

MINUTES OF THE 29TH MEETING OF BOARD OF GOVERNORS (BOG) OF NIFT HELD ON 29/06/2015 (MONDAY) AT 2:30 P.M. IN THE BOARD ROOM AT THE NIFT HEAD OFFICE IN NEW DELHI.

PRESENT:

1. The following members were present:
 - i. Ms. Kiran Dhingra, IAS (Retd.), Chairperson, BOG NIFT
 - ii. Ms. Sunaina Tomar, DG-NIFT & Joint Secretary, Ministry of Textiles
 - iii. Mr. Sunil Sethi, President, Fashion Design Council of India
 - iv. Dr. A. Sakthivel, Chairman, Poppys Knitwear Pvt. Ltd.
 - v. Ms. Namita R.L Chowdhary
 - vi. Mr. Pradyumna Vyas, Director, National Institute of Design

LEAVE OF ABSENCE

2. The following members were granted leave of absence:
 - i. Mr. Naresh Gujral, Hon'ble M.P Rajya Sabha
 - ii. Mr. S. Selvakumara Chinnayan, Hon'ble M.P Lok Sabha
 - iii. Ms. Poonam Mahajan, Hon'ble M.P Lok Sabha
 - iv. Mr. B.P Pandey, AS&FA, Ministry of Textiles
 - v. Mr. Sukhbir Singh Sandhu, Joint Secretary (CU&L), Ministry of Human Resource Development
 - vi. Ms. Kavita Bhartia, M/s Ogaan
 - vii. Mr. Sabyasachi Mukherjee, Fashion Designer, Sabyasachi Couture
 - viii. Mr. William Bissel, Managing Director, Fabindia Overseas Pvt. Ltd
3. At the outset of the meeting, the Chairperson confirmed the quorum and called the meeting in order.

AGENDA ITEM NO. 2901

Confirmation of the minutes of 28th Board of Governors meeting of National Institute of Fashion Technology held on 23rd February, 2015 at NIFT, Head Office, New Delhi

4. The Board was informed that Minutes of the 28th meeting held on 23.02.2015 were circulated to all members inviting their comments/suggestions. In this regard, Ms. Namita Chowdhary pointed out that she had not received hard copy of the last BoG meeting minutes. The Board was informed that the minutes of 28th BoG meeting were circulated to all BoG members via email as well as speed post. However, the Board Secretary said she would ensure that in future minutes of the BoG are sent by email as well as by post.
5. Ms. Namita Chowdhary pointed out that in the last BoG meeting while discussing the proposal regarding technical collaboration between NIFT and McGan's Ooty School of Architecture, the Board had decided that McGan should not be allowed to use NIFT's name while promoting McGan's Institute of Fashion Technology (MIFT) by stating it as an institute set up "**in technical collaboration with NIFT**". However, the minutes of the meeting had not been read in its spirit and letter. Vide above said minutes the Board had agreed only for training the faculty of McGan's and it was clearly mentioned that course curriculum should not be developed and given to it by NIFT. Clearly, no

delegation had been given to the DG, and either the MOU should not have been entered into, or the intended MoU should have been placed before the Board. The spirit of the decision and the Board's authority had been cleverly sidestepped by drafting the MOU under the Project Policy. The Board was constrained to note that in doing this, the then DG- NIFT and the current Director Bengaluru had openly flouted the Board's permission. Keeping in view the fact that the then DG-NIFT had been repatriated to his cadre, it was decided to take up the matter further with the concerned State Government and through the State Government to issue a Memo seeking his explanation. It was also decided to issue a Memo to the Director Bengaluru seeking his explanation.

6. The Board was constrained to note also that in future no further MoUs for any technical/ academic collaboration are to be entered without explicit Board approval.

7. As far as Arbitration Applications and Interlocutory applications filed by McGan's was concerned, it was noted that in the MoU there is a clause regarding Arbitration in case of any dispute in respect of the MoU, but McGan's had without exhausting the same have approached the Hon'ble Civil Court and sought ex-parte injunction order; and the doubt arose as to whether it could now invoke arbitration as well, and snarl NIFT in two forums at the same time. The Board directed that NIFT HO should pursue the matter more aggressively and for this purpose hire a Senior Advocate of the level of Additional Solicitor General for protecting interest of NIFT and authorized DG in this regard.

