



Indian Institute of Information Technology, Design and Manufacturing, Kancheepuram

Minutes of the 30th Meeting of the Finance Committee held at 11.00 A.M. on Friday, 16th April 2021, through online mode (Google meet)

Members Present

Prof. S.Sadagopan	---	Chairman
Prof. S Narayanan	---	Member
Prof. Banshidhar Majhi	---	Member
Shri. Anil Kumar	---	Member
Shri. Chandan Kumar Prusty	---	Secretary

The leave of absence was granted to Shri. Prashant Agarwal, Director (IIIT), MoE and Dr. S Murugaiah.

The Chairman welcomed the members to the Meeting.

FC 30 (2021)-1	To confirm the proceedings of the last (29th) Meeting of the Finance committee held on 10th October 2020
	The proceedings of the last (29th) meeting of the Finance committee held on 10th October 2020 were circulated to all members of the FC after approval by the Chairman, Finance Committee. No comments were received thereafter and the proceedings of the 29th Finance committee meeting held on 10th October 2020 was confirmed.
FC 30 (2021)-2	To ratify and recommend to Board for Approval of the certified Annual Accounts of IITDM Kancheepuram for the FY 2019-20 received from the office of the Principal Director of Audit (Central), Chennai.

	<p>The annual accounts of IIITDM Kancheepuram for the year 2019-20 was prepared in the prescribed format and was approved by the Finance Committee in the 29th meeting held on 10th October 2020. The approved annual accounts were submitted to Principal Director of Audit (Central) Chennai for issue of Audit certificate.</p> <p>The audit team had audited the annual accounts from 14.10.2020 to 23.10.2020. The draft separate audit report was received on 03.12.2020 with the request to offer the reply of the Institute within 15 days in order to finalize the separate audit report by the office of CAG.</p> <p>The Institute had finalized the reply and based on audit observation, changes wherever necessary was incorporated in the annual accounts. With the approval of Director, the revised annual accounts along with the reply were sent to Principle Director of Audit (Central) Chennai for issue of audit certificate.</p> <p>The Separate audit report was received from the Office of the Principal Director of Audit (Central), Chennai on 18.02.2021. Thereafter, the annual accounts in both English and Hindi were printed and forwarded to the Ministry on 10.03.2021 for placing before the parliament.</p> <p>The draft audit report and the para wise reply furnished are enclosed as Annexure-1. The revised certified annual accounts along with the audit certificate are enclosed as Annexure-2.</p> <p>The Finance Committee after discussion ratified the revised annual accounts of IIITDM Kancheepuram for the year 2019-20 and recommended to Board for approval. The committee also advised to reconcile the CPWD advance within 3 months and the settlement report may be furnished by 15th June 2021 in the next Finance committee meeting.</p>
<p>FC 30 (2021)-3</p>	<p>To ratify the payment of Arbitration award in respect of Construction of Lab- South and North Block of the Institute</p>
	<p>It is submitted that after due approval of the BOG, the AA&ES for the work of construction of laboratory South block and North block for IIITDM Kancheepuram was issued to CPWD during August, 2011 and March, 2012 respectively for a value of Rs.69,93,34,000/- & Rs. 58,43,91,000/-</p> <p>The works were taken up by CPWD simultaneously and the same were awarded to the agency M/s URC constructions Pvt. Ltd during 2013. The Institute was making periodical payment to CPWD as per the utilization certificate furnished by CPWD. However, due to non-receipt of funds, the Institute advised the CPWD to foreclose the work in May 2017 and at the time of foreclosure of work, the external work up to G+6 floors and internal work up to G+2 floors had been completed and they have been put to use.</p> <p>Accordingly, the CPWD foreclosed the work in May 2017. The construction agency M/s. URC constructions Pvt. Ltd., had raised claims to the authorities of the CPWD as per the</p>

terms of General conditions of Contract of CPWD amounting Rs.9,48,56,680/- for the South Block and Rs. 7,60,34,693/- for the North Block.

The Chief Engineer, CPWD in exercise of his power, in the Pre-Dispute Resolution Committee (DRC) has made an award of Rs.2,20,12,764/- for Laboratory -South block and Rs.2,16,51,310/- for Laboratory - North block totalling Rs.4,36,64,074/- allowing few claims and rejecting few claims preferred by the contractor in August 2018. The CPWD released this amount to M/s URC constructions from the deposit made by the Institute.

After receiving the payment as Pre-DRC award made by the CE, CPWD, the agency M/s. URC constructions Pvt. Ltd. has approached the Dispute Resolution committee (DRC) in February 2019 and the DRC has rejected their claim.

The contractor sought in August 2019 to refer the disputes to Arbitration as per the terms of contract. Accordingly, the Chief Engineer, in exercise of his power under the agreement, has appointed a sole Arbitrator in October 2019. The Agency has made a claim of Rs.6,11,87,600/- for the South Block and Rs.4,76,30,955/- for the North Block before the arbitrator.

The matter was submitted for information to Finance Committee in the 29th meeting held on 10th October 2020 and before the Board in the 47th meeting held on 10th October 2020. The Board discussed the same and advised the Institute to defend the proceeding in consultation with CPWD.

