



Indian Institute of Information Technology, Design and Manufacturing, Kancheepuram

Minutes of the 29th Meeting of the Finance Committee held at 10.30 A.M. on Saturday, 10th October 2020, through online mode (Google meet)

Members Present

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

The leave of absence was granted to Shri. Prashant Agarwal, Director (IIIT), MHRD

GENERAL DISCUSSION

The Chairman welcomed the members to the Meeting. The discussion started with the financial position of the institute with respect to the internal income generated during the year 2019-20. The committee was appraised about the various sources of internal income like academic receipts, seat rent, overhead income etc The committee noted the same and appreciated the gradual increase of internal income over the years.

The committee was informed about the collection of enhanced seat rent as per MoE guidelines for generation of more revenue. It was also informed that complete tuition fees amounts are waived off for the students belonging to SC, ST and PwD category.

The committee discussed the existing rules for utilization of Corpus fund for institute academic activities. Also, the committee enquired about the amount shown in Capital work-in-progress head and it was informed that the works have already been completed and will be transferred to Fixed asset after the receipt of the Utilization certificate from the CPWD.

The committee advised to disburse the various scholarship amount available to the students and not to carry forward the balance in the balance sheet. The committee noted the existing bank accounts being operated in nearby branches and advised to open minimum new accounts if needed.

The committee discussed about the various sponsored projects funding and emphasized to earn more revenue on account of overhead. It was also informed that the management of the projects are carried out by SRICCE cell exclusively and the suggestion of the finance committee about proper utilization of funds, transfer of overhead to Institute etc., will be done on time.

FC 29 (2020)-1	Confirmation of proceedings of the 28th Meeting of the Finance Committee held on 27th September 2019
	<p>The proceedings of the 28th meeting of the Finance committee held on 27th September 2019 were circulated to all members of the FC after approval by the Chairman, Finance Committee.</p> <p>No comments were received thereafter and the proceedings of the 28th Finance committee meeting held on 27th September 2019 was confirmed.</p>
FC 29 (2020)-2	To discuss and recommend to Board for approval of the Annual Accounts of IITDM Kancheepuram for the FY 2019-20
	<p>The annual accounts for the year 2019-20 was prepared in the prescribed format and the annual accounts has to be approved by the Finance Committee and Board of Governors for submission to Director General of Audit (Central) Chennai for detailed check and issue of audit certificate for the year 2019-20. Thereafter the annual accounts have to be forwarded to Ministry for placing before the Parliament.</p> <p>The Finance Committee after discussion RESOLVED to recommend to Board for approval of Annual Accounts for the FY 2019-20.(Annexure-B)</p>
FC 29 (2020)-3	To discuss and recommend to Board for approval of the Revised Estimate 2020-21 and Budget Estimate 2021-22 in respect of IITDM Kancheepuram
	<p>It is submitted that Revised Estimate 2020-21 and the Budget Estimate 2021-22 needs to be submitted to MHRD for finalization of budget in the month of September every year for incorporation by MHRD in their demand for grant to Ministry of Finance, Government of India.</p> <p>The Institute has proposed the following in the Revised Estimate 2020-21 and the Budget Estimate 2021-22</p>

	<p style="text-align: center;">(i) Revised Estimate 2020-21</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Head</th> <th style="text-align: center;">Amount (Rs. in Crores)</th> </tr> </thead> <tbody> <tr> <td>OH 35 Creation of Capital Asset</td> <td style="text-align: right;">09.00</td> </tr> <tr> <td>OH 31 Grants in Aid General</td> <td style="text-align: right;">11.34</td> </tr> <tr> <td>OH 36 Grant in Aid Salaries</td> <td style="text-align: right;">14.74</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">35.08</td> </tr> </tbody> </table> <p style="text-align: center;">(ii) Budget Estimate 2021-22</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Head</th> <th style="text-align: center;">Amount (Rs. in Crores)</th> </tr> </thead> <tbody> <tr> <td>OH 35 Creation of Capital Asset</td> <td style="text-align: right;">12.00</td> </tr> <tr> <td>OH 31 Grants in Aid General</td> <td style="text-align: right;">18.65</td> </tr> <tr> <td>OH 36 Grant in Aid Salaries</td> <td style="text-align: right;">17.66</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">48.31</td> </tr> </tbody> </table> <p>The Finance Committee after deliberation RESOLVED to recommend to Board for approval of Revised Estimate 2020-21 and Budget Estimate 2021-22 (Annexure-A)</p>	Head	Amount (Rs. in Crores)	OH 35 Creation of Capital Asset	09.00	OH 31 Grants in Aid General	11.34	OH 36 Grant in Aid Salaries	14.74	Total	35.08	Head	Amount (Rs. in Crores)	OH 35 Creation of Capital Asset	12.00	OH 31 Grants in Aid General	18.65	OH 36 Grant in Aid Salaries	17.66	Total	48.31
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<p>FC 29 (2020)-4</p>	<p>To ratify the reduction of fees due to pandemic for the July-Nov 2020 semester.</p>																				
	<p>The Institute has received several representations from students and parents to reduce the fee along with a request to pay the fees in instalments. In order to address the representations, a Google Meet was conducted on 19.07.2020 with student representatives.</p> <p>Taking into account the request of the student / parents and also pandemic situations, it was decided to waive off the sports and medical fee totaling Rs. 2,000/- completely for the July-Nov 2020 semester as there is less likelihood of utilization of these facilities by the students and incurring expenditure on this account.</p> <p>In case of hostel fee, it was decided to reduce the hostel seat rent from Rs. 3,500/- to Rs. 2,000/- and maintenance charges from Rs. 9,000/- to Rs. 5,000/-. As per our estimate, maintenance charge of Rs. 5,000/- 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.</p> <p>In addition, the advance dining charges amounting to Rs. 14,000/- was not collected and any amount on this account will be collected proportionately at the time of opening of the Institute. In addition, establishment charges of</p>																				

