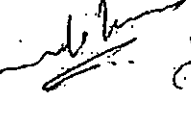
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Subsequently Mr Muralikumaran expressed that the MOU has been drafted between NIFT and McGAN's Ooty School of Architecture, where the MOU needs to be established between NIFT and Sri Angala Parameshwari Educational Trust, since the Trust would be applying for the University Affiliation and not the Institute as such. DG NIFT suggested the changes may be incorporated in the draft MOU.


The meeting ended with a mutual concurrence on the draft MOU.



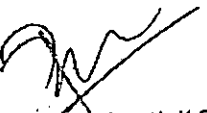
Mr. P.K Gera IAS,
Director General
NIFT - Chair



Prof. V Sivalingam,
Director NIFT
Bengaluru Campus



Mr. Muralikumaran,
Chairman, McGans
Ooty School of
Architecture
(Sri Angala
Parameshwari
Educational Trust).



Dr. Yathindra L,
Associate
Professor, NIFT
Bengaluru.

Mr. Prashanth K C,
Associate
Professor NIFT
Bengaluru.



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INDIA NON JUDICIAL

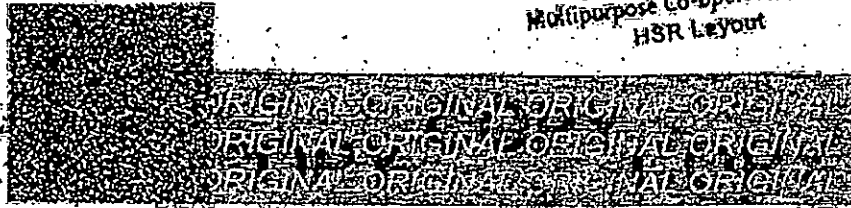
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 Certificate issued Date : 18 Mar 2015
 Account Reference : MCGAN'S CO-OP SCHOOL HSR LAYOUT / KA-BA
 Unique Doc. Reference : SUBIN 1025813813585
 Purchased by : MCGAN'S CO-OP SCHOOL OF ARCHITECTURE
 Description of Document : Affidavit / Memorandum
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 Consideration Price (Rs.) : 0
 First Party : NIFT BANGALORE
 Second Party : MCGAN'S CO-OP SCHOOL OF ARCHITECTURE
 Stamp Duty Paid By : MCGAN'S CO-OP SCHOOL OF ARCHITECTURE
 Stamp Duty Amount (Rs.) : 100



The Pavagada Souharta
 Multipurpose Co-operative Ltd. (M)
 HSR Layout



Please write or type below this line
Memorandum of Understanding

This Memorandum of Understanding is made on this "18" of March 2015" between The National Institute of Fashion Technology, hereinafter called the NIFT, through the Director, NIFT Bengaluru (which expression shall unless repugnant to the context or meaning, be deemed to mean and include its authorized representatives, assigns, executors and administrators)

AND

MCGAN'S Co-Op School of Architecture, through its Chairman & Sri. Angala Parameshwari Educational Trust through its authorized Representative, Shri N. Muralikumaran,
 For Mogan's Co-Op School of Architecture

N. MURALIKUMARAN
 National Institute of Fashion Technology,
 6-A-6-1, No. 21, 1st Cross, 27th Main Road,
 560025 Bengaluru

Chairman

1. The authenticity of this Stamp Certificate should be verified at www.e-stamp.com. Any discrepancy in the details on this Certificate and as available on the website report is invalid.
 2. The date of checking the authenticity is on the date of the Certificate.
 3. In case of any discrepancy please inform the Competent Authority.

hereinafter collectively referred to as McGAN's (which expression shall, unless repugnant to the context or meaning, be deemed to mean and include its authorized representatives, assigns, executors and administrators)

WHEREAS NIFT is a Statutory Body under NIFT Act, 2006 functioning under the aegis of the Ministry of Textiles, Government of India, and acknowledged as a premier institute for imparting fashion design, technology and management education in a global context,

AND WHEREAS McGAN's OOTY SCHOOL OF ARCHITECTURE was established in the year 2008 by Sri Angala Parameswari Educational Trust. The Managing Trustee of the Trust and the Chairperson of the College Smt. E. Sumathy, M.A., M.L., a practicing Lawyer in the Madras High Court. McGAN's OOTY SCHOOL OF ARCHITECTURE is approved by Council of Architecture and is affiliated to Anna University, Tamil Nadu.

AND WHEREAS "McGAN's SCHOOL OF FASHION AND DESIGN" (MSFD) is a new institute proposed by McGAN's seeks support and services of National Institute of Fashion Technology (NIFT) to establish Fashion Courses. McGAN's currently offers Architectural course and Architecture is one of the branches of Design that blends with other design courses creating a good creative harmony in their campus.

McGAN's as such seeks the support and services, with a mission to identify young students with entrepreneurial aspirations and train them to become excellent inspirational leaders in the fashion industry.

The proposal was placed in the 28th MEETING OF BOARD OF GOVERNORS (BOG) OF NIFT HELD ON 23.02.2016 (MONDAY) AT 3:15 P.M. IN THE BOARD ROOM AT THE NIFT HEAD OFFICE IN NEW DELHI vide agenda ITEM NO.1 and as approved in Para.no 32. Both the parties enter in to a memorandum of understanding.

AND WHEREAS NIFT shall provide necessary support and services to McGAN's from "March 2015 till February 2018" and upon the termination of above said MoU, McGAN's may re-seek NIFT support to MSFD in the identified areas of fashion and textile education based on new terms decided thereafter.

AND WHEREAS the above said parties for the purpose of NIFT imparting Academic support enter into the present understanding upon the following terms:

NOW THE PARTIES HEREBY MUTUALLY AGREE AS FOLLOWS:

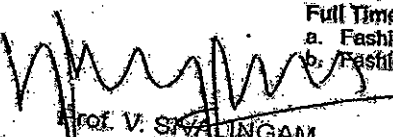
1. ROLE AND OBLIGATIONS OF NIFT

1.1 Training MSFD Faculty for Development of Course Curriculum:

- 1.1.1 In consideration of the financial terms agreed by McGAN's, NIFT agrees to assist MSFD by training its faculty for developing the course curriculum for seven programs i.e. five full time Post-Graduate Diploma Programs and two full time Under-Graduate Programs offered by McGAN's at MSFD, as under:

Full Time Post Graduate Diploma (PGD) Program

- a. Fashion and Costume Design (FCD)
- b. Fashion and Jewelry Design (FJD)


Prof. V. SIVA LINGAM
Director
National Institute of Fashion Technology,
C.A. Soc. No 21, 46th Cross, 27th Main Road
Sector-1, HSR Layout, Bengaluru-560102

For McGAN's Ooty School of Architecture. 2 of 6


Chairman

- c. Fashion Marketing and Merchandising (FMM)
d. Fashion Retail Management (FRM)
e. Fashion and Lifestyle Space Design (FLSD)

Full Time Under Graduate (UG) Program

- f. Fashion Design (FD)
g. Fashion Communication (FC)

MDU
FD

1.1.2 A team of NIFT faculty as constituted by NIFT Bengaluru authorities shall train the MSFD faculty for development of course curriculum, suggestion of teaching pedagogy & evaluation parameters, and suggesting the infrastructure requirements for the proposed courses. The training for the above mentioned activities will be provided in the first six months of the MoU period.

1.1.3 The faculty and students of MSFD may use the resource center facility of NIFT Bengaluru during the validity of this MoU for reference purpose only, as per the prevailing policy laid by NIFT Library and resource centre.

1.2 Faculty Orientation & Development Program

1.2.1 NIFT agrees to provide necessary training to the faculty of MSFD through Faculty Orientation Development Programme (FODP), necessary to match the competency and the course requirements of the programmes set out in clause 1.1.1 above.

1.2.2 The above mentioned FODP would be conducted at NIFT Bengaluru campus. The subject, duration and cost will be based upon mutually agreed terms and condition between NIFT Bengaluru and MSFD.

1.3 NIFT Faculty Involvement

1.3.1 NIFT faculty shall be involved only in training the MSFD faculty to develop their own course curriculum as per clause 1.1.

1.3.2 The participation of the NIFT faculty beyond the obligations mentioned in Clauses 1.1 and 1.2 above shall be upon a mutual agreement between the parties as per the terms agreed at the relevant time. NIFT and/or its faculty is under no obligation to provide any other services or assistance beyond what is stipulated in clauses 1.1 and 1.2 above except if mutually agreed upon.

1.3.3 NIFT and/or its faculty are also under no obligation to conduct regular courses or modules at MSFD under the terms of the present agreement. But under mutual agreement NIFT may nominate faculty for undertaking classes based on the requirement which may be audited by MSFD faculty.

1.3.4 Under mutual agreement NIFT may nominate its faculty for examination procedures (Question paper setting, evaluation of answer books and participating as jury members) during the MoU term.

3 of 6

Prof. V. SIVANIGAM
Director
National Institute of Fashion Technology,
C.A. Sectors 2 & 3, 15th Cross, 27th Main Road
Sector 4, 1st Layout, Bengaluru-560102

For Mogan's Dity School of Architecture

[Signature]
Chairman

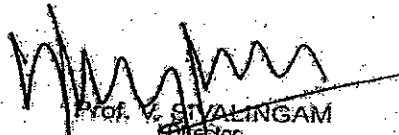
1.4 Usage of name of NIFT

- 1.4.1 McGAN's shall not use the name and logo of NIFT for anything other than the support and services provided by NIFT.
- 1.4.2 For use of the name of NIFT in any other manner except for the manner as specified in 1.4.1, prior written consent of NIFT will have to be obtained by the McGAN's. In the event that the name of the NIFT is found to have been used in any other manner, what has been specified above and without the prior consent of the NIFT, the MoU shall be terminated with immediate effect without assigning any notice or reasons whatsoever.

2. McGAN's Role and Obligations:

2.1 FINANCIAL ARRANGEMENT:

- 2.1.1 McGAN's undertakes to make the following payments (in favour of NIFT Bengaluru) in consideration for the services and support provided by NIFT to McGAN's as per Clause 1 above.
- 2.1.2 McGAN's undertakes to pay NIFT Bengaluru a total project sum of Rs 25,00,000 (Rupees Twenty Five lakhs only) exclusive of taxes (All statutory taxes to be borne by McGAN's) in two installments as scheduled below:
- Installment 1: Signing of the MOU agreement against receipt of 80% of the Total Project sum, Rs 20,00,000 + prevailing service tax (Rupees Twenty Lakhs plus prevailing service tax).
- Installment 2: McGAN's undertakes to pay the second installment of 20% of the total project value i.e., Rs 5,00,000 + prevailing service tax (Rupees Five Lakhs plus prevailing service tax) on completion of the training. McGAN's shall issue a completion certificate for the deliverables within 15 days, if completion certificate is not issued by 25th day it is considered that project is deemed as completed. The calculation of "working day" would be based on NIFT Bengaluru academic calendar.
- 2.1.3 McGAN's agrees to bear all expenses related to Faculty remuneration, travel, lodging & boarding as per the prevailing NIFT norms and procedures, for NIFT staff and faculty visiting McGAN's campus for the purpose stipulated in Clause 1.1, 1.2 & 1.3.4.
- 2.1.4 McGAN's agrees to pay NIFT all expenses related to the examination processes mentioned in the clause 1.3.4 as fixed by NIFT Bengaluru.


Prof. V. SIVALINGAM
Director
National Institute of Fashion Technology,
C.A.S.S. No. 21, HSR Layout, 27th Mile Road,
Sector-1, HSR Layout, Bengaluru-560102.

For McGAN's Dots School of Architecture

4 of 6


Chairman

69

- 2.1.5 The expenditure incurred for the purpose of the implementation and execution of all aspects of the present MoU shall be the sole responsibility of McGAN's/MSFD.

3. INTELLECTUAL PROPERTY RIGHTS

- 3.1 The Intellectual property rights including the Copyright, Trademark and Trade name, in the design and structure of the course curriculum and any ancillary activity thereto shall be the exclusive property of MSFD. NIFT shall not have any right to claim any restriction of its use by MSFD.

4. SETTLEMENT OF DISPUTES:

- 4.1 In case of any disputes / differences of opinion in respect of any of the above clauses between any of the above parties, including interpretation thereof, the decision of a committee comprising of the Chairman/ Chairperson McGAN's and that of the Director General, NIFT, New Delhi shall be final. In the event the said committee does not resolve the dispute, a mutually agreed sole arbitrator shall be appointed, and the decision of the arbitrator will be binding on both the parties. The said Arbitrator shall have the jurisdiction to arbitrate on all and any disputes arising out of interpretation, implementation, execution, etc. of the present Agreement between all the parties.
- 4.2 The venue of arbitration shall be at Bengaluru. The Arbitration and Conciliation Act, 1996, shall govern the arbitration proceedings and the Rules and procedure framed there under.

5. VALIDITY OF MOU

The validity of the present MoU shall be for a period of 03 years from the date of execution of the present Agreement. Both the parties agree to review the arrangements at the end of 03 years term and any renewal shall be upon the terms agreed upon mutually between the parties.

6. AGREEMENT IN COUNTERPARTS

The present Agreement shall be executed in two counterparts, with each original document being in possession of both the parties.

7. EXPENSES

The expenses in whole for executing the present MoU shall be borne by McGAN's including the stamp duty and any other expenses incurred thereto.

8. NOTICES

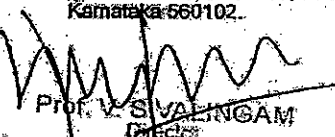
Any notices sent by either party to the other party shall be sent to the following persons at the following addresses to constitute valid notice:

For NIFT:

Director
NIFT Bengaluru Campus
Site No 21, NIFT Campus, 27th Main,
Sector 1, H. S. R. Layout, Bengaluru,
Karnataka-560102.

For McGAN's

The Chairperson / Chairman
McGAN's Ooty School of Architecture
5635 Perar, Kotagiri,
Ooty-643002 (Tamil Nadu)


Prof. V. SIVALINGAM
Director
National Institute of Fashion Technology,
C.A. Seta 21, 27th Cross, 27th Main Road
Sector-1, HSR Layout, Bengaluru-560102

For McGAN's Ooty School of Architecture


Chairman

5 of 6

68

9. TERMINATION

9.1 Notwithstanding Clause 3 above, the present MoU shall automatically stand terminated upon the expiry of the prescribed period in Clause 5 above. The present MoU shall also stand terminated upon NIFT sending the said intimation to MCGAN'S in the event MCGAN'S fails to perform its essential obligations as set-out in clause 2 above.

9.2 That upon the termination of the present MoU, MCGAN'S/SMSFD shall immediately stop using NIFT name and/or logo, and shall issue notices of withdrawal of the support, and use of name and logo of NIFT. This shall form an essential term of the contract, and any failure to do so shall be an essential breach and NIFT shall be entitled to recover actual and punitive damages and also enforce other remedies available to it under law.

10. AMENDMENTS


All amendments of this agreement shall be made in writing and be approved by both parties through their signature.

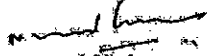
11. JURISDICTION

The governing law of the MoU shall be the Indian law and the Disputes shall be subject to the exclusive jurisdiction of the courts at Bengaluru.

Signed on 18/3/15


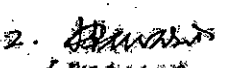
Signed on behalf of NIFT


FOR NIFT
The Director
NIFT, Bengaluru
C.A. Site No 21, 27th Main
16th Cross Sector -1
HSR Layout
Bengaluru-560102.


The Chairperson / Chairman
MCGAN'S Ooty School of Architecture
& Sri Angala Parameshwari Educational
Trust, 5/635 Perar, Kolagiri,
Ooty-643002 (Tamil Nadu)

Respective stamps

In Witness whereof

1. 
M. MUTHUKUMAR
Joint Director & COE
National Institute of Fashion Technology,
C.A. Site No. 21, 16th Cross, 27th Main Road,
Sector-1, HSR Layout, Bengaluru-560102
2. 
(PRAMPOD. M. G.)

6 of 6

Comparison of MOU between McGAN & NIFT which are placed before the 28th BOG held on 23.02.15 and the one signed on 18.03.15

MOU placed in 28 th BOG Meeting held on 23.02.15	MoU signed by NIFT & McGan on 18.03.15
This Memorandum of Understanding is made on this <<DAY>> between The National Institute of Fashion Technology, <u>Hauz Khas, New Delhi</u> hereinafter called the NIFT, <u>New Delhi</u> through the Director <u>General</u> , NIFT _____ (which expression shall unless repugnant to the context or meaning, be deemed to mean and include its authorized representatives, assigns, executors and administrators)	This Memorandum of Understanding is made on this "18 th of March 2015" between The National Institute of Fashion Technology, <u>Hauz Khas, New Delhi</u> hereinafter called the NIFT, through the Director, <u>NIFT Bengaluru</u> (which expression shall unless repugnant to the context or meaning, be deemed to mean and include its authorized representatives, assigns, executors and administrators)
McGAN's Ooty School of Architecture, through its Chairman & <u>Managing Trustee, Smt. E. Sumathy, M.A., M.L.</u> hereinafter, _____ referred to as McGAN's (which expression shall unless repugnant to the context or meaning, be deemed to mean and include its authorized representatives, assigns, executors and administrators)	McGAN's Ooty School of Architecture, through its Chairman & <u>Sri Angela Parliament Educational Trust through its authorized Representative, Sh. N Muralikumar</u> hereinafter <u>collectively</u> referred to as McGAN's (which expression shall unless repugnant to the context or meaning, be deemed to mean and include its authorized representatives, assigns, executors and administrators)
WHEREAS NIFT is a Statutory Body under NIFT Act, 2006 functioning under the aegis of the Ministry of Textiles, Government of India, and acknowledged as a premier institute for imparting fashion design, technology and management education in a global context,	WHEREAS NIFT is a Statutory Body under NIFT Act, 2006 functioning under the aegis of the Ministry of Textiles, Government of India, and acknowledged as a premier institute for imparting fashion design, technology and management education in a global context,
AND WHEREAS McGAN's OOTY SCHOOL OF ARCHITECTURE was established in the year 2008 by Sri Angala Parameswari Educational Trust. The Managing Trustee of the Trust and the Chairman/ Chairperson of the College Smt. E. Sumathy, M.A., M.L., a practicing Lawyer in the Madras High Court <u>is the wife of Shri. N. Muralikumar, one of the renowned lawyers in Madras High Court.</u> McGAN'S OOTY SCHOOL OF ARCHITECTURE is approved by Council of Architecture and is affiliated to Anna University of Tamil Nadu.	AND WHEREAS McGAN's OOTY SCHOOL OF ARCHITECTURE was established in the year 2008 by Sri Angala Parameswari Educational Trust. The Managing Trustee of the Trust and the Chairman/ Chairperson of the College Smt. E. Sumathy, M.A., M.L., a practicing Lawyer in the Madras High Court _____ of the renowned lawyers in Madras High Court. McGAN'S OOTY SCHOOL OF ARCHITECTURE is approved by Council of Architecture and is affiliated to Anna University of Tamil Nadu.
AND WHEREAS McGAN's Institute of Fashion Technology <u>MIFT</u> is a new institute proposed by McGAN's <u>to establish Fashion Courses at their Ooty Campus in collaboration with the National Institute of Fashion Technology (NIFT)</u> Since <u>Architecture is one of the branches of Design and fusion of more design courses in the campus will help each other design</u>	AND WHEREAS 'McGAN'S SCHOOL OF FASHION AND DESIGN' (MSFD) is a new institute proposed by McGAN's <u>seeks support and services of National Institute of Fashion Technology (NIFT) to establish Fashion Courses.</u> McGAN's currently offers <u>Architectural course and Architecture is one of the branches of Design that blends with other design courses creating a good creative</u>

5. Fashion and (FLSD)
(b) Full Time Program
1. Fashion
2. Fashion

<p><u>courses to mould well, it has been decided to introduce the Fashion related courses.</u></p> <p><u>MIFT</u> as such seeks <u>the collaboration</u> with a mission to identify young <u>students with</u> entrepreneurial aspirations and train them to become excellent inspirational leaders in the fashion industry.</p>	<p><u>harmony in their campus</u></p> <p><u>MCGAN's</u> as such <u>seeks the support and services</u> with a mission to identify young entrepreneurial aspirations and train them to become excellent inspirational leaders in the fashion industry.</p>
	<p>The proposal was placed in the <u>28th MEETING OF BOARD GOVERNORS (BOG) OF NIFT HELD ON 23.02.2015 (MONDAY) AT 3:15 P.M. IN THE BOARD ROOM AT THE NIFT HEAD OFFICE IN NEW DELHI</u> vide agenda ITEM No.1 and as approved in Para no. 32. Both the parties enter in to a memorandum of understanding.</p>
<p>AND WHEREAS NIFT shall provide necessary <u>support</u> to McGAN from <u>15th January 2015 till 14th January 2019</u> and upon the termination of above said MoU, McGAN may <u>renew the</u> NIFT support to <u>MIFT</u> in the identified areas of fashion and textile education based on new terms decided thereafter.</p>	<p>AND WHEREAS NIFT shall provide necessary <u>support and services</u> to McGAN from "<u>March 2015 till February 2018</u>" and upon the termination of above said MoU, McGAN may <u>re-seek</u> the NIFT support to <u>MSFD</u> in the identified areas of fashion and textile education based on new terms decided thereafter.</p>
<p>AND WHEREAS the above said parties for the purpose of NIFT imparting <u>technical support</u> enter into the present understanding upon the following terms:</p>	<p>AND WHEREAS the above said parties for the purpose of NIFT imparting <u>Academic support</u> enter into the present understanding upon the following terms:</p>
<p>NOW THE PARTIES HEREBY MUTUALLY AGREE AS FOLLOWS:</p> <p>1 ROLE AND OBLIGATIONS OF NIFT</p> <p>1.1(a) Review of Course Curriculum: In consideration of the financial terms agreed by McGAN's, NIFT <u>agrees to review</u> the course curriculum of seven programs <u>e.g.</u> five full time Post-Graduate Diploma Programs and two full time Under-Graduate Programs offered by McGAN's at <u>MIFT</u>, as under:</p> <p>(a) Full Time Post Graduate Diploma (PGD) Program</p> <ol style="list-style-type: none"> 1. Fashion and Costume Design (FCD) 2. Fashion and Jewellery Design (FJD) 3. Fashion Marketing and Merchandising (FMM) 4. Fashion Retail Management (FRM) 	<p>NOW THE PARTIES HEREBY MUTUALLY AGREE AS FOLLOWS:</p> <p>1 ROLE AND OBLIGATIONS OF NIFT</p> <p>1.1(a) Training NSFD Faculty for Development of Course Curriculum: In consideration of the financial terms agreed by McGAN's, NIFT <u>assits MSFD by training its faculty for developing</u> the course curriculum of seven programs <u>i.e.</u> five full time Post-Graduate Diploma Programs and two full time Under-Graduate Programs offered by McGAN's at <u>MSFD</u>, as under:</p> <p>(a) Full Time Post Graduate Diploma (PGD) Program</p> <ol style="list-style-type: none"> 1. Fashion and Costume Design (FCD) 2. Fashion and Jewellery Design (FJD) 3. Fashion Marketing and Merchandising (FMM) 4. Fashion Retail Management (FRM) 5. Fashion and Lifestyle Space Design (FLSD)

<p>On seeks the support and assistance to identify young talents and train them to become future leaders in the fashion and lifestyle space design (FLSD)</p> <p>(b) Full Time Under Graduate (UG) Program</p> <ol style="list-style-type: none"> 1. Fashion Design (FD) 2. Fashion Communication (FC) 	<p>(b) Full Time Under Graduate (UG) Program</p> <ol style="list-style-type: none"> 1. Fashion Design (FD) 2. Fashion Communication (FC)
<p>1.1.2 A team of NIFT faculty as constituted by NIFT <u>authorities</u> shall review the details of <u>course outlines, teaching methodology, evaluation process, review and standardization of the course curriculum.</u> The above said courses shall be imparted at MIFT by McGAN's faculty in strict accordance of the modules and parameters developed by NIFT during the subsistence of the present Agreement.</p>	<p>1.2.2 A team of NIFT faculty as constituted by NIFT <u>Bengaluru authorities</u> shall train the <u>MSFD faculty</u> for development of course curriculum, suggestion of teaching pedagogy & evaluation parameters, and suggesting the infrastructure requirements for the proposed courses. The training for the above mentioned activities will be provided in the first six months of MOU period.</p>
<p>1.1.3 NIFT would recognize the students who have done UG Graduates from MIFT with affiliation of the jurisdictional University, as deemed to be eligible for admissions to the Master's Programs offered by NIFT.</p>	
<p>1.1.4 The faculty and students of <u>McGAN's Ooty School of Architecture</u> may use the resource center facility of NIFT Bengaluru during the validity of this <u>collaboration</u> for reference purpose only, as per the prevailing policy laid by NIFT Library and resource centre.</p>	<p>1.1.3 The faculty and students of <u>MSFD</u> may use the resource center facility of NIFT Bengaluru during the validity of this <u>MOU</u> for reference purpose only, as per the prevailing policy laid by NIFT Library and resource centre.</p>
<p>1.2 Faculty development and Training Program</p> <p>NIFT has agreed to provide necessary training to the faculty of McGAN's MIFT at NIFT, Bengaluru. The faculty training and development is necessary to match the competency and the course requirements. As an addition to the orientation program specific FDP would be conducted on additional cost, such training duration could be for 2 weeks in each discipline for 5-7 faculty members once in a year during agreement. Since this is a follow-up support, all the expenses including the cost of trainer and trainee shall be borne by McGAN's of such FDP's organized by NIFT Bengaluru.</p>	<p>1.2 Faculty Orientation & development Program</p> <p>1.2.1 NIFT agrees to provide necessary training to the faculty of MSFD through Faculty Orientation Development Programme (FODP) necessary to match the competency and the course requirements of the programme set out in clause 1.1.1 above.</p> <p>1.2.2 The above mentioned FODP would be conducted at NIFT Bengaluru campus. The subject, duration and cost will be based upon mutually agreed terms and condition between NIFT Bengaluru and MSFD.</p>
<p>1.3 NIFT Faculty Involvement</p> <p>1.3.1 NIFT faculty shall be involved only for</p>	<p>1.3 NIFT Faculty Involvement</p> <p>1.3.1 NIFT faculty shall be involved only in</p>

85

course development/review and imparting training to faculty, of McGAN's MIFT as mentioned in clauses 1.1 and 1.2 above. NIFT faculty may also participate as Jury Members of Diploma Project, Design Collection, Internship and other presentations.

1.3.2 The participation of the NIFT faculty beyond the obligations mentioned in Clauses 1.1 and 1.2 above shall be upon a mutual agreement between the parties as per the terms agreed at the relevant time. NIFT and/or its faculty is under no obligation to provide any other services or assistance beyond what is stipulated in clauses 1.1 and 1.2 above, except if mutually agreed upon.

1.3.3 NIFT and /or its faculty is also under no obligation to conduct regular courses or modules at MIFT under the terms of the present agreement.

1.4 Monitoring of Progress

1.4.1 In order to ensure the standard of academic input as per the norms of the NIFT, periodic monitoring of the progress of implementation of curriculum and other NIFT related activities shall be conducted once in a year by NIFT. McGANs shall submit report at least once in an academic year.

1.4.2 The expenditure related to NIFT faculty visits including air travel and stay for monitoring purpose shall be borne by McGAN's as per actual basis.

1.5 Usage of name of NIFT

1.5.1 McGAN shall not use the NIFT name and logo without specific

training the MSFD faculty to develop their own course curriculum as per clause 1.1.

1.3.2 The participation of the NIFT faculty beyond the obligations mentioned in Clauses 1.1 and 1.2 above shall be upon a mutual agreement between the parties as per the terms agreed at the relevant time. NIFT and/or its faculty is under no obligation to provide any other services or assistance beyond what is stipulated in clauses 1.1 and 1.2 above except if mutually agreed upon.

1.3.3 NIFT and /or its faculty is also under no obligation to conduct regular courses or modules at MSFD under the terms of the present agreement.. But under mutual agreement NIFT may nominate faculty for undertaking classes based on the requirement which may be audited by MSFD faculty.

1.3.4 Under mutual agreement NIFT may nominate its faculty for examination procedure (Question paper setting, evaluation of answer books and participating as jury members) during the MoU term.

1.4 Usage of name of NIFT

1.4.1 McGAN shall not use the NIFT name and logo of NIFT for anything other than the support and services provided by NIFT.

authorization of Director General NIFT. NIFT agrees to usage of "In technical collaboration with NIFT" to be used by McGAN's/MIFT in the restricted manner as provided in Clause 1.5.2 below only upon a letter being issued by the Director General, NIFT and/or his authorized person or nominee permitting McGAN's/MIFT to do so. The Director General, NIFT and/or his authorized person or nominee shall be free to prescribe the manner in which the statement - "In technical collaboration with NIFT" may be used by McGAN's/MIFT which shall be bound by such a direction, and any breach in the same shall be an essential breach of the contract, and NIFT shall be entitled to terminate the present Agreement at its unilateral option, without any notice or reasons being furnished to McGAN's/MIFT.

1.5.2 The use of the statement - "In technical collaboration with NIFT" shall be restricted only to such Courses as are designed by NIFT. The manner and use of the statement - "In technical collaboration with NIFT" shall be strictly restricted to McGAN's/MIFT Ooty only, mentioning clearly and conspicuously "Issued/ initiated with technical support of NIFT"

1.5.3 For use of the name of NIFT in any other manner except for the manner as specified in the MoU, prior written consent of NIFT will have to be obtained by the McGAN's. In the event that the name of the NIFT is found to have been used in any other manner save for what has been specified above and without the prior consent of the NIFT, the MoU shall be terminated with immediate effect without assigning any notice or reasons whatsoever.

1.5.4 In the event that the statement - "In technical collaboration with NIFT" is found to be used contrary to the terms of the present Agreement and without the prior consent of NIFT, in addition to Clause 1.5.3 above, NIFT

1.4.2 For use of the name of NIFT in any other manner except for the manner as specified in **1.4.1** prior written consent of NIFT will have to be obtained by the McGAN's. In the event that the name of the NIFT is found to have been used in any other manner what has been specified above and without the prior consent of the NIFT, the MoU shall be terminated with immediate effect without assigning any notice or reasons whatsoever.

<p>shall be entitled to take legal action against <u>McGAN's/MIFT</u> for the <u>infringement of its copyright and trade name/ recognized trademark as available in law, as well as take action for injunction and recovery of punitive damages.</u></p>	
<p>1.5.5 <u>NIFT shall have the right to carry out inspection of academic standards of <u>McGAN's Ooty School of Architecture</u>. If NIFT is not satisfied with the academic standards of <u>McGAN's Ooty School of Architecture</u> in that case NIFT can forbid <u>McGAN's Ooty School of Architecture</u> from using NIFT's name in any way.</u></p>	
<p>1.5.6 <u>The collaboration is purely between NIFT and <u>McGAN's Ooty School of Architecture</u>; further <u>McGAN's Ooty School of Architecture</u> is prohibited to using NIFT's name in entering into agreement with other Institutes.</u></p>	
<p>2. McGAN's Role and Obligations:</p> <p>2.1 FINANCIAL ARRANGEMENT:</p> <p>2.1.1 <u>McGAN's undertake to make the following payments (in favour of NIFT Bengaluru) in consideration for the services and <u>assistance furnished</u> by NIFT to <u>MIFT</u> as per Clause 1 above.</u></p> <p>a) <u>McGAN's undertakes to pay NIFT a total project sum of <u>Rs 1,27,10,000</u> (Rs One Crore Twenty Seven lakhs and Ten Thousand only) exclusive of taxes (All statutory taxes to be borne by <u>McGAN's</u>) in <u>Phased manner as detailed further.</u></u></p> <p><u>Phase 1: Signing of the MOU agreement against receipt of <u>50%</u> of the Total Project sum, <u>63.55 Lakhs</u> (Rs Sixty Three Lakhs and Fifty Five Thousand only). <u>The client shall issue a completion certificate for the Phase 1 deliverables within 15 days, if completion certificate is not issued by 25th day it is considered as completed.</u></u></p> <p><u>Phase 2: <u>McGAN's undertakes to pay</u></u></p>	<p>2. McGAN's Role and Obligations:</p> <p>2.1 FINANCIAL ARRANGEMENT:</p> <p>2.1.1 <u>McGAN's undertake to make the following payments (in favour of NIFT Bengaluru) in consideration for the services and <u>support provided</u> by NIFT to <u>McGAN's</u> as per Clause 1 above.</u></p> <p>2.1.2 <u>McGAN's undertakes to pay NIFT Bengaluru a total project sum of <u>Rs 25,00,000</u> (Rupees Twenty Five Lakhs only) exclusive of taxes (All statutory taxes to be borne by <u>McGAN's</u>) in <u>two installments as scheduled below:</u></u></p> <p><u>Installment 1: Signing of the MOU agreement against receipt of <u>80%</u> of the Total Project sum, <u>Rs. 20,00,000 + prevailing service tax (Rupees Twenty Lakhs plus prevailing service tax).</u></u></p> <p><u>Installment 2: <u>McGAN's undertakes to pay the second installment of <u>20%</u> of the total project value i.e., <u>Rs. 5,00,000/- + prevailing service tax</u> (Rs Five Lakhs</u></u></p>

132

y 90th working day the second installment of 25% of the total project value i.e., 31,77,500/- (Rs Thirty One Lakhs and Seventy Seven Thousand Five Hundred only) against the second phase deliverables. i.e., Handing over of the course curriculum development and Infrastructure required for first year of proposed UG & first two semesters of PG Diploma programs. The client shall issue a completion certificate for the Phase 2 deliverables within 15 days, if completion certificate is not issued by 25th day it is considered _____ as completed. (The working day is based on NIFT Bengaluru academic calendar)

Phase 3: McGANS would pay the last installment by 180th working day, 25% of the Total Project sum 31,77,500/- (Rs Thirty One Lakhs and Seventy Seven Thousand Five Hundred only) during the delivery of complete course curriculum development along with infrastructure plan required for UG & PG Diploma programs. The client shall issue a completion certificate for the Phase 3 deliverables within 15 days, if completion certificate is not issued by 25th day it is considered as completed.

- b) McGAN's further undertakes to pay an audit fees of 0.5% of the Total Project sum i.e., 63,550/- (Sixty Three Thousand Five Hundred Fifty only) to NIFT at the end of every academic year, upon the receipt of the which the audit team would visit for the performance evaluation and review the possible extension of MOU will be done.
- c) McGAN's agrees to bear all the expenses related to _____ travel, lodging & boarding _____ expenses of its staff and faculty during any visit to NIFT for training or other reasons whatsoever thereof as stipulated in Clause 1.2 above.

plus prevailing service tax) on completion of the training. McGAN shall issue a completion certificate for the deliverables within 15 days, if completion certificate is not issued by 25th day it is considered that project is deemed as completed. The calculation of "working day" would be based on NIFT Bengaluru academic calendar.

- 2.1.3 McGAN's agrees to bear all the expenses related to Faculty remuneration travel, lodging & boarding as per the prevailing NIFT norms and procedures, for NIFT staff and faculty visiting MCGAN's campus for the purpose stipulated in Clause 1.1, 1.2 & 1.3.4.

- d) McGAN's shall bear expenditure of
e) NIFT faculty, audit team to be borne by McGAN as per NIFT entitlement deputed for the purpose of the NIFT assignments. McGAN's shall also arrange the local hospitality including the accommodation and local travel of the experts and faculty of NIFT. The actual expenditure for the purpose of the implementation and execution of all aspects of the present MoU shall be the sole responsibility of McGAN's/MIFT unless contrary is agreed to between the parties in writing.

- f) McGAN's shall issue project completion certificate within 30 days after the submission of the project report on the deliverables mentioned in Annexure 01 by NIFT Bengaluru.

2.1.4

McGAN's agrees to pay NIFT all expenses related to the examination processes mentioned in the clause 1.3.4 as fixed by NIFT Bengaluru.

- 2.1.2 McGAN's/MIFT shall be under an obligation to make the above payments within the time frames stipulated therein. In the event there is a delay in the above payment beyond a period of thirty days, NIFT shall be at liberty to terminate the present MoU at its own option. McGAN's/MIFT shall be liable to pay interest at the rate of 12% per annum calculated for the period since when the payment had become due till the actual date of payment.

- 2.1.3 McGAN's shall be under an obligation to keep NIFT informed regularly with all the developments at MIFT related to NIFT courses.

- 2.1.5 The expenditure incurred for the purpose of the implementation and execution of all aspects of the present MoU shall be the sole responsibility of McGAN's/MSFD.

