

National Institute of Technology, Uttarakhand

MINUTES OF THE 4th MEETING OF FINANCE COMMITTEE HELD ON 05th FEBRUARY 2014.

The following members were present:

1. Shri Bhaskar Bhat - Chairman
2. Shri R.Srinivasan - Member (Through Video Conferencing)
3. Shri Satpal Sharma - Member
4. Prof. S. C. Lakkad - Member
5. Prof. H. T. Thorat - Member

Prof. Pradipta Banerjee could not attend the meeting due to some prior appointments.

At the outset, the Chairman welcomed all the members.

The Committee discussed the agenda and resolved as under:

04.01: Confirmation of the minutes of previous Finance Committee Meeting
Resolution: Minutes of the previous Meeting of Finance Committee are confirmed.

04.02: Action Taken Report upon previous Finance Committee decisions.
Resolution: Action Taken Report is noted.
Based on the semester fees of different Institutes as annexed, FC recommended reduction of semester fees to Rs. 10,000/- per semester.

04.03: Approval for subscription of electronic databases for library.
Agenda: The following databases were subscribed at NIT Uttarakhand in 2013. The renewal for these databases is due for 2014 which will cost to Approx. Rupees One Crore along with the subscription of some other databases like Science Direct, JCCC, Taylor and Francis etc. Details proposals are enclosed as Annexure FC 04.02. The expenditure is included in budget for 2014-15. However, subscription fees to be paid in February in calendar year 2014 are not included in the budget of 2013-14.

- a. ASCE Journals
- b. ASME Journals
- c. ACM Digital Library
- d. IEL Online (1 User)
- e. Springer Link (1300 Journals)

Subscription of electronic databases for library for calendar years 2014 and 2015 may be approved.

Resolution: FC approved the Subscription of electronic databases for library for calendar years 2014 and 2015 with following conditions.
1-For finalisation of required electronic databases committee should be formed by Director.
2-It is recommended to restrict expenditure for subscription of electronic databases to Rs. 50 Lakhs after rationalising the requirement by the committee mentioned above.
3- Before renewal next year, utilisation of the database will be assessed and reviewed by the committee and reported to FC.

04.04: Approval for Budget for financial year 2014-15.
Agenda: Budget for the year 2014-15 is prepared, based on the gross estimates. As the Institute is growing and many of the facilities are provided for the first time, most of the expenses are unpredictable and cannot be estimated from last year's expenses. Some of the expenses provided in the budget were essential but could not be effectively utilized due space constraints at temporary campus and as the entire faculty members were inexperienced. Now, after creation of additional space and exposure to NIT system they are expected to utilize funds more effectively. Physical handing over of the land is in process. After handover the land construction work will start. Budget provisions are made for construction. The copy of Budget is enclosed as Annexure FC04.03. Budget for the F.Y. 2014-15 may be approved.

Resolution: Budget for financial year 2014-15 is approved in principle with following recommendations/ modifications.

1. Separate proposals regarding additional cost required for site development as compared to other Institutions due to terrain and topology of the site for permanent campus shall be sent to MHRD to be considered as a special case.
2. Item 7.06 shall also include Software in addition to Computers / Peripherals.
3. Item 15.03 (Pay of Officers in PB3) is reduced to Rs. 46 Lakhs.
4. Item 16.09 (Stipend) is provided with budget of Rs. 40 Lakh towards fellowship of Rs. 40 Lakhs.
5. New Item 16.11.04 is added for Training and Placement with provision of Rs. 40 Lakh as operating expenses.
Arithmetic correction should be made in total expenditure.

04.05: Approval for authorization to Director for investment of temporary surplus funds
Agenda: Grant in aid is received from MHRD in four stages during the year. Pending expenditure there are temporary surpluses. Besides, there are other revenue receipts in the form of fees from students, particularly fees and other receipts of capital nature such as development fees and Alumni Association fees. The capital nature receipts could be source for Endowment Funds such as Corpus Fund of the Institute. Instead of keeping the funds as unproductive, it is prudent to park the temporary surplus in the approved schedule banks in terms of Ministry of Human Resource Development, Department of Higher Education, Integrated Finance Division letter F no.29-1/2007-IFD dated 27 Feb 2007 and F no. 33-1/95-IFD dated 9 January 2007(Copy enclosed) (<http://finmin.nic.in>). Such surplus will be identified on a monthly basis and deposited with the eligible banks as per list enclosed as Annexure FC04.04.

