

**MINUTES OF THE 20th FINANCE & AUDIT COMMITTEE (F&AC) MEETING HELD ON
28th SEPTEMBER, 2012 (FRIDAY) AT 11:00 A.M. IN THE OFFICE OF AS&FA,
MINISTRY OF TEXTILES, UDYOG BHAWAN, NEW DELHI**

The following were present:

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| 1. | Smt. Anita Agnihotri, AS&FA, MOT | Chairperson |
| 2. | Smt. Monika S. Garg, JS, MOT | Member |
| 3. | Shri Prem Kumar Gera, IAS, DG-NIFT | Member |
| 4. | Smt. Archana S. Awasthi, Director (F&A), NIFT | Member Secretary |

Sh. B.K. Pandey, CAO and Ms. Rajni Shah, Assistant Board Secretary were also present.

Leave of Absence:

Shri Sunil Sethi and Smt. Rajshree Pathy were granted leave of absence.

AGENDA ITEM NO. 2001

**TO CONFIRM THE MINUTES OF THE 19TH FINANCE & AUDIT COMMITTEE MEETING
HELD ON 12TH JULY, 2012**

The minutes of the meeting had been circulated to all the members of the Committee. No changes or modifications were proposed. The minutes were therefore confirmed without any modification.

AGENDA ITEM NO. 2002

**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. It was recommended that an agenda regarding release of remaining payment for procurement of furniture items in July, 2011 by Jodhpur centre may be placed before the next meeting of the Board with a clear cut recommendation. The Committee felt that perhaps the amount could be released subject to an undertaking as advised by the NIFT Legal Counsel. Since the Board has deferred the matter, it may be discussed in the Board

as soon as possible. Discussion also took place on a previous procurement of Godrej furniture made by Jodhpur Centre. The JS recalled that in one of the previous F&AC meetings held in the year 2010, certain observations regarding appropriateness of the procedure followed. The Committee desired that compliance of the same may also be indicated in the next F&AC meeting.

AGENDA ITEM NO. 2003

NARMADA WATER PROCUREMENT AND INSTALLATION OF WATER PURIFIER UNIT AT NIFT, GANDHINAGAR CENTRE

The matter of procurement of Narmada water and installation of water purifier unit at NIFT, Gandhinagar Centre at a total cost of Rs. 25.44 lakhs was considered and approved by the Committee. The F&AC also approved capitalisation of the same to OBC funds within the current ongoing projects of Gandhinagar Centre.

AGENDA ITEM NO. 2004

EXPANSION OF DELHI CAMPUS AND EXPLORING ALTERNATIVES FOR CONSTRUCTION OF NOIDA CAMPUS

Expansion of Delhi Campus: DG apprised the F&AC that for the expansion activities at Delhi Centre, DDA had allotted additional 1 acres (approximately) of adjoining land to the present campus. All the statutory approvals including approval from the DDA have been received. DSIIDC i.e. NIFT's Project Management Consultant has projected Rs. 62 crores for the construction. F&AC was further informed that the OBC grant of Rs. 35.00 Crores of Government funds available for Delhi Centre would be inadequate for the construction. The F&AC was also informed that the proposed reduction in scope of Hyderabad project (taken up in a separate agenda item) if approved would result a saving in OBC grants of an amount of approx. Rs. 21 crores (approx.). This amount was from OBC fund and it could be utilized for Delhi project which was the most prestigious center of NIFT. This would make available Rs 56 crore for the proposed project. To meet the any additional requirement for Delhi, NIFT could use internal resources to complete the Delhi expansion project.

The F&AC considered the matter of utilizing the saving to the tune of Rs. 21 crores from OBC of Hyderabad Centre fund for expansion of NIFT Delhi Centre and recommended the same to BOG subject to the condition that it should be within the OBC funds and additional requirement of funds for expansion of NIFT Delhi should be met with the internal resources of NIFT.

