

MINUTES OF THE 27TH FINANCE & AUDIT COMMITTEE (F&AC) MEETING HELD ON 17TH APRIL, 2014 (THURSDAY) AT 11.00 A.M. AT THE OFFICE OF AS&FA, MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI

The following officials were present:

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| 1. Shri. S.K. Bahri, AS&FA, MOT | Chairperson |
| 2. Smt. SunainaTomar, Jt. Secretary, MOT | Member |
| 3. Sh. Sunil Sethi | Member |
| 4. Sh. Prem Kumar Gera, DG-NIFT | Member |
| 5. Sh. Anand Kumar Kedia, Director(F&A), NIFT | Member Secretary |

Sh. Abdul Malik, Deputy Director (F&A) - NIFT, Sh Sanjay Jain, Project Engineer – NIFT, Ms. Nidhi Gupta, Senior Assistant - NIFT and Ms. KhushbooKhandelwal, Assistant – NIFT were also present.

Mr. Deepak Jain from M.C. Jain & Co. (Representing the internal auditor) was a special invitee for the meeting.

Smt. PriyaDutt, Hon'ble M.P. Lok Sabha and Sh. William Bissell were granted leave of absence.

AGENDA ITEM NO. 2701

To confirm minutes of the 26th meeting of Finance & Audit Committee held on 21st January, 2014 (Tuesday) at 4.30 p.m. & minutes of the adjourned 26th meeting of Finance & Audit Committee held on 07th February, 2014 (Friday) at 4.00 p.m. at the office of SS&FA, Ministry of Textiles, UdyogBhawan, New Delhi

The minutes of the meetings as mentioned above had been circulated to all the members of the Committee. No changes or modifications were proposed. Therefore, the minutes were confirmed without any modifications.

AGENDA ITEM NO. 2702

Action Taken Report on last minutes of the Finance & Audit Committee Meeting

The Action Taken Report on the decisions of the last meetings of the F&AC was noted with the following directions:

- i) The Committee suggested that even though Haryana government had nominated Haryana Police Housing Corporation to execute the Panchkula Project involving engagement of an

Architect and PMC for construction of Panchkula Campus, it should be ensured that NIFT should have a say in the selection of the architect for the project and at various stages of construction. The committee further suggested that it should be ensured that the selected architect should visit some of NIFT's campuses to study the existing standards and future requirements of NIFT.

AGENDA ITEM NO. 2703

Status of Capital Expenditure and Revenue Income & Expenditure for the nine months ended 31st December, 2013

The Director(F&A) brought to the notice of the members major issues under capital and revenue expenditure for the nine months ending on 31st December, 2013. AS&FA expressed his concern towards capital expenditure was only 1/3rd of the approved RE for the year. The expenditure did not show satisfactory pace during nine months ending 31st December, 2014. Director (F&A) informed that NIFT had very little control over the government agencies to whom this work had been entrusted. Moreover most of the bills of capital expenditure were received in last quarter. Further actual expenditure during nine month ended December, 2013 was much higher compared to corresponding period last year. The Director(F&A) highlighted that there was a 40% increase in revenue income during nine month ending Dec ,13 compared to last year and corresponding revenue expenditure has increased by 12.5% only.

After detailed discussion and review, the committee took note of the status of Capital Expenditure and Revenue Income & Expenditure for the nine months ended 31st December, 2013 and recommended the same to be taken to BOG for its consideration.

AGENDA ITEM NO. 2704

Consolidated Internal Audit Report of NIFT for the period from 1st October, 2013 to 31st December, 2013

The Consolidated Internal Audit Report of NIFT for the period ending 1st October, 2013 till 31st December, 2013 was discussed in the meeting. The Chairperson appreciated the commendable job done by the internal auditors in the preparation of the consolidated Internal Audit Report of all fifteen NIFT campuses. The committee reviewed the observations made by the Internal Auditor M/s M.C. Jain & Co. in their comprehensive audit report and gave the following directions:

- A. Staff Advances:** Sincere efforts should be made to resolve the matter pertaining to staff advances at the earliest. It was also suggested to write them off as per the prescribed

rules, in case if the same were not recoverable. Director (F&A) was requested to resolve the same at the earliest.

- B. Fixed Assets Register:** Mr. Sunil Sethi,, a member of the BOG, expressed concern over non disposal of scrap at NIFT HO. All the Campus Directors may be requested to dispose off all the obsolete and un-serviceable items in a time bound manner.

Apart from above, the committee took note of the various observations made in the Internal Audit Report and recommended the same to BOG for their approval.

AGENDA ITEM NO. 2705

Permission to allow the use of Endowment Fund money for general purposes against the security of fixed deposits

The agenda item was withdrawn as the DG NIFT and Director (F&A) agreed that general purpose FDs can be switched in the books as Endowment FD and therefore no approval of F&AC would be required.