8. In respect of the court injunction, it was noted that while NIFT was estopped from revoking the MOU, and must respect that, it should be explored whether bringing the factual background of the entire matter to the notice of the affected public so that the extent of support by NIFT to the private university was made clear, for the public seeking admission in the university under the impression that government support had been extended could take an informed decision. Such a public notice should be drafted and discussed with the advocates of the case and published if they advised it was not in violation of the court injunction. It could also be considered taking the court's permission to publishing it.

AGENDA ITEM NO. 2902

Action Taken Report of Previous and Last Meeting of the BOG

9. Action taken report on 26th and 28th BOG meeting held on 18.11.2014 and 23.02.2015 were noted by the Board with the following observations:

- (i) The Chairperson requested the Quality Committee consisting of Sh. Sunil Sethi, Ms. Namita Chowdhary, Dr. A. Sakthivel and Dean (A), Member Secretary to take on its agenda on the issue of upgradation of academic equipment and facilities. The members of the Quality Committee agreed to convene the meeting on 14th July, 2015 at 3:00 p.m. in Delhi. Dean(A) being the Member Secretary was requested to issue notice for the meeting and convene the same.
- (ii) As regards, recording of APAR of DG and review of APARs of Senior officers reporting to DG by the Board, it was decided that the matter will be separately taken up with Ministry of Textiles (MOT) and till such time the APARs of DG and other officers shall be recorded by the Reporting Authority, Reviewing Authority and Accepting Authority prescribed in the MOT's order no. A.28014/2/2009-Vig dated 21-05-2009.
- (iii) Regarding building projects of NIFT campuses, the Board felt that Project Engineer should not

directly report to DG-NIFT, he should report through a Senior Officer of Director level. Joint Secretary, MoT informed the Board that the funds to the tune of Rs. 343.22 Crores were committed by the Government for implementation of OBC Project and its last date was March, 2015. She further informed that NIFT is asking for an additional amount of Rs.48 Crores due to cost escalation and additional items of work. The Cabinet note had clearly mentioned that no extra funds would be granted on this account, therefore same should have to be borne by NIFT. It was also informed that in the year 2014, Rs. 10 Crores were given as advance by NIFT Mumbai to a private construction agency through CIDCO. The Board directed Director (F&A) to verify the same from NIFT Mumbai Campus and from CIDCO as to on what ground same was put up and released. It was also directed that if no engineer is available in NIFT then either the services of retired Executive Engineers from CPWD on short term consultancy basis may be hired or the Internal Auditors who are also the Process Auditors of NIFT should be directed to carry out this verification. It was felt that if no deputationist even in the grade of Superintendent Engineer was available NIFT should hire a retired CE as consultant or an external body namely ILFS, DMRC and L&T to act as NIFTs Project Engineering Cell. The Board also directed that terms of reference and brief regarding cost escalation of Mumbai project under OBC funds as provided to M/s IIT Mumbai may be placed before the Board.

- (iv) The Board further decided that unless the mistakes made so far and their remedial actions were taken, including the laying down of that Operating Procedures for construction projects drafting and vetting of the tender documents and contracts, it would not be enabled with confidence to consider the release of further funds to the projects.
- (v) In this context, the Board directed that the Chartered Accountants who had been engaged to do process audits as well, should do the Process Audit of the Institutions works and Buildings. While agreeing to do it, the Chartered Accountant said that they were not equipped with Engineers, but apart from the technical part of audit of the construction projects (such as estimate correctness and reasonability), they would take up this audit in the coming quarter.
- (vi) The Board also desired to have a report on additional construction of Delhi Campus.
- (vii) Regarding change in the nomenclature of the Bachelor of Design in Fashion Design degree, the Board confirmed its decision that nomenclature of B.Des. (Design) would remain the same. The Board also directed that status of following may be placed in the next meeting:
 - (a) No. of students who had applied for B.Des(Design) in the last 3 years;
 - (b) Cut off for B.Des. (Design) in each campus w.r.t. the cut off at which seats got filled up
 - (c) Percentage of placement for each department
- (viii) Regarding permission to the faculty for accepting Board positions in private companies their personal capacity while serving as employees of NIFT, the Board was informed that the existing policy does not permit any faculty for interaction or association with private institutes/ bodies. As clear guidelines were in place, the Board decided that no further changes be made in the Policy and also directed that if in the past any such permissions had been given, they were violative of the policy and unauthorised, and should therefore be treated as withdrawn.
- (ix) Regarding proposal of reimbursement of mobile handset to entitled officers, the Board directed that the rates of reimbursement of mobile handset of NID may be adopted. Where differences existed from the NID grades, DG-NIFT could decide the adjustments to the slab

based on the grade pay for the officers eligible for reimbursement. It was also decided clearly that the handset would be returned in case of resignation, transfer etc.