3. INTELLECTUAL PROPERTY RIGHTS

- 3.1 The intellectual property rights including the copyright, trademark _____ trade name, in the design and structure of the

3. INTELLECTUAL PROPERTY RIGHTS

- 3.1 The Intellectual property rights including the Copyright, Trademark and Trade name, in the design and

<p>curriculum and any ancillary thereto shall be the exclusive property of NIFT to the absolute exclusion of McGAN's/MIFT. <u>McGAN's/MIFT shall not claim any benefit or advantage arising out of the design and structure of the course curriculum and ancillary activities by NIFT, nor shall McGAN's/MIFT have any right to claim any restriction of its use by NIFT.</u></p> <p>3.2 <u>All copyrights to the works of the NIFT faculty and experts in the exercise of the present MoU shall vest exclusively with NIFT and McGAN's/MIFT shall have no right, benefit, or interest arising therefrom.</u></p> <p>3.3 <u>McGAN's/MIFT undertake that they shall make their best efforts not to cause or facilitate the infringement of any intellectual property rights of NIFT including its copyrights, rights in its trademarks, trade names, McGAN's/MIFT further undertakes to ensure that the course curriculum and other material furnished by NIFT to McGAN's/MIFT shall be kept in safe custody of McGAN's/MIFT which shall make all efforts to ensure that no infringement of the same occurs due to its action or negligence.</u></p> <p>3.4 <u>In the event that there is any infringement of any intellectual property rights of NIFT including its copyrights, rights in its trademarks, tradenames by McGAN's/MIFT, and/or due to its negligence or action, NIFT shall be free to bring legal action against McGAN's/MIFT as available in law including injunction and damages, and McGAN's/MIFT shall be under an obligation to furnish rendition of all accounts and materials required by NIFT.</u></p>	<p>structure of the course curriculum and any ancillary activity thereto shall be the exclusive property to <u>MSFD. NIFT shall not have any right to claim any restriction of its use by MSFD.</u></p>
<p>SETTLEMENT OF DISPUTES:</p> <p>4.1 In case of any disputes / differences of opinion in respect of any of the above clauses between any of the above parties, including interpretation thereof</p>	<p>4. SETTLEMENT OF DISPUTE:</p> <p>4 In case of any disputes / differences of opinion in respect of any of the above clauses between any of the above parties, including interpretation thereof, <u>the decision</u></p>

<p>_____ decision of a committee comprising of the Chairman/Chairperson, McGAN's and that of the Director General, NIFT, New Delhi shall be final. In the event <u>the dispute is not resolved by</u> the said committee _____, a mutually agreed sole arbitrator shall be appointed, and the decision of the arbitrator will be binding on both the parties. The said Arbitrator shall have the jurisdiction to arbitrate on all and any disputes arising out of interpretation, implementation, execution, etc. of the present Agreement between all the parties.</p> <p>4.2 The venue of arbitration shall be at Bengaluru. The <u>arbitration proceedings shall be governed by</u> the Arbitration and Conciliation Act, 1996, and the Rules and procedure framed there under.</p>	<p>of a committee comprising of the Chairman/Chairperson McGAN's and that of the Director General, NIFT, New Delhi shall be final. In the event the said committee <u>does not resolve the dispute</u>, a mutually agreed sole arbitrator shall be appointed, and the decision of the arbitrator will be binding on both the parties. The said Arbitrator shall have the jurisdiction to arbitrate on all and any disputes arising out of interpretation, implementation, execution, etc. of the present Agreement between all the parties.</p> <p>5 The venue of arbitration shall be at Bengaluru. The Arbitration and Conciliation Act, 1996, <u>shall govern the arbitration proceedings</u> and the Rule and procedure framed there under.</p>
<p>3. <u>NIFT Bengaluru will implement the obligations mentioned in Para. 1.1.1 a. and McGan's shall issue completion certificate based on the deliverables mentioned in Annexure 01. The duration of the project will be for one year from the date of signing the MOU.</u></p>	
<p>6. VALIDITY OF MOU</p> <p>The validity of the present MoU shall be for a period of <u>04 years</u> from the date of execution of the present Agreement. Both the parties agree to review the arrangements at the end of <u>04 years</u> term and any renewal shall be upon the terms agreed upon mutually between the parties.</p>	<p>5. VALIDITY OF MOU</p> <p>The validity of the present MoU shall be for a period of <u>03 years</u> from the date of execution of the present Agreement. Both the parties agree to review the arrangements at the end of <u>03 years</u> terms and any renewal shall be upon the terms agreed upon mutually between the parties.</p>
<p>7. AGREEMENT IN COUNTERPARTS</p> <p>The present Agreement shall be executed in two counterparts, with each original document being in possession of both the parties.</p>	<p>6. AGREEMENT IN COUNTERPARTS</p> <p>The present Agreement shall be executed in two counterparts, with each original, document being in possession of both the parties.</p>
<p>8. EXPENSES</p> <p>The expenses in whole for executing the present MoU shall be borne by McGAN's including the stamp duty and any other expenses incurred thereto.</p>	<p>7. EXPENSES</p> <p>The expenses in which for executing the present MoU shall be borne by McGAN's including the stamp duty and any other</p>

<p>NOTICES</p> <p>Any notices sent by either party to the other party shall be sent to the following persons at the following addresses to constitute valid notice:</p> <p>For NIFT: Director NIFT Bengaluru Campus Site No 21, NIFT Campus, 27th Main, Sector 1, H S R Layout, Bengaluru, Karnataka 560102</p> <p>For McGAN's: The Chairperson/Chairman McGAN's Ooty School of Architecture 5/635 Perar, Kotagiri, Ooty-643002 (Tamil Nadu)</p>	<p>expenses incurred thereto.</p> <p>8. NOTICES</p> <p>Any notices sent by either party to the other party shall be sent to the following persons at the following addresses to constitute valid notice</p> <p>For NIFT: Director NIFT Bengaluru Campus Site No 21, NIFT Campus, 27th Main, Sector 1, H S R Layout, Bengaluru, Karnataka 560102</p> <p>For McGAN's: The Chairperson/Chairman McGAN's Ooty School of Architecture 5/635 Perar, Kotagiri, Ooty-643002 (Tamil Nadu)</p>
<p>10. TERMINATION</p> <p>10. Notwithstanding Clause 3 above, the present MoU shall automatically stand terminated upon the expiry of the prescribed period in Clause 5 above. The present MoU shall also stand terminated upon NIFT sending the said intimation to McGAN's in the event McGAN's fails to perform its essential obligations as set out in clause 2 above.</p> <p>11. That upon the termination of the present MoU, McGAN's/NIFT shall immediately stop using NIFT name and/or logo, and shall issue notices of withdrawal of the support, and use of name and logo of NIFT. This shall form an essential term of the contract, and any failure to do so shall be an essential breach and NIFT shall be entitled to recover actual and punitive damages and also enforce other remedies available to it under law.</p>	<p>9. TERMINATION</p> <p>9 Notwithstanding Clause 3 above, the present MoU shall automatically stand terminated upon the expiry of the prescribed period in Clause 5 above. The present MoU shall also stand terminated upon NIFT sending the said intimation to McGAN's in the event McGAN's fails to perform its essential obligations as set out in clause 2 above.</p> <p>9.1 That upon the termination of the present MoU, McGAN's/MSFD shall immediately stop using NIFT name and/or logo, and shall issue notices of withdrawal of the support, and use of name and logo of NIFT. This shall form an essential term of the contract, and any failure to do so shall be an essential breach and NIFT shall be entitled to recover actual and punitive damages and also enforce other remedies available to it under law.</p>
<p>11. AMENDMENTS</p> <p>All amendments of this agreement shall be made in writing and be approved by both parties through their signature.</p>	<p>10. AMENDMENTS</p> <p>All amendments of this agreement shall be made in writing and be approved by both parties through their signature.</p>

27

12. JURISDICTION

The governing law of the MoU shall be the Indian law and the Disputes shall be subject to the exclusive jurisdiction of the courts at Bengaluru.

11. JURISDICTION


The governing law of the MoU shall be the Indian law and the Disputes shall be subject to the exclusive jurisdiction of the courts at Bengaluru.

Signed on 18/03/2015

National
Fashion
pinion
Kiran D
To: Le
Cc:

20/05/2015 - Deccan Herald / Prajavarani

For circulation and verification only - reviewers

	NATIONAL INSTITUTE OF FASHION TECHNOLOGY (Ministry of Textiles, Govt. of India)
	NIFT Campus, 27th Main Road, 18th Cross Sector - 1, HSR Layout, Bengaluru-560 027, Ph: 080-22952550 - 55
PUBLIC NOTICE Issued in public interest	
<p>McGan's Ooty School of Fashion & Design has brought out an advertisement in certain newspapers and media for admissions to their institute. It has used NIFT's logo & name of NIFT without permission. Since this is violation of an agreement that McGan's Ooty School of Fashion and Design had entered with NIFT Bengaluru, the services of training McGan's Ooty School of Fashion & Design's faculty for development of their course curriculum is being withdrawn.</p> <p>Therefore any person(s) having any claim with respect to the above referred advertisement in any form will be at their sole risk and responsibility.</p> <p>Date: 19th May 2015. DIRECTOR, NIFT Bengaluru</p>	

Information Copy to:

The Director, NIFT - Bengaluru

Annexure - D

(3)

Annexure - E

Date: 21.05.2015

To,

Rajni Shah,
Assistant Board Secretary & Legal Officer
National Institute of Fashion Technology
NIFT Campus, Hauz Khas,
Near Gulmohar Park, New Delhi- 110016

Sub: **Opinion with reference to queries raised through email dated 19.05.2015 with regard to usage of name of NIFT by McGan at Ooty.**

OPINION

Dear Ma'am,

The undersigned has perused the query provided by you in the email dated 19.05.2015 along with the MoU and letter dated 16.03.2015 and 19.03.2015 and the Minutes of Meeting dated 23.02.2015 as provided by you to us. The query provided by you and opinion has been discussed as follows:

QUERY: Seeking necessary legal action for termination of the agreement signed between NIFT and McGan's Ooty School of Architecture in violation of the usage of NIFT logo and name by McGan.

FACTS: It is understood that NIFT, Bengaluru entered into an MoU with McGan Ooty School of Architecture vide MoU dated 18.03.2015 for the sole purpose of providing assistance by training the faculty of McGan's School of Fashion and Design (MSFD). The purpose of NIFT was to train the faculty of MSFD for developing the course curriculum for seven programs i.e. 5 full time Post Graduate Diploma Programs

27

and 2 full time Under-Graduate Programs offered by McGan's at the McGan's School of Fashion and Design (MSFD). The MoU strictly talks about providing training only.

That as per the documents provided by you to us, it reveals that vide an advertisement published by McGan in certain newspapers, McGan has used the NIFT logo and name and created confusion within the public by stating that NIFT is providing Academic Support to McGan's which does not seem to be correct. As per the MoU the word mentioned is providing training only and no such word 'Academic' finds any mention in the MoU.

RELEVANT

CLAUSES: That clause 1.4 deals with the usage of name of NIFT. Whereas clause 1.4.1 categorically hold that "McGAN's shall not use the name and logo of NIFT for anything other than the support and services provided by NIFT.

Refer to clause 1 of the MoU which talks about the role and obligations of NIFT in which clause 1.1 only talks about training MSFD faculty for the development of the course and curriculum.

As a matter of fact, clause 1.2 of the MoU talks about training of the faculty of MSFD for the development purpose.

That clause 1.3.2 specifies that NIFT and/or its faculty is other no obligation to provide any other services or assistance beyond what is stipulated in clauses 1.1 and 1.2 except if mutually agreed upon.

Clause 1.4.2 of the MoU specifically talks about the termination of the MoU in the event that the name of NIFT is found to have been used in any other manner, what has been specified above and without the prior consent of the NIFT; the MoU shall be terminated with immediate effect without assigning any notice or reasons whatsoever.

OPINION: From a perusal of the advertisement it is clear that McGan's has used the name and the logo of the NIFT without there being any cause to

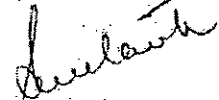
(76)

do so as per the MoU. Further, it remains a fact that though definition of the term support and services has not been provided anywhere in the MoU but the inference has to be drawn from the above mentioned clauses of the MoU which talks about training mainly thereby that the connotation support and services stands for providing training only as per clause 1.1 and 1.2.

Therefore, as per clause 1.4.2 which is self-explanatory, the agreement can be terminated, however it is upto NIFT to put the other side on notice by directing them to withdraw the advertisement and refraining them from using the name and logo of NIFT.

The above mentioned opinion is based on the inputs and documents as provided by you to the undersigned.

Yours Sincerely,



Swetank Shantanu

Advocate



Legal Officer <legal.officer@nift.ac.in>



Annexure - F

Opinion on future course of action

Tue, Jun 9, 2015 at 4:17 PM

M.V. Kini & Co, Bangalore <bangalore@mvkini.com>
To: legal.officer@nift.ac.in
Cc: jointdirector.bengaluru@nift.ac.in, director.bengaluru@nift.ac.in

To,

Ms. Rajni Shah,
Asst. Board Secretary & Legal Officer,
NIFT, New Delhi.

Madam/Sir,

Please find attached herewith our opinion on future course of action to be adopted by NIFT in view of filing of A.A. No. 163/2015, in the City Civil Court at Bangalore.

Regards,

R.V. Naik

Advocate

+91 98440 90215



Office : (+91) 80-41523551 / 41144702
Tel. No/Fax: (+91) 80-22113166

Email : bangalore@mvkini.com & mvkinibang@gmail.com

No.32/12, 3A, 3rd Floor, "Alsa Glenridge",

Opp. St. Joseph College, Langford Road,

REF.:MVK-BG/RVN/NIFT/4502/15

Dated: 09/06/2015

To,

The Director,
The National Institute of Fashion Technology,
C. A. Site No.21, 1st Sector,
27th Main Road, H. S. R. Layout,
Bangalore.

Dear Sir,

**Re. : Opinion on the course of action to be adopted by NIFT
consequent to the Order of Injunction passed by the City Civil
Court, Bangalore.**

We have been requested to give an opinion on the future course of action to be taken by NIFT, consequent to the Order of Injunction passed by the City Civil Court, Bangalore, in Arbitration Application No.163/2015.

1. It is seen that a Memorandum of Understanding dated 18-03-2015, was entered into between NIFT, Bangalore, represented by its Director & McGAN's Ooty School of Architecture represented by its Chairman, through authorized representative. The Agreement states that McGAN's School of Fashion & Design (herein after referred to as MSFD) is proposed by McGAN's Ooty School of Architecture, and support of training its faculty is sought. The Role & obligations of NIFT is training MSFD Faculty for development of Course Curriculum. The assistance of training of faculty is for full time Post Graduate Diploma program in Fashion and Costume Design & 4 other courses. It also provides for training of faculty for full time Undergraduate program in Fashion Design & Fashion Communication.

2. As per the terms a team of NIFT faculty shall train the MSFD faculty in the first 6 months of the MoU period of March 2015 till February 2015.

32/12, 3A, Alsā Glenridge, Opp. St. Joseph College, Langford Road, Bangalore 560 025.

Tel: +91 80 4152 3551 4114 4702 Fax: +91 80 2211 3166 Email: bangalore@mvkini.com /mvkiniibang@gmail.com

MUMBAI | NEW DELHI | BANGALORE | HYDERABAD | PUNE | ALLAHABAD | LUCKNOW | KOLKATA | BHUBANESWAR | AURANGABAD



169

NIFT faculty is to be involved only in training the MSFD faculty develop their own Courts Curriculum as per clause 1.1.

3. Clause 1.4 provides for usage of name of NIFT, which reads as follows

14.1. McGAN's shall not use the name and logo of NIFT for anything other than the support and services provided by NIFT.

14.2. For use of the name of NIFT in any other manner except for the manner as specified in 14.1, prior written consent of NIFT will have to be obtained by the McGAN's. In the event that the name of the NIFT is found to have been used in any other manner, what has been specified above and without the prior consent of the NIFT, the MoU shall be terminated with immediate effect without assigning any notice or reasons whatsoever.

Thus the above clauses does not **"permit use of the name and logo of NIFT"** for **"anything other than support and services"** provided by NIFT. It does permit use for support and services.

4. On 18-05-2015, McGAN's Ooty School of Fashion & Design published an advertisement in Deccan Herald & Prajavani stating that McGAN's Ooty School of Fashion & Design, with academic support of NIFT, Government of India with logo of NIFT, that they are announcing admissions for 2015-16 full time carrier oriented professional course in Fashion Education, Bachelor of Design (B. Des) 4 Year Degree Course and Master of Design (M. Des) 2 year PG Programme. It is seen that the name of NIFT & logo was inserted for Bachelors Degree and Masters Degree.

5. The Agreement in clause 2.1 provides for McGAN to pay NIFT Bangalore a total Project sum of Rs.25,00,000/-, with 80% i.e., Rs.20,00,000/- plus service tax immediately on signing of the Agreement



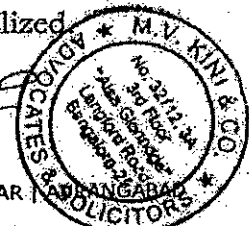
168

as 1st installment. Accordingly, it is reported that Rs.20,00,000/- has been paid to NIFT.

6. As per the Agreement dated 18-03-2015 the academic support was for a new Institute called **"McGAN's School of Fashion & Design"**. The Agreement was with McGAN's Ooty School of Architecture. Whereas the advertisement was of an entity called "McGAN's Ooty School of Fashion & Design". The word "Ooty" has been inserted into MSFD. Further, the agreement was for faculty training of full time post graduate diploma program and full time under graduate program. In view of the differences of opinion in the actual agreement and the usage, there is now a dispute regarding interpretation.

7. Clause 4 provides for settlement of disputes. Clause 4.1 states that in case of any disputes/differences of opinion in respect of any of the clauses between any of the parties, including interpretation thereof, the decision of a Committee comprising of the Chairman/Chair person of McGAN's & that of the Director General, NIFT New Delhi shall be final. Hence, in the 1st instance, the dispute is to be referred to a Committee comprising of Chairman of NIFT, Chair person of McGAN's & Director General of NIFT. If the committee does not resolve the dispute, a mutually agreed Sole Arbitrator shall be appointed & the decision of the Arbitrator will be binding on the both parties. The venue of Arbitration is Bangalore & the provisions of the Arbitration & Conciliation Act 1996 apply.

8. Since, NIFT published an advertisement dated 20-05-2015 in reply to the Advertisement dated 18-05-2015 in public interest to point out that there is violation of the Agreement, the services of training of McGAN's faculty is being withdrawn. In response, McGAN's attempted to convey to NIFT that they were willing to make amends, by publishing an advertisement of regret. However, nothing concrete materialized.



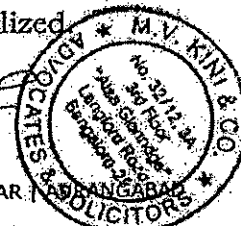
168

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163

Thereafter, they have filed an Arbitration Application under Sec. 11 of the Arbitration & Conciliation Act, for an order of injunction restraining NIFT, from unilaterally cancelling or withdrawing the terms of the MOU, and further restrain NIFT from withdrawing academic support & services of training during the subsistence of the MOU.

9. The Vacation Judge of the City Civil Court Bangalore, by an order dated 23-08-2015, allowed I.A. No. 2 & 3 and granted Ad-interim temporary injunction as prayed in I.A. No. 2 & 3 till further orders. The prayer in I.A. No.2 is as follows.

"The Applicant above named prays that this Hon'ble Court may be pleased to grant an ad-interim order of Injunction restraining the Respondent & its officers & representatives **from unilaterally withdrawing the services of academic support & services to Applicant as per MOU dated 18-03-2015.....!**"

Prayer in I.A. No.3 is as follows.

"The Applicant above named prays that this Hon'ble Court may be pleased to grant an ad-interim order of Injunction restraining the Respondent & its officers & representatives **from interfering in any manner from the usage of NIFT name & logo by the Applicant for the academic support services covered under the MOU dated 18-03-2015.....!**"

The Interim order granted by the Court restrains NIFT & its officers/representatives from withdrawing the **services of academic support & services**, in I. A. No.2 and **usage of NIFT name & logo by the Applicant for the academic support services**, in I. A. No.3. The 2 interim orders have far reaching effect and is blocking the interests of



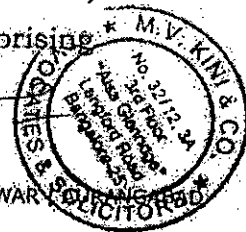
(66)

NIFT to terminate the MOU, as well the ultimate reliefs that may be granted in the Suit.

10. Since the interim orders of the Civil Court appear to be in contravention of the Memorandum of Understanding entered into between NIFT & McGAN's, further, since they interfere with the rights of NIFT to terminate the MOU, if desired, it is imperative that NIFT should apply for vacating the interim order, on the ground of abuse of the MOU.

11. It is also seen that NIFT New Delhi vide legal notice dated 23-05-2015, issued through M/s. Legal Consultus, has called upon McGAN's to show cause as to why the MOU dated 18-03-2015 should not be terminated, within 14 days of the receipt of the notice. To this Notice, their lawyers M/s. Lokre Law Partners, have issued a interim reply stating that by a advertisement/public notice dated 19-05-2015 it has been stated that the services of training McGAN's Ooty School of Fashion & Design Faculty for development of their course is being withdrawn. It is further stated **that the MOU dated 18-03-2015 has been withdrawn unilaterally by your client & therefore the show cause notice** as to why MOU should not be terminated is a **mere eyewash & empty formality**. The said reply of the lawyers of McGAN also states that they have filed A.A. No.163/2013 & order of injunction has been granted on 23-05-2015. We suggest that a suitable rejoinder to this Reply may be got issued through M/s. Legal Consultus.

12. The lawyers M/s. Lokre Law Partners by another notice dated 29-05-2015 have called upon NIFT Bangalore to convene a meeting of the committee to be formed under clause 4.00 of the MOU dated 18-03-2015. As pointed out earlier, in case of any disputes/differences of opinion in respect of any of the clauses between any of the parties, including interpretation thereof, the decision of a Committee comprising



(165)

of the Chairman/Chairperson of McGAN's & that of the Director General of NIFT New Delhi shall be final.

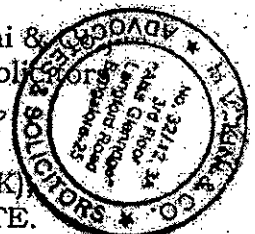
13. There is a mechanism for resolution of the disputes by a committee consisting of the Chairman of NIFT, Director General of NIFT (effective majority) and chairperson of McGAN's. Since, the matter has already gone into a Civil Suit for interim orders under Section 9 of the Arbitration and Conciliation Act, 1996 & the conduct of NIFT as to whether it will abide by the terms of the Agreement, will have a bearing on the Suit as well as in any Arbitration case that may be filed for monetary loss caused as damages and refund of Rs.20 lakhs, we are of the opinion that NIFT should convene a meeting & take a decision regarding the continuation or otherwise of the MOU dated 18-03-2015, giving cogent reasons for the same.

14. Simultaneously, NIFT should file its Replies to I.A. Nos.2 & 3 and Written Statement in A.A. No. 163/2015 & seek vacating the interim orders passed by the City Civil Court Bangalore. An Application for preponing the case is also to be filed. This is very much necessary as McGAN's has obtained a right to force academic support & services as well as use of the name & logo of NIFT.

Should you require, any clarification, you may call on us.

For M. V. Kini &
Advocates & Solicitors

(R. V. NAIK)
ADVOCATE.



Annexure- 2902/IX

List of Industry Experts for Nomination in Senate

SI No.	Name of person	Designation	Place of work / Name of Organization/Company/ Self employed	Work Place
1	Mr. Narendra Kumar Ahmed	Fashion Designer, NIFT Alumni	Creative Director. Amazon	Bengaluru
2	Mr. Rajesh Pratap Singh	Designer	Self employed	Delhi
3	Ms. Anamika Khanna	Designer	Self employed	Delhi
4	Mr. Atul Apte	Design Head and Chief Designer -	Park Avenue, Raymond Limited	Kolkata
5	Ms. Rohini Suri	Freelance Designer & Consultant	Domestic Hospitality Group & International branded apparel	Mumbai
6	Varun Bahl	Fashion Designer ,	Self employed	Noida
7	Mr. S. M. Kulkarni	Director, Design Quest Design, NID alumni	Design Consultant to various organizations	Delhi
8	Mr. Sameer Bajaj,	Director	KS Knit Fabs, & Alumni Knitwear Design Department	Gurgaon
9	Mr. Sandeep Jain,	Director	WM Na O har Group	Ludhiana
10	Mr. Aakash Bansal,	Director	Rage Knitwear	Ludhiana
11	Mr. Anoop Thathai	CEO	Orient Craft	Gurgaon
12	Ms. Satya Saran's	Executive Director, (freelance content and editorial advice)	Encyclomedia	Mumbai
13	Ms Harmeet Bajaj	Fashion Communication Consultant	Self employed	Delhi
14	Prof.(Dr) Karanam Pushpanadham PhD	Professor of educational management faculty of education and psychology	M.S. University of Baroda, Vadodara	Gujarat

15	Mr. Raman Saxena	Visiting faculty for Design - at IIT Kanpur	Currently a mentor at Dlabs of Indian School of Business (ISB) Hyderabad	Hyderabad
16	Mr. J.D.Giri	Director	Shahi Exports Pvt. Ltd.	Faridabad
17	Ms Nidhi Dua	Country manager	Marks and Spencer	Gurgaon
18	Mr. Satish Naik	Consultant Director quality assurance	GAP	Delhi
19	Mr. Nitin Mohan	Managing Director and Owner of Black Berry	Black Berry	Gurgaon
20	Prof. Dr. Kinnera Murthy	Freelance Strategy Consultant	Former Dean Administrative Staff College of India (ASCI), Hyderabad	Hyderabad
21	Prof. Debashish Chatterjee	Professor	IIM, Luknow & former Director IIM, Kozhikode	Lucknow
22	Mr. M. P. Ranjan	Professor , Design Chair	Centre for Environmental Planning and Technology University (CEPT University)	Gujarat
23	Shailesh Chaturvedi	CEO	Tommy Hilfiger	Bengaluru
24	Dileep Baid	Self employed	Dileep Industries Founder	Jaipur
25	Tarun Tahlani	Designer	Tahlani Design Studio	Delhi
26	Sabyasachi	Designer	Sabyasachi Couture	Kolkata
27	Anita Lal	Founder and creative director	Good Earth	Delhi
28	Laila Tyabji	Social worker	Dastkar	Delhi
29	Anita Dongra	Fashion Designer	Global Desi & AND	Mumbai
30	Jaya Jaitley	Social Activist & Chairperson	Dastkari Haat Samiti	Delhi
31	Bandana Tewari	Fashion Director Features	Vogue India	Mumbai

AGENDA ITEM NO. 2903

REVIEW AND APPROVAL OF ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2014-15

1. SCOPE:

The agenda item pertains to **F&AC Agenda Item No. 3303** as placed in the 33rd Meeting of the F&AC held on 09th June, 2015. This agenda item sought for the review and approval of the F&AC for Annual Accounts of NIFT for the financial year 2014-15. Now, the agenda is submitted for the kind approval of the BOG members.

2. GENESIS AND ANALYSIS OF ANNUAL ACCOUNTS 2014-15:

The annual accounts for the financial year 2014-15 have been prepared and NIFT's internal auditors M/s. Gianender & Associates, Chartered Accountants have verified and certified these annual accounts. These audited annual accounts are placed at **Annexure-2903/I** and the campus wise summary of the annual accounts is placed at **Annexure-2903/II (a) & (b)**. The internal auditors would present their reports on these certified annual accounts 2014-15 during the meeting.

Last year, the F&AC in their 28th F&AC Meeting held on 17th June, 2014 while approving the annual accounts of 2013-14 had made three recommendations. These recommendations were also further emphasized by the Board in its 25th meeting held on 26th June, 2014.

All these recommendations have been implemented during the year 2014-15 as detailed below:

S. No	F&AC's Recommendations	Action taken in FY 2014-15
1.	Fees should be recorded on accrual, basis as against the practice of NIFT to record the same on cash basis.	The Fee income has been recognized and recorded on accrual basis in the financial year 2014-15 as recommended by the F&AC. As a result we have taken credit for fee income of only 9 months during the year.
2.	Standardization to be brought in accounts heads across the campuses of NIFT. For this purpose, suitable accounting software may be procured and implemented.	Standardisation of accounts heads has been implemented and made uniform across all campuses. Further, a new software, Tally ERP on cloud, has been implemented. These standardized accounts heads and codes have been incorporated in the New Tally ERP 9 on cloud.
3.	Leave encashment and gratuity was not accounted on actuarial basis in the Annual Accounts.	<p>The actuarial valuation of leave encashment and gratuity was done by Life Insurance Corporation of India (LIC) in the financial year 2014-15. The actuarial valuation for gratuity and leave encashment has been determined at Rs. 1703.36 Lakhs and Rs. 1378.30 Lakhs respectively. So, the total liability for both these employee benefits on actuarial valuation amounts to Rs. 3081.66 Lakhs.</p> <p>Provision for these employee benefits has been made in the annual accounts for the year ended 31st March, 2015 at an amount of Rs. 3036.03 Lakhs, which is lower compared to</p>

		the actuarial liability by Rs. 45.63 Lakhs. It is proposed to provide for the shortfall in provision in year 2015-16. Further, a decision is required to be taken as to whether these liabilities will be funded with outside agency like LIC, for which a proposal would be brought before F&AC and the Board in next meeting.
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The major highlights of the annual accounts for the financial year 2014-15 are placed at Annexure-2903/III.

3. F&AC 's RECOMMENDATION:

The F&AC took note of the Audited Annual Accounts for the Financial Year 2014-15 and recommended the same for BOG's approval.

4. PROPOSAL:

In view of the above, approval of BOG is sought for Annual Accounts of NIFT for the financial year 2014-15 as recommended by F&AC.

5. MATTER FOR CONSIDERATION OF BOG:

The agenda is put up for kind review and approval of the BOG.

Annexure- 2903/I

NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HAUZ KHAS, NEW DELHI

BALANCE SHEET AS ON MARCH 31, 2015

Rs. In Lakhs

PARTICULARS	SCHEDULE	MARCH 31, 2015	MARCH 31, 2014
Capital Fund	1	9,717.22	9,126.73
Government Grants	2	82,193.69	71,949.70
Earmarked and Endowment Fund	3	18,359.69	17,411.63
Current Liabilities and Provisions	4	12,909.07	7,105.42
TOTAL LIABILITIES		123,179.67	105,593.48
Fixed Assets	5	55,818.95	48,440.92
Current Assets	6	58,695.41	48,610.89
Loans and Advances	7	8,665.31	8,541.67
TOTAL ASSETS		123,179.67	105,593.48

Significant Accounting Policies & Notes to
Annual Accounts

21


The schedules referred above form an integral part of the Balance Sheet.

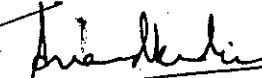
The Balance sheet is compiled from the Books of Accounts & Records produced before us.

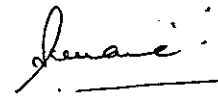
For Gianender & Associates
Chartered Accountants
(FRN - 004661N)

CA Manju Agrawal
Partner (M. No. 083878)




(Abdul Malik)
Dy. Director (F&A)


(Anand Kumar Kedia)
Director (F&A)


(Sunaina Tomar)
Director General

Place : New Delhi
Date : June 3, 2015

NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HAUZ KHAS, NEW DELHI

INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2015

<i>Rs. In Lakhs</i>			
PARTICULARS	SCHEDULE	MARCH 31, 2015	MARCH 31, 2014
Fees from Students & Others	8	13,301.47	13,739.36
Grant In Aid	9	484.25	248.26
Interest Earned	10	3,013.96	2,399.74
Surplus from Projects & Workshops	11	150.99	154.11
Other Income	12	267.60	261.26
TOTAL INCOME		17,218.27	16,802.73
Academic Expenses	13	2,901.68	2,471.62
Establishment Expenses	14	9,124.46	7,775.41
Other Administrative Expenses	15	2,240.27	2,051.76
Interest & Bank Charges	16	1.51	0.62
Depreciation	17	2,162.88	1,872.52
TOTAL EXPENDITURE		16,430.80	14,171.93
SURPLUS (EXCESS OF INCOME OVER EXPENDITURE)		787.47	2,630.80
EXCESS OF INCOME OVER EXPENDITURE EXCLUDING GRANT IN AID AND DEPRECIATION		2,466.10	4,255.06
TRANSFERRED TO DDF	20	381.55	373.87
Add : Prior Period Income	18	187.41	163.23
Less : Prior Period Expenses	19	360.41	546.62
EXCESS OF INCOME OVER EXPENDITURE TRANSFERRED TO CAPITAL FUND		232.92	1,873.54

Significant Accounting Policies & Notes to Annual Accounts

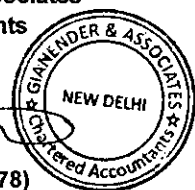
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The schedules referred above form an integral part of the Income and Expenditure Account.

The Income and Expenditure account is compiled from the Books of Accounts & Records produced before us.

For Gianender & Associates
Chartered Accountants
(FRN - 004661N)

CA Manju Agrawal
Partner (M. No. 083878)



(Signature)
(Abdul Malik)
Dy. Director (F&A)

(Signature)
(Anand Kumar Kedia)
Director (F&A)

(Signature)
(Sunaina Tomar)
Director General

Place : New Delhi
Date : June 3, 2015

NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HAUZ KHAS, NEW DELHI

RECEIPT AND PAYMENT FOR THE YEAR ENDED MARCH 31, 2015

Rs. In Lakhs

RECEIPTS	MARCH 31, 2015	MARCH 31, 2014	PAYMENTS	MARCH 31, 2015	MARCH 31, 2014
Opening Balances:					
a) Cash in Hand (including Cash imprest)	1.71	2.78	Payment for Expenses:		
b) Bank Balances with Scheduled Banks	5,123.41	6,313.47	a) Academic Expenses	2,901.68	2,471.62
c) Fixed Deposits including Flexi Deposits	43,310.89	42,647.64	b) Establishment Expenses	8,569.79	7,233.40
Grants Received:			c) Other Administrative Expenses	1,831.74	1,809.61
a) Grant Received (Plan)	9,535.74	5,423.49	d) Interest & Bank Charges	1.51	0.62
b) Grant Received (Non- Plan)	484.24	248.26	e) Prior Period Expenditure	360.41	546.62
c) Grant Adjustment	380.14	(2,819.85)			
Fees Receipts:			Fixed Assets Purchased & CWIP:		
a) Fees from Students & Others	13,301.47	13,739.38	a) Fixed Assets Purchased	3,633.38	4,588.87
b) Fees Received in Advance	3,350.32	-	b) Capital WIP (Building)	5,861.54	7,144.00
Interest Received:			Earmarked Funds Utilisation:		
a) Interest from Bank Accounts	3,011.46	2,399.28	a) Endowment Fund	308.80	89.33
b) Interest on Grants	328.37	682.26	b) Building Fund	659.10	-
c) Interest on Endowment Fund	1,192.06	1,406.65	c) Other Earmarked Funds	298.66	136.40
d) Interest on Other Earmarked Fund	268.24	230.25			
e) Interest Accrued	(1,010.12)	(961.27)			
Project & Workshop Receipts:			Loans & Advances:		
a) Surplus from Projects & Workshops	150.99	154.11	a) TDS & Other Tax Expenses	27.25	-
b) Project Liabilities (Net)	409.70	(146.72)	b) Staff Advance Paid	63.00	(11.57)
Fund Receipts:			c) Inter Campus Balance Paid	19.40	89.75
a) Receipts of Other Earmarked Fund	375.25	647.00			
b) Capital Fund	357.55	(1,863.25)	Closing Balances:		
Receipts from State Govt.	1,135.83	3,308.16	a) Cash in Hand (including Cash imprest)	1.91	1.72
Other Receipts:			b) Bank Balances with Scheduled Banks	3,425.26	6,890.85
a) Other Income	267.60	261.26	c) Fixed Deposits including Flexi Deposits	55,019.30	41,543.44
b) Advance to Contractors	279.83	542.67			
c) Security Deposites	129.50	178.27			
d) Misc. Receipts	599.43	140.84			
TOTAL	82,983.61	72,534.66	TOTAL	82,983.61	72,534.66

Significant Accounting Policies & Notes to
Annual Accounts

21

The schedules referred above form an integral part of the Receipts & Payment A/c.

The Receipt and Payment is compiled from the Books of Accounts & Records produced before us.