AGENDA ITEM NO. 2706

Allowing NIFT to follow GFR Rule 145 and GFR 146 for works and services

The committee was informed that in the previous meeting of F&AC (26th Meeting), the Committee had advised that in case of any deviation from the GFR Rules was required for any large scale procurement and activities where provisions of GFR were affecting the quality / timelines of deliverables, the same could be brought before the F&AC with justification.

Referring to the above, Director (F&A) desired for the approval of F&AC to allow NIFT to follow GFR Rule 145 and 146 for works and services upto Rs. 1,00,000/-. After detailed discussion, the committee approved the following:

- 1. For works:** The committee took note of rule 132(i) of GFR which reads as under:
“the detailed procedure relating to expenditure on such works shall be prescribed by departmental regulations framed in consultation with the Accounts Officer, generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by Central Public Works Department (CPWD)”.
Therefore, it was decided that NIFT may follow CPWD manual for all works.
- 2. For Services:** It was desired that NIFT should have a panel of consultants with whom it should enter into rate contract for all transactions involving procurement of services. The

committee directed that all Campus Directors may be asked to list all the services, which they were using and the problems faced in hiring the services requiring approval of F&AC on the proposal submitted before it.

AGENDA ITEM NO. 2707

Increase in limit of Conveyance Hire

The F&AC took note that the NIFT would not be creating new posts of Drivers and instead hire the vehicles. It considered the proposal for increase in the delegated limit of Conveyance Hire at campuses and at head office as brought out in the agenda notes. The committee recommended following revision in the delegated limits of conveyance hire:

1. **For Campuses:** To campus Director upto Rs. 1,00,000/-p.m., subject to hiring of not more than 2 vehicles on regular basis.
2. **For Head Office:** To Director HO upto Rs. 2,00,000/- ,subject to hiring of vehicles for NIFT's entitled officers and one for miscellaneous purpose. Thus, head office can have not more than nine vehicles including NIFT's own vehicles on a regular basis.

The committee recommended that the matter may be taken to BOG for approval.

AGENDA ITEM NO. 2708

Proposal for Expense Limit for Foreign Tour

The Chairman suggested that NIFT may use UN DSA rates. The DG NIFT agreed to study it for adopting it in NIFT. Mr. Sunil Sethi pointed out mistake in existing DSA rates for foreign tour contained in the NIFT manual. Director (F&A) promised to make the necessary corrections. The agenda item was withdrawn with the approval of all the members present and it was decided that the same may be put up again in the F&AC Meeting should the need arise .

AGENDA ITEM NO. 2709

Any other item with the permission of chair

TABLED AGENDA ITEM NO A

Proposal for approval of revised estimated cost of Building works

Due to scarcity of time, the tabled agenda item could not be discussed.

TABLED AGENDA ITEM NO B

Approval for RE 2013-14 and BE 2014-15 for the revenue expenditure incurred for NIFT Srinagar and for academic expenditure for NIFT Chennai and Capital Expenditure (IT) for NIFT Head Office.

Due to scarcity of time, the tabled agenda item could not be discussed.

TABLED AGENDA ITEM NO C

Reimbursement of Medical Expenses to Mr. Vijay Kumar Dua w.r.t treatment of Ms. AnjuDua, w/o Vijay Kumar Dua, Associate Professor

DG apprised the members about the ongoing medical treatment of Mrs. AnjuDua w/o Vijay Kumar Dua, Associate Professor. He informed that she has been diagnosed with carcinoma (cancer) of the breast and has undergone surgery at AIIMS in February, 2014. Post Surgery, she is undergoing treatment from BRAIRCH (Dr. B.R. Ambedkar Institute Rotary Cancer Hospital) at AIIMS. DG sought the approval of the committee members for the reimbursement of the medical expenses on actual basis (based on submission of bills) incurred on Chemotherapy Sessions with Transtuzumab (Herceptin Injection) as per the details brought out in the agenda notes. The total medical cost involved for the 18 sessions Transtuzumab (Herceptin – Herclon) Injections/ Tests/ Medicines/ Radio therapy sessions would be around 10.5 lakhs spread over a period of one year.

F&AC was informed that as per delegation of powers, it has the full authority to approve the case, the matter was discussed in detail. It was decided that the matter may be put up through a file mentioning all the details including the total cost involved, whether the patient had any other medical insurance, likely similar claim by other employees of NIFT. The file may be sent to the office of AS&FA for approval.

Further, keeping in mind that similar cases may arise in future as well where the financial implication involved would be too high, it was suggested by the committee members that group medi-claim policy may be taken for the NIFT employees, so that the actual financial burden does not fall on NIFT.

The meeting concluded with a vote of thanks to the chair.