

NATIONAL INSTITUTE OF TECHNOLOGY, SILCHAR
Minutes of the 40th Meeting of the Finance Committee

The 40th meeting of the Finance Committee was held at Conference Hall of NIT Silchar on 25th September 2017 at 16.00 hours. The following members were present in the meeting.

1. Prof. Rajat Gupta, I/C Director and Chairman, BoG (Acting), NIT Silchar.
2. Sri S L Bapat, Mech. Engg. Deptt. IIT, Bombay.
3. Sri K Rajan, Under Secretary, TS.III, Deptt. of Higher Education, MHRD
4. Prof. A K Barbhuiya, Registrar & Member Secretary.

Due to expiry of the term of the Chairperson, BoG and as per Statute No. 17(15) of the first Statutes of the NITs, Prof. Rajat Gupta, I/C Director, NIT Silchar presided over the meeting of the Finance Committee as Chairperson in accordance with Statute No.10(1)(i) of the first Statutes of the NITs.

FC-40/17/01: To confirm the Minutes of the last meeting of the Committee

Thirty ninth Meeting of the Finance Committee was held on 29.06.2017

The copies of the minutes of the 39th meeting of the Finance Committee (**Appendix-A**) were sent to all the Members of the Committee. No Comment(s) on the recording of the Minutes has been received from any of the members.

The Committee confirmed the minutes of the 39th FC meeting.

FC-40/17/02: To receive a note on the action taken and progress made on the Minutes of the last meeting of the Committee

The resolution adopted by the Finance Committee in its last meeting held on 29th June, 2017 and the actions taken thereon are given in **Appendix – B**.

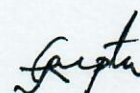
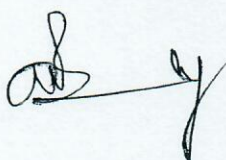
The Committee took note of the Action Taken Report on the decisions taken in the 39th meeting of the Finance Committee.

FC-40/17/03: To take a note on the draft Separate Audit Report for the year 2016-17.

The audit on the Books of Account of the Institute for the financial year 2016-17 has been conducted by the Director General of Audit during the period from 17.07.2017 to 28.08.2017. The draft separate audit report from the DGA, Kolkata received through mail on 4th Sept. 2017. The reply on the Draft Audit Report has also been furnished. A copy of the DSAR and reply thereto is submitted.

The Committee took note on the receipt of Draft Separate Audit Report for the year 2016-17 and corresponding reply of the Institute on the Draft Audit Report.

40/17/04: To Consider Revised Estimate 2017-18 and Budget Estimate 2018-19 in respect of Kendriya Vidyalaya, NIT Silchar.



Kendriya Vidyalaya, NIT Silchar has submitted its Revised Estimate for the year 2017-18 to the tune of Rs.393.24 lakh and Budget Estimate for 2018-19 to the tune of Rs.402.78 lakh.

There was a provision of Rs. 300.00 lakh in the Institute budget against support to KV NIT for the FY 2017-18, but due to implementation of VIIth Pay commission and appointment of new faculties in KV the revised estimate has gone up to the tune of Rs.393.24 lakh. However, release of funds will be made on periodical progressive expenditure.

The Committee considered the Revised Estimate submitted by the KV NIT Silchar to the tune of Rs.393.24 lakh. However, release of fund to be made on periodical progressive expenditure of KV NIT Silchar.

FC-40/17/05:

To consider revised estimate for construction of Kitchen house and boundary wall of Girls Hostel no. 3 over the recommendation of the 45th meeting of B&WC.

The proposal for construction of Kitchen house and boundary wall was approved by the B&WC, in its 45th held on 11.01.2017, and subsequently approved by the Board in its 54th meeting held on 6th May 2017. The estimated value of Rs.100.76 lakh for the aforesaid work was derived considered based on DSR 2007 with cost index 113% and considering 6% VAT and 1% Labour cess. But with effect from 1st July 2017, VAT 6% has been replaced with GST 12% and thus estimated value of Rs.100.76 lakh will be revised to Rs.106.41 lakh.