For Gianender & Associates
Chartered Accountants
(FRN - 004661N)

(CA Manoj Agrawal)
Partner (M. No. 083878)

Place : New Delhi
Date : June 3, 2015



(Abdul Malik)
Dy. Director (F&A)

(Anand Kumar Kedia)
Director (F&A)

(Sunaina Tomar)
Director General

NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HAUZ KHAS, NEW DELHI

Schedules attached to and forming part of the Annual Accounts

Schedule 1 : Capital Fund

<i>Rs. In Lakhs</i>		
Particulars	31-Mar-15	31-Mar-14
Opening Balance	9,126.73	7,101.33
Add: Assets purchased out of Endowment/ DDF etc.	301.76	89.33
Less : Adjustments and Transfers	(55.81)	(62.52)
Add/Less: Net Surplus / Deficit from Income & Expenditure A/c	232.92	1,873.55
Total	9,717.22	9,126.73

Schedule 2 : Government Grant (Plan)

<i>Rs. In Lakhs</i>		
Particulars	31-Mar-15	31-Mar-14
A) Unutilised Govt. Grant		
Opening Balance	6,841.53	14,881.93
Add: Grant Received/Receivable during the year	9,535.48	5,423.49
Add: Interest on Govt grant	328.37	682.25
Less : Adjustments and Transfers	(795.99)	2,565.17
Less: Grant refunded to Ministry	-	-
Less: Grant adjusted against revenue deficit	239.02	254.68
Less: Grant capitalised during the year	7,685.65	11,326.29
Total (A)	9,576.70	6,841.53
B) Capitalised/Utilised Govt. Grant		
Opening Balance	65,108.17	-
Add: Grant capitalised during the year	7,685.65	11,326.29
Add/Less: Adjustment / Transfers, if any	(176.83)	53,781.88
Total (B)	72,616.99	65,108.17
Total (A+B)	82,193.69	71,949.70



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Schedule 3 : Earmarked Fund / Endowment Fund

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
<u>A) NIFT Development Fund</u>		
Opening Balance (Principle Balance)	138.28	138.05
Add: Funds Received during the Year	-	0.23
Sub Total	138.28	138.28
Opening Balance (Interest earned)	95.79	78.66
Add: Interest earned during the year	18.25	25.00
Less : Amount disbursed / utilised	10.57	7.87
Sub Total	103.47	95.79
Total (A)	241.75	234.07
<u>B) Activity Fee Fund</u>		
Opening Balance	243.84	170.06
Add: Amount received during the year	176.28	127.65
Add: Interest earned	15.78	12.72
Less : Amount disbursed/ utilised	113.00	66.59
Total (B)	322.90	243.84
<u>C) Departmental Development Fund (DDF)</u>		
Opening Balance	2,559.19	1,836.66
Add: Amount received during the year	371.05	616.92
Add: Interest earned	184.88	157.54
Less : Amount disbursed/ utilised	119.83	51.93
Total (C)	2,995.29	2,559.19
<u>D) Endowment Fund</u>		
Opening Balance	10,000.00	10,000.00
Add: Amount received during the year	-	-
Less: Utilised during the year	-	-
Sub Total	10,000.00	10,000.00
Opening Balance (Interest earned)	2,984.94	1,667.62
Add: Interest earned	1,192.06	1,498.59
Less : Amount disbursed/ utilised	308.80	181.27
Sub Total	3,868.20	2,984.94
Total (D)	13,868.20	12,984.94
<u>E) Alumni Association Fund</u>		
Opening Balance	198.84	121.43
Add: Amount received during the year	62.72	72.59
Add: Interest earned	12.47	9.92
Less : Amount disbursed/ utilised	5.02	5.10
Total (E)	269.01	198.84



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F) Centre Development Fund		
Opening Balance	531.65	308.48
Add: Amount received during the year	139.56	156.40
Add: Transferred from DDF-Administration	7.19	47.10
Add: Interest earned	34.36	24.59
Less : Amount disbursed/ utilised	50.24	4.92
Total (F)	662.52	531.65
G) Building Fund		
Opening Balance	659.10	599.69
Add: Amount received during the year	-	-
Add: Interest earned in earlier years	-	59.41
Add: Interest earned during the year	-	-
Less : Amount disbursed/ utilised	659.10	-
Total (G)	-	659.10
TOTAL (A+B+C+D+E+F+G)	18,359.69	17,411.63

Schedule 4 : Current Liabilities & Provisions

Rs. in Lakhs

Particulars	31-Mar-15	31-Mar-14
A) Current Liabilities		
Payable Account	1,344.16	635.74
Sundry Creditors	522.04	430.39
Security Deposits	1,593.43	1,405.85
Project Liabilities	1,097.41	639.78
Advance Tuition Fees received	3,350.33	-
Advance Hostel Fees received	289.50	-
Other Current Liabilities	464.65	406.55
Total (A)	8,661.52	3,518.31
B) Provisions		
Provision for Capital Items	164.44	109.42
Provision of Building WIP	360.42	369.48
Provision for Retirement Benefits (Gratuity/ Pension and Leave Salary Contribution)	3,036.03	2,481.36
Other Provisions	686.66	626.85
Total (B)	4,247.55	3,587.11
Total (A+B)	12,909.07	7,105.42



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Schedule 5 : Fixed Assets

Rs. In Lakhs		
Particulars	31-Mar-15	31-Mar-14
A) Fixed Assets		
Gross Block (At Cost)	40,870.66	36,054.22
Add : Additions during the year	3,789.85	4,944.75
Less: Deletions / Adjustments	110.33	128.30
Less: Accumulated Depreciation	17,497.55	15,406.00
Total (A)	27,052.63	25,464.67
B) Capital Work in Progress		
Building	28,187.81	22,275.60
Capital Goods In Transit	126.58	244.02
Others	451.93	456.63
Total (B)	28,766.32	22,976.25
Total (A+B)	55,818.95	48,440.92

Schedule 6 : Current Assets

Rs. In Lakhs		
Particulars	31-Mar-15	31-Mar-14
A) Inventory		
NIFT Shop (Old)- Stocks	-	2.03
Total (A)		2.03
B) Cash & Bank Balances		
Cash in hand (including Cash Imprest, if any)	1.91	1.71
Balances with Scheduled Banks	3,425.26	5,123.41
Fixed Deposits	40,346.16	39,960.72
Flexi Fixed Deposits (including interest, if any)	14,673.14	3,350.17
Total (B)	58,446.47	48,436.01
C) Prepaid Expenses	46.98	48.37
D) Security Deposits (Paid)	201.97	143.90
E) Inter Branch Account		
Nift Bangalore	(1,566.69)	(1,401.83)
Nift Kolkata	(1,231.07)	(1,137.32)
Nift Chennai	165.08	109.92
Nift G'Nagar	(1,192.29)	(892.84)
Nift H'bad	(740.63)	(541.35)
Nift Mumbai	(227.26)	108.84
Nift New Delhi	(2,502.71)	(2,357.45)
Nift Rae Bareli	(51.44)	110.11
Nift Bhopal	8.83	(200.98)
Nift Kannur	(780.56)	517.20
Nift Patna	270.61	258.22
Nift Shillong	(1.98)	(113.63)



Signature

Nift Kangra	348.50	427.45
Nift Bhubhneswar	122.59	110.68
Nift Jodhpur	306.86	332.23
Nift Srinagar	(158.23)	(198.98)
Nift Project Cell	(1.94)	(18.25)
Credit in NIFT HO A/C of centers	7,232.32	4,868.56
Total (F)	(0.01)	(19.42)
Total (A+B+C+D+E)	58,695.41	48,610.89

Schedule 7 : Loans & Advances

Particulars	Rs. In Lakhs	
	31-Mar-15	31-Mar-14
Advance to Contractors	3,230.71	3,510.54
Staff Advances	55.97	58.56
Other Advances to Staff	103.73	37.26
Project Assets	133.68	85.71
Interest Accrued on FD & Investment	3,163.95	2,153.83
Amount Recoverable from parties & others	1,620.86	1,230.78
Amount Recoverable from State Govt.	255.80	1,391.63
TDS and Other Tax Recoverables	100.61	73.36
Total	8,665.31	8,541.67

Schedule 8 : Fees Etc From Students & Others

Particulars	Rs. In Lakhs	
	31-Mar-15	31-Mar-14
Application Fee	32.14	40.15
Tuition Fee	9,832.37	10,507.58
CE Programme Fee	586.82	503.77
Fee Forfeiture	46.46	6.47
Hostel Fee	1,329.42	1,352.45
Library Fee - Student & Other	458.59	416.38
Bus Fee	62.26	72.03
Other Fee	953.41	840.53
Total	13,301.47	13,739.36

Schedule 9 : Grant In Aid

Particulars	Rs. In Lakhs	
	31-Mar-15	31-Mar-14
Non Plan- State Govt.	95.23	171.68
Non Plan- Central Govt.	150.00	76.58
Non Plan Grant transferred from Plan Grant	239.02	-
Total	484.25	248.26



Schedule 10 : Interest Earned

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Interest on Staff Loans	0.25	0.46
Interest on Term Deposits / Savings with Scheduled Banks	3,011.46	2,399.28
Interest from Others, if any	2.25	-
Total	3,013.96	2,399.74

Schedule 11 : Surplus From Project & Workshop

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Project Incomes	369.34	314.77
Less: Project Expenses	218.35	160.66
Total	150.99	154.11

Schedule 12 : Other Income

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
License Fee-Leased Accomodation	11.04	7.44
Guest House Charges	8.61	2.48
Sale of Scrap / Profit from Sale of Assets	4.65	0.03
Misc. Receipt - Hostel	11.52	40.22
Misc. Receipt - Library	3.77	4.60
Receipt Others	228.01	206.49
Total	267.60	261.26

Schedule 13 : Academic Expenses

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
A) Academic Expenses		
Admission Expenses	236.00	207.35
Advertisement Exp.	10.88	1.92
Alumni Association Expenses	3.52	5.03
Classroom Expenses	23.28	18.82
Common Exam Expenses	31.22	26.74
Combined PG Bridge Course	6.51	4.09
Convocation & Converge	96.44	81.56
Hiring of Bus/Car	27.06	30.39
Guest Faculty	226.75	143.23
Hospitality Expenses	1.33	0.05
Internet Expenses	20.09	36.39
Insurance (Students)	35.66	37.97
Jury Expenses	60.82	56.06
Membership Fee	4.08	2.50
Printing & Publication Expenses	22.48	18.56
Repair & Maintenance Computer	49.16	52.74
Repair & Maintenance Class Room Equipment	22.15	14.55
Scholarship & Fee Subsidy	113.41	119.95
Student Welfare Expenses	20.51	24.56
Travelling in India Faculty/student	91.58	95.12



Conclave / Student Visits	23.73	18.69
Craft Documentation	24.77	43.35
Placement/Pre-Placement Expenses.	10.84	4.75
Design Collections	34.78	21.59
Diploma Projects/ Graduation Show	90.47	75.53
Foreign Faculty Fees	1.53	0.83
Training In India (Faculties)	72.73	48.55
Visit To Fair/Seminar Abroad	3.89	20.42
Library/Resource Center Exp.	3.45	14.87
Magazines & Periodicals	72.39	83.92
Resource Center Expenses	13.74	12.31
Orientation Programme	21.40	17.65
Display And Exhibition	5.58	2.19
Departmental Meets	24.59	15.71
Promotional Expenses	27.75	15.46
Fashion Spectrum	38.59	41.98
Postage And Telegram	3.15	1.98
Misc Academic Expenses	26.22	37.92
TOTAL (A)	1,602.53	1,455.28
B) Hostel Expenses		
Electricity-Hostel	169.84	162.80
Water Hostel	28.65	22.74
Rent Hostel	169.50	114.48
Repair & Maintenance Hostel	143.89	145.74
Mess Charges	301.73	294.47
Telephone Hostel	5.97	3.65
Others	231.00	192.07
TOTAL (B)	1,050.58	935.95
C) CE Programme Expenses	248.57	80.39
Total (A+B+C)	2,901.68	2,471.62

Schedule 14 : Establishment Expenses

Particulars	Rs. In Lakhs	
	31-Mar-15	31-Mar-14
Salaries & Wages	4,352.45	3,730.10
Allowances & Bonus	3,442.60	2,808.60
Contribution to Provident Fund	645.28	542.11
Staff Welfare and Other Establishment Expenses	39.19	52.06
Expenses on Employees' Retirement	616.91	608.18
EDIL Premium	12.27	7.00
Recruitment Expenses	8.58	19.04
6th CPC Arrear (Pay Commission)	-	-
Training in India- Officers / Staff	7.18	8.32
Total	9,124.46	7,775.41



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Schedule 15 : Other Administrative Expenses

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
A) Administrative Expenses		
Insurance Vehicle	5.88	5.07
Insurance Others	2.48	1.10
Repair & Maintenance Equipment	78.10	53.91
Repair & Maintenance Furniture	15.96	15.60
Repair & Maintenance Vehicle	37.51	34.70
Guest House Expenses	11.23	13.51
Running of Vehicle	73.23	55.92
Postage, Telegram & Telephone	57.87	54.69
Printing & Stationery	111.64	103.39
Travelling in India	88.39	83.65
Travelling Abroad	7.42	10.79
BOG Expenses	23.91	7.40
Statutory Audit Fee (CAG)	3.50	4.78
Internal Audit Fee	25.63	17.60
Hospitality	16.34	15.19
Legal & Professional Charges	27.53	17.96
Advertisement - Admn.	22.63	36.71
Security Expenses	366.04	330.32
Misc. Expenses	91.38	92.54
TOTAL (A)	1,066.67	954.83
B) Building Maintenance Expenses		
Insurance Building	11.12	10.84
Repair & Maintenance Building	163.38	234.96
DG Set Expenses	26.59	30.41
Housekeeping Expenses	327.95	280.71
Property Tax	59.52	59.82
Electricity Expenses and Water Charges	570.82	467.60
Horticulture	14.22	12.59
TOTAL (B)	1,173.60	1,096.93
Total (A+B)	2,240.27	2,051.76

Schedule 16 : Interest & Bank Charges

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Interest & Bank Charges	1.51	0.62
Total	1.51	0.62

Schedule 17 : Depreciation

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Depreciation	2,162.88	1,872.52
Total	2,162.88	1,872.52



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Schedule 18 : Prior Period Income

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Grant in Aid (Revenue)	52.77	-
Other Income	134.64	163.23
Total	187.41	163.23

Schedule 19 : Prior Period Expenses

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Academic Expenses	69.72	21.28
Salaries	15.65	-
Depreciation	19.34	0.98
Other Expenses	255.70	524.36
Total	360.41	546.62

Schedule 20 : Transferred To DDF/CDF

Rs. In Lakhs

Particulars	31-Mar-15	31-Mar-14
Transferred To DDF	315.85	373.87
Transferred To CDF	65.70	-
Total	381.55	373.87



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Schedule SA : Fixed Assets

Codes	Particulars	Rate of Dep. (%)	GROSS BLOCK						DEPRECIATION							NET BLOCK	
			Op. Balance as on 01.04.2014	During the year				Closing Balance as on 31.03.2015	Opening Balance as on 01.04.2014	Dep. on Opening Balance as on 01.04.2014	Dep. On Additions Upto 30.09.2014	Dep. On Additions After 30.09.2014	Total Dep. For the Year 2014-15	Dep. on Deductions / Adjustments	Closing Balance as on 31.03.2015	Net Block as on 31.03.2015	Net Block as on 31.03.2014
				Additions Upto 30.09.2014	Additions After 30.09.2014	Total Additions	Deletions / Adjustments										
	1	2	3	4	5	6 = 4+5	7	8 = 3+6-7	9	9A	10	11	12 = 9A+10+11	13	14 = 9+12-13	15 = 8 - 14	16 = 3 - 9
S050101	Land		381.60	-	-	381.60	-	381.60	-	-	-	-	-	-	-	381.60	381.60
S050102	Building	1.63%	21,569.58	910.60	44.19	954.79	47.06	22,477.31	2,428.47	358.86	14.84	0.36	374.06	30.20	2,772.33	19,704.98	19,141.11
S050103	Class Room Equipment	15%	3,798.96	167.19	479.23	646.42	25.11	4,420.27	2,831.06	227.79	25.06	36.05	288.90	23.85	3,096.11	1,324.16	967.90
S050104	Computer Hardware	16.21%	4,782.62	423.95	311.53	735.48	1.27	5,516.83	3,619.29	343.49	68.73	25.21	437.43	(2.32)	4,059.04	1,457.79	1,163.33
S050105	Computer Software	16.21%	1,909.61	45.63	97.37	143.00	-	2,052.61	1,380.62	216.96	7.40	7.90	232.26	3.02	1,609.86	442.75	528.99
S050106	Electrical Machinery	15%	1,565.01	188.79	85.34	274.13	5.62	1,833.52	893.96	161.72	28.33	6.40	196.45	(5.61)	1,096.02	737.50	671.05
S050107	Furniture & Fixture & Fittings	6.33%	2,728.71	107.67	283.46	391.13	3.40	3,116.44	1,184.27	139.31	6.81	8.98	155.10	0.16	1,339.21	1,777.23	1,544.44
S050108	Office Equipment	15%	750.96	49.39	73.19	122.58	2.86	870.68	562.80	48.49	7.41	5.50	61.40	2.85	621.35	249.33	188.16
S050109	Books	20%	1,461.83	18.32	90.53	108.85	2.29	1,568.39	1,115.32	119.13	3.67	9.09	131.89	(0.37)	1,247.58	320.81	346.51
S050110	Resource Centre Collection	20%	47.71	7.91	0.39	8.30	-	56.01	35.35	2.74	1.58	0.12	4.44	-	39.79	16.22	12.36
S050111	Hostel Equipment	6.33%	73.69	166.26	106.09	272.35	0.02	346.02	24.91	4.34	10.52	3.37	18.23	0.01	43.13	302.89	48.78
S050112	Motor Car (Light Vehicle)	9.50%	197.14	14.76	0.45	15.21	8.26	204.09	134.08	10.83	1.80	0.02	12.65	6.26	140.47	63.62	63.06
S050113	Bus (Heavy Vehicle)	11.31%	177.81	-	-	-	14.15	163.66	89.64	16.22	-	-	16.22	13.85	92.00	71.66	88.17
S050114	Project Assets	#	279.91	-	-	-	-	279.91	240.08	8.14	-	-	8.14	-	248.22	31.69	39.83
S050115	Books being Periodicals	100%	227.80	12.03	77.87	89.90	0.02	317.68	202.60	21.53	11.91	50.39	83.83	0.02	286.41	31.27	25.20
S050116	Other Assets	#	917.72	13.28	14.43	27.71	0.27	945.16	663.56	138.82	2.00	1.06	141.88	(0.59)	806.03	139.13	254.16
	Total Financial Year (14-15)		40,870.66	2,125.78	1,664.07	3,789.85	110.33	44,550.18	15,406.01	1,818.37	190.06	154.45	2,162.88	71.34	17,497.55	27,052.63	25,464.65
	Total Financial Year (13-14)		36,054.22	2,862.83	2,081.91	4,944.74	128.30	40,807.66	13,559.53	1,624.36	127.20	120.96	1,872.52	26.03	15,406.02	25,464.64	

The rate of depreciation on projects assets and other assets have been applied as per assets class included / grouped in the head.
 Note : In certain cases, the assets have been regrouped / reclassified according to their class as per findings of the campuses.



SCHEDULE 21: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. ACCOUNTING POLICIES

1. The annual accounts have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis and the applicable accounting standards issued by "The Institute of Chartered Accountants of India (ICAI)". These accounting policies and standards have been consistently applied. The annual accounts have been prepared on a Going Concern Basis.

2. Recognition of Grants from Central/State Government

Grants from the Central/State Govt. have been accounted following Accounting Standard 12 issued by ICAI i.e. "Government Grants are recognized if it is reasonably certain that the ultimate collection will be made".

- i. Govt. Grants related to revenue are recognized on a systematic basis in the Income and Expenditure A/c over the period to match with the related cost which they are intended to compensate. Such grants are shown separately under the head "Grant in Aid" in the Income & Expenditure Account.
- ii. Government Grants for Plan Funds received for capital expenditure are recognized as Capital Reserve under Schedule 2: "Government Grant". These are treated as Promoters Contribution which is not considered as deferred income.
- iii. On fixed assets created / purchased out of Govt. Grants of the nature of promoter's contribution depreciation is charged as per NIFT accounting policy and related grants is not credited / transferred to Income & Expenditure A/c.
- iv. Govt. grants in the form of non-monetary assets, given at a concessional rate, are accounted for on the basis of their acquisition cost. Non-monetary assets given free of cost are recorded at nominal value of Rs. 1, Rs. 100 or Rs.1000.

3. Recognition of Fees from Students, Project and Consultancy Fee

Fee from Students

The fee from students is recognized on accrual basis.

Project and Consultancy Fees

Project and Consultancy fees are recognized on the completion of the project.

4. Investments

The current investments are shown on cost or fair market value whichever is lower and the long term investments are shown on cost except when there is permanent decline in value of investments.

5. Fixed Assets and Depreciation



Fixed Assets are stated at their original cost including freight, duties, customs and other incidental expenses relating to acquisition and installation less accumulated depreciation.

- i) The expenditure incurred during the year on construction of buildings, interiors, etc. is booked under the head "Capital Work in Progress", if the work is not completed.
- ii) The depreciation is charged at 100% of rate prescribed if an asset is acquired on or before 30th September and 50% of rate prescribed if an assets is acquired after 30th September.
- iii) The depreciation is charged at straight line method at the following prescribed rates:

Particulars	Rate of Dep.
Building	1.63%
Class Room Equipment	15.00%
Computer Hardware	16.21%
Computer Software	16.21%
Electricity Machinery	15.00%
Furniture & Fixture/Fittings	6.33%
Office Equipment	15.00%
Books	20.00%
Resource Centre Collection	20.00%
Hostel Equipments	6.33%
Motor Car (Light Vehicles)	9.50%
Bus (Heavy Vehicles)	11.31%
Project Assets	As per assets class
Books and Periodical	100.00%
Other Assets	As per assets class

- iv) The depreciation on fixed assets is provided up to 95% of its gross value and thereafter no depreciation is provided.
- v) The depreciation on sale/deletion/transfer of assets is provided up to the date of sale/deletion/transfer.

6. Employee's Retirement Benefits and Others Benefits

- i) Leave encashment are accounted for on the basis stipulated in Fundamentals Rules and Supplementary Rules (FRs & SRs) for employees on deputation and for regular employees for current year.
- ii) Gratuity is accounted for on the basis stipulated in Fundamental Rules & Supplementary Rules (FR & SR) for current year.
- iii) Interest recoverable from employees on advances such as House Building Advance, Car Advance and Scooter Advance etc. is accounted in the year of recovery.

7. Insurance Claims

Insurance claims are accounted "as and when settled" basis.



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8. Foreign Currency Transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of transactions. Exchange differences arising on foreign exchange differences settled during the period are recognized in the income and expenditure accounts. Assets acquired against foreign currency are capitalized at the time of transaction.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is recorded in the income and expenditure account.

B. NOTES TO ACCOUNTS:

1. During statutory audit for the financial year 2013-14, the C&AG auditors objected to transfer of Grant utilized from Schedule 2 "Govt. Grant" to Schedule 1 "Corpus/Capital Fund". It was advised that Plan Funds received from the Govt. are required to be shown under the distinct category instead of booking the same in Corpus/Capital Fund. The C&AG observation has been accepted and implemented in 2014-15. Accordingly, Schedule 1 & Schedule 2 has been revised to include the capitalized government grant separately in "Schedule 2: Government Grants". Due to modification in formats, the previous year figures in annual accounts of 2013-14 have been regrouped. This has resulted in transfer of Rs.11,326.28 lakhs being Grant Capitalized during 2013-14 and Rs.53,781.89 lakhs being Grant Capitalized up to financial year 2012-13, from Corpus/Capital Fund (Schedule 1) to Govt. Grant (Schedule 2).
2. Various state governments have provided Land to NIFT campuses either free of cost or at concessional rate for establishment of the campus in their State. The Land has been recorded as fixed asset at the amount actually paid or nominal value (say Rs. 1 / Rs. 100 / Rs.1000) whichever is higher following "Accounting Standard 10 : Accounting for Fixed Assets" issued by ICAI. However, in case of campuses which have recorded the land value at Rs.1/-, Rs.100/- or Rs.1,000/- the land is not appearing in their fixed assets Schedule 5A due to rounding off of figures in lakhs. The campus wise detail of land recorded is furnished here as under:-

Campus	Book Value in Rs.	Leaschold / Freehold	Area of Land
NIFT Mumbai	Rs. 25,253,924	-	
NIFT Kolkala	Rs. 9,78,000	Leasehold	
NIFT Chennai	Nil *	Leasehold	7.5 Acres
NIFT Bhopal	Rs. 1	Freehold	
NIFT Hyderabad	Rs. 1	-	
NIFT Bengaluru	Nil **	Leasehold	
NIFT Raibareli	Nil ***	-	
NIFT Jodhpur	Rs. 1	-	
NIFT Gandhi Nagar	Rs. 1	Freehold	20,000 Sq. Meters
NIFT Shillong	Rs. 100	Leasehold	20.13 Acres
NIFT Kangra	Rs. 1	Leasehold	26 Acres
NIFT Kannur	Rs. 1000	Leasehold	3.774 Hectares
NIFT Patna	Rs. 210	-	



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NIFT Bhubaneshwar	Rs. 1	-	
NIFT Srinagar	Nil	-	Land is not yet in possession of Srinagar Campus
NIFT H.O.	Rs.11926762	-	-
NIFT New Delhi	Nil	-	In campus of HO
Total	Rs. 38160002		

*The land is not recorded as title has not been passed in favor of NIFT Chennai and there is no evidence to show that there is transfer of property from Govt. of Tamilnadu to NIFT, Chennai.

** Land is on 30 years of lease from Bangalore Development Authority.

*** Land is not allotted / given to NIFT Raebareli so not booked instead NIFT Raebareli is paying premises rental charges.

3. The fee from students has been recognized on accrual basis in current financial year in comparison to receipt basis in previous year. The fee from students was received semester wise i.e. in January, the fee was received for the semester January to June and in July, the fee was received for the semester July to December. Further, the fee received in January is bifurcated into fee for current financial year and advance fee pertaining to next financial year. The fee received in advance has been recognized as "Advance fee from student" which amounts to Rs. 3350.32 lakhs. This has resulted in reduced net surplus to that extent for the financial year 2014-15.
4. Government grants for Plan Funds received and utilized are shown in the Balance Sheet under "Schedule – 2: Government Grant" and the corresponding assets purchased out of the grants are depreciated. However transfer of proportionate amount for depreciation from Govt. grant to income and expenditure a/c was not carried out considering the Govt. Grant as Promoter's Contribution in terms of AS-12 issued by ICAI. This has been objected by C&AG in their separate audit report (para B.1) of previous years 2012-13 and 2013-14. In current year, a letter has been written to Ministry of Textile (MOT) for granting permission for charging of depreciation on such assets without transferring proportionate amount to Income & Expenditure A/c from grants. Till the reply of MOT is received, the existing practice is being continued.
5. The interest income on investment of the earmarked / endowment fund is being credited to the related fund. As a result an amount of Rs. 1457.80 lakhs has been credited to Earmarked Fund.
6. Similarly, an interest income on investment of the Government Grant is being credited to the Government Grant Account. As a result an amount of Rs.328.37 lakhs has been credited to Government Grant A/c.
7. In the opinion of the management, the current assets and loans and advances as on 31.03.2015 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet as on that date.



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8. All known and ascertained liabilities and all income and expenses relating to the financial year ended on 31.03.2015 have been duly provided / accounted for in the accounts as per the accounting policy consistently followed by the Institute.
9. No provision towards Income Tax is provided for the financial year as the Institute's income is exempt under section 11 of the Income Tax Act, 1961 and other relevant provisions of the said Act.
10. Generally, the contribution / transfer to various earmarked funds such as DDF, CDF, NDF etc. was made directly in to the fund, without routing from Income and Expenditure a/c. However, in case of DDF/CDF, certain campuses have routed the transfer to DDF/CDF through Income and Expenditure A/c, which amounts to Rs. 381.55 lakhs.
11. In 2014-15, the provision of Gratuity & Leave encasement has been made as per FR/SR and as per policy of NIFT and not on the basis of actuarial valuation as referred in "AS-15 (Revised) - Employee Benefit". However, the NIFT is in process of getting the actuarial valuation for these two liabilities i.e. gratuity and leave encasement and the provision in 2015-16 shall be made based on actuarial basis after taking approval from the competent authority.
12. The Institute has capitalized Rs. 7685.65 Lakhs during the financial year 2014-15 in respect of grant utilized out of funds provided by State Government and Central Government. Campus wise grant capitalized is as under-

Campus	Rs. in Lakhs
Bhopal	151.24
Bhubaneswar	696.64
Chennai	834.11
Gandhinagar	81.75
Hyderabad	1.98
Kangra	148.28
Kannur	427.22
Kolkata	203.83
Mumbai	1246.86
New Delhi	1300.00
Patna	917.72
Raebareli	123.22
Shillong	1519.14
Srinagar	33.56
Total	7685.65

13. The Loans & Advances (Schedule-7) includes Rs.1000 Lakhs recoverable from Ministry of Textile in respect of block grant recoverable due to implementation of 6th Central Pay Commission (CPC) as per force majeure clause mentioned in the




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block grant scheme, which is outstanding from the financial year 2009-2010. NIFT management believes that the grant will be realized soon.

14. There are 45 legal cases pending in different courts/tribunal pertaining to different campuses for which the contingent liability is Rs. 99.93 lakhs. However, NIFT does not anticipate any liability of these legal cases.
15. Regrouping / reclassification / clubbing have been made in certain items of current year or previous year whenever required i.e. Current Liabilities and Provision, Current Assets and Loans & Advances, Expenses and Incomes, Fixed Assets and Capital Fund etc.
16. The balances in accounts under current assets and loans & advances, sundry creditors and liabilities are subject to confirmation and reconciliation. The impact, if any, subsequent to the confirmation and reconciliation will be taken upon their confirmation and reconciliation.
17. The figures in Balance Sheet, Income and Expenditure, Receipts & Payment A/c and Schedules have been shown in lakhs of rupees. For this purpose, the figures have been rounded off in lakhs with two decimal points. In some places an adjustment (addition / deduction) of Rs. 0.01 lakhs has been done to match / tally the figures.

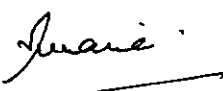
For Gianender & Associates
Chartered Accountants
(FRN-004661N)


(CA Manju Agrawal)
Partner
(M. No. 083878)




(Abdul Malik)
Deputy Director (F&A)


(Anand Kumar Kedia)
Director (F&A)


(Sunaina Tomar)
Director General

Place: New Delhi
Date: June 3, 2015

Annexure-2903/II(a)

Annexure II (a)

CAMPUS WISE SUMMARY OF NET SURPLUS / DEFICIT FOR THE YEAR 2014-15

Rs. In Lakhs

S. No	Campuses	Total Income	Total Expenditure	Surplus / (Deficit)	Adjustment for prior period items and DDF	Net Surplus / (Deficit) Transferred to Corpus / Capital A/c
1	Bengaluru	1,363.47	1,334.50	28.97	(22.29)	6.68
2	Bhopal	492.86	677.52	(184.66)	(3.74)	(188.40)
3	Bhubaneswar	501.71	647.88	(146.17)	(21.36)	(167.53)
4	Chennai	1,074.02	1,397.83	(323.81)	(46.36)	(370.17)
5	Gandhinagar	1,523.76	1,297.49	226.27	(41.96)	184.31
6	Head Office	2,740.95	1,542.13	1,198.82	(154.60)	1,044.22
7	Hyderabad	1,287.58	1,356.01	(68.44)	48.46	(19.98)
8	Jodhpur	392.37	396.92	(4.55)	(2.24)	(6.79)
9	Kangra	754.89	712.71	42.18	(23.74)	18.44
10	Kannur	680.34	725.02	(44.68)	18.30	(26.37)
11	Kolkata	1,070.95	1,096.48	(25.53)	(73.84)	(99.37)
12	Mumbai	1,745.26	1,464.17	281.09	(85.53)	195.56
13	New Delhi	2,111.92	2,031.18	80.74	(128.52)	(47.78)
14	Patna	516.48	545.88	(29.39)	(0.06)	(29.46)
15	Rae Bareli	643.45	613.43	30.02	(6.96)	23.06
16	Shillong	273.83	548.55	(274.72)	(8.78)	(283.50)
17	Srinagar	44.43	43.11	1.32	(1.32)	
	Total	17,218.27	16,430.81	787.46	(554.54)	232.92

CAMPUS WISE SUMMARY OF NET SURPLUS / DEFICIT FOR THE YEAR 2014-15**Rs. In Lakhs**

Sr. No.	Campuses	Total Revenue #	Total Expenditure	Fees for 3 months	Surplus / Deficit	Adjustment for prior period items and DDF	Net Surplus / Deficit
1	2	3	4	4A	5=3-4+4A	6	7=5-6
1	Bengaluru	1,363.47	1,334.50	358.07	387.04	22.29	364.75
2	Bhopal	492.86	677.52	80.77	(103.89)	3.74	(107.63)
3	Bhubaneswar	501.71	647.88	119.23	(26.94)	21.36	(48.30)
4	Chennai	1,074.02	1,397.83	276.77	(47.04)	46.36	(93.40)
5	Gandhinagar	1,523.76	1,297.49	430.38	656.65	41.96	614.69
6	Hyderabad	1,287.58	1,356.01	285.29	216.86	166.36	50.50
7	Jodhpur	392.37	396.92	48.40	43.85	(59.99)	103.84
8	Kangra	754.89	712.71	177.86	220.04	2.01	218.03
9	Kannur	680.34	725.02	169.80	125.12	23.74	101.38
10	Kolkata	1,070.95	1,096.48	298.64	273.11	48.47	224.64
11	Mumbai	1,745.26	1,464.17	360.35	641.44	95.85	545.59
12	New Delhi	2,111.92	2,031.18	461.93	542.67	83.07	459.60
13	Patna	516.48	545.88	107.08	77.68	42.20	35.48
14	Rae Bareli	643.45	613.45	107.50	137.50	0.06	137.44
15	Shillong	273.83	548.55	63.86	(210.86)	10.98	(221.84)
16	Head Office	2,740.95	1,542.13	4.39	1,203.21	4.76	1,198.45
17	Srinagar	44.43	43.11	-	1.32	1.32	0.00
Grand Total		17,218.27	16,430.83	3,350.32	4,137.76	554.54	3,583.23

includes tuition fee for 12 months

The major highlights of the annual accounts for the financial year 2014-15 have been discussed below:

- i. Fee share of HO – Upto Year 2012-13, HO used to retain 20% of the first year fee income as overhead charge from the campuses. This charge was not made in the year 2013-14 in view of high interest income at HO. However, now there is a fall in interest income since the interest earned on unutilized government grants is being returned to the government. Therefore, again from the year 2014-15, it was decided that 20% of the 1st Year fee of the students will be retained at the Head Office. However, this will not impact the overall surplus/ deficit of NIFT since the fee income of the campuses will decrease but the revenue of HO will increase.
- ii. In current year, the accounting practice for recognition of fee income has been changed to accrual basis in comparison to cash basis followed in previous years. In current financial year, fee income is recognized when it is earned irrespective of fact that it is actually received or not. This has been done in view of the recommendations given by F&AC in its 28th Meeting held on 17th June, 2014 to follow accrual system of accounting.

For example, fee for regular programs is normally received semester wise. The fee for six month semester ending June (January – June) is received in January. Similarly, for the six month semester ending December (July – December) is received in July itself.

Now, the fee received in January has been bifurcated into two parts i.e. “**fee for current financial year**” and “**advance fee pertaining to next financial year**”. The fee received in advance pertaining to next financial year has been recognized as “Advance fee from student” which amounts to Rs. 3350.32 lakhs in 2014-15. This has resulted in reduced net surplus to that extent for the financial year 2014-15.

If we had followed cash basis this year also, then the **net surplus would have been Rs. 3583.25 lakhs** as against the net surplus shown in the accounts for the year 2014-15 at Rs. 232.92 lakhs.

- iii. The financial results of the campuses are placed at Annexure - II (a) and II (b). Due to change in accounting practice, there are 10 campuses which are now in deficit i.e. Bhopal, Bhubaneswar, Chennai, Hyderabad, Jodhpur, Kannur, Kolkata, New Delhi, Patna and Shillong. However, if the practice of fee accounting was not changed, then only 4 campuses would have been in deficit i.e. Bhopal, Bhubaneswar, Chennai and Shillong.

The reasons for losses of these four campuses are mentioned here as under:-

- a. Bhopal campus is showing a deficit of Rs. 107.63 lakhs in year 2014-15 in comparison to a deficit of Rs. 81.74 lakhs in the previous year. The reason for

increase in deficit is, sharing of 20% of fee of newly admitted students amounting to Rs. 8.59 lakhs and booking of salary for 13 months amounting to Rs. 17 lakhs due to following accrual system of accounting. Had the change in accounting practice been not made, the deficit of campus would have been lower by Rs. 25.59 lakhs.

Further the campus is incurring losses as it is running only three courses and is operating from temporary campus.

- b. In case of Bhubaneswar campus, the deficit of the year is Rs. 48.30 lakhs in comparison to deficit of Rs. 61.22 lakhs in previous year. The reason for deficit is sharing of 20% of fee of newly admitted students amounting to Rs. 19.48 lakhs and increase in salary expenses due to joining of 6 faculties during the year and booking of 13 Months salary. Had the change in accounting practice been not made, the campus would have been in marginal surplus position.
- c. Chennai campus has shown a deficit of Rs. 93.40 lakhs in comparison to deficit of Rs. 71.35 lakhs in previous year. The reason for increase in deficit is sharing of 20% of fee of newly admitted students with HO amounting to Rs. 36.85 lakhs. Had this change been not there, the deficit of campus would have been Rs. 56.55 lakhs. Further, there was an increase in salary expenses of Rs. 32 lakhs due to joining of 9 faculties at campus during the year 2014-15.
- d. Shillong campus has shown a deficit of Rs. 221.84 lakhs in comparison to a deficit of Rs. 172.04 lakhs in previous year. The reason for increase in deficit is sharing of 20% of fee of newly admitted students with HO amounting to Rs. 7.26 lakhs and there is an increase in establishment expenditure by Rs. 57.54 lakhs due to joining of administrative staff at the campus during the year. Further, there is increase in depreciation of Rs. 37.92 lakhs as the campus is running in temporary building and has to shift to new campus in 2016-17, so the campuses has charged higher rate of depreciation for temporary campus structure. Had these changes been not there, the deficit of campus would have been lower by Rs. 102.72 lakhs.

