

MINUTES OF THE 26TH MEETING OF THE BOARD OF GOVERNORS OF NATIONAL INSTITUTE OF FASHION TECHNOLOGY HELD ON 30TH SEPTEMBER, 2014 (TUESDAY) AT 3:00 P.M. AT COMMITTEE ROOM (ROOM NO. 162), UDYOG BHAWAN, MINISTRY OF TEXTILES, NEW DELHI

Present:

1. Smt. Kiran Dhingra, IAS (Retd.), Chairperson, BOG NIFT
2. Shri NareshGujral, Hon'ble M.P RajyaSabha
3. Smt. SunainaTomar, Joint Secretary, Ministry of Textiles
4. Shri Sunil Sethi, President, Fashion Design Council of India
5. Dr. A Sakthivel, Chairman, M/s Poppys Knitwear Pvt. Ltd
6. Smt. Kavita Bhartia, M/s Ogaan
7. Ms. Namita R.L Chowdhary
8. Shri Sabyasachi Mukherjee, Fashion Designer, Sabyasachi Couture
9. Shri Prem Kumar Gera, Director General, NIFT

LEAVE OF ABSENCE

The following members were granted leave of absence:

1. Shri B.P Pandey, AS&FA, Ministry of Textiles
2. Joint Secretary, Ministry of Human Resource Development
3. Shri William Bissell, Managing Director, Fabindia Overseas Pvt. Ltd.
4. Shri PradyumnaVyasa, Director, National Institute of Design

1. At the outset of the meeting, the Chairperson welcomed all the BOG members and informed the Board that the Hon'ble Minister of Textiles may address the members of the Board at 5.00 p.m. As the agenda was voluminous, she suggested to the DG that items which were urgent for effective functioning of NIFT may be taken up first, and requested the Board to agree that the meeting should be adjourned at the end of the day's sitting to convene again shortly, in order to discuss the remaining agenda. The DG suggested that the items relevant to NIFT Admission 2015 could be taken up first so that the prospectus could be finalized..

AGENDA ITEM NO. 2601

CONFIRMATION OF THE MINUTES OF 25TH BOARD OF GOVERNORS MEETING OF NATIONAL INSTITUTE OF FASHION TECHNOLOGY HELD ON 26TH JUNE, 2014 (THURSDAY) AT 10:30 A.M. IN THE INDIA HABITAT CENTRE, LODI ROAD, NEW DELHI

2. The minutes of the previous meeting had been circulated to the Board members for their comments. Ms. Namita R.L. Chowdhary pointed out that in the last meeting, the item no. 2543 regarding "Setting up named Chair(s) at NIFT" had not been approved. Sh Sunil Sethi shared her recollection. The Chairperson agreed to the following modification :-

“Agenda Item No. 2543

‘Setting up named Chair(s) at NIFT

'The BOG after thorough review of the policy on setting up named chair(s) at NIFT gave its in-principle approval so that the idea could be pursued.”

AGENDA ITEM NO. 2603

FEE REVISION FOR THE YEAR 2015-16

3. Taking note of urgency of fee revision for 2015-16, the Board took up the matter of fee revision on priority. It noted that the issue of fee revision had come up before the present Board thrice in the space of the year. On the third occasion, on June 26, 2014 the Board had decided inter alia that a ten percent hike every year would be justifiable and should be taken as the fee policy of the Institution.

4. The Director (F&A) apprised the Board that certain expenses like depreciation and income from interest earned on depreciation fund were not being provided for adequately in the Accounts in the Financial Year 2013-14. He explained the difference between depreciation calculated on the basis of ‘Historical Cost basis’ and ‘Replacement Cost Basis’ as brought out in the Agenda notes. If these were accounted for properly, the surplus of Rs. 17 crores as indicated in the Final Accounts of the Year 2013-14 would no longer be there.

