



Indian Institute of Information Technology, Design and Manufacturing, Kancheepuram

Minutes of the 25th Meeting of the Finance Committee held at 11.00 A.M. on Saturday 24th February 2018, at BEGH, IIT Madras Chennai – 600 036.

Members Present

Prof M S Ananth	---	Chairman
Prof Banshidhar Majhi	---	Member
Prof S Narayanan	---	Member
Shri Anil Kumar	---	Member
Shri A Chidambaram	---	Secretary

Dr. S Murugaiah could not attend the meeting due to prior commitments and leave of absence was granted. Shri. Chandrasekaran, Internal Audit Officer, IITDM Kancheepuram attended the meeting as invitee.

The Chairman welcomed the members to the Meeting.

FC-25(2018)-1	Confirmation of Minutes of the last (24th) meeting of the Finance Committee held on 17th June 2017.
	The minutes of the 24 th meeting of the Finance Committee held on 17 th June 2017 were circulated to all members of the Finance Committee. No comments were received. The minutes were confirmed.
FC-25(2018)-2	To consider and approve the corpus fund rules
	The CAG audit team in their transaction audit for the financial year 2016-17 had pointed out about the operation of corpus fund without

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<p>Resolution FC-01/2018</p>	<p>laying down the rules approved by the Board of Governors. Hence, the Director had constituted a committee for formulation of corpus fund rules consisting of internal and external members. The committee considered the corpus fund rules of CSIR, IITs and UGC etc. and formulated a draft corpus fund rules and submitted the same to the Institute. The same will be adopted for both IIITDM Kancheepuram & IIITDM Kurnool.</p> <p>The committee perused the report and recommended for incorporation of guest house receipt also in to the corpus fund.</p> <p>The Finance Committee after discussion RESOLVED to recommend to Board for approval of the corpus fund rules for IIITDM Kancheepuram & IIITDM Kurnool. (Annexure-A)</p>
<p>FC-25(2018)-3</p>	<p>To ratify the implementation of 7th CPC to the faculty and staff of the Institute</p>
<p>Resolution FC-2/2018</p>	<p>The Government of India, Ministry of HRD had communicated about the decision of Government of India regarding implementation of the 7th pay commission recommendation vide letter No.F.No.15-4/2017-TC dated 27.10.2017 about "<i>Revision of Pay of Faculty and Scientific/Design Staff in Centrally Funded Technical Institutions following the pay revision of the Central Government Employees on the recommendations of 7th pay Commission</i>".</p> <p>The salient feature of the revised pay and service condition as per the 7th CPC recommendation includes the following:</p> <ul style="list-style-type: none"> • The revision is applicable with effect from 01st January 2016. • Pay fitment and the new pay has to be fixed as per the instruction contained thereon as per the fitment Table. • Change in the nomenclature of Assistant Professors presently in AGP 6000/- and 7000/- to Assistant Professor Grade-II and Assistant Professor Grade-I for faculty members in the AGP of 8000/- and 9000/-.

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- Pay of Director fixed at Rs.2,10,000/- with special allowance at old rate (Rs.5000/-) till decision on revision of special allowance.
- Two dates for grant of increment i.e. 1st January and 1st July of every year as the case may be.
- Basic Pay and Dearness Allowance is only payable as per 7th CPC order.
- Payment of other allowances at existing rate till revision approved by Ministry of Finance.

Further, MHRD also communicated vide letter F.No.15-1/2017-TC (Vol-II) dated 29.12.2017 about the *"Revision of pay of Non-Teaching Staff in Centrally Funded Technical Institutions following the pay revision of the Central Government Employees on the recommendations of 7th pay Commission"*.

The salient feature of approval inter alia includes the following:

- The revision is applicable with effect from 01st January 2016.
- The revised pay scale based on 7th CPC for the non-teaching staff has to be strictly in accordance with Ministry of Finance, Department of Expenditure OM dt.13.01.2017
- Two dates for grant of increment i.e. 1st January and 1st July of every year as the case may be.
- Basic Pay and Dearness Allowance is only payable as per 7th CPC order.
- Payment of other allowances at existing rate till revision approved by Ministry of Finance.

In line with approval granted by the MHRD, the Institute had notified the pay revision and implemented the pay on the basis of 7th CPC. The revised pay was implemented from the salary of January, 2018.

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	<p>The Finance committee discussed the agenda and remarked the following</p> <ol style="list-style-type: none"> 1. As per the MHRD letter, Only Basic Pay and Dearness allowance has to be paid in the 7th CPC and all allowances and Pension needs to be paid as per the 6th CPC scale. 2. The committee noted contents in the letter No. F.No.15-1/2017-TC (Vol-II) dated 29.12.2017 (7th CPC revision for non-faculty) and the condition <i>"The Institutions which are in a position to fully meet the additional financial impact or the Institutions which are not in a position to meet their 30% or any lesser amount from their internal resources, the revised pay scales are allowed only after adjusting the amount so calculated"</i>. The committee resolved to recommend to MHRD that 100% financial support may be given for revised pay scales since the institute does not have the sufficient IRG/corpus. 3. The committee directed the Institute not to pay the arrears till receipt of grant for payment of arrears from 1.1.2016 to 31.12.2017 from the MHRD. The committee directed the Institute to prepare an arrear statement and submit to MHRD. <p>The Finance committee with the above remarks RESOLVED to ratify the same for approval by Board of Governors.(Annexure-B)</p>
<p>FC-25(2018)-4</p>	<p>To ratify the revised annual accounts for the year 2016 -17 of the IIITDM Kancheepuram and IIITDM Kurnool</p>
<p>Resolution FC-03/2018</p>	<p>The annual accounts for the year 2016-17 of IIITDM Kancheepuram and IIITDM Kurnool for the year 2016-17 was prepared in the prescribed format and was approved by the Finance Committee & Board of Governors earlier. The approved annual accounts were submitted to Principal Director Audit (Central) Chennai for detailed check and issue of Audit certificate.</p> <p>The audit team had audited the annual accounts 2016-17 and based</p>

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on their comments, the accounts was revised incorporating their observations. With the approval of Director, the revised annual accounts were resubmitted to Principal Director Audit (Central) Chennai for issue of audit certificate. They had issued the audit certificate on the revised annual accounts.