AGENDA ITEM NO. 2903

Review and Approval of Annual Accounts for the Financial Year 2014-15

10. Director (F&A) presented the Audited Annual Accounts of NIFT for the Financial Year 2014-15. The Board desired to know from the Internal Auditors the important issues, if any, to the Annual Accounts. It was informed that the fee income had been recognized and recorded on accrual basis in the financial year 2014-15. The fee in January had been bifurcated into fee for current financial year and advance fee pertaining to next financial year. The fee received in advance amounting to Rs. 33.50 crores had been recognized as "Advance fee from students" during the year 2014-15. This had resulted in reduced net surplus to that extent for the financial year 2014-15. In this regard, an issue was raised that this may reflect poorly at the time of assessment of the performance of the Director despite the fact that in reality their surpluses were more. It was felt that the same may be recorded so that the assessment of Director should not get affected because of change in the recognition of fee from cash basis to accrual basis. The Board was also informed that actuarial Valuation for Gratuity and Leave Encashment had been done and the same will be provided for in the accounts during year 2015-16.

11. The Internal Auditor informed the Board that they had carried out the Process Audit for 13 processes of NIFT. Draft report of the Process Audit had been given to the NIFT for their comments. Comments on the Process Audit Report had been received. It was also informed that in the Process Audit, NIFT had been asked to maintain extra records in the form of registers. Director (F&A) requested that more manpower needs to be provided to ERP division at Chennai for implementation of process audit report. It was also pointed out by the Internal Auditor that they could not physically verify the fixed assets because the fixed assets registers had been maintained year wise and not asset wise

12. The Board directed that Process Audit report may be scrutinized and the Board may be informed about the changes which had been made by NIFT on the basis of the advice of Process Audit Report. The Board directed that Process Audit for the buildings construction project, and the manner in which the decision of the Board are circulated to all concerned may also be done.

13. The Board considered and approved the Audited Annual Accounts for the Financial Year 2014-15.

AGENDA ITEM NO. 2904

Reappointment of Current Internal Auditors or Appointment of New Internal Auditors for the Financial Year 2015-16

14. At the time of discussion on the re-appointment of current Internal Auditors or Appointment of New Internal Auditors for the Financial Year 2015-16, Smt. Manju Aggarwal, CA, Internal Auditor recused herself from the meeting.

15. Discussion on the proposal of re-appointment of Current Internal Auditors took place. The Board noted that the proposal had not been brought before it well in time. In view of the time constraint the Board decided that M/s Gianender & Associates, the current CA, may be re-appointed for the financial year 2015-16. The Board also directed that for the financial year 2016-17, the

agenda may be brought in the 4th quarter of the financial year enabling Board to take a considered decision.

AGENDA ITEM NO. 2905

Consolidated Internal Audit Report of NIFT for the Third Quarter Ended on 31st December, 2014

16. The Board considered and approved the Consolidated Internal Audit Report of NIFT for the third quarter ended on 31st December, 2014 .

AGENDA ITEM NO. 2906

Housing Benefit to Officers and Faculty in NIFT- Audit Para of C&AG for consideration by circulation

17. The Board took note of the agenda relating to Housing benefit to Officers and faculty in NIFT that was approved by the Board by circulation.

AGENDA ITEM NO. 2907

Nomination to the Sub- Committees of the Board

18. The Board nominated following members to the Sub-Committees of the Board being re-constituted under the first Statutes:

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| 1. Standing Committee of the Board on Establishment matters | Smt. Poonam Mahajan, Hon'ble M.P. Lok Sabha |
| 2. Finance & Audit Committee | Sh. Naresh Gujral, Hon'ble M.P. Rajya Sabha |
| 3. Academic Affairs Committee (AAC) | Sh. Selvakumara Chinnayan, Hon'ble, M.P. Lok Sabha |

AGENDA ITEM NO. 2908

Signing of MoU with Politecnico di Milano (PM), Italy

19. The Board considered and granted its ex-post approval for the MOU with Politecnico Di Milano (PM), Italy.

AGENDA ITEM NO. 2909

Proposal to set up Extension Training Centre of NIFT- Raebareli at Varanasi

20. Discussion at length took place on the proposal to set up Extension Training Centre of NIFT- Raebareli at Varanasi. It was felt that while an extension centre in Varanasi should be supported, as being one of the biggest and most vibrant handloom clusters of the country, a feasibility study is a pre-requisite for crafting the correct size of and services from such a centre, as well as understanding the needs and payment capacity of the likely candidates. Discussions of the issue threw up the fact

that a study of the centre had been done earlier, and substantial relevant information had been collated. It was therefore decided that a feasibility study of the proposal may be started immediately, for short term courses/ certificate courses of 9 months, by interalia, Prof Sudha Dhingra. The Board also noted that NIFT did not have funds for either capital or revenue expenditure, and could agree to stretching its academic resources only if the financial burden was not expected to be borne by it, and MoT agreed to provide the funds for setting up of an extension Centre and for meeting the revenue deficit till it becomes viable. Ways to restrict capital expenditure in construction of a separate centre may be explored, such as by utilising space in IIHT in a collaborative exercise.

