

National Institute of Technology Rourkela

MINUTES

55th Meeting of Finance Committee



DATE : 18th November, 2020 (Wednesday)
Time : 14:30 – 15:30 Hours
Venue : Board Room, NIT Rourkela



राष्ट्रीय प्रौद्योगिकी संस्थान, राउरकेला
National Institute of Technology, Rourkela

MINUTES OF THE 55TH MEETING OF THE FINANCE COMMITTEE, NATIONAL INSTITUTE OF TECHNOLOGY, ROURKELA HELD DURING 2:30 PM – 3.30 PM ON 18.11.2020 (WEDNESDAY) IN THE BOARD ROOM OF THE INSTITUTE THROUGH VC.

Members Present:

Sl. No	Name	Contact No.
1.	Prof. Animesh Biswas Director National Institute of Technology Rourkela-769008	Tel : 0661-2462001/2472050(0),2463001(R) Mob : 9437972455 Fax : 0661-2472926/2462022 Email: director@nitrkl.ac.in
2.	Shri Madan Mohan,[through VC] Additional Director General, Department of Higher Education, Ministry of Education (Shiksha Mantralaya), Room No. – 431 'C', ShastriBhawan, (2) Jeevan Deep Building, Parliament Street& (3) West Block No.1, R.K. Puram, New Delhi - 110 001	Tel : 23381484(O) Mob : 9971035557 Email : mmohan.edu@nic.in / mmohan.edu@gmail.com
3.	Shri Dhananjay Kumar Singh [through VC] Deputy Secretary, Finance [representative of JS & FA] Ministry of Education (Shiksha Mantralaya), Government of India, Dept. of Secondary & Higher Education ShastriBhawan, New Delhi-110001	Tel : 011-23382696 Fax : 011-23070668 Mob : 9968280796 Email : jsfa.edu@gov.in
4.	Prof. R V Raja Kumar [through VC] Director Indian Institute of Technology Bhubaneswar ToshaliBhawan, Satyanagar Bhubaneswar-751013	Tel : 0674-2570334) Fax : 0674-2576004 Email : director.office@iitbbs.ac.in
	Dr. Ajay Kumar Nayak[through VC] Joint Secretary [representative of Commissioner-Cum-Secretary] Skill Development & Technical Education Dept. Government of Odisha, Bhubaneswar-751001	Tel : 0674-2391319(O) Fax : 0674-2391324 Mob : 9437051000 Email : etet.od@nic.in / ajaynayak0001@gmail.com ajaynayak07@gmail.com
5.	Padma Shri Nalini Ranjan Mohanty [through VC] Ex-Chairman, HAL Flat No.620B4, Yamuna Block National Games Village (NGV) Koramangala, Bangalore-560047	Mob : 9845038631 Email : nalinirmohanty@yahoo.co.in
7.	Prof. G. K. Panda, Nayak[through VC] Professor, MA National Institute of Technology Rourkela-769008 (Odisha)	Tel : 0661-2462705 (0), 2463705(R) Mob : 9437139237 Email : gkpanda@nitrkl.ac.in
8.	Prof. N. R. Mishra Associate Professor, HS National Institute of Technology Rourkela-769008 (Odisha)	Tel : 0661-2462695(O)/ 2463698(R) Mob : 9437462037 Email : mishran@nitrkl.ac.in
9.	Prof. P. K. Das Registrar & Secretary, BOG National Institute of Technology Rourkela – 769 008(Orissa)	Tel : 0661-2462021/ 2462516/2476773 (O) Mob : 7008581227 Email : registrar@nitrkl.ac.in

FC-55(2020)-01: **Welcome to the members by the Chairman.**
The Chairman welcomed all the members to the meeting.

FC-55(2020)-02: **Confirmation of the minutes of the 54th Meeting of the Finance Committee held on 30.09.2020 at NIT, Rourkela through VC.**

The minutes of the 54th Meeting of the FC held on 30.09.2020 at NIT, Rourkela were sent by E-mail to the members. No comments has been received from members. The copy of the minutes is given in the Annexure.

The FC may confirm and approve the minutes.