The Finance Committee perused the revised annual accounts of IIITDM Kancheepuram and IIITDM Kurnool for the year 2016-17 and remarked the following.

1. The tuition fee may be exhibited first in the Income and Expenditure statement and thereafter the tuition fee may be transferred to corpus fund account appropriately.
2. The hostel accounts may also be exhibited in the annual accounts for scrutiny and audit by C&AG.

It was explained by the Institute that the original annual accounts were exhibited in the tuition fee and was revised and taken into balance sheet directly as per the observation of C&AG. The committee noted the same and remarked that the appropriate procedure would be to disclose the tuition fee first in the Income and Expenditure so as to display the true and correct picture of the income earned by the Institute.

However, they have advised the Institute to refer other similar Institute Annual Accounts and also to discuss the matter with C&AG accordingly.

The Institute had agreed for the same and will be incorporated in the Annual Accounts 2018-19 onwards in consultation with C&AG and the other Institutes, since the annual accounts 2016-17 was already certified by C&AG.

The Finance committee with the above remarks **RESOLVED** to ratify the Annual Accounts 2016-17 of IIITDM Kancheepuram and IIITDM Kurnool for approval by Board of Governors. **(Annexure-C)**

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FC-25(2018)-5

To report about the Status of Expenditure upto January 2018 and Status of Civil works of IIITDM Kancheepuram

It is submitted that the Institute does not receive any capital grant for the year 2016-17 & 2017-18. The Institute had received Revenue allocation of General Revenue (OH 31) - 4.50 Crores & Salary head (OH 36) - 4.00 Crores only so far for the year 2017-18. The details of allocation vis-à-vis the expenditure is as under

(Rs. in Crores)

	General Revenue OH-31	Capital OH-35	Salary OH-36	Total
Opening Balance as on 01.04.17	0.00	0.00	1.86	1.86
Cumulative Receipt (up to 31.01.18)	4.50	0.00	4.00	8.50
Cumulative Expenditure (up to 31.01.18)	5.96	1.77	6.82	14.55
Balance available	-1.46	-1.77	-0.96	-4.19

Further, the Institute had awarded Administrative approval and Expenditure sanction (AA&ES) to CPWD for various construction works for a value of Rs.425.47 Crores and has made a payment of Rs.300.91 Crores so far. The list of completed and pending works with status and balance commitment to CPWD is enclosed. The institute is requesting MHRD time and again for early release of funds. It is informed by the MHRD that the Expenditure Finance Committee (EFC) approval for the Revised Detailed Project Report (DPR) is under process and the funds will be released on approval of the same. The Institute is pursuing the matter with MHRD for early release of grant.

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established in the year 2015 and is presently functioning in the Mentor Institute of IIITDM Kancheepuram, Tamilnadu. Presently, 3 batches of students numbering 214 students are accommodated with much difficulty in IIITDM Kancheepuram at Chennai. The number is expected to increase by another 120 in the Academic year 2018-19.

Based on the approval of Governing body of IIITDM Kurnool, the Institute had accorded the Administrative approval for an initial area of approximately 10,000 Sq meters for Academic Building, Hostel etc. for accommodating 400 students at a cost of Rs.82.29 crores. The construction is being carried out by CPWD as Deposit works as per CPWD norms. The Institute had received Rs.14.00 crores so far as capital grants from MHRD and released the same to CPWD.


The Institute had not received any grants in the FY 2017-18 and CPWD is demanding release of payment to proceed with the construction work. The Institute could not release balance payment due to non-receipt of grants from MHRD.


The approval of Standing Expenditure Finance Committee (SFC) for incurring expenditure is underway in MHRD, Govt. of India. The

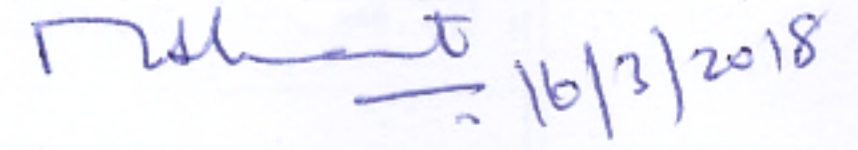
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	<p>Institute took up the matter with MHRD for early release of funds and also requested for one-time grant of Rs.20.00 crores as an interim measure in the FY 2018-19 to tide over the situation and to commence the pending works.</p> <p>The list of works with status is enclosed for information to the Committee.</p> <p>The MHRD member informed the committee that the process of Standing Finance Committee (SFC) approval is under process in the Ministry and the funds will be released once the approval is accorded.</p> <p>The Finance Committee discussed the same and directed the Institute to pursue the matter with the MHRD for early release of grant. (Annexure-E)</p>
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The meeting concluded with thanks to the Chair.


(A. Chidambaram)
Secretary


(Prof. Banshidhar Majhi)
Director


(Prof. M.S. Ananth)
Chairman