SUPPLEMENTARY AGENDA ITEM NO. A

Proposal for Approval of Revised Estimated Cost Of Building Works

21. The Board considered the proposal for revised estimated cost of building works and approved that the Ministry may be approached for extension of timeline for OBC fund utilization till March, 2017. As far as cost escalation of the project was concerned, the Board directed that the campuses may be asked to restrict the expenditure to the amount sanctioned by the Government under OBC Quota.

TABLED AGENDA ITEM NO. (I)

Approval for Starting Regular Under-Graduate & Post-Graduate Programme at NIFT's Temporary Campus at Srinagar, J&K

22. The proposal to start the regular Under-Graduate & Post Graduate Programme at NIFT Temporary Campus at Srinagar, J&K was considered by the Board. In view of past experience of starting courses in temporary Campus, and in particular of the response to the certificate course in the temporary campus at J&K, the Board was highly sceptical of the feasibility of the proposal. It noted that regular courses would not be started except from the permanent campus. Therefore, the Board did not agree to the proposal.

AGENDA ITEM NO. 2910

ANY OTHER ITEM WITH THE PERMISSION OF CHAIR

(A) Ms. Namita Chowdhary pointed out that UBI is the banking partner of NIFT. However, in the current financial year, a change was brought and HDFC had been introduced for payment gateway for the NIFT's admission instead of UBI. The Board desired to know with whose permission HDFC was introduced and why this proposal was not placed before the Board. The Board also desired to know whether any adverse comments were received against UBI in this regard and on what basis HDFC bank was selected i.e. the services provided by HDFC and the amount charged by it for providing the services and interest rate offered to NIFT. Director (F&A) informed the services of UBI were not satisfactory. UBI did not provide NIFT proper MIS due to which difficulties were faced during the last admissions in retrieving demand drafts. Therefore, this year with the approval of the then DG-NIFT, services of HDFC bank were hired. The Board was not satisfied by this explanation, and noted that the acceptance of the demand drafts was a fall back recourse last year in view of the flaws in the online payment system that NIFT had attempted to introduce. The fault could not be laid at the door of the bank, and this made reason to switch banks without authorization by the Board. It recorded its displeasure on the manner in which HDFC Bank had been introduced without F&AC's and Board's approval. The Board directed that file pertaining to the subject need to be submitted to the present DG and asked the DG to take appropriate action in rectification. .

- (B) The Board directed that details of all fixed deposits made by NIFT may be brought to the notice of the Board in the next meeting, along with an note on the procedure followed. The process audit should also check the procedure.
- (C) Ms. Namita Chowdhary also brought to the notice of Board the incidence of drugs that happened in the NIFT Kangra Campus. The Board took serious view of the same and directed Campus Director NIFT Kangra to take this seriously so that such incidence should not be repeated.
- (D) The minutes of the 24th Senate meeting held on 26/06/2015 containing Course Curriculum of FP for Academic Year 2015 was tabled before the Board. However, the Board did not approve the revision in the Course Curriculum for FP and reduction of teaching hours and directed that the Current Curriculum with same teaching hours may be continued.
- (E) The Chairperson brought to the Board's notice the letter written to her by the Secretary Ministry of Textiles, informing her of the Ministry's decision, in reference to the minutes of the Emergency Board meeting of 27th January, 2015 that the performance of the Director Admissions and of the CVO for the year 2014-15 would be written and reviewed by the Secretary, Ministry of Textiles. She said since this concerned a Board decision, she felt it necessary to place the decision before the Board. The issue was discussed, and it was decided that the Board would not object to it, but in view of the fact that the Secretary had not watched the work of the concerned officers whereas the Board had that opportunity, 2 members of the Board would be empowered to write and submit a note on the Board's behalf of its assessment of the work of these two officers for the year to the Secretary to take into consideration while Reporting on their performance. Chairperson and Km Namita Chowdhary were so empowered.