Further the campus is incurring losses as it is running only three courses and is operating from temporary campus.

- iv. To facilitate integrated, standardised and uniform accounting, Tally ERP 9 on cloud has been implemented w.e.f April 1, 2015 in NIFT. With this new Tally ERP, the system is accessible anywhere anytime by all campuses with user id and password. The new software has capability of generating consolidated results for all campuses and HO.
- v. The actual Capital and Revenue Expenditure for year 2014-15 have been compared with Revised Budget (RE) approved by BOG for 2014-15. Variances and reasons for

shortfall in Capital and Revenue Expenditure is placed at **Annexure – IV & V** respectively.

In case of capital expenditure the actual expenditure for year 2014-15 is Rs. 9987.00 lakhs as against the RE 2014-15 of Rs. 13738.86 lakhs. Therefore there is a shortfall in capital expenditure of Rs. 3751.86 lakhs.

In case of revenue expenditure the actual expenditure for year 2014-15 is Rs. 16791.21 lakhs as against the RE 2014-15 of Rs. 17728.82 lakhs. Therefore there is saving in expenditure of Rs. 937.61 lakhs. In case of revenue income the actual revenue income is Rs. 17218.27 lakhs as against the RE 2014-15 of Rs. 18624.97 lakhs. Overall the net surplus for year 2014-15 is at Rs.232.92 lakhs compared to the surplus of Rs. 896.15 Lakhs projected in RE 2014-15.

Analysis of Actual Capital Expenditure for 2014-15 Vs. RE 2014-15

1. As against the RE 2014-15 for Capital Expenditure of Rs.13,738.86 lakhs the actual expenditure incurred for procuring capital items is Rs.9,987.00 lakhs, hence there is a shortfall of Rs.3,751.86 lakhs.

2. **Head wise break up of actual capital expenditure vis-a-vis RE 2014-15:**

(Figures in Rs. Lakhs)

Sl. No.	Head	RE 2014-15	Actual expenditure incurred in year 2014-15	Variance	Variance (in %age)
1	2	3	4	5=(4-3)	6=(5/3)X100
1	IT Items	1612.86	906.86	706.00	44%
2	Non-IT Items	3542.42	1791.23	1751.19	49%
3	Building	8583.58	7288.91	1294.67	15%
	Total	13738.86	9987.00	3751.86	27%

3. **The reason for shortfall in actual expenditure incurred is as below:**

3.1 IT items:

The Shortfall of Rs.706.00 lakh (44%) in IT items as compared to RE 2014-15 for IT items is mainly contributed by shortfall in IT spending at Head Office (Rs.303.24 lakh), Kangra (Rs.125.09 lakh), Bhopal (Rs.94.62 lakh), Gandhinagar (Rs.88.15 lakh) and Chennai (Rs.64.44 lakh) campuses.

Head Office Shortfall Rs.303.24 lakh- Head Office had budgeted Rs.300 lakhs for establishing the Video Conferencing facility across all campuses of NIFT. The work is almost complete, final testing of the facility is going on and is expected to be completed by June end. Payment would be made after completion of the work and the expenditure would be booked in year 2015-16.

Kangra campus shortfall Rs.125.09 lakhs-Kangra campus could not procure IT items (Desktop- Rs.37 lakhs, UPS- Rs.13 lakhs) due to delay in completion of the construction of the building by DSIIDC during the year. Now, it is expected that DSIIDC will hand over 6 storey CATS building, 2 Storey M,M2 and A2 buildings by June 2015. The campus had also provisioned for Video Conferencing facility (Rs.35 lakh) which is being procured centrally by Head Office, therefore this amount is not required to be included in the campus budget.

Bhopal campus shortfall Rs.94.62 lakh- Bhopal campus had provisioned for Video Conferencing facility (Rs.34 lakh) which is being procure centrally by Head Office, therefore this amount is not required to be included in the campus budget. Graphic work station (Rs.24 lakh) were ordered at the end of the year, which are delivered in

2015-16. Further, procurement of computers for F & LA dept (Rs.20 lakh) is under process and will be completed by 30.06.2015.

Gandhinagar Campus shortfall Rs.88.15 lakh- Gandhinagar campus had made provision for the various IT software items (Rs.20 lakh) which Head Office is procuring centrally. Window operating software 8.1 (Rs.10.45 lakh) which were ordered in 2014-15 have been delivered in 2015-16. Installation of new network setup and Wi-fi system (Rs.42 lakh) is under process for procurement out of Endowment fund.

Chennai campus shortfall Rs.64.44 lakh - The Campus had provisioned for purchase of Shiema Seiki machines and video conferencing facility (Rs.20 lakh) which are being procured centrally by Head Office, the procurement by HO is expected to be completed by June end. Desktops and laptops (33.86 lakh) ordered in 2014-15 are being delivered in 2015-16, some items are being procured (Rs.23 lakh) out of interest on endowment fund and the procurement would be completed by 30.06.2015.

3.2 Non-IT items:

The Shortfall of Rs.1751.19 lakh (49%) in Non-IT items as compared to RE 2014-15 for Non-IT items is mainly contributed by Jodhpur (Rs.791.47 lakh), Mumbai (Rs.396.40 lakh), Kangra (Rs.317.62 lakh) and Patna (Rs.198.33 lakh) campuses.

The main reason in Jodhpur, Kangra and Patna is delay in completion of construction of building of the permanent campuses by the construction agencies. Further, in case of Patna campus, the goods (Rs.67 lakh) are being delivered in 2015-16 against the purchase order placed at the end of 2014-15. Jodhpur is not starting new courses till the permanent campus is being handed over. In Patna only foundation courses have been started. Both Patna and Kangra are using existing infrastructure to cope up with the shortfall.

In case of Mumbai, DG Set (Rs.100 lakh) could not be procured due to poor response to tender, whereas class room equipment (Rs.76 lakh) could not be procured due to space constraints for setting F&LA Design department. The purchase of ACs (Rs.40 lakh) for newly hostel building was deferred due to non-occupation of building. Further, Shima Seiki (Rs.50 lakh) will be procured centrally by Head Office, which is likely to be procured by June end. The campus is taking steps to procure these items in year 2015-16.

3.3 Building:

The Shortfall of Rs.1294.67 lakh (15%) under Building head as compared to RE 2014-15 for Building head is mainly contributed by Kangra (Rs.441 lakh), Patna (Rs.251.29 lakh), Chennai (Rs.237.37 lakh), Mumbai (Rs.186.25 lakh) and Gandhinagar (Rs.174.23 lakh) campuses.

Against RE 2014-15 of Rs.8.6 crores for buildings, Kangra campus has booked provisional expenditure of Rs.4.2 crore under CWIP-building on the basis of expenditure statement

received from DSIIDC. The budget could not be utilized fully due to slow progress of Construction by DSIIDC. DSIIDC was supposed to hand over all buildings i.e. 6 story CATS Building (Academic), Two Story M1 (Academic), M2 (Academic) & A2 (Academic/Administrative) blocks, by end of June 2015. As per decision of State Level Advisory Committee (SLAC) headed by Chief Secretary, Govt. of Himachal Pradesh, the remaining work of construction of permanent Campus i.e. A1, B1, B2, C1, C2 and D blocks, Boys hostel, Residential block, Amphitheatre and Development work will be taken up further by H.P. PWD.

Against RE 2014-15 of Rs.8.51 crore, Patna campus has booked an expenditure of Rs.5.99 crore. At present, the construction of Admin Block, Academic Block-A & B, Hostel Block, and Staff Quarters has been completed. The Final handing over is expected by first week of August, 2015. The construction of auditorium work has been left at foundation level due to lack of additional fund required from State Government for which NIFT Patna has placed request with State Government.

Against RE 2014-15 of Rs.15.41 crore, Chennai campus has booked an expenditure of Rs.13 crore. The construction of SMAC building has been completed during the year 2014-15. Due to slow progress of work by CPWD, construction of Girls & boys hostel could not be completed and the same is expected to be completed by July 2015, i.e. before start of academic session.

Mumbai: Against RE 2014-15 of Rs.11.79 crore, Mumbai campus has booked an expenditure of Rs.9.93 crore. The Project Management Consultant (PMC) charges (payable to CIDCO) of Rs 148 lakh was due in March 2015 and work for additional amount of Rs. 50.00 Lakh was also done by 31st March 2015. However, the payments for these works were not made upto March 2015 due to overall slow progress of work. NIFT Mumbai has released a sum of Rs 50.00 Lakh on 28.04.2015 towards construction work. The PMC charges of Rs.148 lakh payable to CIDCO is still withheld. Further, as per the decision taken in the JAC Meeting, heavy penalty is being imposed on the contractor or delayed work.

In Gandhinagar, against RE 2014-15 of Rs.2.9 crore the campus has booked an expenditure of Rs.1.16 crore. The work of Construction of 200 bedded Girls Hostel / Canteen at Gandhinagar Campus has been completed; however CPWD has not provided Building Utilisation permission and final bill in this regard, accordingly an amount of Rs 50 Lakhs was not booked during the year. Further Out of the approved budget of Rs 119.00 lacs in respect of Air conditioner work for Institute building & student activity Centre, Rs 105.27 has been paid to CPWD as advance , but CPWD has not yet started the work.

Annexure-V

Annexure - V

Analysis of Actual Revenue Expenditure for 2014-15 Vs. RE 2014-15

Rs in Lakhs

Particulars	Actual for 2013-14	RE 2014- 15	Actual for 2014-15	Variance	Variance (%age)	Reasons for Variances
1	2	3	4	5=4-3	6=5/3*100	7
Income						
Fees from Students & Others *	13739.36	15114.72	13301.47	-1813.25	-12.00%	Note 1
Grant-in-aid	248.26	389.00	484.25	95.25	24.49%	
Interest earned	2399.74	2662.60	3013.96	351.36	13.20%	
Surplus from Projects & Workshops	154.11	191.79	150.99	-40.80	-21.27%	Note 2
Other Income	261.26	266.86	267.60	0.74	0.28%	
Total Income	16802.73	18624.97	17218.27	-1406.69	-7.55%	

EXPENDITURE						
Academic Expenditure #	2471.62	3791.69	2901.68	-890.01	-23.47%	Note 3
Establishment Expenditure	7775.41	9212.08	9124.46	-87.62	-0.95%	
Other Administrative Expenditure @	2052.38	2703.07	2241.78	-461.29	-17.07%	
Depreciation	1872.52	2021.97	2162.88	140.91	6.97%	Note 4
Total Expenditure	14171.93	17728.82	16430.80	-1298.02	-7.32%	
Surplus (Deficit)	2630.80	896.15	787.47	-108.68		
Prior period Income	163.23		187.41			
Prior Period Expenses	546.62		360.41			
Transfer to DDF	373.87		381.55			
Surplus (Deficit) Transfer to Corpus/ Capital Fund	1873.54		232.92			

Notes:

* It includes Regular Programme Income, Admission Receipts, Resource Centre, Hostel Income and CE Programs Fee.

It includes Common Academic Expenses, Hostel Expenses, Resource Center Expenses and CE Program expenses.

@ It includes Building Deptt. Expenses and Interest & Bank Charges.

Notes to Variances – REVENUE RE 2014-15 Vs. Actual Results 2014-15

1. Fee from Students and Others:

In RE 2014-15, the fee from students and others was budgeted at Rs. 15114.72 Lakhs whereas the actual for FY 2014-15 as per annual accounts stands at Rs. 13301.47 lakhs thereby marking a decrease of Rs. 1813.25 lakhs (12%) in comparison to RE 2014-15. The fall in fee income is mainly contributed by Gandhinagar (4.94 crore), Hyderabad (2.93 crore), Kangra (2.54 crore), Kannur (2 crore) and Patna (2.14 crore). This decrease in fee is mainly because at the time of preparation of RE, some campuses have projected fee income on cash basis and did not understand HO's instruction of following accrual system for fee income. Also, the decrease is a result of recognising HO's share in admission fees (20%) as campus income as well as expenditure under academic expenses.

2. Surplus from Projects and Workshops:

Surplus from projects and workshops is Rs. 150.99 lakhs as against budgeted amount of Rs. 191.79 lakhs. The decrease in surplus from projects and workshops by Rs. 40.80 lakhs is mainly in Kolkata campus (Rs.33.46 lakhs). The decrease in earnings is due to the fact that, four DONER Programmes have been physically completed during the fag end of the financial year. However the financial closure could not be done as, completion certificate and balance fund from the Ministry of DoNER, was not received. Further, the balance amount under the IDDP project sponsored by DC(HC) was also not received during the financial year.

3. Academic Expenses:

Academic expenses have decreased to Rs. 2901.68 lakhs against budgeted expenses of Rs. 3791.69 lakhs i.e. there is a decrease of Rs.890.01 lakhs (23.47%). The decrease in academic expenses is because of recognising HO's share in admission fees (20%) payable to head office as expenditure under academic expenses in case of most of the campuses.

4. Depreciation:

Depreciation has increased to Rs. 2162.88 lakhs against budgeted expenses of Rs. 2021.97 lakhs i.e. there is an increase of Rs.140.91 lakhs (6.97%). In case of two campuses, Kolkata (Rs.140 lakh) and Raebareli (Rs.140 lakh), the campuses had given the depreciation figures at the time of approval of RE 2014-15, however these figures had been left out inadvertently at the time of compilation. If we consider this figure of Rs.2.80 crore then the overall expenditure on depreciation is within the budgeted figures.

AGENDA ITEM NO. 2904

REAPPOINTMENT OF CURRENT INTERNAL AUDITORS OR APPOINTMENT OF NEW INTERNAL AUDITORS FOR THE FINANCIAL YEAR 2015-16

1. SCOPE:

This agenda item pertains to **F&AC Agenda Item No. 3205** as placed in the 32nd Meeting of the F&AC held on 28th April, 2015. Through this agenda item, due consideration and recommendation of the F&AC members was sought for the reappointment of current internal auditors (i.e. M/s Gianender & Associates) or appointment of new internal auditors for the Financial Year 2015-16. (A copy of the agenda note is placed at **Annexure-2904/I**).

2. BACKGROUND:

i. Before 2013, every NIFT campus and the Head office had its own separate internal auditor. From year 2013-14 onwards, NIFT started the process of appointing one single audit firm for doing internal audit of HO and all its campuses and their selection was made through open tender. The bidder who was technically qualified as per the tender document and had quoted lowest price (L1) in its financial bid was selected and appointed as internal auditor of NIFT. Accordingly, M/s. Gianender & Associates, Chartered Accountants were appointed as internal auditors for the financial year 2014-15 with a provision for extending their tenure for 2015-16 and 2016-17.

ii. The BOG members in its 26th meeting held on 30th September, 2014 were of the opinion and had decided that the appointment of internal auditor and the internal audit were important instruments of control by the Board and should not be delegated to authorities below. In view of the same, the Board had decided that the power to select the internal auditors would be with the Board and in future the matter of appointment of Internal Auditors should be placed before the Board for prior approval after due vetting by the F&AC. (Refer **Annexure-2904/II**)

iii. This decision of the Board was again reemphasized in the last BOG meeting i.e. 28th BOG Meeting held on 23rd February, 2015. The Board clarified that in future the appointment, termination and remuneration of the internal and statutory auditors should be brought before the Board for approval as this was an important part of any Board's system of control and should not be delegated. (Refer **Annexure-2904/III**).

iv. In view of the above directions of the Board, an agenda item was placed before the F&AC in its 32nd Meeting held on 28th April, 2015 for deciding whether the contract of the current internal auditor be extended or a fresh appointment of a new audit firm should be made through an open tender.

3. F&AC's RECOMMENDATION:

The recommendations of the F&AC as contained in its minutes is reproduced below for the kind reference of the BOG members:

".....Director (F&A) briefed the Committee that as per the terms and conditions of the tender document, the term of appointment of internal auditor was further extendable for a period of two financial years i.e. 2015-16 and 2016-17 with a 5% escalation per annum on 90% of the fee paid in first year. The F&AC was also briefed that as per contract signed with the Auditors their appointment could not be for more than three years in total.

The Committee was also informed that in view of the directions given by the Board in its meeting held in September 2014 and February 2015, the reappointment of the current internal auditor or appointment of new internal auditors for 2015-16 was to be considered by F&AC whose recommendations would be placed before the Board for a final decision.

The Committee was informed that for this purpose, an evaluation of performance of current Internal Auditor was called for in the form of a questionnaire from all NIFT campuses. The mean score for all campuses comes to 7.29. Director (F & A) stated that as a part of NIFT management he was satisfied with the performance of current internal auditors and therefore recommended them for reappointment. The F&AC recommended the current internal auditors for reappointment to the Board for the Financial Year 2015-16."

4. PROPOSAL

The appointment of a new auditor can only be done through open tender. The whole process takes a minimum of two months' time. Therefore, it is advisable to re-appoint the current auditors, M/s. Gianender & Associates for one more year i.e. 2015-16. The issue was also discussed with the Chairperson, BOG and the chairperson has opined that in view of time constraints and recommendations of F&AC, M/s Gianender & Associates may be re-appointed for the financial year 2015-16. Also, the Chairperson directed that for the financial year 2016-17, the agenda may be brought before the Board well in time so that the Board can take a considered decision.

In view of the above, approval of BOG is sought for the reappointment of the current internal auditors for the financial year 2015-16 as recommended by F&AC.

5. MATTER FOR THE CONSIDERATION OF BOG:

The matter is put for kind consideration and approval of the BOG.

AGENDA ITEM NO. 3205

**REAPPOINTMENT OF CURRENT INTERNAL AUDITORS OR APPOINTMENT OF NEW
INTERNAL AUDITORS FOR THE FINANCIAL YEAR 2015-16**

1. SCOPE:

This agenda seeks due consideration and recommendation of the F&AC members for the reappointment of current internal auditors (i.e. M/s Gianender & Associates) or appointment of new internal auditors for the Financial Year 2015-16.

2. BACKGROUND:

2.1 Before 2013 there was a practice of every NIFT campus and the Head office having its own internal auditor. Since year 2013-14, NIFT is appointing one single audit firm for doing internal audit of HO and all the campuses. Further the internal auditors are getting selected through open tender. The bidder who was technically qualified as per the tender document and had quoted lowest price (L1) in its financial bid was selected and appointed as internal auditor of NIFT. Accordingly, M/s. Gianender & Associates, Chartered Accountants were appointed as internal auditors for the financial year 2014-15 with a provision for extending it for 2015-16 and 2016-17.

2.2 The BOG members in its 26th meeting held on 30th September, 2014 were of the opinion and had decided that the appointment of internal auditor and the internal audit were important instruments of control by the Board and should not be delegated to authorities below. In view of the same, the Board had decided that the power to select the internal auditors would be with the Board and in future the matter of appointment of Internal Auditors should be placed before the Board for prior approval after due vetting by the F&AC. (Refer Annexure - 3205/I)

2.3 This decision of the board was again reemphasized in the last BOG meeting i.e. 28th BOG Meeting held on 23rd February, 2015. The Board clarified that in future the appointment, termination and remuneration of the internal and statutory auditors should be brought before the Board for approval as this was an important part of any Board's system of control and should not be delegated. (Refer Annexure - 3205/II)

3. PERFORMANCE REPORT OF CURRENT AUDITORS FOR THE FINANCIAL YEAR 2014-15

3.1 As per the terms and conditions of the tender document, the appointment of internal auditor is further extendable for a period of two financial years i.e. 2015-16 and 2016-17 with a 5% escalation per annum on 90% of the fee paid in first year. Also, the appointment of NIFT internal auditor cannot be for more than three years in total.

In view of the directions given by the BOG in para 2.2 and 2.3 above, the reappointment of the current internal auditor or appointment of new internal auditors for 2015-16 is to be considered by F&AC members.

3.2 For this purpose, an evaluation of performance of current internal auditor was called for in the form of a questionnaire from all NIFT campuses. The feedback received from campuses have been compiled and placed at Annexure-3205/III for the kind consideration and perusal of the members of F&AC. In the performance evaluation, the campuses were asked to give comments on questions relating to different aspects about performance (in yes or no) and give an overall rating (out of 10) as a recommendation

for the reappointment of the current internal auditor. The overall rating as given by the campuses is summarized in the table below:

Rating	Recommendation	No of Campuses
Up to 5	Not recommended	1 (Bangalore)
Above 5 to 7	Neutral	9 (Bhopal, Gandhinagar, Hyderabad, Jodhpur, Kannur, New Delhi, Shillong, Srinagar, HO)
Above 7 to 9	Recommended	7 (Bhubaneswar, Chennai, Kangra, Kolkata, Mumbai, Patna, Raebareli)
Above 9	Strongly recommended	0

3.3 As evident from the table above, out of 16 campuses of NIFT, 7 campuses recommended the reappointment of the current internal auditor, one campus has not recommended the reappointment and 8 campuses and HO (Accounting Unit) were neutral about the recommendation.

The mean score for all campuses comes to 7.29.

3.4 The internal auditors have also done process audit of 13 processes of NIFT. These 13 processes are:-

1. Purchases and services
2. Consumables
3. Fees
4. Expenses
5. Establishment
6. Bank and Cash Payment
7. Investment
8. Advances
9. Projects
10. Government Grants
11. Leaves
12. Fixed Assets
13. Buying of Library Books

The report of the process auditor is enclosed vide **Annexure-3205/IV**.

Four Zonal committees have been formed for studying and implementing the process recommendations. The committees are in advanced stage of finalization of the implementable recommendations.

The internal auditors have been asked to make a presentation before F&AC.

4. PROPOSAL

In view of the above, recommendation of F&AC is sought as to:

- (a) Whether the current internal auditors be reappointed as internal auditor for the financial year 2015-16; or
- (b) Whether appointment of internal auditors for financial year 2015-16 be made through open tender.

5. DG's RECOMMENDATION:

The proposal is recommended by Director (F&A) and approved by DG, NIFT to be put up to the F&AC for recommending to BOG.

6. MATTER FOR THE CONSIDERATION OF F&AC:

The matter is put for kind consideration and recommendation of the F&AC.

Performance Evaluation Report of Internal Auditors for the year 2014-15

Sl. No.	Particulars	Bengaluru	Bhopal	Bhubaneswar	Guwahati
1.	Whether the quality of internal audit report was satisfactory?	NO	YES	YES	YES
2.	Whether the composition of team was as per the terms of appointment? (Refer para xxvi of appointment letter dated 1 st July, 2014)	NO	NO	YES	YES
3.	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxvi of appointment letter dated 1 st July, 2014)	YES	5 Days to 1 week	5-8 Working days devoted for each quarterly audit by the team.	As per the time mentioned in the appointment letter.
4.	Whether the quality of process audit report was satisfactory? (Refer para xxv of appointment letter dated 1 st July, 2014)	N.A.	N.A.	N.A.	N.A.
5.	Whether internal audit reports for each quarter were completed by Internal auditors on time? (Refer para xxv of appointment letter dated 1 st July, 2014)	YES	YES	YES (conducted as per the schedule fixed by NIFT HO)	NO
6.	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the Internal auditors for your campus/unit?	NO	NO	No other services rendered by the audit.	YES
7.	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	NO	YES	YES	YES
8.	Whether the fee charged by internal auditor was reasonable?	NO	NO COMMENTS	NO (As compare to local market rate at BBSR).	YES
9.	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	YES	YES	YES	YES
10.	How was the behaviour of internal audit team with NIFT staff?	GOOD	GOOD	EXCELLENT	Behaviour and approach of the IA team was good.
Overall rating / evaluation of internal auditors		5	7	8	8

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
Above 7 to 9	Recommended
Above 9	Strongly recommended

CONTD.....

		Coimbatore	Hyderabad	Solapur	Warangal
1	Whether the quality of internal audit report was satisfactory?	YES	YES	YES	YES
2	Whether the composition of team was as per the terms of appointment? (Refer para xxvii of appointment letter dated 1 st July, 2014)	YES	NO	YES	Satisfactory
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxviii of appointment letter dated 1 st July, 2014)	4-5 days per Qtr	3 to 4 days for quarter	Minimum 10 days for one quarter audit	Sufficient Time was devoted
4	Whether the quality of process audit report was satisfactory? (Refer para xxix of appointment letter dated 1 st July, 2014)	N.A.	N.A.	N.A.	YES
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxx of appointment letter dated 1 st July, 2014)	YES	YES	YES	YES
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	NO	NO	NO	NO
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	YES	NO	YES	Yes the auditors covered other department like administration for checking attendance of staff
8	Whether the fee charged by internal auditor was reasonable?	NO	NO	N.A.	Head Office may tell better
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	YES	YES	YES	YES
10	How was the behaviour of internal audit team with NIFT staff?	Good	courteous	Good	Cordial
Overall rating / evaluation of internal auditors		7	7	7	8

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
Above 7 to 9	Recommended
Above 9	Strongly recommended

CONTD...

Criteria		Kolkata		Mumbai		Delhi	
Sl. No.	Criteria	Rating	Yes	Yes	Yes	Yes	Yes
1	Whether the quality of internal audit report was satisfactory?	5-7	YES	YES	YES	YES	YES
2	Whether the composition of team was as per the terms of appointment? (Refer para xxvii of appointment letter dated 1 st July, 2014)	No Full time CA. Attended by Assistants	YES	YES	YES	YES	NO
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxviii of appointment letter dated 1 st July, 2014)	Roughly 5-7 Days	4-5 working days in each quarter.	10 days for each quarter	YES	YES	3 days
4	Whether the quality of process audit report was satisfactory? (Refer para xxix of appointment letter dated 1 st July, 2014)	N.A.	N.A.	N.A.	YES	YES	N.A.
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxx of appointment letter dated 1 st July, 2014)	YES	YES	YES	YES	YES	YES
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	NO	NO	NO	NO	NO	NO
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	YES	YES	YES	YES	YES	YES
8	Whether the fee charged by Internal auditor was reasonable?	YES	If, each centre's fee to be paid to the Internal Auditor is considered to the equal i.e., Rs.1,66,667/-, then the fee appears to be on a higher side.	It is much more than what we were paying to the Internal Auditors appointed locally.	YES	YES	NO
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	For I and IInd Qtr Only	YES	YES	YES	YES	YES
10	How was the behaviour of Internal audit team with NIFT staff?	Good	Very cordial.	Very Good	Cordial	Cordial	Good
Overall rating / evaluation of internal auditors		5-7	8	8	7	8	8

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
Above 7 to 9	Recommended
Above 9	Strongly recommended

CONTD...

		Whether the quality of internal audit report was satisfactory?		
1	Whether the quality of internal audit report was satisfactory?	YES	YES	NO
2	Whether the composition of team was as per the terms of appointment? (Refer para xxvii of appointment letter dated 1 st July, 2014)	YES	No, 1 CA is visiting only 1-2 days during the course of audit. 1-2 employees of CA firms are coming for audit to NIFT Shillong. They are paid assistants of CA firms and not CA-Inter qualified also.	Not Aware as the details of their qualification is not provided by internal auditor.
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxviii of appointment letter dated 1 st July, 2014)	One week for each Quarter upto Dec'14	5-7 days	Cannot Comment. In between internal auditors disappeared after commencement of Audit without information.
4	Whether the quality of process audit report was satisfactory? (Refer para xxxiv of appointment letter dated 1 st July, 2014)	N.A.	N.A.	Cannot Comment
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxxv of appointment letter dated 1 st July, 2014)	YES	Yes	YES
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	NO	No	NO
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014).	YES	Yes	YES
8	Whether the fee charged by internal auditor was reasonable?	Fee Charges are decided by HO itself.	Yes	They have been appointed through open tender. Hence No comments
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	YES	Yes	YES
10	How was the behaviour of internal audit team with NIFT staff?	EXCELLENT	Satisfactory	Very Cordial
Overall rating / evaluation of internal auditors		8	7	7

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
Above 7 to 9	Recommended
Above 9	Strongly recommended

CONTD...

1	Whether the quality of internal audit report was satisfactory?	Yes
2	Whether the composition of team was as per the terms of appointment? (Refer para xxvi of appointment letter dated 1 st July, 2014)	No comment
3	How much time internal auditors devoted at your campus/unit for carrying internal audit? (Refer para xxvi of appointment letter dated 1 st July, 2014)	3 days (Three)
4	Whether the quality of process audit report was satisfactory? (Refer para xxiv of appointment letter dated 1 st July, 2014)	N.A.
5	Whether internal audit reports for each quarter were completed by internal auditors on time? (Refer para xxv of appointment letter dated 1 st July, 2014)	Yes
6	Whether any other services referred in scope of work of appointment letter like TDS, Service tax, etc. were rendered by the internal auditors for your campus/unit?	No
7	Whether the coverage of different areas / departments in internal audit was satisfactory so far internal audit is concerned? (Refer to scope of work of appointment letter dated 1 st July, 2014)	Yes
8	Whether the fee charged by internal auditor was reasonable?	No comment
9	Whether the internal auditors discuss the issues raised in internal audit report with campus before releasing final internal audit report?	Yes
10	How was the behaviour of internal audit team with NIFT staff?	Yes
Overall rating / evaluation of internal auditors		7

Rating	Recommendation
Up to 5	Not recommended
Above 5 to 7	Neutral
Above 7 to 9	Recommended
Above 9	Strongly recommended

CONTD...

EXTRACTS OF THE 26TH BOG MEETING HELD ON 30TH SEPTEMBER, 2014

*.....account of changes in specifications after award of contract. He wanted to know who had authorized it, as he was in the F&AC subcommittee and did not remember the matter raised in any meeting. Nor did he remember delegating these powers below the BOG. The Project Engineer explained that the Project was given to CIDCO as NIFTs turn key consultant and that agency had its own internal mechanisms for fixing the responsibility for delays etc. and were expected to deliver the completed projects. Besides the above mechanism, NIFT has set up a review committee. There was also a Joint Committee consisting of Chief Engineer of CIDCO and Director Mumbai campus which had decided the changes in the building as necessary. The BOG was satisfied with neither explanation Chairperson pointed out that CVC frowned heavily on post contract changes in terms and conditions that had financial ramifications. She asked the CVO to study the matter and inform the Board as to the procedure advised by CVC and the procedure followed, and to point out deviations. The Board also directed that the revised estimates be divided into the following three parts for it to take decisions in the matter:

- (i) Cases involving Cost escalation with no delay, where increases could be justified provided they were in accordance with the terms of the contract.
- (ii) Cases of cost escalation with delay, where the reasons for delay were necessary and the fixing of accountability for the delay would have to be tackled; and
- (iii) Cases with change in scope of the work, examination of the procedure against the procedure advised by CVC, and a fixing of accountability

The Board suggested that an independent agency like CPWD, NBCC or Engineers India Limited (EIL) be engaged to check the reasonableness of the proposal in line with the three parts above. The proposal would be discussed in detail in next meeting.

19. Sh. Sunil Sethi raised the issue of a change of Internal Auditor. After discussion, it was decided that the appointment of the Internal Auditor and the Internal Audit were important instruments of control by the Board and should not be delegated. It was decided that the power to select the Internal Auditors would be with the Board and in future the matter of appointment of Internal Auditors should be placed before the Board for prior approval after due vetting by the F&AC. Changes would be accordingly incorporated in the Second Statutes before their submission to the Ministry. Director (F&A) was directed to provide a report on the recent selection of the current Internal Auditors.

20. A brief discussion took place on the Admissions procedure. Chairperson informed the BOG that it had been brought to her attention that several changes had been made to the process of admissions 2013-14. The Board had acceded to the computerization of admissions, and one major change introduced in Admissions 2013-14 had been computerization. But it appeared that the computerization had been done in-house and there had been no time to audit or validate the process, because allegations of different kinds had been levelled, including continuous changes to the programme by the back office; difficulties faced by candidates, especially from rural backgrounds to enter their data; many rounds on the computer to give counseling and eventually the faculty interface system of counseling which it....."

EXTRACTS OF THE 28TH BOG MEETING HELD ON 23RD FEBRUARY, 2014

".....the Board decided that for the time being, for preparing the Cabinet note, a proposal for extension of timeline for implementation of OBC Quota may be sent to MoT.

- (v) Sh. Sunil Sethi raised his concerns and pointed out that the Mumbai project had been delayed badly, efforts should be made to complete the project. Keeping in view the delay in implementing the building Projects, he desired that a Standard Operating Procedures for large constructions projects may be laid down. Private Agencies who monitors the construction projects may be hired as PMCs.
- (vi) Sh. Sunil Sethi pointed out to the Board that M/s M.C. Jain & Co., Chartered Accountant had done a commendable job, however their contract was terminated as allegedly they did not have experience in Process Audit. When they had done a good job and understood NIFT, they should have been preferred. Chairperson pointed out that the issue had been discussed in a previous meeting, and it had been agreed that in future the appointment and termination and remuneration of the internal and statutory auditors would be brought before the Board for approval, as this was an important part of any Board's system of control and should not be delegated. The Chair also pointed out that a process audit was not confined to the audit of the system of maintenance of accounts and accounting; it necessarily looked into all processes of an organization, and included such things as inventory management, maintenance management by drawing up schedules and adhering to them, administrative processes for issue of orders and follow up of them, etc. She suggested a list of processes that would be audited in current year may be brought to the notice of the Board. It was agreed that academic processes may not be subjected to process audit as a sub-committee of the BoG was working on the same. It suggested that the work of establishment division and processes related to Board meeting and follow up of its directions may be part of the first Process Audit.
- (vii) Regarding Admissions 2015, the DG informed the Board that as per the directions, Admission Procedure of 2013-14 (not 2012-13 as noted in minutes) was being followed up for 2015-16(not 2014-15 as noted in minutes). The Board also took note of the corrections that suggested to modify the minutes suitably.
- (viii) The DG informed the Board that the Negotiating Committee and Empowered Committee constituted to oversee the admissions for 2015 had been notified, and the proposal received from Associate Professor Amisha Mehta had been forwarded to the JS in MoT. She was requested to convene a meeting of the Negotiating Committee for a quick decision in the matter.....

AGENDA ITEM NO. 2905

CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE THIRD QUARTER ENDED ON 31st DECEMBER, 2014

1. SCOPE:

This agenda item pertains to **F&AC agenda item no. 3204** as placed before the members of the committee in the 32nd F&AC Meeting held on 28th April, 2015. Through this agenda item, the internal audit report of NIFT for the third quarter ended 31st December, 2014 and the action taken report on the same was submitted for the perusal and approval of F&AC. (A copy of the agenda item as placed before the F&AC is placed at **Annexure-2905/I**).

2. GENESIS:

The internal audit for the financial year 2014-15 was entrusted to M/s. Gianender & Associates, Chartered Accountants. Accordingly, M/s. Gianender & Associates had conducted the internal audit of all NIFT campuses and Head Office. The Internal Auditors have issued separate internal audit report for each NIFT campus and Head Office.

The Consolidated Internal Audit Report for the quarter ended December, 2014 comprising major observations raised by internal auditors along with the actions taken by campuses was circulated to all members of the F&AC. The same is also placed as enclosure to **Annexure-2905/I** for perusal of the BOG members. The members of F&AC discussed it with the auditors present in the meeting. A copy of the minutes of the F&AC on the said agenda item is placed at **Annexure-2905/II**.

Now, through this Agenda, the internal audit report of NIFT for the third quarter ended 31st December, 2014 and the action taken report on the same is placed for discussion and approval of the BOG.

3. MAJOR OBSERVATIONS OF THE AUDITORS WITH STATUS UPDATE:

The major observations reported by the auditor in the consolidated internal audit report have been briefly explained in the F&AC Agenda placed at **Annexure-2905/I**.

During the meeting, the internal auditor was asked to highlight the major concern areas and the systematic faults/ lapses reported in their audit report. The internal auditor brought out the following concerns to the F&AC members:

S. No	Auditor's Observation	Status Update
1.	Payment was to be made to All India Management Association (AIMA) on the basis of number of candidates who took part in examination and subsequent interview and group discussion. On 05.03.2014, AIMA raised bill for 6269 candidates where Additional students were 4969, whereas AIMA raised bill dated 01.10.2014 for 5171 Additional students. The addition of 202 students after finalization of written test held on 23.02.2014 was not justified and	During the F&AC Meeting itself, Director (F&A) clarified that no excess payment had been made to AIMA and actual payment had been made for 4969 students only. The F&AC took note of the above during the meeting.

	payment should not be released for more than 4969 students.	
2.	That for the new Building project of Delhi Campus, Rs. 10 Crore had been given to DSIIDC (Construction Agency). However no distinction of Account is being maintained by NIFT i.e how much was for the mobilisation advances & security advances and how much was for the payment towards settlement of Account of DSIIDC. Whole payment of Rs. 10 crore had been accounted in the Books of Accounts of NIFT as Advances. Internal Auditors had suggested that DSIIDC may be requested to provide expenditure statement bill wise so that the same could be verified by NIFT Officials with construction work going at the Delhi Campus.	A letter was sent to DSIIDC dated 8th May, 2015 (copy enclosed at Annexure-2905/III) regarding submission of bill wise detailed statement of the contractors. Also, a meeting was held with DSIIDC on 12th May, 2015 to discuss the construction work at Delhi and it was requested to DSIIDC that a statement be submitted including (i) Amount if any on account of escalations admitted by DSIIDC (ii) Amount actually spent by the contractor and unspent balance lying with contractor against project work at NIFT Delhi (iii) Amount spent/appropriated by DSIIDC and balance position of advances with DSIIDC i.e. mobilization advance and secured advance.
3.	That at the time of internal audit for the third quarter reconciliation of fee was not completed in Delhi Campus.	The reconciliation of fees was not completed for the third quarter and now the same has been reconciled. The same was forwarded to the internal auditors who have expressed their satisfaction with the reconciliation. (copy of the email is placed at Annexure-2905/IV).
4.	That as per the Project Cell, an FDR in PNB was being showed for Rs. 72,55,273/-but the same was not shown at the time of physical verification. However, an another FDR of Rs. 79,30,618/- of UBI was shown and same had not appeared in the Book of Project Cell.	During the F&AC meeting, the committee was informed that the FDR of PNB had matured and the amount was reinvested in the FDR of UBI Bank. Director Finance assured that recurrence of such instance would be avoided.