The arbitration proceedings were conducted in September- November 2020. In the proceedings, CPWD was represented by Sh. N Rajarathinam, Executive Engineer and our consultant engineer also participated in all the proceedings. Based on argument of claimant and respondent, the arbitrator has pronounced his award of Rs.73,77,113/ for North Block and Rs.82,23,250 for South Block totalling Rs.1,56,00,363/ plus payment of interest on the award amount commencing from 01.01.2021 till the date of settlement of payment (including settlement day) at a simple interest rate of 12% p.a.

As per extant procedure, the arbitration order is required to be vetted by Ministry of Law and Justice, Government of India and CPWD has also submitted the copy of order received from Ministry of Law and Justice concurring with the award. The Executive Engineer, CPWD vide his letter dated 26.12.2020 has requested for depositing the award amount immediately as the award is interest bearing.

The summary is of the amount due is as under:

LABORATORY NORTH BLOCK

Description	Amount
Amount deposited by the Institute to CPWD	Rs. 42,31,55,000/-
Amount expended by CPWD as on 31.01.2021 (including the PRE DRC amount) Civil: Rs. 40,57,55,000	Rs.42,31,55,000/-

Electrical: Rs. 1,74,00,000	
Balance: Nil	Nil
Amount payable to CPWD for settlement of the arbitration award	Rs.73,77,113 + interest @12% till payment

LABORATORY SOUTH BLOCK

Description	Amount
Amount deposited by the Institute to CPWD	Rs. 47,22,31,000/-
Amount expended by CPWD as on 31.01.2021 (including the PRE DRC amount) Civil: Rs.43,19,31,000 Electrical: Rs.4,03,00,000	Rs. 47,22,31,000/-
Balance: Nil	Nil
Amount payable to CPWD for settlement of the arbitration award	Rs.82,23,350 + interest @12% till payment

The matter was placed before the Buildings and works Committee (BWC) in its 26th meeting held on 30 January 2021 and the BWC discussed and verified the award made by the Arbitrator and recommended for consideration by FC and BOG for settlement of the arbitration amounting to Rs.1,56,00,363/- and the interest payable till the date of payment.

Accordingly, in principle approval was obtained from the Chairman FC/BOG for the above arbitration award to be settled immediately and a request letter for urgent release of the grant was sent on 08/03/2021 to the Ministry of Education.

In reply to the above request letter, the Ministry directed to meet out the “arbitration liability” from Internal Revenue Generation (IRG) of the institute. Accordingly, the institute with due approval from the Director, the arbitration amount including the interest component as on 19/03/2021 totalling to Rs.1,60,00,416/- (principal amount Rs.1,56,00,363/- + interest as on date Rs.4,00,053/-) was released to CPWD against full and final settlement of the arbitration.

The Finance committee took note of the concurrence to comply with the arbitration award given by Ministry of Law Justice. The committee ratified the payment of Rs.1,60,00,416/- to CPWD in settlement of the award. The committee further advised the Institute to get confirmation from the CPWD that there is no further liability in this regard and no claim will be preferred by them for this work.

FC 30 (2021)-4

To ratify the reduction of fees due to pandemic for the Jan - May 2021 semester.

Taking into account the request of the student / parents and also pandemic situations, In case of hostel fee, it was decided for B.Tech students to reduce the hostel seat rent from Rs. 3,500/- to Rs. 2,500/- and maintenance charges from Rs. 9,000/- to Rs. 8,000/-. As per our estimate, maintenance charge of Rs. 8,000/- per student for the semester would be sufficient to maintain facilities like water treatment plant, STP, Lifts, Housekeeping, security apart from sanitization of hostel and mess building at regular interval.

In addition, the advance dining charges amounting to Rs. 14,000/- was not collected. Establishment charges of Rs. 1,000/- which is in the form of student fund to meet expenditure of cultural events was not collected to avoid celebration of any group event at this juncture.

In view of above action of the Institute, students and parents are not burdened with immediate payment of Rs. 17,000/- during this semester.

The M.Tech. & Ph.D. students are availing fellowship and, they have been advised to pay as per existing structure but without including advance dining and establishment charge amounting to Rs. 15,000/-.

It is submitted that the fee reduction benefit is passed on only to B.Tech & DD students as on roll in the Institute (1425 students). The total financial burden to the hostel will be as under (excluding the Advance dining charges/establishment charges which is collected as advance and paid as per actual and thereby having no impact on the revenue.)

Description	Reduction of amount per student (in Rs.)	Total financial burden for the Jan-May 2021 (in Rs)
HOSTEL		
Seat Rent	1000.00	14,25,000.00
Maintenance charges	1000.00	14,25,000.00
Total		28,50,000.00

The Finance Committee after detailed deliberation ratified the action taken by the institute due to the COVID19 pandemic and approved the reduction of fees for the Jan-May 2021 Semester. The committee advised to be vigilant in future in terms of the funds being utilized and collected due to the uncertainty caused by the on-going pandemic situation.

The meeting concluded with thanks to the Chair.

-sd-

(Chandan Kumar Prusty)

Secretary

-sd-

(Prof. Banshidhar Majhi)

Director

-sd-

(Prof. S. Sadagopan)

Chairman