1) The FC vide resolution No.FC-54 (2020)-07, dated 30.09.2020, a committee was constituted vide letter No.NITR/RG/2020/M/0692 dated 15.10.2020 with the following members to look into the financial feasibility and tendering process done to establish the CoE in the Institute as follows:

1. Padmashree N. R. Mohanty, Chairman
2. Mr. D. K. Singh, Dy Secretary
3. Prof. PrasantaSahu, IIT Bhubaneswar
4. Prof. K. K. Mohapatra, NIT, Rourkela

In the meantime, one mail is received from Shri D. K. Singh, Dy. Secretary, Finance, Ministry of Education, New Delhi [at Pg.24-25]stating that the Joint Secretary& Financial Advisor, Ministry of Education is not agreed for his participation as a member in the said committee.

During the confirmation of the minutes of 54th FC, the members were appraised that the committee has been formed as was advised by the BOG to look into the matter of Centre of Excellence.

With permission of the Chairman. BOG, Prof. K.K. Mohapatra was invited to appraise the Board about the status of the CoE. He presented the development in this matter. But, Prof. Raja Kumar advised him to come with complete report of the committee in the next FC meeting, as there is no clarity in it. Mr Madan Mohan emphasised that the institute should take the feedbacks on the services / performance of the concern vendor from other NITs, where they have established such type laboratories/centres. He expressed his serious concern on the proposed project. Participating in the discussion Shri N R Mohanty informed the members that the some relevant documents/information are asked by the committee from the concerned vendor, as the matter is still sketchy. The role of



Siemens and the cost component are still hazy in establishment of proposed CoE. Prof. Mohapatra was advised to collect such information from the vendors and to convince his committee members about the project proposal of COE and to present the concrete report in the next FC meeting.

The FC confirmed the minutes

[Annexure- A1, Page 11 - 29]

FC-55(2020)-03: To report on the Action Taken on the minutes of 54th meeting of the Finance Committee held on 30.09.2020 at NIT, Rourkela through VC.

The report on the action taken on the decisions made in the 54th Meeting of the Finance Committee held on 30.09.2020 at NIT, Rourkela through VC was put up on the table as reporting item.

The FC noted the above.

Discussing on power of delegation of the Director relating to BWC and purchase of equipment, Mr. D.K. Singh, Dy. Secretary representing Ministry advised that after 2017, these delegation power is changed. He suggested time to time the delegation of financial power gets rectified.

The Chairman, BOG and Director of the Institute brought to the notice of all members that the present practice with regards to delegation of financial powers have been decided in 2014 BOG and to be rectified as per recent guidelines.

Discussing on BWC, both Mr. Madan Mohan, ADG and Mr. D. K. Sing suggested that after 2017 amendment, the Director/Deputy Secretary, dealing with NITs and the Director/Dy. Secretary, dealing with Finance of NITs, Ministry of Education are member of BWC. Hence, before BWC meeting all agenda notes are to be communicated to both of them.

[Annexure- A2, Page 30]

FC-55(2020)-04: Release of Retention money and Initial Security Deposit for Major Project Phase-II.

All the buildings under Major Projects Phase-II has been completed by M/s SPCPL on dt.31/10/2019 and the virtual completion certificates issued by the respective Architectural Firms were forwarded to M/s SPCPL issued vide letter no.NITR/RG/2020/L/0014, dated:07.01.2020, NITR/RG/2020/L/0015, dated:07.01.2020 &

NITR/RG/2020/L/0016, dated:07.01.2020 [at Pg.31-33]. M/s SPCPL has claimed the 50% of retention money and of total of Initial Security deposit vide letter no.SPCPL/1067/NITR/20-21/1336, dated:11.09.2020 in line with contract clause No.4-5[at Pg.42] of the agreement which states "50% of retention money and total of security deposit will be returned after virtual completion of the work. Balance 50% of retention money shall be released to Second Party after satisfactory completion of Defect liability period (This amount will be kept in fixed deposit with first party after the work is virtually completed and the same will be returned along with interest after satisfactory completion of Defect liability period)."

All the buildings were completed and their defect liability period has also been expired. So M/s SPCPL is eligible for getting 100% of retention money and 100% of the total initial security deposit as per contract clause no.6.

In contrary, it is required to mentioned some points which as follows –

- Processing of final bill of the mentioned project was still pending.
- Defects pointed out to M/s SPCPL during the DL period in different buildings are not still addressed.
- Imposition of LD to the contractor (Maximum 5% of contract value i.e. Rs.15,14,11,993/-) is yet to be finalized which was intimated to the agency vide letter no. NITR/RG/2020/L/0135 dated 24/02/2020 [atPg.35].