4. F&AC's RECOMMENDATION:

The Committee took note of the Consolidated Internal Audit Report of NIFT for the 3rd Quarter ended on 31st December 2014 and recommended the same to the BOG for consideration and approval.

5. MATTER FOR CONSIDERATION OF BOG:

The agenda is put up for the kind consideration and approval of BOG.

AGENDA ITEM NO. 3204

**CONSOLIDATED INTERNAL AUDIT REPORT OF NIFT FOR THE THIRD QUARTER
ENDED ON 31ST DECEMBER, 2014**

1. SCOPE:

1.1 The agenda item is submitted for perusal and approval of the F&AC for the internal audit report of NIFT for the third quarter ended 31st December, 2014.

2. GENESIS:

2.1 The internal audit for the financial year 2014-15 was entrusted to M/s. Gianender & Associates, Chartered Accountants. Accordingly, M/s. Gianender & Associates has conducted the internal audit of all NIFT campuses and Head Office. The Internal Auditors have issued separate internal audit report for each NIFT campus and Head Office.

2.2 The Consolidated Internal Audit Report for the quarter ended December, 2014 comprising major observations raised by internal auditors along with the actions taken by campuses is placed at Annexure-3204/I. This Consolidated Internal Audit Report was forwarded to all campuses for giving their updated status on the issues raised and actions taken by them for resolving those issues. Through this Agenda, the action taken report on Consolidated Internal Audit Report for the third Quarter is placed before F&AC members.

3. MAJOR OBSERVATIONS IN BRIEF:

The major observations reported in consolidated internal audit report are briefly explained here as under: -

Staff Advances:

3.1 In Head Office, 68 staff advances amounting to Rs. 28.73 lakhs were pending for settlement as on December 31, 2014. Out of these advances, 30 advances amounting to Rs. 14.24 lakhs have been settled /adjusted up to April 13, 2015 and the balance of Rs. 14.49 lakhs are in process of settlement.

3.2 The total staff advances outstanding as on 31.03.2004 were 177.55 lakhs. In the year 2005-06, as per the directions given by Building Purchase Finance Committee (BPFC) an Advance settlement cell was created for taking expeditious adjustment/recovery. The settlement cell had adjusted advances to the extent of Rs.138.80 lakhs during the 2005-06 and 2006-07. Further, these staff advances are very old, in many cases the files and records are not easily traceable and in some cases the employee concerned had left the NIFT. Therefore, certain advances are doubtful of recovery which needs to be written off after proper approval from Competent Authority.

So having regards to above, the Head Office is taking adequate steps for settlement of these old outstanding advances in phased manner.

Contractor Advances:

3.3 In Head Office, 95 contractor advances amounting to Rs. 92.25 lakhs were outstanding for settlement as on 31st December, 2014. Out of these advances, 43

advances amounting to Rs. 22.44 lakhs have been settled / adjusted upto April 13, 2015 and the balance of Rs. 69.81 lakhs are in process of settlement.

3.4 The total contractor's advances outstanding as on 31.03.2004 were 339 lakhs. In the year 2005-06, as per the directions given by Building Purchase Finance Committee (BPFC) an Advance settlement cell was created for taking expeditious adjustment/recovery. The settlement cell had adjusted advances to the extent of Rs. 286.50 lakhs during the 2005-06 and 2006-07. BPFC has issued legal notices to parties but the recoveries were not made. Further, most of these contract advances have become time barred, so recovery of those advances are doubtful and needs to be written off after following proper procedure and approval from Competent Authority.

In view of above circumstances, the Head Office is taking adequate steps for settlement of these old and time barred contractor's advances.

Academic Department:

3.5 Under this head internal auditor observed that the payment made to All India Management Association (AIMA) without verification of number of students as per Academic Department records, which has resulted into excess payment for 202 students. However, HO unit has clarified that actual payment has been made for 4969 students only and no excess payment has been made to the said Agency as auditor's claims.

Project:

3.6 In Head Office, the internal auditor has reported two issues regarding the projects. First, Rs. 262.27 lakhs was shown as outstanding against Mr. Sameer Sood, Project In-charge of TIDI Ethiopia Project in NIFT Bhopal. This advance was not released to Shri Sameer Sood in their personnel capacity instead the advance of Rs. 285 lakhs were released for ETIDI Project expenses as the TIDI Ethiopia Project A/c's was maintained with NIFT Bhopal. However, the nomenclature of ledger a/c was "Sameer Sood ETIDI Project Direct Exp. A/c" which has now been changed to "ETIDI Project Bhopal a/c" to show the correct and true picture of the advance.

3.7 In other case, the Fixed Deposit Receipt (FDR) with Punjab National Bank (PNB) for Rs.72.55 lakhs, which was matured (04.07.2015) but the same was not recorded in books of accounts. Further, this amount along with interest earned was invested (05.07.2015) with Union Bank of India (UBI). However, the transaction was also not recorded in books of accounts. When internal auditors verified the FDRs physically, then PNB FDR was not available for verification instead UBI FDR was made available for verification. So the internal auditors have reported mismatch / non-reconciliation of FDR records. Now necessary entries have been made in books of accounts and FDRs records have been reconciled.

Building Department:

3.8 Under this head the internal auditor has reported that a new building project is going on at Delhi Campus for which an advance of Rs. 10 Crore was given to DSIIDC (Construction Agency). DSIIDC has released Rs. 9.83 Crore to contractors and parties for carrying out the work including mobilization advances. However, DSIIDC has provided expenditure statement of Rs. 5.20 Crore only. Further, the expenditure statement shows the amount released to parties and not the bill wise expenditure details. Rs. 9.83 Crore includes mobilization advances and security advances of Rs. 4.63 Crore. In view of this, the internal auditors have suggested that "DSIIDC may

be advised to provide expenditure statement bills wise so that the same can be verified by NIFT Officials with construction work going on at the Delhi Campus. Further, it will help in determining the exact position of amount released to parties i.e. how much is for mobilization advances and how much for secured advances etc. In this regard, A letter has been written to DSIIDC asking them to send expenditure statement as pointed out by the auditor (vide letter dated 21.04.2015). Further DSIIDC has been requested in the past to give NIFT performance guarantee, however despite repeated reminders they are not giving NIFT the Performance Guarantee on the ground that DSIIDC never gives PG for work done for another Government controlled organization. In lieu of this, NIFT is also releasing money to DSIIDC only against work completed and that too in a separate account where interest belongs to NIFT.

Reconciliation of Fees:

3.9 In Delhi Campus, the internal auditors have reported the difference in various fees received from students like tuition fee, library fee, exam fee and late fee etc. and booked in accounts with respect to student count. Delhi Campus has clarified that at the time of internal audit, reconciliation of fees was not completed. But subsequent to the audit, the reconciliation statement for the difference between the amounts booked in tally and as per excel sheet has been prepared and forwarded to internal auditors to drop the para.

3.10 Apart from above observations, some other observations are mentioned in enclosed Annexure-I. Further, the internal auditor has also reported compliance report of previous quarters along with the updated status on such observations, which are in Annexure-3204/ I (Part-III) for kind information of F&AC members.

4. DG's RECOMMENDATION:

DG has recommended that this agenda note may be placed before F&AC for approval.

5. MATTER FOR CONSIDERATION OF F&AC:

The agenda is put up for the kind approval of F&AC.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

**CONSOLIDATED SUMMARY
OF HEAD OFFICE AND ALL CAMPUSES**

**INTERNAL AUDIT REPORT
(FOR THE PERIOD: 01.10.2014 TO 31.12.2014)**

**GIANENDER & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Plot No. 6, Site No. 21, Geeta Mandir Marg, New Rajinder Nagar
New Delhi - 110060.**

UNQUOTE DERIVED

CONSOLIDATED SUMMARY
FOR THE PERIOD 01.10.2014 TO 31.12.2014

TABLE OF CONTENTS

S.No.	MAJOR ISSUE	PAGE No.
I.	PART-I (Management Summary and Suggestions)	2-6
II.	PART-II (Detailed Internal Audit Report-Current Quarter)	
1	BANK ACCOUNTS	7
2	STATUTORY COMPLIANCE	7-9
3	ADVANCES	9-12
4	CONTRACTOR ADVANCES	12-13
5	RESOURCE CENTRE: BOOKS AND PERIODICALS	13-14
6	PROJECT	14-15
7	BUILDING DEPARTMENT	15-16
8	ESTABLISHMENT DEPARTMENT	16
9	ACADEMIC DEPARTMENT	16-17
10	RECONCILIATION OF FEE RECEIVED FROM STUDENTS AND FEE IN ACCOUNTS	17-20
11	GENERAL LEDGER REVIEW/OTHER MATTERS	20-22
III.	PART-III (Compliance Report: Pending Issues-Previous Quarter)	22-33

INTERNAL AUDIT REPORT
FOR THE PERIOD FROM 01.10.2014 TO 31.12.2014
Part-I (Management Summary and Suggestions)

Sr. No.	Observation	UPDATED CAMPUS REPLY	HEAD OFFICE REPLY																																				
1.	<p>Head Office: Staff Advances of Rs.28,73,891.79 (Dr.) as at 31-12-2014 include very old advances. These advances are being carried forward without any recovery. Following is the summary of aging analysis of these Staff advances:</p> <table border="1"><thead><tr><th>Year of Advance</th><th>94-95</th><th>95-96</th><th>96-97</th><th>97-98</th><th>98-99</th><th>99-2000</th><th>2000-01</th></tr></thead><tbody><tr><td>Amount outstanding</td><td>4,577</td><td>61,500</td><td>28,500</td><td>303,549</td><td>849,794</td><td>283,055</td><td>356982</td></tr></tbody></table> <table border="1"><thead><tr><th>2001-02</th><th>2002-03</th><th>2003-04</th><th>2004-05</th><th>2005-06</th><th>2006-07</th><th>2009-10</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr></thead><tbody><tr><td>163,395</td><td>303,897</td><td>99,187</td><td>20,680</td><td>175,628</td><td>43,320</td><td>7368</td><td>5000</td><td>97900</td><td>69560</td></tr></tbody></table> <p><i>Very old advances doubtful of recovery need to be written off after proper approval from Competent Authority.</i></p> <p>Mgt. Reply: These are old outstanding balances and will be -adjusted.</p>	Year of Advance	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	Amount outstanding	4,577	61,500	28,500	303,549	849,794	283,055	356982	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2009-10	2012-13	2013-14	2014-15	163,395	303,897	99,187	20,680	175,628	43,320	7368	5000	97900	69560	<p>Head Office: 68 staff advances amounting to Rs. 28.73 lakhs were pending for settlement as on December 31, 2014. Out of these advances, 30 advances amounting to Rs. 14.24 lakhs have been settled /adjusted up to April 13, 2015 and the balance of Rs. 14.49 lakhs are in process of settlement.</p>	<p>Head Office: HO is taking adequate steps for settlement of old outstanding advances to staff. Detailed report is enclosed with the ATR. <i>[Copy of the same is placed at Annexure V]</i></p>
Year of Advance	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01																																
Amount outstanding	4,577	61,500	28,500	303,549	849,794	283,055	356982																																
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163,395	303,897	99,187	20,680	175,628	43,320	7368	5000	97900	69560																														
2.	<p>Head Office: An amount of Rs. 92.25 lakhs is outstanding as advances to various parties on 31/12/2014. Out of this amount, major amount outstanding are as follows which need rigorous follow up:-</p> <table border="1"><thead><tr><th>Party</th><th>Amount (Rs.)</th><th>Amount outstanding since</th></tr></thead><tbody><tr><td>Alaknanda Advertising</td><td>13,22,000</td><td>2000-01</td></tr><tr><td>CLRI</td><td>1,55,000</td><td>1996-97</td></tr><tr><td>ITPO</td><td>4,45,300</td><td>1997-98</td></tr><tr><td>Media Makers</td><td>7,60,850</td><td>1999-00</td></tr></tbody></table> <p>Mgt. Reply: These are old outstanding balances and will be adjusted.</p>	Party	Amount (Rs.)	Amount outstanding since	Alaknanda Advertising	13,22,000	2000-01	CLRI	1,55,000	1996-97	ITPO	4,45,300	1997-98	Media Makers	7,60,850	1999-00	<p>Head Office: 95 contractor advances amounting to Rs. 92.25 lakhs were outstanding for settlement as on 31st December, 2014. Out of these advances, 43 advances amounting to Rs. 22.44 lakhs have been settled / adjusted up to</p>	<p>Head Office: HO is taking adequate steps for settlement of old outstanding advances to parties. Detailed report is enclosed with the ATR.</p>																					
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		April 13, 2015 including advance of Alaknanda Advertising and the balance of Rs. 69.81 lakhs are in process of settlement.	
3.	<p>Head Office:</p> <p>Payment made to All India Management Association in terms of MOU dated 3rd Oct 2013 for Admission for the academic session 2014-15, is made on the basis of number of candidates who took part in examination, interview and group discussion. As per noting on page 19 of file NIFT/Admission /1259(7)/Exam agency/2014, the statement of bills received from AIMA has been given but no verification of number of student admitted has been made by Academic Department. Further the amount paid to AIMA on 4th April 2014 is Rs 1366028 where as in the note the amount shown by the Admission Department is Rs 12,29,425. This amount is actually net of TDS. This mistake needs to be taken care of so that no excess payment is made to the said Agency. All bills should be verified by Academic Department for number of student before submitting the same for release of payment to accounts department. As observed bill No CMS/72 Dated 05.03.2014 was raised for 6269 candidates i.e. Additional students were (6269-1300) = 4969 student whereas bill number CMS/87 dated 01.10.2014 is for 5171 students i.e. Additional students were (6471-1300) = 5171 students. The addition of 202 students after finalization of written test held on 23.02.2014 is not justified and payment should not be released for more than 4969 students.</p> <p>Mgt. Reply: Payment of Bills to AIMA are verified before release of payment.</p>	<p>Head Office:</p> <p>The observation raised by the internal auditor is the same for which query has already been raised by the Accounts Section. Since matter is still not approved and no payment is released for any additional students hence the observation of internal auditor at this stage is not tenable.</p>	<p>Head Office:</p> <p>Payment has been made for 4969 students as per recommendation of accounts department and no excess payment has been made.</p>
4.	<p>Head Office:</p> <p>Rs.2,62,27,440 is outstanding against Mr. Sameer Sood, new Project In-charge of TIDI Ethiopia Project. Till closure of this quarter, no expenditure statement has been received from him.</p> <p>Mgt. Reply: The expenditure statements are being received from Mr. Sameer Sood relating to the project but the Books of accounts of Project Cell have not been updated. The books will be updated.</p>	<p>Head Office:</p> <p>The advance was not released to Sh. Sameer Sood by HO Project instead the funds for ETIDI Project were released amounting to Rs. 2.85 crore instead of Rs 2.62 crore as shown by internal auditor for ETIDI</p>	<p>Head Office:</p> <p>HO reply is satisfactory.</p>

		Project Expenses. This was because Project A/cs are maintained at NIFT Bhopal. Earlier the nomenclature of ledger a/c was "Sameer Sood ETIDI Project Direct Exp. A/c" which has been changed as "ETIDI Project Bhopal a/c". Necessary JV has been passed to show the correct and true picture of the transaction.										
5.	<p>Head Office: As per Project Cell books of account, an FDR in PNB is for Rs.72,55,273 but the same was not shown at the time of our physical verification and could not be physically verified. However an FDR of Rs.79,30,618/- of UBI was physically verified by us but the same did not appear in Project Cell Books of Account.</p> <p>Mgt. Reply: The Books of accounts of Project Cell have not been updated, old FDR with PNB has been en-cashed and a new FDR has been made with UBI.</p>	<p>Head Office: Entry was there in books of account, however, not reflected at the time of audit as it was not approved in tally. The same is now appearing in books and Tally.</p>	<p>Head Office: The reply of HO accounting unit is satisfactory.</p>									
6.	<p>Head Office:</p> <p>i. The DSIIDC has agreed for providing Performance Guarantee as noted on Project File page no 126 dated 21.10.2014 by Director General, NIFT but Performance Guarantee by DSIIDC is yet to be received.</p> <p>ii. DSIIDC has been paid an advance of Rs. 1000.00 Lakhs till December 2014 against which they have submitted Expenditure Statement vide letter no. DSIIDC/E.E(CD-XV)/301/2014-15 /416 dated 30.12.2014. The expenditure incurred up to 31.03.2014 is 91,78,430 and for the Current year up to Dec.2014, the fund utilization as under :</p> <table><tr><th>Sl. No.</th><th>Particulars</th><th>Amount</th></tr><tr><td>1.</td><td>Expenditure Up to 31.03.2014 Audited</td><td>91,78,430</td></tr><tr><td>2.</td><td>Misc. Exp. 2014-15</td><td>13455</td></tr></table>	Sl. No.	Particulars	Amount	1.	Expenditure Up to 31.03.2014 Audited	91,78,430	2.	Misc. Exp. 2014-15	13455	<p>Head Office: A letter has been written to DSIIDC asking them to send expenditure statement as pointed out by the auditor (vide letter dated 21.04.2015). Further DSIIDC has been requested in the past to give NIFT performance guarantee, however</p>	<p>Head Office: Reply is satisfactory.</p>
Sl. No.	Particulars	Amount										
1.	Expenditure Up to 31.03.2014 Audited	91,78,430										
2.	Misc. Exp. 2014-15	13455										

3.	M/S Rama Construction Company 2014-15 Bills	4,05,01,191
4.	Electrical Division 2014-15	3,15,535
5.	Departmental Charges 2014-15	20,41,509
	Total Expenditure	5,20,50,120

Further apart from above expenses of Rs. 5,20,50,120, DSIIDC has given Mobilization advance to M/S Rama Construction Company Rs.427.23 Lakhs and Secured advance of Rs. 34.85 Lakhs. Thus total Funds utilized by DSIIDC till December 2014 is Rs. 982.58 Lakhs. Balance with DSIIDC on deposit account at this quarter end is Rs. 17.42 Lakhs.

However, detailed statement of Bills received by DSIIDC from the contractor M/S Rama Constructions showing Bill amounts admitted by DSIIDC, Tax Deducted at source, Service tax, Labour cess, other statutory levies recovered, mobilization advance recovered, and recovery made from Secured advance etc. was not available.

We suggest that:

DSIIDC may be advised for sending Bill Wise detailed statement of the Contractor M/S Rama Construction Company, so that NIFT may be able to verify Bills amount on account of Construction work, amount if any on account of escalations admitted by DSIIDC, balance position of Mobilization advance and Secured advance, balance fund position with the contractor against project work. It will also help NIFT management to take appropriate decision when demand for release of further funds is made by DSIIDC.

Mgt. Reply: The matter for performance guarantee is being followed up with DSIIDC.

despite repeated reminders they are not giving NIFT the PG on the ground that DSIIDC never gives. Performance Guarantee for work done for another Government controlled organization. In lieu of this NIFT is also releasing money to DSIIDC only against work completed and that too in a separate account where interest on fund given accrues to NIFT.

7. **Delhi :**
There is variation of Rs. 72,45,616 pending reconciliation in Fee accounts as per Books of accounts and as per the list of Students as detailed below:

Particulars	Amount Rs. In Tally	Amount as per student Sheets	Difference	
Tuition Fee	93675436	90,717,120	2958316	
Library Fee	7945500	5,650,000	2295500	Voucher no - 30.07.2014 and JV 119/120dt.30.09.2014 not Include this library fee

Delhi:
At the time of internal audit of quarter 3, the reconciliation of fee was not completed. But later on, the reconciliation statement for the difference between the

Delhi:
Campus reply is satisfactory.

Student Development Fund	3894000	3,230,000	664000	Voucher no - 30.07.2014 and JV 119/120dt.30.09.2014 not include this SDF	amounts booked in Tally and as per Excel sheet has been prepared and forwarded to internal auditors to drop the para.	
Exam. Fee	2925000	1,610,000	1315000	Voucher no -21 dt 24.4 2014 ,165 Dt 30.07.2014 and JV 119/120dt.30.09.2014 not include this exam fee		
Late Fee	116300	113,500	2800	Voucher no -136 dt 10.07.2014 and 339 dt.25.11.2014 not include this re-reg amount		
Re-Registration	189900	179,900	10000	Voucher no -136 dt 10.07.2014 and 339 dt.25.11.2014 not include this re-reg amount		
TOTAL	108746136	101500520	7245616			
Mgt. Reply: The difference in Fee is being reconciled with the academic department						

PART-II (Detailed Internal Audit Report-Current Quarter)

S. No.	AUDITOR'S OBSERVATIONS	UPDATED CAMPUS REPLY	HEAD OFFICE REPLY
1.	<p><u>BANK ACCOUNTS</u></p> <p>a) <u>Bank reconciliation for following Bank Accounts was pending as at 31.12.2014</u></p> <p>1. Head Office: UBI Bank 340602050000020 UBI Bank 340602050000022 Mgt Reply: These accounts have been reconciled up to November 30th 2014 and for December reconciliation is in Progress.</p> <p>2. Delhi: UBI Bank 340602050000027 UBI Bank 340602050000030 UBI Bank 340602050000032 Mgt Reply: These accounts have been reconciled up to November 30th 2014 and for December reconciliation is in Progress.</p> <p>3. Kangra: UBI Bank 391902050000002 There are unlinked credit entries of Rs. 81,66,528/- in bank account and debit entries of Rs. 4,15,850/- which are yet to be accounted for in bank book. Mgt Reply: These entries are being identified and will be accounted for in books of account thereafter.</p>	<p>Head Office: Reconciliation of both the bank accounts have been completed.</p> <p>Delhi: All the bank accounts have been reconciled as on date.</p> <p>Kangra: Bank reconciliation has been updated.</p>	<p>Head Office: HO reply is satisfactory.</p> <p>Delhi: Campus reply is satisfactory.</p> <p>Kangra: Campus reply is satisfactory.</p>
2.	<u>STATUTORY COMPLIANCE:</u>		

1. Bhopal:

The campus had paid Rs.14,35,737/- to Agrawal Caterers and Mess Sanchalak towards mess charges during this quarter. Payment of Mess charges is in the nature of works contract. Works contract Tax, as confirmed by the FO from the Vat Consultant, is applicable in Madhya Pradesh for payments exceeding Rs. 3,00,000/-. Hence, work contract tax should have been deducted and deposited as per the prevailing rates for deduction of Works Contract Tax in the State of Madhya Pradesh. As pointed out in audit report for the quarter ended 30.09.2014 that WCT should be applicable on payment made to Agrawal Caterers and Mess Sanchalak, then in order to comply with the observation pointed out in previous audit report, the campus got the opinion from the lawyer of Agrawal Caterers and Mess Sanchalak but the same doesn't seem to be convincing. In our view the Campus should take reliable opinion from the WCT (VAT) Consultant/Expert/ Chartered Accountants.

Mgt Reply: We are in process of seeking opinion from C.A. / WCT consultant.

2. Kolkata:

Maintenance Charges amounting to Rs. 3,100/- received from NIFT Kolkata campus canteen for the month of October does not include service tax portion. Similarly, NIFT Kolkata has been receiving maintenance charges in the nature of renting of immovable property from various other parties like Nescafe, Stationery shop, Hostel Canteen Sandwich stall etc. As per service tax provisions service tax needs to be charged on such amount received too. No service tax has been charged on the amount received till date.

Mgt Reply: As per HO Circular dated 15.04.2014 (Master Circular-Service Tax) and relevant Annexure for "Applicability of Provisions of Service Tax w.e.f.01.04.2013 vide item Sl.No.08, Rent for Canteen is taxable. Accordingly, suitable clause has been incorporated in the agreement with the vendor (NIFT Kolkata Campus Canteen). Service Tax has already been collected from the said vendor for the months of Nov.'14 and Dec' 14 and remitted to the Government Account. As regards applicability of Service Tax on maintenance charges for Oct.'14, a letter has been issued to the vendor for immediate deposit of service tax with interest. However, internal audit team has suggested that service tax needs to be charged on the entire maintenance charges in the nature of renting of immovable property from various parties like Metro Agencies

Bhopal:

Legal opinion has been taken on the said subject from M/s. L. K. Maheshwari & Co., Chartered Accountants vide their letter dated 30.03.2015. As per their opinion, NIFT is not liable for deduction of tax at source under the MP VAT Act on this issue.

Kolkata:

As regards applicability of Service Tax on maintenance charge of campus canteen for the month of Oct.'2014, a letter vide No.3209(2)/Accts/NIFT Kol/Collection of Rent/2015 dated-20.01.2015 has been issued to the vendor for immediate deposit of Service Tax with interest.

In regard to the same, Service Tax of Rs.2,292/- has been collected from the Canteen Contractor for October'2014 along with @18% per annum and the same has been

Bhopal:

Campus reply is satisfactory.

Kolkata:

Campus reply is satisfactory.

	<p>(Nescafe), Stationery Shop, Hostel Canteen, Sip & Sandwich stall etc. and this practice may be followed uniformly across all NIFT Campuses. Hence, necessary HO guideline is required in order to follow this practice uniformly across all NIFT Campuses and for amendment of existing Service Tax Registration (Receiver of Services for Renting of Immovable Property- A/c Code: 00440406) of NIFT Kolkata Campus.</p> <p>3. Srinagar:</p> <p>a) We have checked the tax deducted at source as per books with the deposit challans. TDS deposit Challans were not available in a few cases and we could not verify the payment made. TDS Return of 2nd Quarter has not been filed and entries relating to 2nd Quarter have been included in TDS Return of 3rd Quarter. Entries relating to 3rd Quarter have not been included in TDS Return of 3rd Quarter. The TDS returns for 2nd and 3rd Quarter should be immediately revised.</p> <p>Mgt Reply: The Returns will be revised.</p> <p>b) Campus deducted EPF of Ashutosh Porus amounting Rs. 21,904/- up to July 2014 during the period and opening balance of Rs. 32,856/- is standing in the books. The total amount of Rs. 54,760/- and employer Contribution of Rs. 66,605/- is outstanding in the books of account which is pending for deposit.</p> <p>Mgt Reply: The matter has been informed to H.O and suitable directions are awaited.</p>	<p>deposited "through GAR-7 to the Union Bank of India, Bidhannagar Branch on 03.03.2015 for payment to the Govt. Account.</p> <p>Srinagar:</p> <p>a) Due to floods in Kashmir we were not able to file the return in time.</p> <p>b) The campus has applied for registration with the EPF/CPF office Srinagar but registration is not yet confirmed. On the other hand, it was verbally informed that as no. of NIFT Employees at Srinagar is less than 10 it cannot be registered. In between, the concerned employee (Mr. Ashutosh Porus) is working with NIFT Kangra, so the EPF contribution would be deposited by Kangra Campus. Kangra campus has been asked to deposit the same.</p>	<p>Srinagar: Revised return of TDS has been filed.</p> <p>b) Reply is satisfactory.</p>
3. A.	<p>ADVANCES: Travelling Advances to staff: In following campuses, advances remain outstanding for settlement for more than 60 days (major amounts):-</p>		

Campus		Name of Employee	Amount	Date of Settlement	Remarks	Reply
Kangra	Mr. Sunil Kumar Mudahi	2480	24/09/2014	Settlement of advances is governed by Circular 10 of NIFT HO according to which advances are not settled within one month notice is issued and if still not settled advance is deducted from salary of subsequent month.	Kangra: These have been settled.	
	Mr. Chavi Goyal	7320	19/06/2014			
	Mr. Chavi Goyal	9080	24/09/2014			
	Ms. Shipra Sharma	4000	16/10/2014			
	Prof. S.K. Bala Siddhartha	20700	24/10/2014			
	Ms. Maulshree	9240	30/10/2014			
Bhubaneshwar	Goutam Saha	17800	03/11/2014	Reminder note(s) is/are being issued to the concerned employee whose advance is lying unsettled beyond prescribed time limit. If not settled the same is being recovered from the Salary of respective employees.	Bhubaneshwar: Settled.	
Gandhinagar	Rahul Solanki	7000	21/05/2014	The Employee has submitted the settlement and the cc of department has to approve.	Gandhinagar: These have been settled.	
	Manish Bhargava	10000	26/09/2014	Follow up will be made if not settled, will be deducted from January-15 Salary.		
	Vasundhara Chaudhary	16000	10/10/2014			
	Ravi Joshi	5600	29/10/2014			
	Dharmendra Singh	5500	17/10/2014			
3. B.	ADVANCES: Other than TA Advances to staff: 1. Bhopal:					

Bills have not been submitted within reasonable period of time of completion of event in following cases:

Name of Staff	Amount of advance (Rs.)	Date of advance	Date of submission of bill	Date of settlement
Mr. Chirag B. Solanki	9,834	17/10/2014	Not Submitted	-

Mgt Reply: Concerned person has been informed and this will be settled shortly.

2. Srinagar:

There is advance of Rs. 8,70,651/- outstanding as on 31.12.2014 to Ashutosh Porus. Out of which Rs. 6,30,000/- was from beginning of the year and have not been settled for a long time. Purpose for advance was not recorded while providing the advance.

Mgt Reply: The matter has been informed to Head office & directions awaited.

3. Head Office:

Staff Advances of Rs.28,73,891.79 (Dr.) as at 31-12-2014 include very old advances. These advances are being carried forward without any recovery. Following is the summary of aging analysis of these Staff advances:

Year of Advance	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01
Amount	4,577	61,500	28,500	303,549	849,794	283,055	356982

Bhopal:

Since it was advance towards purchase of books from flip cart and books have been received on bunch hence settlement got delayed. Now it has been settled.

Srinagar:

An amount of Rs. 479254/- has been recovered from Shri Ashutosh Porus and the balance amount is in process of recovery.

Head Office:

68 staff advances amounting to Rs. 28.73 lakhs were pending for settlement as on December

Bhopal:

Settled.

Srinagar:

DO letter dated 23.02.2015 have been issued to Director in Charge i.e. Mr. S. K. Bala Siddhartha, Director Kangra to file an FIR immediately for the recovery of advance from Mr. Ashutosh Porus. Accordingly, a request letter dated 30.03.15 for filling FIR against Ashutosh Porus for embezzlement of Govt. Fund has been submitted to SHO, Police Station, Humhama, Srinagar on 31.03.2015.

Head Office:

HO is taking adequate steps for settlement of old outstanding

outstan ding									
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2009-10	2012-13	2013-14	2014-15
163,395	303,897	99,187	20,680	1,75,628	43,320	7,368	5,000	97,900	69,560

Very old advances doubtful of recovery need to be written off after proper approval from Competent Authority.

Mgt Reply: These advances will be adjusted.

4. Delhi:

An advance of Rs. 32,749/- to V. Senth Kumar is pending since 18.06.2013, the case is reported to be under Vigilance.

Management Reply: The case is still under vigilance.

31, 2014. Out of these advances, 30 advances amounting to Rs. 14.24 lakhs have been settled /adjusted up to April 13, 2015 and the balance of Rs. 14.49 lakhs are in process of settlement.

advances.

Delhi: The Advance was given to purchase sports goods for Converge 2010 to Mr. Senthil, Asstt Professor (now posted at NIFT Mumbai). There was some procedural deviations and later on the matter was referred to Vigilance Section Head Office by Ms. Rosy Kataria. The case is under vigilance for settlement and the same will be settled positively by the end of April 2015.

Delhi:
Reply is satisfactory.

3.
C.

ADVANCES:

Advances to Service Providers:

1. **Shillong:** Amount of Rs 3,86,918/- Paid to BSNL for Leased Line at NIFT is lying unadjusted since 09/09/2014.

Shillong:
Regular follow ups are being made with BSNL for settlement

Shillong:
Reply is satisfactory.

