



Indian Institute of Information Technology, Design and Manufacturing, Kancheepuram

Minutes of the 26th Meeting of the Finance Committee held at 10.00 A.M. on Saturday 14th July 2018, at BGH, IIT Madras Chennai – 600 036.

Members Present

Prof M S Ananth	---	Chairman
Prof Banshidhar Majhi	---	Member
Dr. S Murugaiah	---	Member
Shri A Chidambaram	---	Secretary

Sh. Praveer Saxena, Under Secretary MHRD attended the meeting as representative of Director (IIIT) MHRD and leave of absence was granted to Prof. S.Narayanan, Emeritus Professor, IIITDM Kancheepuram and Sh. Anil Kumar Director(Finance),MHRD.

The Chairman welcomed the members to the Meeting.

General Discussion

The Institute had made a presentation about the high lights of the annual accounts of IIITDM Kancheepuram and IIITDM Kurnool for the financial year 2017-18. The Institute explained about the non receipt of capital grants for the last two years in respect of IIITDM Kancheepuram and pending infrastructure works at IIITDM Kancheepuram. The committee enquired about the arbitration liability shown in the annual accounts. It was explained that the same could not be made due to want of funds. The committee requested the MHRD member for needful action for early release of funds.

The finance committee examined the accounts and advised the institute in optimization

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of bank balances in savings bank account and to increase the frequency of the fixed deposits to generate more interest income.

FC 26 (2018)-1	Confirmation of Proceedings of the last (25th) Meeting of the Finance committee held on 24th February 2018
	<p>The Proceedings of the last (25th) meeting of the Finance committee held on 24th February 2018 were circulated to all members of the FC after approval by the Chairman, Finance Committee.</p> <p>No comments were received and the proceedings of the 25th Finance committee meeting held on 24th February 2018 was confirmed.</p>
FC 26 (2018)-2	To consider and recommend to Board for Approval of the Annual Accounts of IITDM Kancheepuram for the FY 2017-18
Resolution FC-01/2018	<p>The Annual Accounts for the FY 2017-18 has to be prepared in the prescribed format and the Annual Accounts has to be approved by the Finance Committee and Board of Governors for submission to Principal Director of Audit (Central) Chennai for detailed check and issue of Audit certificate for the FY 2017-18. Thereafter the Annual Accounts has to be forwarded to Ministry for placing before the Parliament.</p> <p>The Finance committee in the previous meeting had advised the Institute that <i>"The tuition fee may be exhibited first in the Income and Expenditure statement and thereafter the tuition fee may be transferred to corpus fund. The hostel accounts to be exhibited in the Annual Accounts of the Institute. The Institute may refer other similar Institute Annual Accounts"</i>.</p> <p>The Institute had taken note of the advice of the Finance Committee and exhibited the tuition fee first in the Income and Expenditure statement and transferred it to corpus fund. The Institute adopted the practice followed by IIT Allahabad in treatment of hostel accounts. Accordingly, the hostel accounts are prepared and attached as part of balance sheet and the same fact has been exhibited in the Schedule 24 of the Balance Sheet.</p> <p>The Balance Sheet is prepared in the prescribed format and enclosed as Annexure-A</p>