Total retention money @8% from the running bills (except the final bill) submitted by M/s SPCPL for Major Project Phase-II is Rs.23,91,56,122/- [details are enclosed at Pg.36-40].

Towards initial security deposits against Major Project Phase – II M/s SPCPL had deposited Rs.6,05,64,800/- as per clause no.4 of work orderNo.NITR/PW/WO/CT/66/12-13/68,dated:22.02.2013 [are enclosed at Pg.41-46].

BWC decided that in case the imposition of LD value is applicable against M/s SPCPL, an amount of Rs.15,14,11,993/- (maximum 5% of the contract value as per work order clause no.19) to be kept in hold and another Rs.2 crore also to be kept in hold to meet the defect liabilities, if arises. Further, it was decided to have a joint meeting between M/s. SPCPL and the construction committee of the Institute to sort out the issue of said payment and in case M/s SPCPL agrees on writing for an interim release of Rs.10 crore then that should be released to M/s SPCPL. The final settlement of payment to M/s SPCPL to be decided in BWC meeting and accordingly the closure of the contract with the construction firm, M/s SPCPL to be made.

In case M/s SPCPL agrees after joint meeting for interim release of Rs.10 crore, the bank guarantee of Rs.2,78,60,000/- issued by Union Bank of India vide BG No. 61410 IGL 0013314 [at Pg.47-53] to be returned back and the rest amount out of Rs.10 crore shall be transfer to the registered bank account of M/s SPCPL for this particular project.

Participating in the discussion, Mr D K Singh enquired how BWC recommended for release of retention money, @8% from the running bills and initial security deposits @2% of the cost of Major



Project Phase-II to M/s SPCPL, when the matters like Processing of final bill of the mentioned project is still pending and defects pointed out to M/s SPCPL during the DL period in different buildings are not yet addressed. Moreover, M/s SPCPL has been communicated vide letter No.NITR/RG/2020/L/0135, dated 24.02.2020 that the project has been delayed by 5 years 6 months and 20 days and in addition to that the arbitration case has been filed by the agency. He further said that if the delay is due to contractor, it is the violation of agreement. If the work is not completed in time the security money should be forfeited. The result of that arbitration has yet to come and after that the decision to be taken in this matter. Prof G K panda mentioned that due to non availability of fund with institute for payment during the execution of the project may be one of the reasons for delay in the project. Prof. R. V. Raja Kumar, also expressed his concern about the release of 50% of retention money as the LD matter has not been settled and once the money is released, it is difficult to recover the amount from the contractor.

After the deliberation, FC recommended that this proposal should be withdrawn and the institute should wait till arbitration proceeding is being completed and only after that the matter to be brought before FC for further decision.

[Annexure – A3, Page 31-53]

FC-55(2020)-05: Proposal for IT Infrastructure for 2021 – 2023.

Keeping in view the IT Infrastructure requirements of the Institute at present and in future, the next three years proposals (enclosed as annexures) are placed. The BWC in its 39th meeting held on 09.11.2020 recommended the proposal.

The details are given below:

Information technology infrastructure for 2020-2021		
Sl. no.	Particulars	Estimate
1	Wireless controllers	1,500,000.00
2	SAN Switch (2 nos.)	2,000,000.00
3	Networking of Golden Jubilee Building	12,000,000.00
4	VC setup in Golden Jubilee building (Director, Registrar and Dean office rooms, Senate hall, Board Room)	3,000,000.00
5	Networking of Mechanical Science	5,000,000.00
6	Networking of LA-B	2,500,000.00
7	Surveillance System of Golden Jubilee Building	5,000,000.00
	Total: Three crore Ten lacs only	31,000,000.00

Information technology infrastructure for 2021-2023		
Sl. no.	Particulars	Estimate
8	Replacement of obsolete edge switches	12,000,000.00
9	Disaster Recovery Site	67,500,000.00
	Core switch:	15,000,000.00
	Firewall(2 nos.)	20,000,000.00
	DNS, DHCP, Authentication servers(3nos.)	1,500,000.00
	500 TB storage	20,000,000.00
	Smart rack(Smart data centre of 3 unit)	7,000,000.00
	40 KVA online UPS (2 nos.)	4,000,000.00
10	Personal computer for Research scholar and Faculties	20,000,000.00
11	Wireless Network for TIIR Building	1,500,000.00
12	Wireless Network for Guest House	1,500,000.00
13	Residential campus networking	25,000,000.00
14	Wireless Network for Halls	4,000,000.00
15	Expansion of HPC from 35 TF to 50 TF+	20,000,000.00
16	Expansion of Academic campus network	8,000,000.00
17	Streaming Server and server for smart classroom	20,000,000.00
18	Networking for new sports complex	5,000,000.00
	Total: Eighteen Crore forty-Five Lakh only	184,500,000.00

With the permission of Chairman, BOG, Prof. B.D. Sahoo, Head Computer Centre presented the proposal before FC.