	<p>Mgt Reply: Advance given to BSNL was for 20 MBPS connection at Girls Hostel. BSNL with NIC is unable to provide the 20 MBPS and are able to provide only 8 MBPS. We are following up with them. Once the same is settled we will pass the entry.</p>	<p>of advance. Recently, a letter dated 26.03.2015 has been written to BSNL for settlement.</p>																																																						
4.	<p>CONTRACTOR ADVANCES PENDING:</p> <p>1. Head Office: An amount of Rs. 92,25,122 is outstanding as advances in various party accounts as on 31/12/2014. Following is the summary of aging analysis of these advances:</p> <table><tr><td>Year of Advance</td><td>94-95</td><td>95-96</td><td>96-97</td><td>97-98</td><td>98-99</td><td>99-2000</td><td>2000-01</td></tr><tr><td>Amount outstanding</td><td>69591</td><td>105000</td><td>601550</td><td>1122061</td><td>783002</td><td>801941</td><td>815946</td></tr></table> <table><tr><td>2001-02</td><td>2002-03</td><td>2003-04</td><td>2004-05</td><td>2005-06</td><td>2006-07</td><td>2007-08</td><td>2008-09</td><td>2011-12</td></tr><tr><td>173807</td><td>191098</td><td>226000</td><td>262666</td><td>673475</td><td>701931</td><td>107539</td><td>72756</td><td>5325</td></tr></table> <table><tr><td>2013-14</td><td>2014-15</td></tr><tr><td>45984</td><td>2465450</td></tr></table> <p>Very old advances doubtful of recovery need to be written off after proper approval from Competent Authority. Mgt Reply: These advances will be adjusted.</p> <p>2. Delhi: We observed an amount of Rs.3,33,054 to 2 parties is long outstanding in "other Advances Account" which needs to be recovered/adjusted details are as under:</p> <table><tr><td>S.no.</td><td>Name of Party</td><td>Amount of Advance Rs.</td><td>Outstanding Since</td><td>Purpose</td></tr><tr><td>1</td><td>Sri Fort Auditorium</td><td>331,210.00</td><td>19.11.2012</td><td>Convocation 2012</td></tr><tr><td>2</td><td>DGS&D.</td><td>1,844.00</td><td>01.4.2008</td><td>Opening balance since April 2008.</td></tr></table>	Year of Advance	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01	Amount outstanding	69591	105000	601550	1122061	783002	801941	815946	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2011-12	173807	191098	226000	262666	673475	701931	107539	72756	5325	2013-14	2014-15	45984	2465450	S.no.	Name of Party	Amount of Advance Rs.	Outstanding Since	Purpose	1	Sri Fort Auditorium	331,210.00	19.11.2012	Convocation 2012	2	DGS&D.	1,844.00	01.4.2008	Opening balance since April 2008.	<p>Head Office: Out of 95 old outstanding advances to contractors, 43 cases amounting to Rs. 22.44 lakhs have been settled / adjusted including the advance of Alaknanda Advertising till March, 2015.</p> <p>Delhi: 1) Actively pursuing with the Sri fort Authority and efforts is being made to settle as earliest. 2) The old record for 2006-07 has been retrieved and settlement in process.</p>	<p>Head Office: HO is taking adequate steps for settlement of old outstanding advances.</p> <p>Delhi: 1) Campus is taking adequate step for settlement of old outstanding advances. 2) Campus is taking adequate step for settlement of old</p>
Year of Advance	94-95	95-96	96-97	97-98	98-99	99-2000	2000-01																																																	
Amount outstanding	69591	105000	601550	1122061	783002	801941	815946																																																	
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2011-12																																																
173807	191098	226000	262666	673475	701931	107539	72756	5325																																																
2013-14	2014-15																																																							
45984	2465450																																																							
S.no.	Name of Party	Amount of Advance Rs.	Outstanding Since	Purpose																																																				
1	Sri Fort Auditorium	331,210.00	19.11.2012	Convocation 2012																																																				
2	DGS&D.	1,844.00	01.4.2008	Opening balance since April 2008.																																																				

Management Reply: These advances are being adjusted.	outstanding advances.
<p>5. RESOURCE CENTRE: BOOKS AND PERIODICALS</p> <p>As per "circulation policy for faculty", maximum loan duration for the books issued to the faculty is 180 days, but in case of following three campus, we observed that books & periodical issued to faculty is outstanding for very long period of time:-</p> <p>Kolkata In Kolkata Campus 104 books are taken by 20 faculty members which are outstanding. In some cases the books taken in 2010 have not been returned.</p> <p>Kangra In Kangra Campus books taken by 7 faculty members are outstanding and in some cases the books taken in 2012 have not been returned.</p> <p>Mumbai In Mumbai Campus books taken by 15 faculty members are outstanding and in some cases the books taken in 1996 have not been returned.</p> <p>Mgt Reply: This may be a general problem for which it is suggested that circular may be</p>	<p>Kolkata: 76 books have been received back from faculties and efforts are being made to recover the other 28 books with regular follow up with faculty members.</p> <p>Kangra: The faculties have been requested to return the book and reissue if required. Since the teaching is continuous process therefore it is difficult to strictly follow the rules. However the campus has already issued IOM regarding the rules position of 6 months and will follow it in letter and spirit. As on date, most of the faculties have returned the books only 3 cases are pending.</p> <p>Mumbai: Subsequent to the audit all faculties have returned the books except one out of them for which is under process of</p> <p>Kolkata: Reply is satisfactory.</p> <p>Kangra: Reply is satisfactory.</p> <p>Mumbai: Reply is satisfactory.</p>

	issued by NIFT HO.	written off (Rs. 811/-) after approval of competent authority at Campus.	
6.	<p><u>PROJECT DEPARTMENT : PROJECTS</u> Head Office: a) Rs.2,62,27,440/- is outstanding against Mr. Sameer Sood, new Project In-charge of TIDI Ethiopia Project. Till closure of this quarter, no expenditure statement has been received from him. Mgt Reply: Tally Data is being updated.</p> <p>b) As per project books of accounts an FDR in PNB is for Rs.72,55,273/- but the same was not shown at the time of our physical verification and could not be physically verified. However an FDR of Rs.79,30,618/- of UBI was physically verified by us but the same did not appear in Project Cell Books of Account. The Project Cell accounts were said to be not updated. Mgt Reply: Tally Data is being updated.</p>	<p>Head Office: a) The advance was not released to Sh. Sameer Sood by HO Project instead the funds for ETIDI Project were released amounting to Rs. 2.85 crore instead of Rs 2.62 crore as shown by internal auditor for ETIDI Project Expenses. This was because Project A/cs are maintained at NIFT Bhopal. Earlier the nomenclature of ledger a/c was "Sameer Sood ETIDI Project Direct Exp. A/c" which has been changed as "ETIDI Project Bhopal a/c". Necessary JV has been passed to show the correct and true picture of the transaction. b) Entry was there in books of account, however, not reflected as not approved in tally. The same is now appearing in books and Tally.</p>	<p>Head Office: a) HO reply is satisfactory. b) This is being updated in the Tally.</p>
7.	<p><u>BUILDING DEPARTMENT:</u> Delhi: New Building Project is under progress for Delhi Campus. As verified from Head Office accounts, an amount of Rs.10.00 Crore has been advanced to DSIIDC for the Project.</p>	<p>Delhi: The utilization certificate from DSIIDC is still awaited from</p>	<p>Delhi: Campus reply is satisfactory.</p>

	<p>Against the said deposit an amount of Rs. 9.83 Crore has been utilized by DSIIDC for expenses incurred and advances given to contractors for the project, leaving a balance of Rs.0.17 Crore with DSIIDC as at 31.12.2014. The said expenses need to be accounted for in WIP in Delhi Campus as and when expenditure statement is received from DSIIDC by NIFT.</p> <p>Mgt Reply: No comments provided by Mgt.</p>	<p>Head Office, as soon as, we will receive UC, the same will be accounted for in the Delhi Campus accounts.</p>	
8.	<p>ESTABLISHMENT DEPARTMENT:</p> <p>a) The Bio -Metric system employed at various centres are not generating the required data in a proper manner. Several issues were raised in the internal audit report for the quarter ended 30th September 2014 also. The Bio metric Vendor should take immediate steps to rectify the problems faced in Bio- Metric attendance system. We observed that:</p> <p>i. In marking week day off, Officials on outdoor Duty , putting remarks like "Odd event", time in and time out etc are the issues currently being faced at all Campuses and resultant accurate and reliable attendance data is not available from the system.</p> <p>ii. The Bio Metric System is not updated on Transfer of Employees between one campus and H.O or other Campus. This short coming was observed in case of Delhi Campus and Head Office, where salary paid to staff is not in conformity with attendance as per Bio-metric system.</p> <p>Mgt Reply: Biometric data needs to be updated.</p>	<p>i) No. of circulars have been issued for maintaining proper record in Bio metric system.</p> <p>ii) Bio metric system has been updated.</p>	<p>i) Reply is satisfactory.</p> <p>ii) Reply is satisfactory.</p>
9.	<p>ACADEMIC DEPARTMENT:</p> <p>Head Office:</p> <p>We have reviewed the payment made to All India management Association in terms of MOU dated 3rd Oct 2013 for Admission for the academic session 2014-15. In this process we have noted that the bills are to be raised by AIMA on the basis of number of candidates who took part in examination and subsequent interview and group discussion. The schedule of payment is 40% of consolidated fee, then 20% in two installment and balance 20% on completion of admission. As per noting on page 19 of file NIFT/Admission /1259(7)/Exam agency/2014, the statement of bills received from AIMA has been given but no verification of number of student admitted has been made by Academic Department. Further the amount paid to AIMA on 4th April 2014 is Rs 1366028 where as in</p>	<p>Head Office:</p> <p>The observation raised by the internal auditor is the same for which query has already been raised by the Accounts Section. Since matter is still not approved and no payment is released for any additional students hence the observation of internal auditor at this stage</p>	<p>Head Office:</p> <p>Payment has been made for 4969 students as per recommendation of accounts department and no excess payment has been made.</p>

	<p>the note the amount shown by the Admission Department is Rs 12,29,425. This amount is actually net of TDS. This mistake needs to be taken care of so that no excess payment is made to the said Agency. All bills should be verified by Academic Department for number of student before submitting the same for release of payment .As observed bill No CMS/72 Dated 05.03.2014 was raised for 6269 candidates i.e. Additional students were (6269-1300) = 4969 student whereas bill number CMS/87 dated 01.10.2014 is for 5171 students i.e. Additional students were (6471-1300) = 5171 students. The addition of 202 students after finalization of written test held on 23.02.2014 is not justified and payment should not be released for more than 4969 students. HO Reply: No Comments provided by Mgt.</p>	may not be raised.																																																																									
10.	<p>RECONCILIATION OF FEE RECEIVED FROM STUDENTS AND FEE IN ACCOUNTS:</p> <p>1. Head Office:</p> <p>While reviewing Fee received from students we have observed that total number of students admitted for academic session 2014-15 has been finalized and fee received from students at various Centers is given below:</p> <table border="1"><thead><tr><th>Name of Branches</th><th>NRI Seat</th><th>Non NRI Seats</th><th>NLEA Seats</th><th>Total NRI Fee In Rs.</th><th>Total Non-NRI Fee In Rs.</th><th>Total Fee</th><th>Confirmation received on</th></tr></thead><tbody><tr><td>Bengaluru</td><td>28</td><td>221</td><td>4</td><td>14498400</td><td>18225000</td><td>32723400</td><td></td></tr><tr><td>Bhopal</td><td>0</td><td>70</td><td>1</td><td>0</td><td>5751000</td><td>5751000</td><td></td></tr><tr><td>Mumbai</td><td>48</td><td>231</td><td>1</td><td>24854400</td><td>18792000</td><td>43646400</td><td></td></tr><tr><td>New Delhi</td><td>43</td><td>288</td><td>0</td><td>22265400</td><td>23328000</td><td>45593400</td><td>22.10.14</td></tr><tr><td>Patna</td><td>-</td><td>179</td><td>3</td><td>-</td><td>14742000</td><td>14742000</td><td></td></tr><tr><td>Rae Bareli</td><td>-</td><td>83</td><td>-</td><td>-</td><td>6723000</td><td>6723000</td><td></td></tr><tr><td>Shillong</td><td>-</td><td>58</td><td>2</td><td>-</td><td>4860000</td><td>4860000</td><td>28.10.14</td></tr><tr><td>Kolkata</td><td>18</td><td>217</td><td>2</td><td>9320400</td><td>17739000</td><td>27059400</td><td></td></tr></tbody></table>	Name of Branches	NRI Seat	Non NRI Seats	NLEA Seats	Total NRI Fee In Rs.	Total Non-NRI Fee In Rs.	Total Fee	Confirmation received on	Bengaluru	28	221	4	14498400	18225000	32723400		Bhopal	0	70	1	0	5751000	5751000		Mumbai	48	231	1	24854400	18792000	43646400		New Delhi	43	288	0	22265400	23328000	45593400	22.10.14	Patna	-	179	3	-	14742000	14742000		Rae Bareli	-	83	-	-	6723000	6723000		Shillong	-	58	2	-	4860000	4860000	28.10.14	Kolkata	18	217	2	9320400	17739000	27059400		<p>1. Head Office:</p> <p>Confirmation for no. of students has been received from all campuses and credit notes have been issued to campuses after retention of 20% HO share.</p>	<p>1. Head Office:</p> <p>HO reply is satisfactory.</p>
Name of Branches	NRI Seat	Non NRI Seats	NLEA Seats	Total NRI Fee In Rs.	Total Non-NRI Fee In Rs.	Total Fee	Confirmation received on																																																																				
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Hyderabad	12	201	2	6213600	16443000	22656600	26.11.14
Kannur	1	185	3	517800	15228000	15745800	
Jodhpur	-	43	4	-	3807000	3807000	21.10.14
Chennai	11	219	2	5695800	17901000	23596800	
Bhubaneswar	-	160	1	0	13041000	13041000	17.10.14
Gandhi Nagar	47	189	1	24336600	15390000	39726600	
Kangra	-	141	2	-	1158300	11583000	3.12.14
Total	208	2485	28	1017702400	203553000	311155400	

Mgt. Reply: Mail for confirmation of the above number of students has been sent to respective centers by head office along with the list of students and final reconciliation/confirmation is in progress.

2. Delhi:

Unadjusted Fee accounts:

Particulars	Amount Rs. In Tally	Amount as per student Sheets	Difference Rupees	
Tuition Fee	93675436	90,717,120	2958316	-
Library Fee	7945500	5,650,000	2295500	Voucher no - 30.07.2014 and JV 119/120dt.30.09.20 14 not include this library fee
Student Development Fund	3894000	3,230,000	664000	Voucher no - 30.07.2014 and JV 119/120dt.30.09.20 14 not include this SDF

2. Delhi:

At the time of internal audit of quarter 3, the reconciliation of fee was not completed. But later on, the reconciliation statement for the difference between the amounts booked in Tally and as per Excel sheet has been prepared and forwarded to internal auditors to drop the para.

2. Delhi:

Campus reply is satisfactory.

Exam. Fee	2925000	1,610,000	1315000	Voucher no -21 dt 24.4.2014, 165 Dt 30.07.2014 and JV 119/120 dt 30.09.2014 not include this exam fee
Late Fee	116300	113,500	2800	Voucher no -136 dt 10.07.2014 and 339 dt 25.11.2014 not include this re-reg amount
Re-Registration	189900	179,900	10000	Voucher no -136 dt 10.07.2014 and 339 dt 25.11.2014 not include this re-reg amount
TOTAL	108746136	101500520	7245616	

Mgt Reply: The reconciliation of accounts with fee is in progress.

3. Kangra:

As per "Memorandum of Understanding" signed between the bank and NIFT Kangra reconciliation of fees was to be done by bank. However no inputs are being received by NIFT Kangra despite of several reminders and request.

Another issue which NIFT Kangra is facing is one of the medium from which fees is being collected is NEFT through which fees is directly credited into the account of NIFT. Because of this the administrative staff is facing a problem to identify the beneficiary student name.

As per the Bank Reconciliation Statement of UBI General A/c No 391902050000002, Rs. 9,53,566/- has been credited in bank but not accounted in books as administrative staff is facing a problem to identify the beneficiary student name.

Recommendation

It is further recommended to pursue this matter with bank authorities more rigorously as this is very important matter from your point of view and needs to be looked into. Some

3. Kangra:

Fee reconciliation is updated. UBI has recently agreed to provide virtual account for all the NEFT transaction. This will make identification of student very easy. Further NIFT has also signed an agreement with HDFC for collection of fee and for payment gateway, this is expected to solve the problem.

3. Kangra:

Campus reply is satisfactory.

	amicable solution is needed to resolve the problem. The NIFT Head Office needs to inform student through prospectus during admission itself that all NEFT Payment should be made either through the CMS or in case direct payment is made, the Accounts Department should be intimated and payment proof should be submitted. The Students should also mention their name and roll number in the remarks column of NEFT payment advice. Mgt Reply: Fees have been reconciled. The remaining amount will also be reconciled with help of bank and students. We agree with Auditor recommendation.																					
11.	GENERAL LEDGER REVIEW: 1. Bangalore: <table><tr><th>Sl. No.</th><th>Particulars</th><th>Debit</th><th>Credit</th></tr><tr><td>1</td><td>Advance to contractors</td><td>Amount of Rs.1020.71 lakhs was paid to CPWD as advance for Construction of new blocks in academic building, hostel building etc. As on date No capitalisation was done. It is recommended to get work completion certificates from CPWD to capitalise/transfer to Capital work-in-progress and it should be insured adequately.</td><td>Completion certificates yet to collect from CPWD. Necessary follow-up is being done</td></tr><tr><td>2</td><td>Amount recoverable from parties</td><td>Amount Rs.3,29,751 which is opening balance not yet recovered from parties(Allied services-Dr.Rs.84,605,Ascon travels Dr.Rs.2,696 and Fee from students of Dr.Rs.2,42,250)</td><td>This amount pertains to more than 8 years back. As parties are not traceable, necessary action is being proposed to write-off the balances.</td></tr><tr><td>3</td><td>Service tax recoverable</td><td>Amount of Rs.18,24,338 showing in debit balance and no amount is recovered since 01.04.2014.</td><td>Cenvat credit taken in previous year to be written off since we are not eligible for cenvat credit availment.</td></tr></table>				Sl. No.	Particulars	Debit	Credit	1	Advance to contractors	Amount of Rs.1020.71 lakhs was paid to CPWD as advance for Construction of new blocks in academic building, hostel building etc. As on date No capitalisation was done. It is recommended to get work completion certificates from CPWD to capitalise/transfer to Capital work-in-progress and it should be insured adequately.	Completion certificates yet to collect from CPWD. Necessary follow-up is being done	2	Amount recoverable from parties	Amount Rs.3,29,751 which is opening balance not yet recovered from parties(Allied services-Dr.Rs.84,605,Ascon travels Dr.Rs.2,696 and Fee from students of Dr.Rs.2,42,250)	This amount pertains to more than 8 years back. As parties are not traceable, necessary action is being proposed to write-off the balances.	3	Service tax recoverable	Amount of Rs.18,24,338 showing in debit balance and no amount is recovered since 01.04.2014.	Cenvat credit taken in previous year to be written off since we are not eligible for cenvat credit availment.	Bangalore: 1. Reminder letter have been sent to CPWD for issuing of Completion Certificate and UC to settle the advance A/c. 2. Verification of old records is in progress and the same will be settled / written off at the end of Quarter 1 of F.Y. 2015-16. 3. The same provision was reversed vide JV No. 179, Dt. 27.01.15.	Bangalore: 1. Capitalization will be done in accounts of 2014-15 either on basis of completion certificate received from CPWD or on provisional basis if completion certificate is not received. 2. Campus reply is satisfactory. 3. Campus reply is satisfactory. JV.No. 179 Dt. 27.01.2015 passed with the approval of Competent Authority.
Sl. No.	Particulars	Debit	Credit																			
1	Advance to contractors	Amount of Rs.1020.71 lakhs was paid to CPWD as advance for Construction of new blocks in academic building, hostel building etc. As on date No capitalisation was done. It is recommended to get work completion certificates from CPWD to capitalise/transfer to Capital work-in-progress and it should be insured adequately.	Completion certificates yet to collect from CPWD. Necessary follow-up is being done																			
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3	Service tax recoverable	Amount of Rs.18,24,338 showing in debit balance and no amount is recovered since 01.04.2014.	Cenvat credit taken in previous year to be written off since we are not eligible for cenvat credit availment.																			

4	Retention Money	Amount of Rs.1,00,500 showing in Credit balance Since 01.04.2014	Action will be initiated
5	TDS Receivable	Amount of Rs.3,34,697 showing in debit balance and no amount is recovered since 01.04.2014.	Request will be submitted to HO to reimburse the same.

4. The amount was received as penalty from canteen contractor. However, contractor has represented for non-levying penalty, on which a decision is pending. It will be adjusted as and when a decision is taken on the issue.

5. Head Office has to reimburse the same.

4. Campus reply is satisfactory.

5. Matter is being taken up with Income Tax Authorities and on getting refund, it will be returned back to the respective campuses.

2. Srinagar:

The campus neither pays the electricity nor Electricity Board raise the bill from beginning of the year. As informed to us the liability to pay the electricity charge is on Campus as per Lease Agreement but lease agreement is not physically provided to us.

Mgt Reply: No Comments provided by management.

3. Head Office:

There are various payable accounts as at 31.12.2014 which need to be rectified:-

Account	Amount	Remarks
CPF Contribution payable Account	Rs.1,08,405 (Dr.)	Old excess payment
GPF Payable	Rs.14,013(Cr)	Deducted Rs 89,500 Payable Rs 1,03,513 Excess credit remaining Rs 14,013

Srinagar:

Necessary provision will be made on estimated basis in accounts of 2014-15.

Head Office:

Necessary rectification entry has already been passed for CPR contribution payable, GPF payable, CGEGIS payable.

Srinagar:

Campus reply is satisfactory.

Head Office:

HO reply is satisfactory.

CGEGIS Payable A/c	Rs 4,875 (Cr)	Including opening balance Rs 4065 without adjustment.
Amount Payable	22,05,10,863(Cr)	Fee payable to various center is subject to final reconciliation.

HO Reply: These accounts will be rectified.

4. Delhi:

- a) The following balances are outstanding since 31.03.2013 against Provision of expenses made against CE Programme Course 2012-13 and are pending for adjustment.

- i. Provision for CT&DD Rs.1,51,052
- ii. Provision for DPT Exp. Rs.88,342
- iii. Provision for FIAI-Prog. Rs.558

Mgt Reply: Provisions are being adjusted.

- b) An amount of Rs. 3,21,650 is outstanding in Scholarship Received from other which is yet to be paid/adjusted in students accounts.

Mgt Reply: These will be adjusted.

The credit notes have been issued to campuses against the fee payable after retention of 20% HO Share.

Delhi:

- a) These excess provisions have been written off.

Delhi:

- a) Campus reply is satisfactory.

- b) Rs.100000/- has been adjusted and balance is under process.

- b) Campus reply is satisfactory.

	2	DGS&D	1,844.00	01.4.2008	Opening balance	Actively pursuing with the Siri fort Authority and efforts is being made to settle before closing of this financial year.	
	Mgt. Reply: Adjustment in process					2. Now, the Old records 2006-07 has been retrieved and settlement in process.	
2.	<u>FIXED ASSETS VERIFICATION AND ACCOUNTING</u> Delhi Campus: <u>New Building Project</u> As per clause 22 of the MOU, DSIIDC shall provide a performance guarantee at 5% of tendered cost within 15 days of award of work to NIFT as a guarantee for timely execution of the project which shall be 36 months from the date of allocation of work to DSIIDC by NIFT. No such guarantee has been provided till date. The same needs to be obtained immediately.					<u>Delhi Campus:</u> The DSIIDC is being pursued for submission of P.G. through letters and in the review meetings being chaired by D.G. with the CMD, DSIIDC.	<u>Delhi:</u> HO is taking adequate steps for getting P.G. from DSIIDC.
3.	<u>ATTENDANCE REGISTER & ESTABLISHMENT DEPARTMENT</u> Bio -Metric system employed at various campuses are not generating the required data in a proper manner. Several issues were raised in the internal audit report for the quarter ended 30 th September 2014 also. The Bio metric Vendor should take immediate steps to rectify the problems faced in Bio-Metric attendance system. We observed that: i. In marking week day off, Officials on outdoor Duty , putting remarks like "Odd event", time in and time out etc are the issues currently being faced at all Campuses and resultantly accurate and reliable attendance data is not available from the system. ii. The Bio Metric System is not updated on Transfer of Employees between one campus and H.O or other Campus. This short coming was observed in case of Delhi Campus and Head Office, where salary paid to staff is not in conformity					 	

	with attendance as per Bio-metric system. Mgt Reply: Biometric data needs to be updated.		
4.	<p><u>BOOKS & PERIODICALS</u></p> <p>Kolkata: 144 Books issued by the Resource Centre to 25 faculty members have not been returned. The period in some cases is over 4 years. The books issued in their names have not been returned which needs a serious view by the Management. Refer to Annexure 4 of Consolidated Report issued for 2nd quarter of Current FY-2014-15.</p> <p>Mgt Reply: The Resource Centre has regularly been intimating the faculty members who have not returned the books issued in their names after the expiry of loan duration. The last such intimation was sent via email dated 27th October'2014. The matter is further being followed up by the Resource Centre:</p>	<p>Kolkata: 76 books have been received back from faculties and efforts are being made to recover the other 28 books with regular follow up with faculty members.</p>	<p>Kolkata: Campus reply is satisfactory.</p>
5.	<p><u>PROJECTS</u></p> <p>1 Delhi:</p> <p>a) In Danka Project, the performance was completed in 2008-09, but balance amount of Rs.375000 has not been recovered from Development Commissioner, Ministry of Textiles, West Block R K Puram, New Delhi. The last letter (Reminder) is dated 23.03.2012, no further correspondence has since been made by NIFT for recovery of balance amount of Rs.3,75,000.00. The amount of expenditure Rs.3,40,124/- has remained unadjusted, as the Project has not been closed for non-recovery of balance amount. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly follow up is being done.</p> <p>b) In Indo Swiss Project, the performance was completed in March 2010, against invoice amount of Rs. 4,60,676/-, an amount of Rs 2,87,748 only has been received. Though Utilization certificate has been issued on 15.03.2010 and Original Invoices of expenditure incurred has also been submitted to the party</p>	<p>Delhi:</p> <p>a) Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders waited from DCHC. Till then status quo (Regular follow-up is being done through Project-HO).</p> <p>b) Matter is being taken up on file for closure and settlement as the Project is closed.</p>	<p>Delhi:</p> <p>a) Campus reply is satisfactory.</p> <p>b) Project is closed.</p>

	<p>but still balance amount of Rs.172928 has not been recovered from Reitor India (P) Ltd. The NIFT may proceed legally against the party for realization of the outstanding balance. Mgt. Reply: Matter is being taken on file for closure and settlement.</p> <p>c) In case of Indian Navy (Conduct of Short term course) Project, the project stands completed on 10.05.2014, for a contract value of Rs. 14,19,511.00. Invoice has been raised for Rs. 14,19,511/- to Indian Navy but no entry in Books of account has been made. Also, as per agreed terms with Navy Officials (Cmdr. Samal) the money was to be received in the first quarter of current FY-2014-15, but no money has been realized till date. The amount of expenditure incurred Rs. 7.90 Lacs has not been accounted for in Books of account as per estimated expenditure on the Project. Efforts need to be made for realization of bill amount of Rs. 14,19,511/- from Indian Navy and Project needs to be closed. Mgt. Reply: As per credit slip received, payment was made on 18th August 2014. However due to an error in the IFSC code, money not recd. Matter being taken up with MoD officials.</p> <p>d) Project 'IPR' started for registration of GI in case of 3 Crafts for 4 states (Punjab, Haryana, Himachal and Uttrakhand). We have observed that major part of the Project has been completed but the Project has not been closed as yet. There is no further progress in the project since 20.01.2014. A sum of Rs.26,49,120/- has been debited to Project on 07 May 2013 with corresponding credit in Provision made. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly followup is being done).</p> <p>e) Project "Uniform for MCD Gr. D Employees" advance amount received 90% Rs. 11,12,364, the major work of the project has been completed and distribution/appropriation of receipt amount has been made on 23/09/2014. All pending expenses if any need to be booked and balance 10% of the Project amount needs to be recovered from MCD. The balance of the Project in the</p>	<p>c) As per credit slip received, payment was made on 18th August 2014. However due to an error in the IFSC code, money not recd. Matter being taken up with MOD officials. We are actively pursuing with client for release of funds.</p> <p>d) Being followed up. However, action is to be taken by DCHC at their end.</p> <p>e) Project is closed. Balance payment is now being persuaded.</p>	<p>c) Campus reply is satisfactory.</p> <p>d) Campus reply is satisfactory.</p> <p>e) Project is closed.</p>
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<p>books of account as on 30.9.2014 is Rs. 8,24,723 (cr). Mgt. Reply: Project completed. Matter for balance being persued.</p> <p>f) In Chamba Project, the performance was completed in 2011-12, but balance amount of Rs.370827 has not been recovered from Development Commissioner, (Handicrafts) Ex-Officio –Joint Secretary, Ministry of Textiles, West Block -7 , R K Puram, New Delhi. The last letter (Reminder) is dated 23.03.2012, no further correspondence has since been made by NIFT for recovery of balance amount of Rs.3,70,827.00. The balance amount of any expenditure needs to be booked (that has remained unadjusted), as the Project is not closed for non recovery of balance amount. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly followup is being done.</p> <p>g) In JSS-II Project, last letter issued by Unit I/C Project Cell to Co-ordinator JSS-II Project NIFT-DC for closure of project on 14.08.2014. The balance amount of any expenditure needs to be booked (that has remained unadjusted), and Project is still not closed and the balance in books as on 30.9.2014 is rs.219689. Mgt. Reply: Closure report awaited from client for financial closure of project. Reminders sent to coordinators.</p> <p>h) In ITPO Project, a Debit balance of Rs. 61821 is outstanding since 1.4.2008. The amount is very old and needs to be adjusted after proper approval of competent authority. Mgt. Reply: Matter being taken on file for closure</p> <p>i) In Mrignayani Project , all deliverables have been shown to incharge Mrignayni Corporation on 25.02.2011 and GM on 26.02.2011 and request has been made for release of balance payment . Since 30.08.2013, there is no further progress in the Project. Meanwhile the Office Incharge of the Mrignainee Project has informed that the Work has been cancelled and refund of Rs. 3,00,000 be made. An amount of Rs.29090 has been incurred on the project and balance</p>	<p>f) Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo is being maintained. (Regular follow up is being done through Project Cell).</p> <p>g) Closure of project has been initiated.</p> <p>h) The matter is very old. Records are being withdrawn from archives for closure and closure of project has been initiated.</p> <p>i) Matter is being taken on file for closure and settlement.</p>	<p>f) Campus reply is satisfactory.</p> <p>g) Closure of project has been initiated.</p> <p>h) Closure of project has been initiated.</p> <p>j) Closure of project has been initiated.</p>
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	<p>outstanding is Rs.270910. The matter needs to be reviewed seriously and books of account need to adjusted accordingly. Mgt. Reply: Matter is being taken on file for closure and settlement</p> <p>j) Poly Bag Project- Amount received 50% 2,34,785, Expenses incurred Rs.1,38,174 and balance outstanding as at 30.9.2014 is Rs. 96614. Further 2nd and Final Installment is yet to be received from O/O DC(HC). There is no further progress in the project since 28.03.2012. Mgt. Reply: Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders awaited from DCHC. Till then status quo (Regularly follow up is being done)</p> <p>2. Bhubaneswar: Bell Metal Project : An amount of Rs. 5,00,000/- was sanctioned by the Office of the Directorate of Handicraft and Cottage Industries, Odisha vide letter no HPL/02/2013/DH&CI dated 19.10.2013 for conducting the designing development training programme on bell metal craft at Kantilo by NIFT, Bhubaneswar. Rs. 4,00,000/- Received by the institution on 03.02.2014. Out of this fund an amount of Rs. 2,05,000/- was given as advance to Mrs. Susmita Behera (Project Coordinator) for the project expenses has not been adjusted during the tenure of our audit. Mgt Reply: Noted. The same shall be settled after receipt of balance 20% amount i.e. Rs 100000/-.</p>	<p>j) Matter is being dealt at HO Level between NIFT HO and office of DCHC. Orders waited from DCHC. Till then status quo (Regular follow up is being done through Project-HO).</p> <p>Bhubaneswar: A letter No-NIFT/BBSR/Project/2015/14 Dt:03.03.2015 has been sent to Director of Handicraft and Cottage Industries, Odisha Bhubaneswar for release of balance of Rs.1 Lakh along with Utilization Certificate. Financial closure of Bell metal Project will be carried out after receipt of balance amount from the client.</p>	<p>j) Campus reply is satisfactory.</p> <p>Bhubaneswar: Campus reply is satisfactory.</p>
<p>6.</p>	<p><u>CONTRACTS AND AGREEMENTS:</u> 1. Mumbai: A. <u>Development of Plot No. 15 & 20</u> MOU with CIDCO DATED 2nd Sept. 2009 ; Last Modified on 30.07.2010: While reviewing the Memorandum of Understanding with "City & Industrial Development Corporation of Maharashtra Limited (CIDCO) for development of Plot No.15 & 20 at Sector-4 Kharghar, we observed that: ➤ In terms of permission of construction of additional buildings on Plot No. 20, vide letter ref. CIDCO/Estate/09/WS/360 dated 10/02/2010, FAR increased from 1. To 1.5 the completion time permitted is 4 years from the</p>	<p><u>Mumbai:</u></p> <p>> The matter has been put up on Board of Directors by CIDCO.</p>	<p><u>Mumbai:</u></p> <p>Campus reply is satisfactory.</p>

date of modified agreement. Also in terms of permission of construction of additional buildings on Plot No. 15, vide letter ref. CIDCO/Estate 2010/WS/476 dated 24/02/2010, FAR increased from 0.75 TO 1.00 the completion time permitted is 4 years from the date of modified agreement. Modification in MOU with CIDCO was carried on 30/07/2010. Thus in our opinion, the period of permission stands expired in July 2014 and may have to be renewed.

Mgt. Reply: The matter is being pursued with CIDCO.

- As per Clause XX the expenses for Design Proof were to be borne by CIDCO from Project Monitoring Charges (PMC) but an amount of Rs. 7.79 lac has been paid to IIT, Mumbai by NIFT for design proof which should be debited to CIDCO against PMC.

Mgt. Reply: The matter is being pursued with CIDCO.

- As per Clause ~~Xiv~~-XIV of MOU, monthly statement of Receipts and Payments is to be submitted by CIDCO to Joint Action Committee (JAC)/ NIFT that will be the basis of further release of funds to CIDCO. As observed last monthly statement is sent by CIDCO to NIFT on 10.10.2014 under reference number CIDCI/EE/(KHR-III)/2014/479 DATED 10.10.2014. Against an approved project cost of Construction of Rs. 83.50 Crores (excluding escalation of 6.68 Crores and Contingency & Labourcess Rs.3.33 Crores.) total Cost is Rs.93.51 Crores. Against the said amount of Cost of Construction, the payment released by NIFT to CIDCO is Rs. 88.45 Crores (including interest received from contractor on Advances Rs. 2.42 Crores.

Mgt. Reply: We have to keep sufficient balance with CIDCO.

2. Head Office:

- a) Following balances are continuing without any adjustment

Account	Amount	Remarks	Management Reply
TDS Payable	47474Dr.	Without any adjustment	There is opening balance being carried from 2008. The same will be put up for write off.

> We have sent a letter to CIDCO for the expenses on design proof for Rs 7.79 Lacs, however the amount will be deducted from the PMC charges of CIDCO.

> The MOU is being followed.

Head Office:

Regarding Ra.10.67 crores, it relates to 6th CPC arrears. Letters have been written to MOT for release of arrears. On 21-04-15 a reminder letter has also been issued.

Other balances pertains to old

Campus reply is satisfactory.

Campus reply is satisfactory.

Head Office:

HO reply is satisfactory.

Arvind Brands Bangalore	Rs.40000Dr	Without any adjustment	There is opening balance being carried from 2004. The same will be put up for write off.
GSLIS Recoverable	Rs.4300Dr	Without any adjustment	There is opening balance being carried from 2007. The same will be put up for write off.
Recoverable for Ministry	Rs.10,67,00,000Dr	Without any adjustment	The amount is still receivable from MOT to meet the additional financial implication on account of 6th CPC.
Students Advances	Rs.20342Dr	Without any adjustment	There is opening balance being carried from 2001. The same will be put up for write off.
Staff Advances New NIFT Account	Rs.32930Dr	Without any adjustment	The details has been explored from tally and the said amount o/s against Vickshit Mehta, student studied from Gandhinagar. Notice is being sent to him.

advances and other accounts are being processed either for write off or for adjustments.

Motor Advances	Car Rs.23667Dr	Only Rs.400 have been recovered in Sept'14	Rs 400/- is recovered from salary of Hindi officer and deposited with his parent office. As per records maintained at salary unit, there is no motor car adv is o/s. Moreover, no recovery on account of motor car advance drawn from NIFT is being made except officers on deputation. There might be error in booking of the entries at the time of recoveries.		
Interest Accrued on Sweep Account	360Dr	Without any adjustment	Accrued interest on FD cannot be adjusted without break/mature of fixed deposit		
<p>H.O. Reply: Replies are provided in relevant annexure.</p> <p>b) TDS recoverable account has credit balance of Rs.18,12,056 which is the amount of income tax refunded by the Income Tax Department for various assessment years. This amount needs to be adjusted against TDS and interest on refund of Income Tax. It is to be reconciled / adjusted with TDS deducted by various parties. H.O. Reply: Reconciliation is under process.</p>				<p>b) Reconciliation is under process and not completed due to shortage of staff / manpower.</p>	<p>Reply is satisfactory.</p>

3. Delhi:

- a) From the review of Project Files it is observed that two parties have deducted Tax at Source amounting to Rs. 55,000/- & Rs. 22,205/- for "Design of Delhi Daredevil Brand" Project and "GAP International Sourcing IPL" Project respectively. Total TDS is Rs.77,205.00 but as per books of account TDS receivable as at 30.09.2014 is only Rs. 52205.00. Difference of Rs 20,000 need to be reviewed and rectification entries are required to be passed.
Mgt Reply: Delhi Centre is booking TDS from the F.Y. 2013-14 on the basis of HO instructions, the TDS deducted from Delhi Daredevil Project of Rs. 55000/-, an amount of Rs. 25000/- pertains to the F.Y. 2012-13. Accordingly TDS receivable is 52205/- is correctly shown as on 30.09.2014.

- b) An amount of Rs.2649120 has been credited to Provision for Expenditure and same amount debited to the IPR Project Receipt on 7-5-2013.
Mgt Reply: Committed Expenditure for IPR Project on the basis of UC submitted.

- c) An amount of Rs. 346985 is outstanding in Scholarship Received from other which is yet to be paid/adjusted in students accounts.
Mgt Reply: Amt. Rs 128210 adjusted from outstanding amt.

4. Bangalore:

S.No.	Particulars	Amount	Remarks
1	Amount recoverable from parties	Amount Rs.3,29,751 which is opening balance not yet recovered from parties (Allied services-Dr.Rs.84,605, Ascon travels Dr.Rs.2,696 and Fee from students Dr.Rs.2,42,250)	This amount pertains to more than 8 years back as parties are not traceable. Necessary action is being proposed to write-off the balances.

Delhi:

- a) Delhi Centre is booking TDS from the F.Y. 2013-14 on the basis of HO instructions, the TDS deducted from Delhi Daredevil Project of Rs. 55000/-, out of which an amount of Rs. 25000/- pertains to the F.Y. 2012-13. Accordingly TDS receivable is 52205/- is correctly shown as on 30.09.2014.

- b) As the project is not completed, the Provision will be adjusted at the time of closure. The regular follow up is being made

- c) Amount of Rs.1,28,210/- adjusted from outstanding amt. Work is in progress.

Bangalore:

1. These are very old pending issues. We are in the process of reviewing old records for necessary action in this regards. The same will be settled in this financial year.

2. The file is being initiated to write

Delhi:

- a) Campus Reply is satisfactory.

- b) Campus Reply is satisfactory.

- c) Campus Reply is satisfactory.

Bangalore:

1. Campus Reply is satisfactory.

2. Settled / Adjusted.

2	Service tax recoverable	No Amount recovered since 01.04.2014	Cenvat credit taken in previous year to be written off since we are not eligible for cenvat credit availment.	off the Service Tax Cenvat Credit which provision made prior to 2010 in the books of accounts. JV.No. 179 Dt. 27.01.2015 has been passed with the approval of Competent Authority.	
3	TDS Receivable	No Amount recovered since 01.04.2014.	Request will be submitted to HO to reimburse the same.	3. H.O. has to reimburse the same.	3. Matter is being taken up with Income Tax Authorities and on getting refund, it will be returned back to the respective campuses.

EXPRESSION OF GRATITUDE

At last but not the least, we express our gratitude and sincere thanks to the Managers/Officers and staff of the NATIONAL INSTITUTE OF FASHION TECHNOLOGY for their kind co-operation extended to us. We also express our gratitude to you for providing us an opportunity to serve you.

We shall be pleased to discuss with you matters contained in our report at mutually convenient time.

Thanking you,
Yours truly,

For Gianender & Associates
Chartered Accountants
FRN.-004661N

(RAMESH KOUL)
Partner
MRN: 077804

Date: 25.02.2014
Place: New Delhi

**MINUTES OF THE 32ND FINANCE & AUDIT COMMITTEE (F&AC) MEETING ON
AGENDA ITEM NO. 3204 HELD ON 28TH APRIL, 2015**

AGENDA ITEM NO. 3204

**Consolidated Internal Audit Report of NIFT for the Third Quarter Ended on
31st December, 2014**

Smt. Manju Aggrawal CA, Internal Auditor, M/s Gianender & Associates, Chartered Accountants presented the Consolidated Internal Audit Report of NIFT for the Third Quarter ended on 31st December, 2014. The Committee desired to know the systemic faults/ lapses/ major issues, which needed to be highlighted and brought before the Committee. The Auditor brought the following lapses before the Committee:

- i. Payment was to be made to All India Management Association (AIMA) on the basis of number of candidates who took part in examination and subsequent interview and group discussion. On 05.03.2014, AIMA raised bill for 6269 candidates where Additional students were 4969, whereas AIMA raised bill dated 01.10.2014 for 5171 Additional students. The addition of 202 students after finalization of written test held on 23.02.2014 was not justified and payment should not be released for more than 4969 students. Director (F &A) clarified that no excess payment had been made to AIMA and actual payment had been made for 4969 students only.