The Committee considered the Revised Estimate for construction of Kitchen house and boundary wall of Girls Hostel no. 3 to the tune of Rs.106.41 lakh and recommended to the Board for its approval.

FC-40/17/06:

To consider release of arrear pension to Prof. A K Sinha

Dr. Ashok Kumar Sinha had retired on 30.06.1993 as Professor of this Institute and his pension was granted w.e.f 01.07.1993 vide Office Order No. NITS/Pension/124/252dtd.30.04.2014 (**Annexure-I**) as per letter F.No.26-9/2005-TS.III dtd.11.02.2013 (**Annexure II**) issued by Department of Higher Education under Ministry of HRD. Govt. of India.

His pension without commutation was settled at Rs.1,275.00 w.e.f 01.07.1993 to 31.12.1995 and then reconsolidated to Rs.3,850.00 w.e.f 01.01.1996 to 31.12.2005, Rs.10,773.00 w.e.f 01.01.2006 to 23.09.2012, Rs.11,566.00 w.e.f 24.09.2012 to 30.06.2013, Rs.13,879.00 (including additional quantum of pension @ 20% for attaining the age of 80 yrs.) w.e.f 01.07.2013.

Regular payment of pension was started w.e.f 01.04.2014 while pension w.e.f 01.07.1993 to 31.03.2014 had become due as arrear pension. The net payable amount after making all adjustments for the period 01.07.1993 to 31.03.2014 was calculated to Rs.20,03,799.00 (**Annexure III**) and 80% of the said amount

i.e. Rs.16,03,000.00 was paid to him vide Bill No. 09 dtd. 14.10.2014 (**Annexure IV**) whereas balance 20% i.e. Rs.4,00,799.00 could not be disbursed due to some administrative reasons.

Department of Pension & PW under the Ministry of Personnel, PG and Pensions, GOI delinked the condition of 33 yrs. qualifying service for revision of pension of pre 2006 pensioners by issuing OM No. 38/37/08-P& PW (A) dtd. 06.04.2016 (**Annexure V**) and the arrear of pension thus revised would be payable w.e.f 01.01.2006.

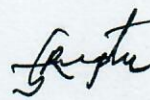
Dr. Sinha is a pre-2006 pensioner. So his pension has been revised following the guidelines as laid in the OM dtd.06.04.2016. As a result, his pension has been revised to Rs.25,445.00 w.e.f. 01.01.2006 to 30.06.2013 and then to Rs. 30,534.00 w.e.f 01.07.2013 (**Annexure VI**) due to entitlement of additional quantum of pension @20% for attaining 80 yrs. of age. Accordingly, pension arrear w.e.f 01.01.2006 to 30.11.2016 has been calculated which amounts to Rs.31,91,020.00 (**Annexure VII**). Thus, final payable arrear has become to Rs.35,91,819.00 i.e arrear due to revision of pension as per OM dtd. 06.04.2016 plus the withheld 20% arrear (31,91,020.00 + 4,00,799.00 = 35,91,819.00) (**Annexure VII**).

The Committee discussed about release of Arrear Pension to Dr. A K Sinha and suggested to refer the matter to MHRD for decision.

FC-40/17/07:

To consider procurement of 'Servo Dynamic Hydraulic Universal Testing Machine' for Mech. Engg. Department under DST FIST project.