It is mandatory for the Institute to have an investment policy in terms of Accounting Standard 13 of the Institute of Chartered Accountants and Institute is required to frame a policy and indicate the same in the Significant Accounting policy of the Institute in the Annual Financial Statement. Since the policy stated is in consonance with the MHRD letter cited, above approval is requested for this policy. In line with the policy, the Director may be

authorized to carry out the investment of temporary surplus funds of Grant in aid for short term periods and Corpus fund and other Endowment funds on long term basis

Resolution: Director is authorized to carry out the investment of temporary surplus funds of Grant in aid for short term periods and Corpus fund and other Endowment funds on long term basis.

04.06: To note the Minutes of the Third Meeting of Building and Works Committee
Agenda: In terms of Accounting Standard 6 of the Institute of Chartered Accountants of India, every entity needs to frame a policy on Depreciation Accounting. This is required to be indicated in the Significant Accounting Policy of the Institute in the Annual Financial Statement. The following may please be approved as NIT Uttarakhand's policy on Depreciation Accounting.

a) The Institute will follow 'Written down method' at rates recommended in Appendix I of Guidance note of the Institute of Chartered Accountant as under:

| | |
|--|-----|
| Building | 5% |
| Furniture & Fixture | 25% |
| Scientific Equipment | 40% |
| Computer | 40% |
| Library Books | 50% |
| Buses, Vans etc. | 30% |
| Cars, Scooters etc | 25% |
| Plant and Machinery including Air-Conditioners, Generator, Fire Extinguishers, Telephone, Television Sets etc. | 20% |
| Musical Instruments | 50% |

b) As a working method Assets carried forward from the previous year will be fully depreciated for the year. Assets received during the middle of the year will be depreciated as under:

i) Those received during a month up to 15th month will be depreciated for the whole month and those received after the 15th of the month will be depreciated from the next month as a rounding up policy.

FC is requested to approve the rates of depreciation adopted by the Institute.

Resolution: FC approved the rates of depreciation adopted by the Institute with condition that rates of depreciation should be as per GFR and M.H.R.D. norms.

04.07: Approval of Bank Authorized Signatory for financial matters
Agenda: Previously, the Institute had neither any regular faculty nor any Officer to be considered as authorized signatory for bank related documents/transactions. Hence, the Director was the only authorized signatory for this purpose. There is a mandatory requirement of atleast two persons as authorized signatory for signing the bank related documents/transactions of the Institute. Now, regular appointment of faculty and Officers has been done in the Institute. It is proposed to authorize following Institute authorities to sign the Bank related documents/transactions-

- a. Director
- b. Registrar/Dy. Registrar (Accounts)/Assistant Registrar (Accounts)*
- c. Dean (P& D)/Associate Dean(P& D)*

All the Bank related documents/transactions shall be signed by atleast two of the above mentioned authorized signatories.

*Lower positions shall be authorized only in the event of vacant higher posts. FC is requested to approve the above proposal.

Resolution: FC approved the proposal with following conditions.

1. Director will be approving authority for all transactions and authorized signatory will be two persons as following-
 - a) Registrar/Dy. Registrar (Accounts)/Assistant Registrar (Accounts)*
 - b) Dean (P& D)/Associate Dean(P& D)*

*Lower positions shall be authorized only in the event of vacant higher posts.

04.08: Approval of Authorized Signatory for Import Export matters.
Agenda: Lab equipment's, books and other research material is required for research. This may have to be obtained from outside India and therefore import of goods will be required to be done. For this the Institute has to apply for Importer Exporter Code (IEC). As Importer Exporter Code (IEC) is made mandatory by Government of India for every individual or entity to make any import or export in India.As per the instructions received from Directorate General of Foreign Trade, for application of Importer Exporter Code (IEC) an authorization by the Board is mandatory.FC is requested to authorize the Director to be the only signatory for any documentation/transaction in regard to the Import and Export done by the Institute.

Resolution: FC authorised the Director to be the only signatory for any documentation/transaction in regard to the Import and Export done by the Institute.

04.09: Re-consideration for providing NPS benefit to the faculty members appointed on contract.