	<p>The Finance Committee examined the annual accounts and after deliberation RESOLVED to recommend to Board for approval of Annual Accounts of IIITDM Kancheepuram for the FY 2017-18</p>
FC 26 (2018)-3	<p>To consider and recommend to Board for Approval of the Annual Accounts of IIITDM Kurnool for the year 2017-18</p>
Resolution FC-02/2018	<p>The Annual Accounts for the FY 2017-18 has to be prepared in the prescribed format and the Annual Accounts has to be approved by the Finance Committee and Board of Governors for submission to Principal Director of Audit (Central) Chennai for detailed check and issue of Audit certificate for the FY 2017-18. Thereafter the Annual Accounts has to be forwarded to Ministry for placing before the Parliament.</p> <p>The Finance committee in the previous meeting had advised the Institute that <i>"The tuition fee may be exhibited first in the Income and Expenditure statement and thereafter the tuition fee may be transferred to corpus fund. The hostel accounts to be exhibited in the Annual Accounts of the Institute. The Institute may refer other similar Institute Annual Accounts"</i>.</p> <p>The Institute had taken note of the advice of the Finance Committee and exhibited the tuition fee first in the Income and Expenditure statement and transferred it to corpus fund. It is submitted that IIITDM Kurnool functions in the Mentor Institute of IIITDM Kancheepuram and there is no separate hostel for IIITDM Kurnool.</p> <p>The Balance Sheet is prepared in the prescribed format and enclosed as Annexure-B.</p> <p>The Finance Committee examined the annual accounts and after deliberation RESOLVED to recommend to Board for approval of Annual Accounts of IIITDM Kurnool for the FY 2017-18.</p>
FC 26 (2018)-4	<p>WP No.16450/2018 & 16451/2018 in High Court of Madras filed by M/s. GMS Elegant Builders (I) (P) Ltd., Erode for pending payment towards Construction of Faculty Quarters</p>
	<p>The Institute had accorded Administrative Approval and Expenditure Sanction</p>

(AA&ES) to CPWD for construction of Faculty Housing at a cost of Rs.38,91,35,000/-. The Institute had entered a MoU with CPWD and as per the terms of MoU the Institute had released an amount of Rs.13,23,66,113/- as on 13.06.2016. The CPWD is executing the work through M/s. GMS Elegant Builders (I) (P) Ltd., Erode in two works namely

1. Construction of Faculty Block - Phase I.
2. Construction of Faculty Block - Phase II (Eastern Block).

The CPWD is executing the works and the payments are released by them through running account bill. Now, M/s. GMS Elegant Builders (I) (P) Ltd., Erode has filed a Writ petition vide Writ Petition No.16450 of 2018 & Writ Petition No.16451 of 2018 in High Court of Madras against 1. The Secretary (Finance & Expenditure), Ministry of Finance, Government of India, New Delhi (R1) 2. The Director (Expenditure), Ministry of Finance, Government of India, New Delhi (R2) 3. The Secretary, MHRD, Government of India, New Delhi (R3) 4. The Director, IIITDM Kancheepuram, Chennai (R4) 5. The Director General (Works), CPWD, New Delhi (R5) 6. The Chief Engineer (SZ), CPWD, Chennai (R6) 7. The Project Manager, IIITDM Project Circle, CPWD, Chennai (R7) 8. The Executive Engineer (KPD II), CPWD, Chennai (R8) praying intervention of the court for release of pending payment towards construction of faculty quarters.

As per the petition, the petitioner is having pending payment of Rs.7.29 crores and in this regard, the agency approached CPWD, Ministry of Finance, MHRD and others. In response, CPWD replied that "*they have already requested the client department for release of balance funds for the above work, but till today we have not received any funds from IIITDM Melakottaiyur. Hence we could not pay the running account bill.*" MHRD, in its response to the agency stated that "*the funds for construction activities undertaken at IIITDM Kancheepuram cannot be released till the revised cost of Institute Project gets finalized*".

The agency submitted to the court that "the respondents are not justified in refusing to release the payments" and prayed intervention of the court to direct the respondent to release the payment.


The matter came up for hearing before the Hon'ble Judge on 04.07.2018 and the notice is issued by the court for reply to the respondents returnable within

four weeks. The next hearing of the case is scheduled on 01.08.2018.


The Institute proposes to engage Shri. Karthikrajan, Advocate (the lawyer who is representing the Institute in other cases).

The Finance committee noted the same.

The meeting concluded with thanks to the Chair.


(A. Chidambaram)
Secretary


18/09/18
(Prof. Banshidhar Majhi)
Director


(Prof. M.S. Ananth)
Chairman