The department of Mechanical Engineering, NIT Silchar has been granted DST FIST (Level-1) project for an amount of Rs.210.00 lakh vide letter no. DST-FIST-2014 & SR/FST/ETI-373/2014(c) dated 21.11.2014 and 20.08.2015. An amount of Rs.145.00 lakh has been received by the Institute as 1st installment on 08.08.2015, for procurement of sanctioned equipment 'Servo Dynamic Hydraulic Universal Testing Machine'. An open tender has been floated by the purchase section on 07.01.2016 vide tender no. NITS/PS-66/ME/Servo Hydraulic UTM/16. But it was found that only one vendor namely "Instron" – A division of ITW India Pvt. Ltd. Chennai - 06 has been qualified amongst five vendors. As per recommendation of Institute Purchase Committee and approval of competent authority retendering was done vide tender no. NITS/PS-66/ME/Servo Hydraulic UTM/16 (R) on 24.04.2017. After retendering and quotation evaluation second time also only one vendor "Instron" was qualified amongst five bidders. Since even after re-tendering "Instron" has qualified by quoting **GBP 117,768**, price had to be justified. For price justification purchase order of the similar kind of equipment has been asked from different Institute and also from the supplier. The committee observed that the quoted price of the equipment for NIT Silchar is almost comparable with the price quoted for IIT Patna i.e. **GBP 105,250** in the year 2014. In view of the above, DPC & IPC recommended procuring from technically qualified firm. The CS copy of financial bid and Purchase order of



IIT Patna is enclosed herewith for reference. The project is time bounded, prestigious for the Institute and further, the SH-UT machine is approved by the DST/FIST. Total financial involvement of the procurement is Rs.1,45,64,245.00 (INR) Copy submitted at **Appendix – C**.

The committee considered procurement of the Equipment including all accessories at a cost of Rs.145.64 lakh and recommended to the Board for its approval.

FC-40/17/08:

To consider waiver and writing off the amount of Rs.27,08,310/- paid as employees subscription against EPF subscription of MR employees.

EPF scheme for the M.R. Workers of the Institute has been implemented, which was effective from 01.03.2013. During implementation stage, initially the Institute made payment of both the employees share and employer contribution for the arrear period of March 2013 to October 2015, as it was difficult to afford to so much of money in one installment. Accordingly, an arrear amount of Rs.57,61,374/- (Employees subscription Rs.27,08,310.00 and Employers contribution Rs.30,53,064.00) remitted to EPF organization on 25.02.2016.

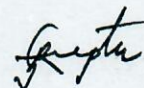
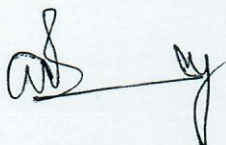
But no recovery made against such payment of employees share of EPF subscription amounting to Rs.27,08,310/-, since it was not feasible due to the fact that no enhancement of wages for the MR employees was there since October 2015.

During 36th FC, the committee also wants to know about the updated status of recovery of EPF from the MR employees. The committee was informed that the recovery will be made from the arrear due to enhancement of wages.

The steps were being initiated to recover the EPF subscription amount from MR employees' arrear amount due to enhancement of wages w.e.f. October 2015. But, meantime, during visit of Asstt. P.F. Commissioner at NIT, on discussion it was learnt that, as per EPF Act 1952, any arrear in respect of EPF subscription and contribution paid by the authority is not recoverable.

A clarification in writing was sought from the Asstt. P.F. Commissioner in this matter and in reply it is clarified by the EPF office that as per provisions contained in para 32 of the EPF scheme, 1952, EPF deduction (Employees share only) can be made from the wages of employees for the period for which it is payable and not otherwise. This otherwise means if the employer has not made any deduction for any period of employment for which the wages are due, payment for such period and such amount can not be recovered from any subsequent wages beyond the period in question. **(Copy enclosed at Appendix - D)**

The matter regarding rule 32 of EPF scheme also been referred by the Audit team of Director General of Audit and stated that the amount can not be recovered.



In view of the above, it is requested to consider waiver and writing off the Employees part of EPF subscription amounting to Rs.27,08,310/-

The committee considered writing off and waiver of EPF subscription (Employees share) amounting to Rs.27,08,310/- keeping in view the letter of Asstt. Commissioner of EPF, Silchar on the matter and further suggested to obtain views of D.G. Audit (Kolkata) regarding waiver/writing off the amount from the books of account.