Agenda: The Board has already approved implementation of NPS for the permanent staffs of the Institute vide its BOG Agenda No.3.13. The Institute has appointed 19 Assistant Professors as summarized in previous agenda item. The services of these contractual appointee are at par with the permanent staff for the various purpose such as leave, medical reimbursement, maintenance of service books, verification of character and antecedents, group insurance,

service books, verification of character and antecedents, group insurance, increment etc. as summarized in point no.1, 3, 5 7 & 12. As per the clause No.2 of the agreement on confirmation of service of such contractual appointee all the service benefits will be provided from the date of initially joining under the contract. Other Institutions like IIT, Bombay is also deducting NPS for such type of contractual appointee enclosed as Annexure FC04.05. On the other hand if Institute does not deduct NPS regularly then on the date of confirmation after 5 years of contract it is mandatory on the part of Institute to deduct NPS for the whole service contract tenure. Practically it will be 600% (12 months x 5 years x 10% NPS of Basic & DA), which has to be deducted on account of NPS at the time of confirmation of service.

To avoid any such practical inconvenience and contrary provision to the contract and also to ensure proper protection of rights of such contractual employees. It is hereby once again requested to re-consider the proposal and permit the institute for deduction of NPS for Assistant Professor on contract at par with regular employees.

Resolution: It is decided that the Institute should seek clarification from M.H.R.D in this regards.

04.10: Approval Regarding medical facility to the employees of NIT Uttarakhand
Agenda: a) Reimbursement of medical bills through CGHS rates.

The Institute has recruited 33 Teaching Faculty members (including 19 Assistant Professor on contract) and 21 non-teaching staff members. The provisions of statutes say that medical reimbursement will be made as per CCS (Medical Attendance) Rules, 1944 vide clause no.24 (iv). The Institute is established in Srinagar (Garhwal) where there is a shortage of proper medical facilities. The Institute has staff from all India and their families and dependents are also spread over accordingly. For smooth processing of medical bills it is proposed to allow the reimbursement of bills as per CGHS rates applicable in Delhi. Delhi is the nearest city where maximum staff members can take the proper medical facilities. This area is not covered under CGHS and people do not prefer to go to Dehradun for medical checkup because of limitation of facilities , specialists and diagnostic laboratories.

Generally majority of Institutions are making reimbursement as per CGHS and this is also important as a welfare aspect to retain the employees.

Monthly contribution for availing Medical Facilities will be deducted from the salary of the employees as per following: (Rates are as per GOI norms) enclosed as Annexure FC04.06

| Sl. No. | Grade Pay Drawn by Employees | Contribution (₹ per month) |
|---------|--|----------------------------|
| 1 | Upto ₹1650 per month | 50 |
| 2 | ₹1800, ₹1900, ₹2000, ₹2400 and ₹2800 per month | 125 |
| 3 | ₹4200 per month | 225 |
| 4 | ₹4600, ₹4800, ₹5400 and ₹6600 per month | 325 |
| 5 | ₹7600 and above per month | 500 |

Reimbursement shall be processed as per one of the following channels:

1. Payment shall be made directly to the empanelled hospitals.
2. Reimbursement shall be done to the employee on production of bills and relevant certificates from anywhere in India provided the hospital is covered by CGHS.
3. Reimbursement shall be done to the employee on production of bills and relevant certificate from anywhere in India on certification by authorized Medical Officer.

Institute Medical Officer shall be the authorized Medical Officer. In case, the post is vacant the Director may be authorized to nominate a Government (State/ Central) Medical Officer to certify bills for which suitable honoraria shall be paid.

b) Empanelment of Hospitals by the Institute for direct bill

In case of emergency treatment some of the hospital are required to be empaneled by the Institute for urgent follow up to timely facilitate the employees. Billing of the expenditure from empaneled hospitals will be submitted directly to the Institute and payment shall be made to the hospitals. This will be cashless facility for staff. The rates for settlement will be either as per CGHS Rates or as negotiated by the Institute with the Hospital. For this purpose Director may please be authorized.

FC is requested to approve the above proposal.

Resolution: **Approved.**

It is further recommended a Separate proposals to be sent to NIT Council for uniform policy for all NITs.

04.11: Approval for Purchase of Ambulance

Agenda:

In Srinagar only one ambulance one hospital attached to Medical College is available. However, the Medical College is facing severe shortage of Doctors and Specially senior doctors to handle emergencies. Find ambulance in short notice for taking emergency patient to Rishikesh / Dehradun is very difficult and lot of precious time is lost in the process.

Permission may be granted to purchase an ambulance for Institute looking into the remote location.