The Chairman, BOG informed all the members about the importance of strengthening IT infrastructure, keeping in view the present online activities in imparting effective teaching, apart from the need of cyber security, hardware requirements for safeguarding the digital data and to create high internet speed, which needs fibre optical cabling in the campus.

The FC recommended to the BOG for the approval of the amount of immediate requirement Rs.3.1 Cr. But suggested this budget amount should be spread up in two financial years: FY 2020-2021 and FY 2021-2022. For future proposed IT infrastructural requirements, the budget of Rs.18.45 Cr., should be reduced and some exaggerated expenditures to be verified, keeping in view of fund constraints. Further, while developing new infrastructure, some old equipments available should be utilised, particularly with regards to Disaster recovery site requirements.



FC-55(2020)-06: Purchase of Capital items under recurring head from the Project and Consultancy Fund.

The ranking of the Institute is influenced by the number of Projects being funded by various Government and Private Organizations. The project grant is funded under different heads like **Non-recurring** and **Recurring** heads. From the Non-recurring heads, the equipment's, computers and other related capital expenditures are met. The manpower, the consumable, travel and contingency etc. are met from Recurring Head (Contingency & Consumable). It is observed that the **Principal Investigator(PI)** are requesting to purchase the items like Laptop, computers, ACs and Furnitures from contingency and consumable head of the projects, which are of Non-recurring in nature.

In this connection, the recommendation of FC vide resolution No.FC-19(2012)-08, the BOG approved the "**Fixed Asset Policy**" of the Institute vide resolution No.BOG-30(2012)-06, dated 29.06.2020. As per the Fixed Asset Policy of the Institute "the durable items whose per unit value is Rs.5000/- or more are to be considered as Fixed Asset", and the fixed Assets are procured from the Non-Recurring Funds.

Looking to the requirements of PIs and development of he Institute, it is proposed to relax the above norms and allow the PIs to procure the small capital items like Laptop, computers, ACs and Furniture's from the recurring head of their project grants for setting up their Laboratories.

The FC may consider the recommendation to the BOG for its approval.

Participating in deliberation Mr. D. K. Singh, representing Ministry of Education, told that capital items cannot be procured under recurring head, which will create accounting issues as audit will object to such expenditures. The institute should not change the "Fixed Asset Policy", without examining the existing policy.

However, if sponsoring agencies of the projects/consultancies/ competent authority allow for such items to be procured from the contingency head, then the PIs may be allowed, otherwise institute should stick to the existing "Fixed Asset Policy".

[Annexure-A4, Page 54 - 62]

FC-55(2020)-07: Any other item with the permission of the Chair.

- 1) **Allocation of Fund from Institute Corpus Fund to meet the expenditure under OH-31.**

The Ministry has allocated Rs.52.59 Core of Grant-in-Aid to the Institute against OH-31 whereas Rs.95.62 Core is required to meet the same during the financial year 2020-21. Therefore, the deficit amount of Rs.43.03 Core is to be met either through additional allocation from the Ministry or to be from IRG / Corpus Fund of the Institute. It is proposed to borrow the entire deficit amount of Rs43.03 Core from the Institute Corpus Fund to meet all the on-going expenditures under the head OH-

31 and equivalent amount shall be returned back from the grants allocated by the ministry or from the IRG of the Institute at the end of the year.