Exploring alternatives for construction of Noida campus: The F&AC was informed that NIFT has been earmarked 9.5 acres of land for constructing the campus in Sector 62 of Noida on the NJB land. Since NIFT's present needs of decongestion of Delhi Centre may be met at existing site by the proposed expansion, NIFT could consider setting up of a residential campus for Executive Education where NIFT could award diploma/ degree to professionals who are looking for improving their skills in various aspects of Fashion Design, Technology and Management. Funds to the tune of Rs. 250 Crores were expected to be provided in the XII Plan. However, it appears that these may not be available.

The matter of funding of Noida Campus was discussed at great length. The F&AC agreed in principle for construction of Noida Campus. Since the land at Noida belongs to NJB and construction on that land by NIFT would involve huge amount therefore a draft of tripartite agreement between Noida Authorities, NJB and NIFT clearly stating the rights of NIFT in the Noida land may be obtained from NJB. In the meanwhile letter of intent in this regard along with design requirement may be sent by NIFT to NJB, so that Noida Authorities does not take the land back. The option of NJB constructing the building as per the requirement of NIFT and leasing out to NIFT or obtaining loan from NJB may be explored. Further a scheme for the project may be prepared and forwarded to MOT for sending the same to Planning Commission as a new scheme for which JS could earmark funds to the tune of Rs. 5 Crores in MOT's proposals.

AGENDA ITEM NO. 2005

VIDEO CONFERENCING FACILITY ACROSS 15 NIFT CENTRES THROUGH TCIL

The F&AC was briefed about the details of NIFT's engagement with Telecommunication Consultants India Limited (TCIL). The F&AC considered and approved the proposal of project cost of Rs. 5.89 crores for creating video conferencing facility in all 15 NIFT Centres through TCIL subject to following the tender procedures as per the provision of the GFR/ their purchase rules and CVC guidelines.

AGENDA ITEM NO. 2006

PROPOSAL FOR INCREASE IN FEE CHARGED FROM STUDENTS

The F&AC was informed that the BOG in its meeting held on 24.7.2012, directed DG to explore the possibility of increasing the fee after considering the comparative fee details of other similar institutes in view of the revenue losses being incurred by certain NIFT centers. The F&AC was further informed that Supreme Court judgments on fee hike have been carefully studied and a legal opinion has been obtained from NIFT Legal Counsel and she has opined that NIFT has freedom to hike its fees as NIFT Prospectus for admission invariably includes the provision for fee hike for all students.

Two proposals were put up to F&AC:

Proposal A:- 10% increase in tuition fees in 2013-14 & then 10% increase every year. Increase in Library fee, mediclaim & Student Activity Fee and introduction of Exam & Registration fees (One time).

Proposal B:- 7.5 % increase in tuition fees in 2013-14 & then 7.5 % increase every year. Increase in Library fee, mediclaim & Student Activity Fee and introduction of Exam & Registration fees (One time).

The viability of the Centres has been estimated based on the revised proposed fees for the next 5 years by the two options. Proposal 'A' i.e. fee increase of 10% is more favorable in view of viability of Centers. Despite this increase, it was informed to F&AC that the fee of NIFT was still going to be less than NID, FDDI, Pearl and IAM etc.

Keeping in view the viability of the new Centres, the F&AC considered and approved the proposal 'A'.

AGENDA ITEM NO. 2007

CONSTRUCTION OF ACADEMIC BLOCK, DEVELOPMENT WORKS AND INDOOR STADIUM FOR BADMINTON AT NIFT CENTRE, HYDERABAD

The DG provided justification of reduction in the earlier approved scope of work for construction of Academic Block, auditorium and sports facilities to the Academic Block with sports facilities at NIFT Centre, Hyderabad. The F&AC approved the revised

proposal at a cost of Rs. 16.28 crores and allowed consequential savings for completing the Delhi Center's expansion plans.

AGENDA ITEM NO. 2008

ANY OTHER ITEM WITH THE PERMISSION OF CHAIR

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