The Committee took note of the above.

- ii. That for the new Building project of Delhi Campus, Rs. 10 Crore had been given to DSIIDC (Construction Agency). However no distinction of Account is being maintained by NIFT i.e how much was for the mobilisation advances & security advances and how much was for the payment towards settlement of Account ofn DSIIDC. Whole payment of Rs. 10 crore had been accounted in the Books of Accounts of NIFT as Advances. Internal Auditors had suggested that DSIIDC may be requested to provide expenditure statement bill wise so that the same could be verified by NIFT Officials with construction work going at the Delhi Campus. Director (Finance) was requested to take up this with DSIIDC.
- iii. That at the time of internal audit for the fourth quarter reconciliation of fee was not completed in Delhi Campus. Director (Finance) was requested to present a complete picture in next meeting of F&AC.
- iv. That as per the Project Cell an FOR in PNB was being showed for Rs. 72,55,273/- but the same was not shown at the time of physical verification. However an FOR of Rs. 79,30,618/- of UBI was shown and same had not appeared in the Book of Project Cell. F&AC was informed that the FOR of PNB had matured and the amount was reinvested in the FOR of UBI Bank. Director Finance assured that recurrence of such instance would be avoided.

The Committee took note of the Consolidated Internal Audit Report of NIFT for the Third Quarter ended on 31st December 2014 and recommended the same to the BOG for consideration.

राष्ट्रीय फैशन टेक्नालॉजी संस्थान

(कस्त्र मंत्रालय, भारत सरकार)

डिजाइन, मैनेजमेंट और टेक्नालॉजी का महाविद्यालय

Annexure - 2005/III

National Institute of Fashion Technology

(Ministry of Textiles, Govt. of India)

A College of Design, Management and Technology

No. 1551(152)/NIFT/DR(F&A)/Gen Corres. Delhi

Dated: 08/05/2015

To,

Chief Project Manager (CC-XV)**DSI IDC Building,****Ring Road, Lajpat Nagar-III****New Delhi-24****Sub - Bill-wise detail statement of the contractors -reg.**

Dear Sir,

It has been observed by the Internal Auditors of NIFT that amount released/deposited for construction of building for Delhi campus by NIFT to DSI IDC is not verified due to non-receipt of bill-wise details paid to the contractor.

In this connection, you are, therefore requested to furnish bill-wise detailed statement of the Contractors which should also include

- (i) Amount if any on account of escalations admitted by DSI IDC.
- (ii) Amount actually spent by the contractor and balance fund position with the contractor against project work at NIFT Delhi.
- (iii) Amount spent/ appropriated by DSI IDC and balance position of advances with DSI IDC (i.e. Mobilization advance and secured advance)

This will also assist in processing any further demand for releasing funds raised by your office in future smoothly.

It is also requested to provide the above information to NIFT on monthly basis.

Thanking you

Yours faithfully

Project Engineer(Building)

Copy to:

1.DG, NIFT

2.MD, DSI IDC

3.Director (F &A), NIFT - for information.

नफ्ट कैंपस, हाज खास, निकट गुलमोहर पार्क, नई दिल्ली - 110018 (भारत)

दूरभाष : 26542000-30, 26542100-30 फैक्स : 91-11-26851198

NIFT Campus, Hauz Khas, Near Gulmohar Park, New Delhi - 110 018 (India)

Tel : 26542000-30, 26542100-30 Fax : 91-11-26851198

PEC



Khushboo Khandelwal <khushboo.khandelwal@nift.ac.in>

Annexure - 2905/IV**Re: Reconciliation of Fee - IAR Q3 - reg**

1 message

Gianender Agrawal <info.gianender@gmail.com>

29 May 2015 at 13:43

To: Khushboo Khandelwal <khushboo.khandelwal@nift.ac.in>

Cc: Abdul Malik <ddfinance2.ho@nift.ac.in>, Anand Kumar Kedia <director.finance@nift.ac.in>, Nidhi Gupta <nidhi.gupta@nift.ac.in>, "Gianender & Associates, CAs" <gka_ma@yahoo.com>

Dear Khushboo,

Fees Reconciliation had been done by Delhi Campus upto 31st March 2015. During the course of our audit the same has been have verified by us.

On Thu, May 28, 2015 at 2:40 AM, Khushboo Khandelwal <khushboo.khandelwal@nift.ac.in> wrote:
Dear Internal Auditors,

In the 32nd F&AC Meeting held on 28th April, 2015 an agenda item on Consolidated Internal Audit Report for the third quarter ended on 31st December, 2014 was discussed. During the discussion, it was brought to the notice of the members that at the time of internal audit for the fourth quarter, reconciliation of fee was not completed in Delhi Campus.

However, the same has now been reconciled and is attached herewith for your reference and necessary action. You are hereby requested to go through the same and give your confirmation to the same by tomorrow afternoon, so that the same could be reported in the Action taken Report in the upcoming F&AC Meeting.

----- Forwarded message -----

From: **Mohammad Shahdab** <mohammad.shahdab@nift.ac.in>

Date: 25 May 2015 at 12:15

Subject: Fwd: Reconciliation of Fee - IAR Q3 - reg

To: Khushboo Khandelwal <khushboo.khandelwal@nift.ac.in>

Regards,

Mohd. Shahdab
Junior Assistant
NIFT Delhi Campus

----- Forwarded message -----

From: **Yogendra Singh** <ddfinance.delhi@nift.ac.in>

Date: 22 April 2015 at 10:54

Subject: Reconciliation of Fee - IAR Q3 - reg

To: Abdul Malik <ddfinance2.ho@nift.ac.in>

Cc: Gianender Agrawal <info.gianender@gmail.com>, Dinesh Khosla <accounts officer.delhi@nift.ac.in>

Dear Abdul

Pls find herewith the updated excel sheet for Reconciliation of Fee - IAR Q3.
At the time of internal audit for Q3, the reconciliation of fee was not completed.

As of now, the same work is completed. Accordingly the observations may be dropped. This is for your information pls.

योगेंद्र सिंह / YOGENDRA SINGH

उप निदेशक (वित्त एवं लेखा) / Dy. Director (F&A)

निफ्ट दिल्ली कैंपस / NIFT DELHI CENTRE

मोबाइल / Mobile : 9560350257 / 9013855077

With Regards,

CS Khushboo Khandelwal

NIFT Head Office

Hauz Khas

New Delhi - 110016

With Thanks & Regards
Gianender & Associates

REPORT ON OUTSTANDING ADVANCES

The old outstanding advances at Head Office in respect of the Contractors / Staff were pending for settlement / recovery since 1993-94. In the year 2005-06, as per the directions given by BPFC an Advance settlement cell was created by taking expeditious adjustment/recovery. Total outstanding advance against contractor and staff was Rs. 339.00 lacs and Rs. 177.55 lacs as on 31.03.2004 respectively. The settlement cell had adjusted advances to the extent of Rs.286.50 lacs in respect of Contractors and Rs.138.80 lacs in respect of Staff during the financial year 2005- 06 & 2006-07. The settlement cell had also issued legal notices to the parties.

Now as on 01.04.2014, there were outstanding advances in respect of Contractors by Rs.69.21 lacs and in respect of Staff by Rs. 29.33 lacs.

We have worked out transaction wise details of advances and based on relevant available files and personal follow up with the concerned parties / staff to submit photocopy / duplicate bills. As a consequence of this exercise, the present status as on 31.03.2015 is given below:

SR. NO.	PARTICULARS	OUTSTANDING AS ON 01.04.2014		OUTSTANDING ADVANCE SETTLED DURING THE F/Y 2014 - 15		BALANCE OLD OUTSTANDING ADVANCE AS ON 31.03.2015	
		NO OF CASES	AMOUNT	NO OF CASES	AMOUNT	NO OF CASES	AMOUNT
1	ADVANCE TO CONTRACTORS	95	69,21,445.00	43	22,44,053.00	52	46,77,392.00
2	ADVANCE TO STAFF	70	29,32,738.79	32	749,418.00	38	21,83,320.79
	TOTAL	165	98,54,183.79	75	29,93,471	90	68,60,712.79

Further, action for the settlement / write off of old advances is being taken up on regular basis in phase manner after tracing out the transaction wise details of advances and relevant files / vouchers in certain cases. Correspondence / personal follow up with the concerned is also made on regular basis. Action will be taken for settlement / write off of old advances in remaining cases during the current financial year 2015-16.

AGENDA ITEM NO. 2906

HOUSING BENEFIT TO OFFICERS AND FACULTY IN NIFT- AUDIT PARA OF C&AG FOR CONSIDERATION BY CIRCULATION

SCOPE:

The agenda seeks to place before the BOG an agenda item for taking note of which BOG had approved by circulation on 23.03.2015.

GENESIS:

An agenda item no. 2811 was placed before the Board in its meeting held on 23/02/2015 which could not be discussed due to paucity of time. As the date of effect of above decision was from the month of April i.e. 01/04/2015 and a circular to all Campuses implementing the same was required to be issued. Therefore, approval of the Board was required for implementing the same w.e.f 01/04/2015. The decision of the Board along with action taken report was also required to be sent to Ministry of Textiles.

Accordingly with the approval of Chairperson BOG the agenda regarding Housing benefit to Officers and Faculty in NIFT- Audit Para of C&AG was circulated to all BOG Members on 10th March, 2015 for consideration and approval by circulation. Copy of the agenda and its annexures are attached at **Annexure-2906/I**. This agenda was approved by circulation by 09 BOG members out of 15 members.

PROPOSAL:

On receipt of approval of the BOG members by circulation, an office memo dated 27/03/2015 **Annexure-2906/II** was issued to all concerned intimating decision of the Board for withdrawal of "Housing Benefit Incentives". It was also conveyed that 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. The agenda regarding Housing benefit to Officers and Faculty in NIFT- Audit Para of C&AG is proposed for taking note of by the Board which had been approved by it by circulation.

DG'S RECOMMENDATION:

DG has recommended that this agenda note may be placed before the BOG of NIFT for taking note of.

MATTER FOR CONSIDERATION OF BOG:

The BOG may take note of the agenda relating to Housing benefit to Officers and Faculty in NIFT- Audit Para of C&AG that was approved by the BOG by circulation.

AGENDA ITEM NO. 2811

HOUSING BENEFIT TO OFFICERS AND FACULTY IN NIFT- AUDIT PARA OF C&AG

SCOPE:

1- The agenda seeks approval of the Board of Governors on the recommendation made by the Standing Committee of Board on Establishment Matters in its meeting held on 13-01-2015.

GENESIS:

2- The employees of NIFT are not eligible for allotment of government accommodation out of the general pool of Directorate of Estates. They are liable to transferred in any of fifteen campuses of NIFT. They face difficulty in hiring a suitable accommodation on rent against the amount received as house rent allowance. Taking all this in view it was decided with the approval of BOG, to make payment of housing incentive benefit on graded basis in metropolitan cities, Delhi, Mumbai, Kolkata, Chennai, Bengaluru and Hyderabad:-

Faculty

Sr. Professors/Professors	- Rs. 20,000/- per month
Associate Professors	- Rs. 12,000/- per month
Assistant Professors	- Rs. 8,000/- per month

Administrative Officers

Director General	- As per Actual
Director	- Rs. 20,000/- per month
Registrar	- Rs. 15,000/- per month
Deputy Registrar	- Rs. 12,000/- per month
Accounts Officer/Assistant Registrar	- Rs. 8,000/- per month

3- In case of non-metropolitan cities incentive shall be 75% of the above slabs. This incentive shall be in lieu of the Government Accommodation which NIFT is not able to provide and it is difficult to hire accommodation on lease basis. The employees claiming this incentive shall not be eligible for HRA. Copy of the agenda Item No. 0305 discussed in 3rd meeting of Standing Committee of Board on Establishment matters, its minutes and minutes of 5th meeting of Board of Governors held on 16th Oct, 2008 is enclosed at Annexure-2811/I.

4- The Thematic Audit on operational performance and achievements of objectives of NIFT was conducted in July, 2013. The Audit party observed that housing benefit incentive paid to the employees of NIFT is more than the amount prescribed by the 6th Pay Commission w.e.f. 16-01-2008. The payment of housing incentive in lieu of HRA has resulted in the excess payment to the extent of Rs. 5.02 crores from June, 2008 to Dec, 2012. In our reply, we informed the audit party that the Board of Governors under the overall control of Central Govt. manages the affairs of NIFT. Pay and allowances admissible to NIFT employees are fixed with the prior approval of the BOG and looking at the financial implication, the matter will be placed before the BOG for their directions. A copy of the observation of audit party, our reply, further observation and further reply is enclosed at Annexure-2811/II.

5- The Ministry of Textiles has forwarded a copy of the letter received by them from Indian Audit & Accounts Deptt. and have asked NIFT to submit action taken note for the approval of AS&FA (Annexure-2811/III). In their letter, the Indian Audit & Accounts Deptt has informed that para on "irregular payments towards housing Benefit" has been approved by the Comptroller and Auditor General of India. Decision taken by NIFT Board as per NIFT Act, 2006 cannot override Govt. of India orders. In the para, it has been stated that reply of NIFT is not acceptable as payment of Housing Benefit Incentive with higher financial benefit was in violation of Govt. of India Orders.

6- The instructions of Ministry of Finance issued by their OM dated 30/9/2008 (Annexure-2811/IV) have been referred in the aforesaid letter. Through this OM the Government of India decided to extend the recommendations of Sixth Central Pay Commission to the employees of Autonomous Organizations and Statutory Bodies etc. whose pattern of emolument structure i.e pay scales and allowances in particular the Dearness Allowance and the House Rent Allowance are identical to those of the Central Government employees. The OM provides that it would be necessary to ensure that the final package of benefit proposed to be extended to the employees of Autonomous Organizations is not more beneficial than that admissible to the corresponding categories of the Central Government employees. The OM also provides grant of budgetary support for additional expenditure on account of arrears of pay.

7- The emolument structure of officers and employees of NIFT in regard to House Rent Allowance should be similar to the corresponding categories of Central Government employees. In case of violation, the Ministry may decide for withdrawal of budgetary support provided for payment of arrears of pay. Further Government of India has announced 7th Central Pay Commission whose recommendations NIFT is likely to accept. In case we have capacity to provide Housing Benefit Incentive, it is very likely that Ministry of Textiles may expect NIFT to pay salary as per recommendation of Seventh Pay Commission without providing budgetary support for additional expenditure on account of arrears of pay.

8- The suggestion of compensating NIFT employees through alternate means can be taken up separately. However, at this stage a decision is required on the audit para raised by the audit party on "irregular payment towards Housing Benefit Incentive" made to officers/faculty and NIFT has to communicate its position to the MOT.

FINANCIAL IMPLICATIONS:

9- In the audit para, finally approved by the C&AG for inclusion in the report, it has been stated that NIFT paid housing benefit incentive (HBI) of Rs. 19.59 crores during the period June 2008 to Dec, 2012 (upto Feb 2013 in respect of Delhi, Kangra, Shillong and Head Office) against the admissible House Rent Allowance of Rs. 14.49 crores. Thus, NIFT made irregular payment of Rs. 5.10 crores.

RECOMMENDATION OF STANDING COMMITTEE OF BOARD ON ESTABLISHMENT MATTERS:

10- The Standing Committee of Board on Establishment Matters in its Meeting held on 13-01-2015 has recommended to withdraw the housing incentive given to officers/faculty of NIFT with effect from 01-04-2015 without making any recovery as the amount of incentive already drawn by the employees in good faith (Annexure-2811/V).

MATTER FOR CONSIDERATION:

11- In the light of the above, BOG may consider withdrawal of payment of Housing Benefit Incentive as recommended by the Standing Committee of Board on Establishment Matters. The decision of the Board will be sent to Ministry of Textiles for suitable action.

AGENDA ITEM NO. 0305HOUSING BENEFITS TO OFFICERS & FACULTY OF NIFT.SCOPE:

The proposal seeks approval of the Establishment Committee for grant of suitable incentives to all faculty and Officers in lieu of Government Accommodation.

GENESIS:

NIFT is not eligible for allotment of Government accommodation out of the General Pool of Directorate of Estates. We do not have our own pool of accommodation. Therefore, the Senior Faculty/Directors were allowed to hire accommodation on lease basis.

The existing 'Lease Accommodation Policy' is being extended at a uniform rate of Rs. 15000/- to all concerned faculty and officers, provided the official concerned does not own a house in his name or in the name of his spouse or parents or children in the city. The facility of self lease is also extended subject of monthly rental ceiling of Rs. 10000/-.

Those who avail this Lease Accommodation facilities, are not being paid House Rent Allowance and in addition, 10% of the basic pay is deducted from their pay and allowances towards license fee.

In order to provide a friendlier and hassle free facility which caters to a larger number of officials, proposal was discussed in Executive Council Meeting held on 13th May, 2008. The Council recommended grant of housing incentives to faculty members and officers of NIFT.

NEED FOR REVIEW:

Keeping in view of the fact that housing has become a major constraint specially in metropolitan cities and it is difficult to have suitable accommodation in the House Rent Allowance being paid to employees. Therefore, Committee members felt that a suitable incentive in the form of housing benefits may be extended in place of Lease Accommodation Policy. This benefit may be extended to all faculty and administrative officers upto to the Rank of Assistant Registrars at NIFT Centres.

The Committee recommended the following rates on graded basis in metropolitan cities, Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad:

Faculty

Sr. Professors/Professors	---	Rs. 20,000/- per month
Associate Professors	---	Rs. 12,000/- per month
Assistant Professors	---	Rs. 8000/- per month

Administrative Officers

Director General	---	As per Actual
Directors	---	Rs. 20,000/- per month
Registrars	---	Rs. 15,000/- per month
Deputy Registrars	---	Rs. 12,000/- per month
Accounts Officers/Assistant Registrars	---	Rs. 8000/- per month

In case of non-metropolitan cities incentive shall be 75% of the above slabs. This incentive shall be in lieu of the Government Accommodation which NIFT is not able to provide and it is difficult to hire accommodation on lease basis. The employees claiming this incentive shall not eligible for HRA.

FINANCIAL IMPLICATIONS :

The total expenditure on the housing benefit shall be Rs. 1 crore per month (0.70 crore for Faculty and 0.30 crore for Administrative Officers). However, after deduction the element of HRA it would work out to approximately fifty lakh per month.

RECOMMENDATIONS OF DG-NIFT :

DG has recommended for placing the proposal relating to housing benefits before the Establishment Committee.

MATTER FOR CONSIDERATION OF THE ESTABLISHMENT COMMITTEE:

In the light of the above, the Committee may like to consider the recommendations of Executive Council Committee for extending the housing benefits to faculty and administrative officers of NIFT Centres.

Minutes of AGENDA ITEM NO. 0305

HOUSING BENEFITS TO OFFICERS & FACULTY OF NIFT.

The Committee noted the fact that NIFT is not able to provide Government Accommodation to its Officers/Faculty and housing has become a major constraint specially in metropolitan cities. Moreover, it is difficult to have suitable accommodation in the House Rent Allowance being paid to employees, therefore, the Committee decided that the following incentives as Housing benefits may be paid to Officers/faculty on graded basis in metropolitan cities, Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad :

Faculty

Sr. Professors/Professors	---	Rs. 20,000/- per month
Associate Professors	---	Rs. 12,000/- per month
Assistant Professors	---	Rs. 8000/- per month

Administrative Officers

Director General	---	As per Actual
Directors	---	Rs. 20,000/- per month
Registrars	---	Rs. 15,000/- per month
Deputy Registrars	---	Rs. 12,000/- per month
Accounts Officers/Assistant Registrars	---	Rs. 8000/- per month

In case of non-metropolitan cities, incentive shall be 75% of the above slabs. The Committee decided that the employees claiming this incentive shall not be eligible for HRA.

AGENDA ITEM NO. 0306

AMENDMENT IN MEDICAL REIMBURSEMENT POLICY RELATING TO OPD TREATMENT.

The Committee considered the proposal and felt it appropriate to revise the OPD Treatment limit in view of the escalation in the cost of medical treatment, as follows :

i) Group 'D' Employees ---	Rs. 14000/- per annum
ii) Group 'C' Employees ---	Rs. 16000/- per annum
iii) Group 'B' Employees ---	Rs. 18000/- per annum
iv) Group 'A' Employees ---	Rs. 20000/- per annum

AGENDA ITEM NO. 0307

*minutes of 5th BOG held
on 16.10.2008*

**EXTRACTS OF MINUTES OF AGENDA ITEM NO. 0511 OF THE 5TH BOG
HELD ON 16TH OCTOBER, 2008**

AGENDA ITEM NO. 0511

**TAKING NOTE OF THE MINUTES OF THE STANDING COMMITTEE OF THE BOARD
ON ESTABLISHMENT MATTERS HELD ON 16TH JANUARY, 2008, 2ND APRIL, 2008
16TH JUNE, 2008 AND 16TH OCTOBER, 2008**

The Board took note of the Minutes of the Standing Committee of the Board on Establishment matters held on 16th January, 2008, 2nd April, 2008, 16th June, 2008 and 16th October, 2008 and ratified its decisions.

Observation of Audit

3.3 Irregular payment of Housing Benefit Incentive amounting to Rs. 5.02 crore to Administrative Officers and Faculty in violation of recommendations of the 6th Pay Commission:

NIFT has implemented the recommendations of Sixth Central Pay Commission vide Office Memorandum No. NIFT/HO/B.II/6th CPC/ 2008 dated 29.09.2008, and decided that revised rate of all allowances such as HRA, Transport allowance, Children Education Allowance etc. were to be paid from 01.09.2008. The Commission recommended for payment of HRA at the following rates:

Classification of cities/ town	Rate of HRA as a percentage of (Basic pay + grade pay)
X	30%
Y	20%
Z	10%

The term "basic pay" means the pay drawn in the prescribed pay band plus the applicable grade pay. Further Department of Expenditure, Ministry of Finance vide OM No. 7/23/2008-E-III(A) dated 30.09.2008 for guidelines on pay revision of employees of Autonomous Organization etc. provided that recommendations of the Sixth Pay Commission may be extended to employees of autonomous bodies etc whose pay and allowances are identical to those of Central Govt. Employees. Further, it was provided in case pay and allowances are not identical a separated Group of Officers may be constituted and the Group will examine the proposal for revision of pay and ensure that final benefit proposed to be extended to employees of autonomous bodies is not more beneficial to that admissible to Central Govt. Employees.

However, it was observed in Audit that NIFT vide Office Order dated 20.10.2008 decided to pay House Benefit Incentive in lieu of HRA to Administrative officers / Faculty at fixed amount which was more than the amount calculated at the rate prescribed by 6th Pay Commission with effect from 16.06.2008. Rates so decided were as under:

Reply

As NIFT was not able to provide Government accommodation to officers/faculty and housing had become a major constrained specially in metropolitan cities. Moreover, it is difficult to have suitable accommodation in HRA being paid to employees. Therefore, this incentive was introduced in NIFT in lieu of HRA. The Standing Committee of Board on Establishment Matters in its meeting held on 16th June, 2008 approved this incentive and BOG ratified the above decision of the Committee in its 95th Meeting held on 16th October, 2008.

However, looking at financial implication of proposal, this would be placed before the current BOG for their directions. It is requested that the audit para may be treated as settled.

Further Observation

Management's reply is not tenable because HBI with higher financial benefits is in violation of GOI orders. Further, Ministry of Finance's approval to the decision of BOG was not found on record. Therefore, payment of housing benefit incentive over and above the house rent allowance admissible to Central Govt employees was in violation of GOI orders and was thus irregular.

Reply

NIFT is an autonomous body and its employees are not the Central Govt employees as stated in the observation by the Audit party. The Board of Governors under the overall control of Central Government manages the affairs of the NIFT. Pay & Allowances admissible to NIFT employees are fixed with the prior approval of BOG and approval of Ministry of Finance is never obtained.

As already informed the observations of Audit Party will be placed before the BOG in its next meeting scheduled to be held in the month of February, 2014 for directions.

Annexure-2811/II

Annexure-2811/II

(Figures in Rs.)		
Sr. No.	Administrative Officers/ Faculties	Amount of incentive per month
1.	Directors, Sr. Professors, Professors	20000
2.	Registrars	15000
3.	Deputy Registrars, Associate Professors	12000
4.	Asst. Directors, Account Officer, Asst. Registrars, Assistant Professors	8000

It was further stated that in case of centres at non metropolitan cities, incentive shall be 75% of the slab. The Centres of the NIFT are covered under the following categories as classified by Sixth Pay Commission.

Classification of cities/ town	Rate of HRA	Centres covered
X	30%	Bangaluru, Chennai, Hyderabad, Kolkatta, Mumbai, New Delhi, Head Office
Y	20%	Bhopal, Bhubaneshwar, Gandhi Nagar, Jodhpur, Patna, Shillong
Z	10%	Kannur, Rai Bareli, Kangra

Thus, payment of housing benefit incentive in lieu of HRA has resulted in the excess payment to the extent of Rs 5.02 crore (Annexure-II) from June 2008 to Dec. 2012 by the NIFT Centers including Head Office (upto Feb. 2013 in respect of Delhi, Kangra, Shillong centers and Head Office). Further the details housing benefit incentive paid in lieu of HRA in respect of Head Office for period the June 2008 to Feb 2009 and for the period Jan 2013 to Feb. 2013 in respect of Bengaluru, Bhopal, Bhubaneshwar, Chennai, Gandhi Nagar, Hyderabad, Jodhpur, Kannur, Kolkatta, Mumbai, Patna and Rae-Bareli centre has not been made available to audit.



Annexure-2811/III

संख्या / No. :

भारतीय लेखा तथा लेखापरीक्षा विभाग
प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER, AUDIT BOARD - II
NEW DELHI

दिनांक / DATE _____

Please refer to my DO letter no. MAB-II/CAD-I/81-7/2013-14/608 dated 16.01.2014 forwarding therewith a Draft Paragraph on "Irregular payment towards Housing Benefit Incentive" relating to National Institute of Fashion Technology (NIFT).

The para has been approved by the Comptroller and Auditor General of India for inclusion in the report of the Union Government (Commercial). A copy of the approved para is enclosed.

Kindly acknowledge receipt of this letter.

Yours sincerely,

sd/-

Ms Zohra Chatterji
Secretary to Government of India
Ministry of Textiles
Udyog Bhawan,
New Delhi - 110 011

Encl: As above

for coordination
DD (E) 2/7/14

4th & 5th Floor, Annexe Building, CAG Office, 10, Bahadur Shah Zafar Marg, New Delhi - 110002

(37)

Ministry of Textiles
National Institute of Fashion Technology

Irregular payment towards Housing Benefit Incentive

NIFT made payment of Housing Benefit Incentive in violation of Government of India's orders which resulted in irregular payment of Rs. 5.10 crore.

Ministry of Finance extended (September 2008) orders issued by Government of India (GOI) to implement the revised pay structure for the Central Government employees on the basis of the recommendations of the Sixth Central Pay Commission as accepted by the Government to Autonomous Organizations, Statutory Bodies etc. whose pattern of Emolument structure* are identical to those of the Central Government employees. In case the pay and allowances were not identical, a separate Group of Officers might be constituted to finalize the revision of pay scales etc. but the final benefit proposed to be extended to employees of autonomous bodies should not be more beneficial than that admissible to the corresponding categories of Central Government employees. As per GOI accepted recommendations of Sixth Central Pay Commission, House Rent Allowance (HRA) at the rate of 30, 20 and 10 per cent of Basic pay plus grade pay is admissible for cities/towns in X, Y and Z classification, respectively.

Audit observed that NIFT despite having emoluments structure identical to those of the Central Government employees decided (October 2008) to pay fixed amount of Housing Benefit Incentive (HBI) w.e.f. 16.06.2008 in lieu of HRA to Administrative Officers/Faculty. HBI so fixed ranged between Rs. 8,000 and Rs. 20,000 per month in respect of employees in metropolitan cities and 75 per cent of the slabs in respect of employees in non-metropolitan cities, which was more beneficial than that admissible to the corresponding categories of Central Government employees. Accordingly, NIFT paid HBI of Rs. 19.59 crore during the period June 2008 to December 2012 (up to February

* i.e. pay scale and allowances (in particular the Dearness Allowance, House Rent Allowance and City Compensatory Allowance).

136
2013 in respect of Delhi, Kangra, Shillong centres and Head Office) against the admissible house rent allowance of Rs. 14.49 crore. Thus, NIFT, in violation of orders of GOI made irregular payment of Rs. 5.10 crore. Audit did not find approval of Ministry of Finance to the above decision of NIFT on record.

NIFT stated (December 2013) that it was not able to provide Government accommodation to officers/faculty and HRA payable as per GOI orders was very less for suitable accommodation. Therefore, NIFT replaced HRA with this incentive with approval of Board of Governors (BOG). However, looking at financial implications, the same would be placed before the current BOG for their directions. NIFT further stated (February 2014) that approval of Ministry of Finance was not taken as NIFT Act 2006 had empowered the Board to take such decision. Further, NIFT was not aware of orders restricting the NIFT from paying the incentive at higher rate.

Reply is not acceptable as payment of HBI with higher financial benefits was in violation of GOI orders. Decisions taken by NIFT Board as per NIFT Act 2006 cannot override GOI orders. Therefore, payment of Housing Benefit Incentive over and above the House Rent Allowance admissible to Central Government employees was in violation of GOI orders and was thus irregular.

17/4/2014
(Naina A. Kumar)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - II
New Delhi

Confidential

(29)

No. MAB-II/CAD-I/81-7/2013-14/ 8

Dated: 1/4/14

Copy to:

The Director General, National Institute of Fashion Technology (NIFT), NIFT
Campus, Hauz Khas, near Gulmohar Park, New Delhi - 110016.


(Naina A. Kumar)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - II,
New Delhi

New Delhi, dated 9th April, 2014

OFFICE MEMORANDUM

Subject: - Draft Paragraph on "Irregular payment towards Housing benefit Incentive" relating to National Institute of Fashion Technology (NIFT).

The undersigned is directed to enclose a photo copy of letter No. MAB- D/CHD.1/81-7/8013-2014/7 dated 1.04.2014 from Indian Audit & Accounts Department, Principal Director of Commercial Audit & Ex-officio Member, Audit Board-II, New Delhi on the above mentioned subject.

2. It is requested that the requisite Action Taken Note on the Draft Paragraph may be prepared and sent for approval of AS&FA.

3. After the approval of AS&FA has been obtained, 3 copies of the draft ATNs in respect of Audit Para (Commercial) will be forwarded in the prescribed format by the Concerned Division to the Principal Director of Audit (Economic & Service Ministries), AGCR Building, I.P Estate, New Delhi for vetting.

4. The ATNs (45 copies in English & 25 copies in Hindi), duly vetted by the Principal Director of Audit in respect of Audit Paras (Commercial) will be forwarded by the Concerned Division to Lok Sabha Secretariat (Public Undertaking Branch) Parliament House Annex, with copies to B&A Section of Ministry of Textiles & the Principal Director of Audit.

(Neelam S. Kumar)
Chief Controller of Accounts

kindly send details
on 'X' to the Ministry.
To details on 'X' has been
IS (SI)
DS (NIFT) received from C & A G

Copy for information to:-

- (1) PSO to Secretary (Textiles)
- (2) PPS to AS&FA
- (3) PS to CCA

Reg.

13/4/14
15/4/14
9/4

To: 26851158

APR-09-2014 12:01 From:

35

Annexure - 2811/IV

No. 7/23/2008-E-II (A)
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, dated the 30th September, 2008

OFFICE MEMORANDUM

Sub: Pay revision of employees of Quasi-Government Organizations, Autonomous Organizations, and Statutory Bodies, etc set up by and funded/controlled by the Central Government --Guidelines regarding.

Orders have been issued by the Government to implement the revised pay structure for the Central Government employees on the basis of the recommendations of the Sixth Central Pay Commission as accepted by the Government. It has now been decided that these orders may be extended to the employees of Autonomous Organizations etc whose pattern of emolument structure i.e. pay scales and allowances (in particular the Dearness Allowance, the House Rent Allowance and City Compensatory Allowance) are identical to those of the Central Government employees. This is further subject to the stipulation that conditions of service of employees of those organizations, especially those relating to hours of work, payment of OTA etc, would also be exactly similar to those in Government Departments. There is no objection to the Autonomous Organizations etc adopting the Central Civil Services (Revised Pay) Rules, 2008. It is, however, clarified that the revised pay structure as incorporated in Section I and II of Part A of the First Schedule to the Rules Ibid alone may be adopted. It is further added that the revised pay structure would be admissible to those employees who opt for the same in accordance with the extant Rules. Likewise, deductions on account of Provident Fund or Contributory Provident Fund, as the case may be, will have to be made on the basis of the revised pay w.e.f the date the employee opts to elect the revised pay structure.

2. In case of those categories of employees whose pattern of emoluments structure i.e. pay scales and allowances and conditions of service are not similar to those of the Central Government employees, a separate 'Group of Officers' in respect of each of the Autonomous Bodies may be constituted in the respective Ministry/Department. The Financial Adviser of the respective Ministry/Department will represent the Ministry of Finance on this Group. The Group would examine the proposals for revision of pay scales etc taking into account the views, if any, expressed by the staff representatives of the concerned organizations. It would be necessary to ensure that the final package of benefits proposed to be extended to the employees of these Autonomous Organizations etc is not more beneficial than that admissible to the corresponding categories of the Central Government employees. The final package recommended by the 'Group of Officers' will require

the concurrence of the Ministry of Finance or the Department of Personnel & Training, as the case may be.

3. The mode of payment of arrears of pay shall be as laid down in Rule 14 of the Central Civil Services (Revised Pay) Rules, 2008 for the Central Government employees.

4. The adoption of revised pay structure based on these orders by Autonomous Organizations, etc, both where the pattern of emoluments structure is identical to the Central Government and where emoluments structure is not similar will be subject to the following conditions as far as budgetary support for additional expenditure is concerned :-

- (a) 80% of the additionality will be met by the Central Government;
- (b) 10% of the additionality will be met by the Autonomous Organizations, etc through additional generation of revenue; and
- (c) Balance 10% of the additionality will be managed by the Autonomous Organizations etc through savings.

4.1 In the case of Autonomous Organizations etc. which have no source of generating revenue, 90% of the additional expenditure will be met by the Central government.

5. If the additional expenditure cannot be met in accordance with the funding pattern mentioned in paragraph 4 and 4.1 above, each request for funds in excess of the amount worked out as per this formula will be examined on merits by the administrative Ministry and sent to this Department for consideration.

Madhulika Prasad
(Madhulika P. Sukul)
Joint Secretary (Per)

To

All Ministries/Departments of the Government of India
All Financial Advisers (By name).

MINUTES OF THE MEETING OF THE STANDING COMMITTEE OF BOARD ON ESTABLISHMENT MATTERS HELD ON 13TH JANUARY, 2015 AT 10:30 A.M. AT CIDADE DE GOA

Present:

Annexure- 2811/12

1. The following members were present.

- a. Smt. Kiran Dhingra, IAS (Retd.), In Chair
- b. Ms. Namita R.L Chowdhary
- c. Shri Prem Kumar Gera, Director General, NIFT
- d. Smt. Neenu Teckchandani, Registrar, NIFT

2. Shri Anand Kedia, Director (F&A), Head Office, Shri Rajeev Pant, Director, NIFT Kannur, and Shri Sanjay Srivastava, Director, NIFT Patna were also present.

LEAVE OF ABSENCE

3. The following members were granted leave of absence:

- a) Smt. Sunaina Tomar, Joint Secretary, Ministry of Textiles
- b) Shri Sabyasachi Mukhorjee, Fashion Designer, Sabyasachi Couture
- c) Shri Sunil Sethi, President, FDCI (Special Invitee)

AGENDA ITEM NO. 1701

Confirmation of Minutes of the Meeting held on 28-08-2014 :

4. The Board Secretary informed the Board that Minutes of the meeting held on 28-08-2014 were circulated to all members inviting their comments/suggestions. Since no comments were received, the Board confirmed the Minutes.