FC-40/17/09: **To ratify the action taken for submission of Action Plan for the period for July 2017 to March 2018 to the NPIU against TEQIP III.**

As desired by the NPIU, Action plan for the period from July 2017 to March 2018 has been submitted to the NPIU to the tune of Rs.282.25 lakh. One procurement plan for Rs. 340.17 lakh has also been submitted for the period from July 2017 to March 2019 i.e. for 18 months. Copy of the Action taken report attached at **Appendix – E**. Moreover, for smooth functioning of the TEQIP_III a unit has been formed by the Institute. Copy of the same is attached.

The committee ratified the action taken by the Institute.

FC-40/17/10: **Any other item with permission of the Chair.**

Supplementary Agenda

FC-40/17/11: **To consider extending current minimum wage rate to the Security agency.**

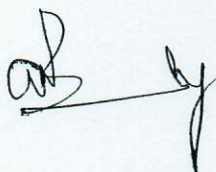
The term of M/s Trishul Security & Service Agency expired on 31.08.2017. Institute has floated tender for engagement of Security agency on 25.07.2017.

Total eight agencies have responded and out of which six agencies were technically qualified. The work was awarded to M/s. Orion Security Solution Pvt. Ltd., New Delhi on 10.08.2017 with an instruction to commence the work from 01.09.2017 accordingly the agency confirmed the deployment from 5th Sept. 2017. But on 5th Sept. at around 5 pm the Agency expressed its inability to take over the charge of security citing some difficulties.

Due to refusal of M/s. Orion Security Solution Pvt. Ltd., there was no option but to request the existing security agency to continue for another three months.

In reply, M/s Trishul Security & Service Agency, informed that due to increase in minimum wage rate and EPF complicacy they are unable to continue at present rate. However, they are ready to undertake the work as per offer rate of M/s. Orion Security Solution Pvt. Ltd. only.

Govt. of Assam, notification No. GLR(RC)81/2005/171 dated 4th August 2017, recommended minimum wage rates in respect of "Private Security Agency House" (proposed rates) (Copy enclosed). In order to settle the issue, Institute



may offer the rates as per the proposal of Govt. of Assam for the three months i.e. September to November 2017 to M/s. Trishul Security & Service Agency.

A statement showing details of financial involvement for the purpose based on Govt. of Assam proposed wage rates vide notification dated 4th August, 2017 is attached in **Appendix – F**.

The committee is requested to discuss the matter & recommend the proposal to the Board for its approval.

The Committee discussed the matter and recommended to offer minimum wage rates as proposed by the Govt. of Assam for "Private Security Agency House" vide order no. GLR(RC)81/2005/171 dated 4th August, 2017 to M/s. Trishul Security Agency, until the new agency is finalized through a fresh tendering policy.

FC-40/17/12:

To consider Higher Education Funding Agency (HEFA) Credit Policy Framework.

Two nos. of letter have been received from MHRD vide No. 16-2/2017-TC dated 16.08.2017 and No.33-2/2017-TS.III (Pt.3) dated 08.09.2017, regarding Higher Education Funding Agency (HEFA) Credit Policy Framework. A copy of the same is attached herewith at **Appendix – G**. The committee is requested to enlighten the Institute about credit policy framework and suggest further steps to be initiated in the matter.

The Committee suggested to obtain information in respect of action taken by other NITs on the matter and act accordingly.

FC-40/17/13:

To consider additional financial involvement over the tender value against payment of the bills due to implementation of GST w.e.f. 01.07.2017.

Institute is receiving bills from various agencies against ongoing works and supply of material for which orders were placed prior to GST regime. According the GST rule, all the bills raised on or after 1st July,2017 will attract GST and therefore in most of the cases the final bill value may exceed the tender value due to the implementation of GST.

The committee is requested to note the matter.

The Committee noted the additional financial involvement due to implementation of GST.

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



(Prof. A K Barbhuiya)
Registrar & Member Secretary



(Prof. Rajat Gupta)
Chairman