Resolution: **FC approved in principle, but suggested that a separate proposal with due justification be sent to M.H.R.D for sanction of ambulance in view of ban on vehicle purchase.**

04.12 Approval for honorarium of staff appointed on contract basis

Agenda:

It has been a persistent endeavour of the Institute to get a good staff on contract basis. However, the remuneration is less as compared to the task attached to the post. At present the remuneration of ₹13,500/- is being paid to the Work Subordinate-I (equivalent to GP 4,200/-) and ₹8,460/- is being paid to the Work Subordinate-III (equivalent to GP 2,400/-) on contract for 6 months. Response to the advertisements is very poor. Deserving and well qualified candidates are therefore not inclined to join. In order to get better

qualified & experienced hand, the remuneration is proposed to be enhanced to minimum basic pay (pay + grade pay + DA (as on 1st June) rounded off to higher 1000. Few NITs like NIT Delhi are also paying same to their contractual staff enclosed as Annexure FC04.07. It is proposed to implement the increase in pay from 1st Feb. 2014. Proposal may kindly be approved. FC is requested to approve the above proposal.

Resolution: Keeping in view the minimum wages and no hike in past four years FC approved the honorarium of staff appointed of contract basis as follows with effect from 1st February 2014.

| Sr. No. | Designation | Present remuneration | Approved remuneration |
|---------|----------------------|----------------------|-----------------------|
| a) | Work Subordinate-I | 13,500/- | 15,000/- |
| b) | Work Subordinate-III | 8,460/- | 10,000/- |

04.13 Approval regarding book bank scheme.

Agenda: Institute has implemented book-bank scheme as approved by Item no. 02.07 in second FC meeting held on 25th Feb. 2013. It has been observed that the average cost of books issued to the students is ₹2,000/- and fees paid by the students is ₹1,000/-. The cost of the books is much lower than the expected value. It is proposed to reduce the book-bank fees to ₹400/- for the period of three (3) more years which will be revised later on. It is propose to approve this proposal with retrospective effect. FC is requested to approve the above proposal.

Resolution: FC approved that Rs. 1,000/- will be the fees for the book-bank scheme out of which Rs. 500/- will be refundable caution money.

04.14 Approval for Expenditure for Training and Placement

Agenda: Response of Industries to Campus Interview is nearly zero due to location and lesser number of students. MNIT Jaipur has kindly agreed to accommodate our students along with their students. However, students have to visit Jaipur for this purpose. We have also requested Industries to conduct Interviews in Dehradun or Rishikesh. This will cause extra expenditure. Following is the proposal for the same:

- Each student visiting MNIT Jaipur shall be paid ₹1,000/- (including travel and stay) per head per visit subject to maximum of 4 visits.
- If Institute is conducting interviews in Dehradun/Rishikesh then the student shall be paid ₹500/- per head per visit subject to maximum of 4 visits.
- Institute shall hire facilities at Dehradun/Rishikesh for conducting interviews.

The proposal may kindly be approved.

Resolution: In view of difficulties faced by the Institute in arranging campus interviews at Srinagar, due to location and small number of students the proposal is approved. NITs in North-east are arranging the interviews as a pool at one NIT and are successful in placing a large number of students by providing similar facility. It is recommended that instead of MNIT Jaipur the travel expenses as

proposed shall be provided for any place in India other than Dehradun / Rishikesh.

It is further resolved that this facility shall be reviewed every year and is approved for three years only.

- 04.15** Approval regarding Honorarium for meeting and interviews.
Agenda: Honoraria for expert visiting institute is approved by Finance Committee in its third meeting on 8th Oct 2013 vide items no 03.05.
Same honorarium may please be approved for members attending various meetings and interview panels per sitting.
Resolution: FC approved the proposal.

- 04.16** Approval for forwarding Separate Audit Report from CAG
Separate Audit Reports from CAG are received for Annual Accounts of the Financial Years 2009-10, 2010-11, 2011-12 and 2012-13 which are enclosed for the reference. Replies which are being sent to CAG are also enclosed. Permission may be granted to submit SAR along with Annual Accounts to M.H.R.D.
Resolution: FC Approved the SAR and permitted to submit SAR along with Annual Accounts to M.H.R.D.

The meeting ended with Vote of thanks to the chair.



H T Thorat
Director

Submitted for Approval

Chairman
Board of Governors
NIT, Uttarakhand