AGENDA ITEM NO. 1702

ACTION TAKEN REPORT ON LAST MINUTES OF THE STANDING COMMITTEE OF THE BOARD ON ESTABLISHMENT MATTERS OF NIFT

5. Noted by the Committee

AGENDA ITEM NO. 1703

HOUSING BENEFIT TO OFFICERS AND FACULTY IN NIFT- AUDIT PARA OF C&AG

6. The Issue was deliberated in detail. The Director General informed about the Comptroller and Auditor General (C&AG) of India's audit para that NIFT made payment of Housing benefit incentive in violation of Govt. of India's Orders which resulted in irregular payment of Rs. 5.10 crores. C&AG has included the para in its report of Union Government (Commercial). The Ministry of Textile has desired that an Action Taken Note (ATN) may be submitted to them for approval of AS(F&A) so that ATN duly vetted by the Principal Director of Audit can be forwarded to Lok Sabha Secretariat. Keeping in view the facts, the Committee agreed that there was no option for NIFT but to withdraw the housing incentive. The Committee recommended that the incentive may be withdrawn w.e.f. 01-04-2015 without making any recovery as the amount of incentive already drawn by the employees in good faith. It was also advised by the Chairperson that the decision

and its reasons be explained to the staff by the DG, personally as far as possible, in order that the withdrawal did not come as a nasty surprise to them

AGENDA ITEM NO. 1704

IMPLEMENTATION OF THE PROVISION OF THE GRATUITY ACT 1972

7. The Committee in principle agreed to the proposal. However, before making its recommendations, the Committee advised that i) by way of abundant precaution, legal opinion may be sought from the Advocate having experience in dealing with labour laws and placed on file, and ii) the financial implication involved be worked out and put down, in making payment of gratuity to the employees who resigned/retired and have been denied the gratuity and also the difference of gratuity payable to those who have earlier been paid gratuity on account of calculation on number of days by taking a month of 26 days as per Gratuity Act, 1972.

TABLED AGENDA

AGENDA ITEM NO. 1

CREATION OF ADDITIONAL ADMINISTRATIVE POST IN FINANCE & ACCOUNTS DEPARTMENT OF NIFT HEAD OFFICE

8. Director (F&A) explained the requirement of additional staff due to increase in number of campuses. In regard to availability of funds, the Director (F&A) informed that 20% of tuition fee of 1st Semester is retained by the Head Office for its expenditure and for meeting the deficits of campuses which were incurring losses. From this amount the Head Office still had sufficient funds to meet the additional financial liability of Rs. 28 lakh per annum (approx) for proposed creation of 05 additional posts viz. 02 Assistant Director/Accounts Officer, 01 Sr. Assistant (Accts), 02 Assistant (Accts). DG also explained, on a query regarding the expectation of negative balances in the succeeding years that had been projected before the Board in the discussion on student fees, that the provisioning projected in that statement was in excess of audit requirements and to meet the extreme contingency that the Government would not meet the 7th pay commission liability. He assured the Board that with regular provisioning, the Institution accounts were in good health to meet the liability of the proposal.

9. The Committee therefore agreed and recommended the proposal subject to the condition that the endowment fund, depreciation fund, OBC grant and funds earmarked for capital items, or interest thereof, would not be utilized on this account. The Chairperson also reminded the Dir Fin and the DG of the Board advice that economies be exercised on administrative expenditures, and suggested that cuts be enforced as by GOI to reduce outgo. The HO may also ensure that if at any time, the net surplus was not sufficient to meet the salary of additional staff, the additional posts be abolished.

AGENDA ITEM NO. 2

CREATION OF POSTS FOR NIFT CAMPUS AT SRINAGAR, J&K

10. DG explained in brief the status of Srinagar campus. The requirement of minimum academic and administrative staff to run the Certificate courses was also explained. After deliberation, and on being explained that though students for the campus were as low as 5, but funds were available from the interest generated by the moneys given by the Government of J&K, the Committee recommended creation of following temporary posts to be filled on short term

Annexure - 2906/II

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

AGENDA ITEM NO. 2907

NOMINATION TO THE SUB- COMMITTEES OF THE BOARD

SCOPE:

The agenda proposes to request the Board for nomination of the newly appointed Lok Sabha and Rajya Sabha MPs to the Sub- Committees of the Board of NIFT in terms of clause 6, 8 and 11 of the NIFT Statutes.

GENESIS:

The present Board was constituted w.e.f. 01.04.2013. Subsequently, the Sub- Committees of the BOG were re-constituted in its 21st BOG meeting held on 15.07.2013 in which Sh. N.K. Singh, MP Rajya Sabha was nominated to the Establishment Committee of the Board and Smt. Priya Dutt, MP Lok Sabha was nominated to the Finance and Audit Committee of the Board.

The term of Sh. N.K. Singh, MP Rajya Sabha and Smt. Priya Dutt, MP Lok Sabha and Smt. Darshna Jardosh, MP Lok Sabha has expired. Vide MoT letter no. 1/51/2006-NIFT dated 17th July, 2014 Sh. Naresh Gujral, MP Rajya Sabha has been nominated to Board of Governors. Vide MoT letter no. 1/51/2006-NIFT dated 30th September, 2014 Smt. Poonam Mahajan, MP Lok Sabha & Sh. S. Selvakumara Chinnayan, MP Lok Sabha have been nominated to the Board of Governors. Accordingly, the Establishment Committee, Finance & Audit Committee and Academic Affairs Committee may be re-constituted by nominating the newly appointed MPs.

CONSTITUTION OF THE ESTABLISHMENT COMMITTEE BOARD:

Clause 6 of the First Statutes inter- alia provides for constitution of Establishment Committee which is as follows:

- (a) Chairperson, Board – Chairperson;
- (b) Two members of the Board – Member;
- (c) Director – General, National Institute of Fashion Technology - Member;
- (d) Joint Secretary, in the Ministry or Department of the Government of India dealing with the Institute - *ex officio* Member; and
- (e) Any other member(s) as may be nominated by the Board.

CONSTITUTION OF THE FINANCE AND AUDIT COMMITTEE (F&AC):

Clause 8 of the First Statutes inter- alia provides for constitution of Finance and Audit Committee which is as follows:

- (a) Financial Advisor of the Ministry or Department of the Government of India dealing with the Institute - *ex-officio* Chairperson;
- (b) One Member of the Board – Member;
- (c) Joint Secretary, in the Ministry or Department of the Government of India dealing with the Institute – *ex officio* Member;
- (d) Director – General, National Institute of Fashion Technology – Member;
- (e) Director (Finance and Accounts), National Institute of Fashion Technology - Member; and
- (f) any other member(s) as may be nominated by the Board.

CONSTITUTION OF THE ACADEMIC AFFAIRS COMMITTEE (AAC):

Clause 11 of the First Statutes inter- alia provides for **constitution of Academic Affairs Committee** which is as follows:

- (a) Director General – Chairperson;
- (b) One member of the Board – Member;
- (c) Joint Secretary in the Ministry of Textiles, Government of India, dealing with the Institute - *ex-officio* Member;
- (d) Dean (Academics) – Member;
- (e) Two members to be nominated by the Board, one from academics and one from the industry – Member.
- (f) any other member(s) as may be nominated by the Board.

The present constitution of the sub committees is placed at **Annexure–2907/I**. The powers, duties and functions of the above said sub committees are placed at **Annexure–2907/II**.

PROPOSAL:

The Board may consider nomination of the newly appointed MPs, to the Establishment Committee, Finance & Audit Committee and Academic Affairs Committee.

DG's RECOMMENDATION:

DG-NIFT has recommended that the proposal may be put up before the BOG for consideration.

MATTER FOR CONSIDERATION OF BOARD:

The Board may consider and approve the newly appointed members of the Board to the above said sub committees of the Board.

Annexure-2907/I

PRESENT CONSTITUTION OF THE SUB COMMITTEES
(as approved by the Board in its 21st BOG meeting held on 15.07.2013)

(a) ESTABLISHMENT COMMITTEE

Sl. No.	Name	Chairperson / Member of the Committee
1.	Smt. Kiran Dhingra, IAS (Retd.), Chairperson, BOG-NIFT Committee	Chairperson
2.	Sh. N. K Singh, Hon'ble M.P Rajya Sabha	Member
3.	Joint Secretary, MOT	Member
4.	Ms. Namita R L Chowdhary	Member
5.	Sh. Sabyasachi Mukherjee, Fashion Designer Sabyasachi Couture	Member
6.	Shri Prem Kumar Gera, Director General, NIFT	Member
7.	Smt. Neenu Teckchandani, Registrar	Member Secretary

(b) FINANCE & AUDIT COMMITTEE

Sl. No.	Name	Chairperson / Member of the Committee
1.	Smt. Anita Agnihotri, AS&FA, MOT	Chairperson
2.	Smt. Priya Dutt, Hon'ble M.P Lok Sabha	Member
3.	Joint Secretary, MOT	Member
4.	Sh. Sunil Sethi, President FDCI	Member
5.	Sh. William Bissell, Managing Director, Fabindia Overseas Pvt. Ltd	Member
6.	Sh. Prem Kumar Gera, Director General, NIFT	Member
7.	Sh. Anand Kedia, Director (F&A) NIFT	Member Secretary

(c) **ACADEMIC AFFAIRS COMMITTEE**

Sl. No.	Name	Chairperson / Member of the Committee
1.	Sh. Prem Kumar Gera, Director General, NIFT	Chairperson
2.	Joint Secretary, MOT	Member
3.	Sh. Pradyumna Vyas, Director, National Institute of Design	Member
4.	Smt. Kavita Bhartia	Member
5.	Dr. Vandana Bhandari, Dean (Academics)	Member
6.	Head (AA), NIFT	Member Secretary

Powers, duties and functions of the Establishment Committee

Clause 7 of the NIFT Statutes provides for Powers, duties and functions of the Establishment Committee which are as follows:

- (1) The Establishment Committee shall exercise the powers and functions of the Board relating to establishment matters and perform any other functions related to the establishment matters of the Institute assigned by the Board.
- (2) The Establishment Committee shall function as the Appellate Authority and Reviewing Authority for the purpose of Central Civil Services (Classification, Control and Appeal) Rules, 1965 as specified in Schedule I to these Statutes.

Powers of Finance and Audit Committee

Clause 9 of the NIFT Statutes inter alia provides for Powers of Finance and Audit Committee which are as follows:

- (a) to write off of assets, engagement of consultants, disposal of surplus stores of book value beyond the delegated powers of the Director - General;
- (b) to accord the necessary administrative approval and expenditure sanction for all capital goods and major works, beyond the delegated powers of the Director - General;
- (c) to fix limits of the total recurring expenditure and the total non- recurring expenditure of the year based on the income and resources of the Institute; and
- (d) any other powers as may be delegated by the Board.

Duties of Finance and Audit Committee

Clause 10 of the NIFT Statutes provides for duties of Finance and Audit Committee which are as follows:

- (a) to examine and scrutinize the annual budget of the Institute prepared by the Director - General and make recommendations to the Board;
- (b) to examine the accounts and to scrutinize the proposals for expenditure;
- (c) to consider and make its recommendations to the Board on all such matters connected with the Institute as have financial implications;
- (d) to act as the Audit Committee for all financial matters;
- (e) to give its views and make its recommendations to the Board either on the initiative of the Board or of the Director - General, or on its own initiative of any financial question affecting the Institute;
- (f) any other duties as may be assigned by the Board.

Powers of Academic Affairs Committee

Clause 12 of the NIFT Statues provides for the powers of Academic Affairs Committee which are as follows:

- (a) to consider, examine, review, approve and / or recommend proposals relating to academic matters submitted by the Executive Council or any other designated authority in the Institute for ratification by the Board;
- (b) to advise the Board on academic matters relating to ongoing programmes, development and commencement of new Centres of the Institute, collaborations with other institutions and the industry for furthering the academic programmes and educational standards ;
- (c) to suggest changes in existing and / or proposed academic policies in the larger interest of the Institute;
- (d) any other power as may be delegated by the Board.

Duties of Academic Affairs Committee

Clause 13 of the NIFT Statues provides for the duties of Academic Affairs Committee which are as follows:

- (a) to oversee and ensure compliance with existing academic policies of the Institute;
- (b) to oversee the maintenance and improvement of academic standards of the Institute; and
- (c) to assist the Board in establishing policies and systems for ensuring the highest academic standards and best practices for furthering the interest of the Institute and its stakeholders;
- (d) any other duties as may be assigned by the Board.

AGENDA ITEM NO. 2908

SIGNING OF MOU WITH POLITECNICO DI MILANO (PM), ITALY

SCOPE:

1. The objective of this agreement is to encourage international cooperation and exchange between NIFT and Politecnico di Milano (PM), Italy for Exchange of students.

GENESIS:

2. The academic strategy of NIFT embraces a global approach. The core activities of the institute have enhanced its international visibility and standing. NIFT has strategic agreements and partnerships with about 33 leading international fashion institutes & organisations that share the same academic direction, integrating NIFT students with the global mainstream of fashion.

It is the always the effort of NIFT to seek alliances with like minded institutes wherein the students of partner institutes benefit from such cooperation. The effort is to ensure that the MoUs are active and maximum number of students and faculty of NIFT benefit from the same.

3. Politecnico di Milano , Italy had initially signed a MoU with NIFT in 2009 however there was no activity between the two institutes. NIFT international office through it's constant endeavor and discussions re-initiated activity under the MoU. The first step was to renew the MoU.

4. MoU between NIFT and PM was signed in 2009. During the review of MoU activity in NIFT in 2012, it was observed that despite best efforts from NIFT, there was no activity from with PM and it was decided to discontinue the MoU with PM. This was communicated to PM. In 2012 itself PM requested NIFT to accept 3 students for semester exchange programme at NIFT, even though the MoU was discontinued, three students from PM were accepted by NIFT for January-June 2013 semester as per the clause in the old MoU (signed in 2009)- "agreement is valid for 6 months after the communication done by one of the partner who wants to interrupt it". NIFT delegation comprising of DG NIFT and UI-I&DL visited PM in November 2013. NIFT delegation and PM official felt that there is a lot of synergy between the two institutes and it was decided that MoU will be renewed. After that many reminders for renewal of MoU were sent, however the response from PM was not very encouraging. PM vide their letter dated 21st October 2014 had again requested to accept 2 of their students for semester exchange programme, and also expressed their desire to renew the MoU and start students exchange at the earliest.

5. Based on the renewed MoU, PM, Italy has agreed to offer two free seats to NIFT students for semester exchange programme in January-June 2016 session.

PROPOSAL:

6. The MoU signed by PM, Italy is as per the draft MoU of NIFT, with minor changes as listed at (**Annexure-2908/I**). As there were insignificant, there were accepted so that the MoU could be made operational to provide benefits to the students of both institutes.

It is proposed to accept the MoU as received from PM, Italy. The MoU duly modified and signed is placed at **Annexure-2908/II**.

RECOMMENDATION OF DG:

As explained above DG NIFT has signed MoU which may be considered for granting ex post facto approval.

MATTER OF CONSIDERATION FOR BOG:

The Board may kindly consider granting ex-post facto approval for the abovementioned MoU.

Comparison between National Institute of Fashion Technology and Politecnico di Milano MoUs:

S. No.	Point No.	As per NIFT MoU	Revision as suggested by Politecnico di Milano	Remarks
1.	VI. EXCHANGE OF PROFESSORS	<p>A. Teaching exchange</p> <ol style="list-style-type: none"> 1. All teaching exchanges are based on the principle of reciprocity within the same academic year, each institution may nominate one of its professors to participate in an exchange for the purpose of teaching or research. 2. The participants are subject to approval by the host institution. 3. The period of exchange will normally be one or two semesters; at maximum one academic year. 4. Professors on teaching exchanges will remain on full salary and benefits with their respective institutions. Travel and living expenses for professors on teaching exchanges are not compensated by the host institution. 5. Teaching course loads and working hours and conditions will normally be in accordance with established rules and practices of the host institution, subject to prior negotiation and agreement. 6. Remuneration for special projects is subject to special negotiation 7. The host institution will provide an institutional appointment and office space, and will give access to libraries and other needed facilities for professors on teaching exchange 	Exchange of professors and visiting scholars will be dealt within different agreement at Department level.	Acceptable by NIFT. Reason for accepting the change – the two institutes would first like to experience the student exchange programme before the faculty exchange is discussed.

		<p>8. Professors on teaching exchange must carry medical health insurance that meets the requirements of the host institution and/or host government.</p> <p>B: Visiting Scholars</p> <ol style="list-style-type: none"> 1. Visiting scholars from both institutions may, at the request or with the approval of the host institution, visit the partner institution for the purpose of research, consulting and short-term teaching; subject to prior negotiation. 2. Travel and living expenses for visiting scholars are not normally paid by the host institution, unless specific arrangements are made and agreed upon in advance. 3. The host institution will provide an institutional appointment and library access; efforts will be made, subject to prior negotiation, to provide office space and access to needed facilities. 4. Visiting scholars must carry medical health insurance that meets the requirements of the host institution and/or host government. 		
2.		<p>IX GOVERNING LAW</p> <p>(a) In connection with this Agreement, any action arising out of occurrences in the Partner Institute / University shall be brought and maintained in the appropriate court in the states of Partner University and shall be construed in accordance with the laws of the State of Partner Institute / University.</p> <p>(b) In connection with this Agreement, any action arising out of occurrences in NIFT shall be brought and maintained in the appropriate court in the states Delhi and shall be construed in accordance with the laws of the State of Delhi.</p>	<p>IX SAFETY AND PREVENTION</p> <p>Each institution shall maintain policies of insurance and safety for staff and students within the law of its own country.</p>	Acceptable by Legal officer of NIFT as the Legal officer suggested that the change is general in nature.

Memorandum of Understanding on Academic Cooperation between

National Institute of Fashion Technology (NIFT)
New Delhi, India

And

Politecnico di Milano (PM)

This Agreement is executed on 11th December 2014 at New Delhi between National Institute of Fashion Technology (NIFT), New Delhi, India through Prem K Gera, Director General, NIFT, New Delhi, hereinafter referred to as NIFT and shall include all its servants, agents and assigns of the FIRST PART

And

Politecnico di Milano through its School of Design, hereinafter referred to as PM and shall include all its servants, agents and assigns of the SECOND PART

I. ABOUT THE AGREEMENT

- 1.1 This Educational Cooperation Agreement defines the principles, policy guidelines & procedures which Partner Institute / University and NIFT, India wish to develop in mutual interest. This co-operation includes exchange of students, faculty members and staff of the two partner institutes, promotion of lectures, workshops and exhibitions, exchange of information and academic publications.
- 1.2 This agreement will be reviewed each year and changes specifying the methods of co-operation and modalities between the Partner Institute / University and NIFT will be incorporated with mutual consent.

II. PURPOSE

In recognition of the proven value, both personal and educational, of the international exchange for students, staff and faculty, we herewith establish, at the institutional level, the principles, policy guidelines and procedures required to facilitate such exchange between our institutions.

III. OBJECTIVE

The objective of this agreement is to encourage international cooperation and exchange between the two institutions in the following areas:

- a) Exchange of students
- b) Exchange of faculty members and staff
- c) Promotion of lectures, workshops and exhibitions
- d) Exchange of information and academic publications

IV. SCOPE

The Agreement between PM and NIFT covers the exchange between PM and National Institute of Fashion Technology (NIFT)



V. EXCHANGE OF STUDENTS

A. Reciprocal Exchange

1. Student exchanges are based on the principle of reciprocity; ideally within the same academic year and for the same period of time.
2. The number of students exchanged under this Agreement is tentatively limited to no more than two per year. The exact number will be agreed upon each year by Partner Institute / University and NIFT
3. The exchange student will be nominated by the home institution; the application is subject to acceptance by the host institution. Each exchange student will satisfy the admission procedures and requirements of the host department as well as the prerequisites for specific courses and programmes.
4. Language proficiency of exchange students will be gauged and verified by appropriate personnel at the home institution.
5. Exchange students will be admitted in a non-degree status by the host institution for a period of one or two semesters and for a maximum of one academic year.
6. Exchange students may take courses for credit and the host institution will issue a transcript and grades for exchange students under the same rules and regulations as for its degree students.
7. As long as the principle of reciprocity is maintained, PMand NIFT agree to waive tuition and related fees for exchange.
8. Students are responsible for all travel costs, accommodation, meals, health insurance, semester contribution (at their home institution), medical costs, passport and visa costs, course materials (books, and consumables) and other expenses. The host institution will not provide financial assistance to exchange students.
9. Exchange students must carry medical health insurance that meets the requirements of the host institution and/or the host government. Neither institution will incur liability for illness, injury, financial loss or death of an exchange student at the partner institution. Both institutions will ensure that exchange students sign liability waivers absolving both institutions of liability.
10. If one member of an exchange withdraws before the end of the designated period of that exchange, the status of the other member of the exchange will not be affected. The principle of reciprocity however, must be maintained over time.
11. The host institution will provide services to assist exchange students in locating accommodation and adjusting to the academic, social and cultural life of the host institution and community. It will also provide instruction, academic evaluation and supervision for exchange students as is maintained for home students.
12. Exchange students are expected to adhere to the rules and regulations of the host institution and respect the cultural mores, national traditions and customs of the host country.

13. The Partner Institute / University and NIFT reserve their rights to decline the students on academic ground or if any other condition within this agreement is not met.

B. Student groups

Special arrangements for groups of students from one institution to another for the purpose of a short-term visit (workshops, exhibitions) may be negotiated in a separate agreement,

VI. EXCHANGE OF PROFESSORS

Exchange of professors and visiting scholars will be dealt within different agreement at Department level.

VII. DURATION, CONDITIONS AND MODIFICATIONS OF THE AGREEMENT

1. This agreement becomes effective upon the signature of the designated officials of both institutions. Its actual implementation will begin as soon as both institutions have identified qualified individuals in each institution ready to participate in the exchange. However, such identification must take place within 30 days of execution of coming into effect of the agreement.
2. This Agreement is valid for five years from the date of signature. However, three years will be recognized as the accounting period, that is, beginning with the actual implementation the number of students/staff exchanged within three years should be in balance, although it may not be in any one year. Every effort however, will be made to maintain on yearly basis.
3. The absence of exchanges during one academic year is possible and does not nullify the Agreement.
4. In accordance with the Equal Opportunity Policies of the institutions named above, there will be no discrimination against any person, for any reason, who is qualified as a participant in the programme supported by this document.
5. Either institution may terminate this Agreement with a notice of six months. Exchanges in progress at the time remain unaffected and will be completed in the agreed period.
6. Modifications may be proposed and implemented at any time, effective from the date of written notification mutually agreed and signed by both institutions.
7. At the end of the penultimate year of the five-year cycle both institutions will conduct an evaluation of the programme. Any amendments to be made should be achieved by mutual consent in writing and the Agreement changed accordingly for a further five-year cycle.
8. No amendment or revision of the Agreement shall come into effect unless it has been mutually agreed and such agreement is recorded in writing.
9. Both the parties undertake all action in the interest of the students and both parties shall refrain from any action that shall be detrimental to the interest of

the students and/or may disrupt their complete course of study.

VIII. DISPUTE RESOLUTION

The disputes arising out of and in connection with the present Agreement shall be sought to be amicably resolved between the Director General, NIFT and the Rector, PM.

IX SAFETY AND PREVENTION

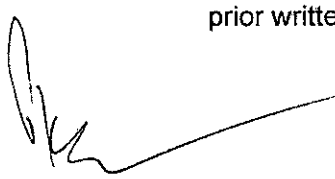
Each institution shall maintain policies of insurance and safety for staff and students within the law of its own country.

X GOVERNING LAW

- (a) In connection with this Agreement, any action arising out of occurrences in the PM shall be brought and maintained in the appropriate court in the states of PM and shall be construed in accordance with the laws of Italy.
- (b) In connection with this Agreement, any action arising out of occurrences in NIFT shall be brought and maintained in the appropriate court in the states Delhi and shall be construed in accordance with the laws of the State of Delhi.

XI. MISCELLANEOUS

- 10.1 Licenses and regulations:** In the performance of this Agreement both parties agree that they shall comply and shall cause their personnel to comply with all local laws and regulations, which affect the undertakings to be executed by the parties under this Agreement. Both parties shall have all relevant permits and licenses in place necessary for the proper execution of the Agreement.
- 10.2 Intellectual property rights:** Both Parties undertake that they shall not infringe upon any copyright or other intellectual property rights of the other Party which shall remain in exclusive possession of the respective Parties. Both parties shall obtain permission in writing for the usage of any logo, motif, emblem, or any other intellectual property right vested in the respective Parties to be used in connection with the implementation of the present Agreement from the respective Party. **Each Party** is the sole owner of such intellectual property rights and the other Party shall have no rights thereto if not expressly mentioned in this Agreement. Neither Party may use the other party's intellectual property rights without the prior consent of that Party. Nothing contained in this agreement is intended to, or shall be construed to grant to either Party any license or right regarding the other Party's intellectual property rights.
- 10.3 Waiver:** No waiver by either Party of any breach of any condition, covenant or term of this Agreement shall be effective unless it is in writing and no failure or delay by either Party in insisting upon strict performance of any of the terms or conditions of this Agreement or in exercising any right, power or privilege hereunder shall operate as a waiver thereof.
- 10.4 Assignment and subcontracting:** Neither Party hereto shall assign any of its rights or obligations or sub-contract the same under this Agreement to any third party without the prior written consent of the other party.



10.5 Entire Agreement. This Agreement constitutes the complete expression of both Parties' agreement and understanding with respect to the subject matter herein and supersedes all other prior agreements, undertakings, obligations, promises, arrangements, communications, negotiations and understandings whether oral or written, by the Parties with respect to the subject matter hereof.

10.6 Modification This Agreement and its Annexures may be amended or modified only by a written agreement by both Parties. Any such amendment and modifications will be listed in an Annexure hereto.

10.7 Notices Any notices required to be sent under this Agreement by one Party to the other shall be in writing and forwarded to the other Party to the following addresses:

If to Partner Institute/ University:	If to NIFT
[Designation]	Director General
[Address]	NIFT Campus, Hauz Khas
	Near Gulmohar Park,
	New Delhi 110016
[Country]	India

10.8 If statements must be made in writing, they are deemed to having been made in writing when using electronic data communication or any other machine-readable form as long as the originator of the message is identifiable.

10.9 Independent Contractors Both parties shall not for any purpose, be deemed or represent itself to be an agent or representative of the other Party. The relationship between the Parties shall only be that of independent contractors.

10.10 Severability In the event that anyone or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without invalidating the remainder of such provision or provisions or the remaining provisions of this Agreement, and such invalid, illegal or unenforceable provision or portion thereof shall, to the maximum extent possible, be substituted by an enforceable provision(s) that preserve(s) the original intentions position of the parties.



Rector's Delegate for International Networks

Politecnico di Milano.....

Milano, 14/2/2015

Prem K. Gera

Director General

National Institute of Fashion Technology

New Delhi

Signature: _____

Signature: _____

AGENDA ITEM NO. 2909

PROPOSAL TO SET UP EXTENSION TRAINING CENTER OF NIFT- RAEBARELI AT VARANASI

GENESIS:

Varanasi, world's oldest living city, is also home to unique handloom and handicraft traditions. It is known world over as a center for Indian cultural practices and traditions, education, textiles & craft Tourism. Besides handloom textiles, Varanasi has a huge human resource engaged in textile printing, *zardozi* embroidery, glass bead articles and painted wooden toys and utility articles.

For the survival and strengthening of the handloom and handicraft sector in Varanasi, it is important to document the traditional designs, techniques and layouts for weaving for present and future reference. Apart from rich brocade, *Jamdani*, *Tanchoi*, *Gyasar* and many such fabrics are also produced in Varanasi. It is pertinent to understand the uniqueness of Varanasi fabrics to educate the customer through meaningful branding and packaging.

SCOPE:

NIFT is successfully operating a campus at Raebareli in Uttar Pradesh, since 2006. Varanasi is closer in proximity and has many crafts and textile units. Time and again, the Ministry of Textiles as well as DG-NIFT has received requests from the industry based in Varanasi for NIFT presence.

NIFT- Raebareli proposes to set up an extension center in Varanasi to develop and run customized short duration Continuing Education (CE) programs, Certificate and Diploma Programs.

The next generation of handloom weavers are reluctant to carry forward their traditional occupation and hence to build confidence among young weavers, they need to be trained in different skills which they aspire for. Traditional weaver is the skilled one but requires awareness to plan their production capacity methodically. Efforts can be made to provide access to new markets by design intervention and by reviving traditional designs for the niche market.

PROPOSAL:

NIFT Raebareli proposes to operate an extension center from temporarily hired premises in Varanasi, with the objective:

To set-up an Extension Centre of NIFT Raebareli at Varanasi to conduct trainings to upgrade the skill of weavers and artisans and impart new skills, if required.

- To conduct customized training modules keeping in view NIFT strength. These will be in the areas of design, trends and forecasting and conversion of textiles into apparel and made ups.
- To train the other stakeholders to develop entrepreneurship.
- To train artisans to develop new product line pertaining to handicraft sector.
- To provide design input for developing innovative designs and fabrics with a potential to provide regular orders to the weavers, on the basis of market orientation, i.e. market specific.

Permanent campus for the Extension Training Center of NIFT- Raebareliis proposed in the huge premises of Indian Institute of Handloom Technology (IIHT), at Chowkaghat in Varanasi. The proposed campus will be equipped with the state of the art Fashion and Textile design and development facilities. It will be mutually beneficial for the students of NIFT and IIHT to use the same. Weavers Service Center (WSC) is on the premises, which will provide an advantage in terms of availability of resources.

DG'S RECOMMENDATION:

An agenda may be circulated to all BOG members for discussion and consideration.

MATTER FOR CONSIDERATION OF BOG:

The matter is placed before the BoG for consideration and approval in-principle to initiate planning for setting up an Extension center of NIFT Raebareli at Varanasi.



National Institute of Fashion Technology

Proposal

to

**Set up of an Extension Training Centre of NIFT Raebareli
at Varanasi**

BACKGROUND

Varanasi, world's oldest living city, is also home to unique handloom and handicraft traditions. It is known world over as a center for Indian cultural practices and traditions, education, textiles & craft Tourism. Besides handloom textiles, Varanasi has a huge human resource engaged in textile printing, *zardozi* embroidery, glass bead articles and painted wooden toys and utility articles.

For the survival and strengthening of the handloom and handicraft sector in Varanasi, it is important to document the traditional designs, techniques and layouts for weaving for present and future reference. Apart from rich brocade, *Jamdani*, *Tanchoi*, *Gyasar* and many such fabrics are also produced in Varanasi. It is pertinent to understand the uniqueness of Varanasi fabrics to educate the customer through meaningful branding and packaging.

PROPOSAL

NIFT- Raebareli proposes to set up an extension center in Varanasi to develop and run customized short duration Continuing Education (CE) programs, Certificate and Diploma Programs.

OBJECTIVES

The main aim of setting up of the Extension Training centre by NIFT at Varanasi is to provide new skill set to the young people in the areas of entrepreneurship and conversion of fabrics into apparel and made-ups besides increase the incomes of weavers in the Varanasi Handloom cluster.

- Encourage the weavers to revive traditional designs
- Provide access to new markets by design intervention
- Disseminate awareness to the traditional weaving community to plan their production capacity methodically
- Provide design input on the basis of market orientation, i.e. market specific.
- Conduct trainings to upgrade the skill and impart new skills, if required.

SCOPE OF WORK

- To set-up an Extension Centre of NIFT Raebareli at Varanasi to conduct trainings to upgrade the skill of weavers and artisans and impart new skills, if required.
- To conduct customized training modules keeping in view NIFT strength. These will be in the areas of
 - Design Development
 - Understanding quality norms and fabric quality assurance
 - Forecasting trends in terms of colors, Textures, Silhouettes
 - Home-fashions
 - Promotion, packaging & presentation
 - CAD software for textiles
 - Pattern making, cutting and tailoring for apparel & home.

- To train the other stakeholders to develop entrepreneurship.
- To provide design input for developing innovative designs and fabrics with a potential to provide regular orders to the weavers, on the basis of market orientation, i.e. market specific.

Knowledge Forum at Varanasi

Knowledge Forum which will have an online presence will provide a platform to various stakeholders like weavers, naksha makers, manufacturers, designers and academia, to share. This forum can be used for inspiring and guiding the stakeholders. Work done by the designers will also be documented in detail.

Simultaneously, efforts will be made to improve the inherent strengths of fabric from Varanasi by overcoming technical problems such as dyeing and processing.

The established weavers and merchant in Varanasi have access to good raw materials, looms and markets. Independent weavers are generally commissioned to work for these established guilds and are given raw material and paid wages for weaving. In case of individual weavers, the struggle is to get good quality raw material in small quantities, access to suitable dyeing facilities, design directions and markets. It is proposed to encourage and provide seed capital to young entrepreneurs to come up to establish raw material depots to sell quality dyed certified yarns.

Annexure I- Proposed Constituents of the Extension NIFT Centre

Annexure II - Tentative Area Requirement of Extension Centre

Annexure III- Machinery & Furniture Requirement at Extension Centre

Annexure IV- Staffing for Extension Centre

Annexure I

Proposed Constituents of the Extension NIFT Centre

1. Resource Centre

- i) Library & Material Section
- ii) Subscribing to international trends & forecast

2. Textile Design Section

- i) Woven- Table looms and other paraphernalia
- ii) Printing Lab
- iii) Embroidery lab
- iv) CAD Lab

3. Fashion Design Section

- i) Garment Construction lab with sewing machines
- ii) Pattern making lab having dress forms and pattern making tables

4. Class Rooms

5. Administrative Section

- i) Space for Officers and Assistants

Annexure II

Tentative Area Requirement of Extension Centre

Sl. No	Section	Area Requirement (in Sq. Ft)
Resource Centre (500 Sq Ft)		
1	Common Library & Material section	500
Class Rooms (800 Sq Ft)		
2	Class rooms (2)	800
Textile Design Labs (1800 Sq Ft)		
	Woven- Table looms and other paraphernalia	1000
3	Printing Section	400
4	Embroidery section	200
5	CAD lab	200
Fashion Design Labs (1500 Sq Ft)		
6	Garment Construction lab with sewing machines	500
7	Pattern making lab having dress forms and pattern making tables	1000
Administrative Section (500 Sq Ft)		
8	Office space and staff cabins	500
Grand Total		5100

Annexure III
Machinery & Furniture Requirement at Extension Center

Machinery Type	Numbers Proposed	Cost of each Machine / accessory (in Rs)	Tentative Cost (in Rs)
RESOURCE CENTER			
Computer systems	2		
Software, anti-virus licences etc	2		
Broad band Internet connection	2		
Scanner	1		
Printer	1		
Steel Almirah	2		
Filing Cabinet	1		
Tables & Chairs	5 large tables and 10 chairs		
Digital SLR Camera	1		
Non SLR Camera	1		
Air Conditioner	1		
Books	100		
Magazines	25		
Forecast	10		
Racks for books	1		
Computer systems	2		
Shelves with glass door	5		
TEXTILE DESIGN LAB			
Table looms with Jacquard	3		
Tables	3		
Computers	5		
Specialized software and CAD / CAM	1		
Warping Peg	2		
Steel Almirah	3		
Filing Cabinet	3		
Air Conditioner	2		
Screen Printing table	1		
Block Printing Table	1		
Screen Exposure equipments	1 set		
Steel Almirah	3		
Filing Cabinet	3		
Tables & Chairs	2 sets		
Air Conditioner	1		
Other misc. accessories	-		
Specialized software and CAD / CAM	1		
Single needle embroidery machine	2		
Single needle lockstitch	1		

machine			
Adda frame	1		
Steel Almirah	3		
Filing Cabinet	3		
Tables & Chairs	2 sets		
Other misc. accessories	-		
FASHION DESIGN LAB			
Pattern making table	2		
Man Dress Form	2		
Women Dress Form	2		
Kids Dress Form	2		
Steel Almirah	3		
Filing Cabinet	3		
Tables & Chairs	5 sets		
Single Needle Lock stitch	5		
Steam Iron Set with Boiler	1 set		
Overlock Machine	1		
Button Hole Machine	1		
Fusing Machine	1		
Steel Almirah	3		
Filing Cabinet	3		
Cupboards	3		
Air Conditioner	2		
Other misc. accessories	-		
CLASS ROOMS (2)			
Tables & Chairs	30 sets		
White board	1		
LCD TV Projection	1		
Laptop	1		
Air Conditioner	1		
OFFICE- Administrative staff			
Computer systems	4		
Software, anti-virus licences etc	4		
Broad band Internet connection	4		
LAN & Networking	-		
Scanner	1		
Printer	2		
Steel Almirah	4		
Filing Cabinet	3		
Tables & Chairs	5 Set		
Reception Table & sofas	1 set		
Air Conditioner	2		
Other misc. fittings	-		
Grand Total			

Annexure IV

Staffing for Extension Centre

Name of Post of Officer / Staff Requirement	Qualification	Consolidated Salary per month (in Rs)
Resource Center in- Charge	B.Lib/M.Lib from any recognized University with 2 years of experience in working/managing library works	
Lab Assistant (Weaving) Weaver cum warper	5 years experience in weaving & loom set-up	
Printer	5 years experience in Screen making, Block making, Print paste preparation, printing process etc,	
Embroider y Assistant	5 years' experience in Machine and hand embroidery	
Head, Garment Sample Development	Technology course from NIFT with 5 years of experience in Garment Industry	
Pattern Master	5 years experience as a pattern master in Garment industry	
Master Tailor	5 years experience as a pattern master or tailor in Garment industry	
Machine Mechanic	ITI in relevant trade and 5 years experience as an electrician	
Office Assistant	Graduate with IT skills and allied experience of 5 years	
Accounts Assistant	Graduate in Commerce and allied experience of 2 years	
Multi-Tasking Persons	Above 18 years. Able to serve water, clean desk etc, help and attend to all works in office	

AGENDA ITEM NO. 2910

ANY OTHER ITEM WITH THE PERMISSION OF CHAIR