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. 22,500/- during this semester. As some of the parents have expressed their inability to pay the fees at one go, the Institute has permitted the students to remit the fees in 3 instalments.

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/-. However, they have been granted the benefit of fee payment on instalment basis.

It is submitted that the fee reduction benefit is passed on only to B.Tech students as on roll in the Institute (1077 students). The total financial burden to the Institute/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 July-Nov 2020 (in Rs)
INSTITUTE		
Sports & Medical fee	2000.00	21,54,000.00
HOSTEL		
Seat Rent	1500.00	16,15,000.00
Maintenance charges	4000.00	43,08,000.00
	Total	59,23,000.00

The Finance Committee discussed and ratified the action taken by the Director and noted that this fee reduction is applicable for the July-November 2020 semester only.

FC 29 (2020)-5 To report about the arbitration proceedings in the construction work of Laboratory South & North block.

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 during August, 2011 and March, 2012 respectively for an value of Rs.69,93,34,000/- & Rs. 58,43,91,000/-.

The work was taken up by CPWD simultaneously under two separate agreements and the same were awarded to the agency M/s URC constructions Pvt. Ltd during 2013. Due to non-receipt of funds, the Institute advised the CPWD to foreclose the work. The external work up to G+6 floors and internal work up to G+2 floors had been completed at the time of foreclosure of work and the building has been put in to use.

Due to non-availability of funds, the work was foreclosed during May 2017 by CPWD. The agency M/s. URC constructions Pvt. Ltd., had raised dispute in payments of certain items and referred the matter to the Chief Engineer, CPWD.

The CE, CPWD, has awarded Pre-Dispute Resolution Committee (DRC) award of **Rs.2,20,12,764/-** for Laboratory -South block and **Rs.2,16,51,310/-** for Laboratory - North block and the payment for a total amount of **Rs.4,36,64,074/-** has been made by CPWD to the claimant contractor.

Now after receiving the payment as Pre-DRC award made by the CE, CPWD, the agency M/s. URC constructions Pvt. Ltd. has knocked the door of Arbitration and sought to refer their disputes to Arbitration.

Accordingly, the Chief Engineer, in exercise of his power under the agreement, has appointed a sole Arbitrator to determine the disputes. The details of claim referred to the Arbitrator by the Claimant contractor is as below:

Claim no.	Description of claim	Amount in Rs.	
		Lab - south	Lab - north
1.	Compensation for Cost overrun due to prolongation of contract	Rs.4,80,32,874/-	Rs.3,68,58,093/-
2.	Compensation for reduction in scope of work	Rs.1,02,71,981/-	Rs.78,90,117/-
3.	Compensation for other materials escalations	Rs. 28,82,745/-	Rs.28,82,745/-
SUBTOTAL		Rs.6,11,87,600/-	Rs.4,76,30,955/-
GRAND TOTAL		Rs. 10,88,18,555/-	

The arbitration proceedings have commenced and the CPWD has submitted the counter affidavit for rejection of the claim made by the contractor. The hearing is under progress and the developments will be put up to the Board for direction

The Finance Committee discussed the same and advised the Institute to defend the proceeding in consultation with CPWD. Further, the Finance Committee advised the Institute to communicate to MoE about the arbitration proceedings and the contingent financial liability arising out of the same for funding and inclusion in the Budget estimate by MoE for future payment if any.

The meeting concluded with thanks to the Chair.

-sd-

(Chandan Kumar Prusty)

Secretary

-sd-

(Prof. Banshidhar Majhi)

Director

-sd-

(Prof. S. Sadagopan)

Chairman