5. The Finance and Audit Committee (F&AC) which had considered the proposal had suggested that the interest income arising on the Depreciation fund/ sinking fund should not be treated as revenue income but as part of the sinking fund/ Depreciation fund which could be utilized for replacement/ major repairs of assets at all campuses every year. It also considered the possibility of expenditure burden coming on NIFT on account of pay hike that Central Government may announce consequent to interim recommendations of the Seventh Pay Commission. The F&AC had considered that there was a perception among the NIFT applicants and industry that NIFT campuses located at New Delhi, Mumbai, Gandhinagar, Hyderabad, Chennai and Bengaluru were in a different category, and there was a greater demand for them; therefore it had recommended to the BoG that fees of students seeking admission to these campuses in 2015 could be higher than of students in other campuses. The proposal was to increase fees of the students in these five Campuses by 30% hike in the first year, as compared to 10% for the students in the remaining Campuses. The fees for each subsequent year could be raised by 10% for all students.

6. The Chairperson noted that the major change the proposal sought from the previous decision of the Board was the differential fee structure, and wondered if it was appropriate to charge different fees at different campuses when the endeavor had to be to provide an equal quality of education across all centres, and to make the faculty and the students accept no less.

7. Sh. Sabyasachi Mukherjee was of the view that a student's perspective was to study in an Institute with the best brand value at a low cost providing the best facilities. With increasing competition, unless investments were made in infrastructure, equipment and faculty development, NIFT stood in danger of losing its market share. As government was not providing maintenance grants, increasing fees was the only way NIFT raise the necessary funds.

8. Sh. Sunil Sethi informed the Board that as per the directions of the previous Board, he along with Ms. Kavita Bhartia had conducted a survey on fees that various institutes that institutes providing similar education were charging. It revealed that the fee that NIFT was charging was less than NID, FDDI, Pearl, Srishty etc. Perhaps it was the lowest. This position continued till date as explained in the agenda note. While a case could be built for hiking the fees, he felt that unless facilities were upgraded the move could lead to resentment; he also pointed out that facilities and infrastructure were not the best in the five Campuses, particularly Delhi, in which the proposal was to charge a premium amount.

9. Ms. Namita Choudhary pointed out that a differential fee structure in a centralized admission system could cause problems and further choices in an already complicated choice structure.

10. Sh. Naresh Gujral, MP was of the view that cost of living index should be taken into consideration while revising the fee. Further fee hike should be linked to the academic infrastructure and growth. As an alternate formulation that satisfied the need for funds and equality of treatment, he suggested a 12% hike the first year across the Board, with 10% every subsequent year,

11. After deliberation, the Board decided to permit a uniform increase of 12% for all students seeking admission for the Academic year 2015-16, with a further hike of 10% in every subsequent year, and advised that DG should also begin exercising economy in administrative expenditure.

12. The Board also recalled that in its last meeting held on 26.06.2014, a Quality Committee consisting of Sh. Sunil Sethi, Ms. Namita Chowdhary, Dr. A. Sakthivel and Dean (A) as the member Secretary was constituted for assuring the Board about quality of NIFT education. The Chairperson requested the committee to take on its agenda the issue of upgradation of academic equipment and facilities, and also invited Sh. S Mukherjee to join it as a member.

AGENDA ITEM NO. 2611

PROPOSAL FOR OFFERING B.DES., B.FTECH. AND M.FM AT NIFT MOHALI CENTRE FROM 2015 ONWARDS

13. Explaining the background, DG drew attention to the minutes of the Board in item no. 1919 that was taken up in its 19th meeting held on Feb 13, 2013. These were in Annexure 2611/IA and read as following:-

*'(i) DG will initiate a dialogue with Govt. of Punjab to see its interest in handing over Mohali Center to NIFT which may takeover its campuses at Jalandhar and Ludhiana as extension centers as infrastructure may already be available.
(ii) NIFT should explore possibilities of Public Private Partnership model in case the funds were not forthcoming for a center. However the issue of dilution of brand equity of NIFT in such arrangements should be taken care of.'*

14. The Board recalled that from time to time it had expressed concern about opening new Campuses at the pace it had been compelled to follow and its effect on the quality of education. It had raised several times the problem of faculty shortage and limited availability of adequate placement opportunities. The Board also recalled that when it approved the NIFT Campus in Panchkula in principle, in a subsequent meeting, it had ruled out any question of another campus in Mohali at a distance of ten kilometers.