With the permission of the Chairman, BOG, Dy. Registrar(FA) of the Institute was allowed to present the financial status of the Institute which is as follows:

Govt. of India Allotment(GIA) Position as on 17/11/2020			
Particulars	Grant Sanctioned	Total Grant Received	Expenditure (Till 17/11/2020)
OH-31	52.59	33.53	51.17
OH-35	13.23	3.31	2.54
OH-36	93.12	58.80	57.80
Total	158.94	95.64	111.51

FUND AVAILABILITY vis-a-vis FUND REQUIREMENT UNDER OH-35 FOR F.Y. 2020-21	
Particulars	Amount In Crore (Rs.)
Unspent Balance of GIA	12.47
Fund Allocated by Ministry for FY 2020-21	13.23
Total Fund Available	25.70
Fund Requirement	
Major Construction (PH-II)	6.21
Partition work (TIIR/Other), New Pipeline at FRA and FRB, Road Sign Board.	0.95
Equipment/Furniture for Departments(Fund Booked in FY 2019-20 but bill not submitted)	0.38
Equipment/Furniture for Departments(Fund Booked in FY 2020-21)	0.37
Equipment/Furniture for Departments	8.48
Central Furniture (GJB & LA-II)	3.00
Books / E-Books for Library	2.00
Civil/Electrical Development Works	4.00
IT Infrastructure	3.10
Total	28.49

Fund ALLOCATION vis-à-vis ACTUAL EXPENDITURE (OH-31) FOR F.Y. 2020-21			
Particulars	Fund Required (Rs. In Crore)	Actual Exp. (Till 17.11.2020) (Rs. In Crore)	
PENSION & RETIREMENT BENEFITS	19.00	11.31	
SCHOLARSHIPS / FELLOWSHIPS	37.00	18.80	
FOREIGN / DOMESTIC TRAVELS, MEETINGS &	0.71	0.13	

CONFERENCES		
SECURITY/HOUSEKEEPING/OUTSOURCED SERVICES	6.95	3.27
CONTRACTUAL EMPLOYEES SALARY	1.27	0.55
DEPARTMENTAL OPERATING EXPENSES	3.24	0.88
LIBRARY EXPENSES	2.52	2.28
COMPUTER CENTRE EXPENSES	4.91	4.50
ACADEMIC ADMINISTRATION	0.94	0.47
CAMPUS MAINTENANCE	10.64	5.76
ELECTRICITY,WATER & COMMUNICATION	5.67	2.60
PRINTING & PUBLICATION	0.45	0.07
ADMINISTRATIVE EXPENSES	0.94	0.38
ALUMNI RELATIONS	0.02	0.00
GUEST HOUSE	0.35	0.13
EXTRA ACADEMIC ACTIVITY	0.01	0.00
MISCELLANEOUS FUND	1.00	0.04
Total	95.62	51.17

STATUS OF CORPUS FUND AS ON 31.03.2020 & IRG FOR THE YEAR 2019-20	
Particulars	Amount in Crore
Institute Corpus Fund	118.78
Funds for Capital Expenditure	52.21
Funds for Employees Development	17.13
Funds for Maintenance of Assets	18.88
Total Corpus Fund	207.00
IRG for the year 2019-20	43.56

Participating in deliberation, Director, NIT Rourkela requested Ministry to release more fund to meet the day to day expenditure under OH-31, otherwise it will be too difficult to run the Institute, particularly in research front. As the Fellowship to Ph.D. students are met from OH-31 head, the shortfall in that head will hamper the research activities of the Institute. The research activities of the Institute helps in scoring high in NIRF ranking. Hence the FC may



allow the Institute to spent from its Corpus fund to meet the differential amount under head OH-31. Padma Shri N.R. Mohanty was of opinion that if the institute will depend on corpus fund always it will be exhausted very soon. Ministry personnel said that it is not possible to release more money under OH-31 in this financial year, as the Ministry has financial constraints. Mr. D. K. Singh said that if institute is taking money from its corpus fund, Government will not pay back it. Institute will fill it up from its IRG.

All the external members showing their concern said that it is not wise to spend money from corpus fund. It was suggested that the Institute spend money from IRG instead of taking it from corpus fund. Padma Shri N. R. Mohanty, stressed upon that the interest component of HEFA loan also to be met from IRG. Further, he advised not to admit more number of Ph.D. students with Institute Fellowship in Spring Semester which will create huge financial burden under recurring expenditure of head of OH-31.

After deliberation, FC recommended on above line that Institute should spent money to meet the deficit amount under OH-31 from IRG as a loan instead of taking it from corpus fund.

[Annexure-A4, Page 63]

The meeting ended with thanks to the Chair.

[Prof. P. K. Das]
Registrar and Secretary
BOG, NIT, Rourkela

[Prof. Animesh Biswas]
Chairman(Acting)
BOG, NIT, Rourkela