15. Sh. Sethi emphasized that the earlier Board in one of its meeting after keeping in view the shortage of faculty and brand equity of NIFT had recommended that in near future no new NIFT Centre may be opened.

16. The Board decided that there was no need to include in 2015 prospectus a provision for offering NIFT admissions at Mohali campus for the Academic Year 2015-16; and furthermore, that there would be a freeze on opening or accepting any new Campuses for a period of at least three years.

Other Issues discussed

17. Paucity of time prevented the members from taking up any other item of the agenda. However, the following points were made:

(i) The Chairperson reported to the members of the Board that in reviewing the Human Resource Policy of the Board, the Establishment Committee had found several decisions taken in the past that did not conform to the policy, or to a sound and transparent system of selection of senior faculty. An agenda item on the issues was a part of the agenda, and could be taken up in the next meeting; in the meantime, in order to understand the sequence of events and the reasons thereof, and till the Board was informed and took appropriate decisions, she had instructed the DG to stay any further selections of Group A personnel or issue of any appointment letters. The Board endorsed this precaution and agreed that these instructions should stay in place till it had had a chance to discuss the agenda item. Chairperson further instructed the DG that the Agenda item was silent on the dates and decisions taken by which the delegation of the Appointing Authority's powers were made to the DG, and asked that the history of the decision making be made available to the Board.

18. Sh. Sethi drew attention to the revised estimates for buildings under MOT's OBC Plan Funds and Admissions 2014, and expressed particular concern at the proposed revision to the Mumbai Project, which amounted to Rs 30 crores, of which about a quarter was on account of delays in execution and more than half on

account of changes in specifications after award of contract. He wanted to know who had authorized it, as he was in the F&AC subcommittee and did not remember the matter raised in any meeting. Nor did he remember delegating these powers below the BOG. The Project Engineer explained that the Project was given to CIDCO as NIFTs turn key consultant and that agency had its own internal mechanisms for fixing the responsibility for delays etc. and were expected to deliver the completed projects. Besides the above mechanism, NIFT has set up a review committee. There was also a Joint Committee consisting of Chief Engineer of CIDCO and Director Mumbai campus which had decided the changes in the building as necessary. The BOG was satisfied with neither explanation Chairperson pointed out that CVC frowned heavily on post contract changes in terms and conditions that had financial ramifications. She asked the CVO to study the matter and inform the Board as to the procedure advised by CVC and the procedure followed, and to point out deviations. The Board also directed that the revised estimates be divided into the following three parts for it to take decisions in the matter:

- (i) Cases involving Cost escalation with no delay, where increases could be justified provided they were in accordance with the terms of the contract.
- (ii) Cases of cost escalation with delay, where the reasons for delay were necessary and the fixing of accountability for the delay would have to be tackled; and
- (iii) Cases with change in scope of the work, examination of the procedure against the procedure advised by CVC, and a fixing of accountability

The Board suggested that an independent agency like CPWD, NBCC or Engineers India Limited (EIL) be engaged to check the reasonableness of the proposal in line with the three parts above. The proposal would be discussed in detail in next meeting.

19. Sh. Sunil Sethi raised the issue of a change of Internal Auditor. After discussion, it was decided that the appointment of the Internal Auditor and the Internal Audit were important instruments of control by the Board and should not be delegated. It was decided that the power to select the Internal Auditors would be with the Board and in future the matter of appointment of Internal Auditors should be placed before the Board for prior approval after due vetting by the F&AC. Changes would be accordingly incorporated in the Second Statutes before their submission to the Ministry. Director (F&A) was directed to provide a report on the recent selection of the current Internal Auditors.

20. A brief discussion took place on the Admissions procedure. Chairperson informed the BOG that it had been brought to her attention that several changes had been made to the process of admissions 2013-14. The Board had acceded to the computerization of admissions, and one major change introduced in Admissions 2013-14 had been computerization. But it appeared that the computerization had been done in-house and there had been no time to audit or validate the process, because allegations of different kinds had been levelled, including continuous changes to the programme by the back office; difficulties faced by candidates, especially from rural backgrounds to enter their data; many rounds on the computer to give counseling and eventually the faculty interface system of counseling which it

sought to avoid; money being charged for each round of counseling; the M.F.Tech exam being held a second time; and NRI seats being filled without following a common entrance merit list.

21. Ms. Namita Chowdhary informed the Board that she had visited NIFT Chennai Campus for inspection. She further informed that during inspection of computerized admission process she met with Prof. M.K. Gandhi. She found that the admission process followed for the admission 2014 was extremely complex. An applicant had to fill 60 which was a mind boggling task. It was perhaps the reason so many seats had not been filled this year. She further informed that the computer programme was not checked which lead to further complications.

22. The DG suggested that complete details of Admission 2014 had been provided in the agenda item number 2613. He requested that in the next meeting all the apprehensions of the members would be taken up for discussion, as there was no time left for a presentation on this issue.

23. The Chairperson said that, in view of the nature of the allegations, and the fact that NIFT could not afford to permit any errors or mistakes in so publicly sensitive a system as Admissions, it would be best to submit the computerized system and the procedure followed to a third party post mortem and review, and in the meantime, in view of the need to finalise the Prospectus for Admissions 2014-15, to remove the pressure of time on the Admissions Department and take the decision to revert to the exact procedure followed for admissions in 2012-13 for the forthcoming academic year 2014-15. The Board agreed with the Chairperson, and asked the DG to proceed accordingly. It was also agreed that a detailed step by step description of the Admissions Procedure 2012-13 would be provided to the BOG in the next meeting.

AGENDA ITEM NOS. 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2514, 2515, 2517, 2518, 2521, 2527, 2534, 2541, 2545, 2546, 2602, 2604 to 2610, 2612, to 2616

24.. The Chairperson BOG pointed out that the Board was essentially a deliberative body, where it was not possible to do justice to so voluminous an agenda in a single meeting. Board members desired that as far as possible not more than 15 items be placed be brought before them in one meeting. To clear the back log of work, the Board agreed that frequent meetings would be necessary for some time. , It was decided to adjourn and to reconvene on 27th October, 2014 (Monday) at 10.30 a.m. at Bengaluru Campus for the remaining agenda items.

25. The meeting adjourned with a vote of thanks to the Chair.

Address by the Hon'ble Minister of Textiles

26. The Board interrupted its meeting at 5.00 pm for the address of the Hon'ble Minister Textiles to the Board members. Hon'ble Minister made the point that NIFT had an enviable reputation in the country and the Board should consider its task the

strengthening of this reputation further, so as to establish the NIFT as an IIT of Fashion Education. He also drew attention to the need to monitor the expenditure on construction, where the pace of expenditure of government grant was disappointingly slow. He discussed at length the request by the BOG for budgetary support to NIFT to increase its accessibility to the economically and sociologically weaker sections, and gave the advice that while a promise of a revenue stream would be difficult for him to advance, a one time grant to create a Corpus was a distinct possibility, provided the DG submitted proposals that met the requirement of the schemes of the Ministry under which assistance was available. Secretary (Textiles) pointed out the scope for NIFT to establish synergies with Handlooms and Handicrafts, where funds could be accessed easily with the right kind of proposals, and also shared information on a new scheme for the NE for creating Incubator Cells for nurturing entrepreneurial talent with training and financial assistance, which could be attractive to NIFT.

27. The chairperson thanked Hon'ble Minister Textiles and Secretary Textiles for their encouragement and support, and for their suggestions.