

**National Institute of Technology  
Rourkela**

***MINUTES***

***51<sup>st</sup> Meeting of Finance Committee***



**DATE :** 15<sup>th</sup> December, 2019 (Tuesday)  
**Time :** 11:30 – 13:30 Hours.  
**Time :** 15:00 – 16:00 Hours  
**Venue :** Conference Hall, Hotel Swosti  
Premium, Bhubaneswar





**राष्ट्रीय प्रौद्योगिकी संस्थान, राउरकेला**  
National Institute of Technology, Rourkela

**MINUTES OF THE 51<sup>ST</sup> MEETING OF THE FINANCE COMMITTEE, NATIONAL INSTITUTE OF TECHNOLOGY, ROURKELA HELD DURING 3.00 PM – 4.00 PM ON 15.12.2019 (SUNDAY) IN THE CONFERENCE HALL, HOTEL SWOSTI PREMIUM, BHUBANESWAR**

**Members Present:**

Sl. No	Name	Contact No.
1.	<b>Dr. Sanrupt B. Misra</b> Chairperson, BOG, NIT, Rourkela & CEO, Carbon Black Business Director, Group H.R. Aditya Birla Management Corporation Pvt. Ltd., Aditya Birla Centre, 'C' Wing, 3rd Floor S. K. AhireMarg, Worli, Mumbai-400 030	Tel : 022-66525000/249995000 Fax : 022-66525811/24995811 Email: sanrupt.misra@adityabirla.com
2.	<b>Prof. Animesh Biswas</b> Director National Institute of Technology Rourkela -769 008	Tel : 0661-2462001(o)/2472050(o)/2463001(o) Mob : 9437972455 Fax : 2472926/ 2462022 Email: <a href="mailto:director@nitrkl.ac.in">director@nitrkl.ac.in</a>
3.	<b>Mr. D. K. Singh</b> Deputy Secretary, IFD (Representative of JSFA) Dept. of Secondary & Higher Education Ministry of Human Resource Development Government of India Shastri Bhawan, New Delhi – 110 001	Tel : No. 011-23382696 Fax : 011-23070668 Email: <a href="mailto:jsfa.edu@gov.in">jsfa.edu@gov.in</a>
4.	<b>Padmashree Nalini Ranjan Mohanty</b> Ex-Chairman, HAL Flat No.620B4, Yamuna Block National Games Village (NGV) Koramangala, Bangalore-560047	Mob : 9845038631 Email: <a href="mailto:nalinirmohanty@yahoo.co.in">nalinirmohanty@yahoo.co.in</a>
5.	<b>Prof. G. K. Panda</b> Professor, MA National Institute of Technology Rourkela-769008 (Odisha)	Tel : 0661-2462705 (O), 2463705(R) Mob : 9437139237 Email : <a href="mailto:gkpanda@nitrkl.ac.in">gkpanda@nitrkl.ac.in</a>
6.	<b>Prof. Himanshu Bhusan Sahu</b> Associate Professor, Mining Engineering National Institute of Technology, Rourkela-769008	Tel : 0661-2462606(O)/ 2463606(R) Mob : 9437245625 Email : <a href="mailto:hbsahu@nitrkl.ac.in">hbsahu@nitrkl.ac.in</a>
7.	<b>Prof. P. K. Das</b> Registrar & Secretary, BOG National Institute of Technology Rourkela – 769 008(Orissa)	Tel : 0661-2462021/ 2462516/2476773(O) Mob : 7008581227 Email : <a href="mailto:registrar@nitrkl.ac.in">registrar@nitrkl.ac.in</a>

**Members Absent:**

8.	<b>Shri Madan Mohan</b> Additional Director General Department of Higher Education Ministry of Human Resource Development Government of India Shastri Bhavan, New Delhi- 110115	Tel : 23381484(O) Mob : 9971035557 Email : <a href="mailto:mmohan.edu@nic.in">mmohan.edu@nic.in</a>
9.	<b>Prof. R V Raja Kumar</b> <b>Director</b> Indian Institute of Technology Bhubaneswar, Toshali Bhawan, Satyanagar, Bhubaneswar-751 013	Tel : 0674-2570334) Fax : 0674-2576004 Email: <a href="mailto:director.office@iitbbs.ac.in">director.office@iitbbs.ac.in</a>
10.	<b>Shri Sanjay Kumar Singh, IAS</b> Commissioner-cum-Secretary to Government Skill Development & Technical Education Dept. Government of Odisha, Bhubaneswar, Odisha 751001	Tel : 0674-2391319(O) Fax : 0674-2391324 Email : <a href="mailto:etet.od@nic.in">etet.od@nic.in</a>

***Leave of absence was granted for the above members.***



FC-51(2019)-01: Welcome to the members by the Chairman.

*The Chairman welcomed all the members to the meeting.*

FC-51(2019)-02: To consider the Minutes of the 50<sup>th</sup> FC meeting held on 01.10.2019 at Mumbai.

The minutes of the 50<sup>th</sup> FC meeting held on 01.10.2019 at Mumbai was enclosed.

*The Board approved the minutes.*

[Annexure-A1, Page 10-16(c)]

FC-51(2019)-03: To approve the Minutes of 35<sup>th</sup> and 36<sup>th</sup> BWC meetings held on 14.09.2019 & 03.12.2019 respectively.

The minutes of 35<sup>th</sup> and 36<sup>th</sup> BWC meetings of the Building & Works Committee held on 14.09.2019 and 24.05.2019 respectively are given in the Annexure for approval of the FC.

[Annexure-A2, Page 17-23 & 24-30]

**A) 35<sup>th</sup> BWC meeting Minutes held on 14.09.2019.**

**Item No. BWC: 35 (2019)-04: Proposal for New Projects.**

**1. Water conservation projects under “Jal Shakti Abhiyan” of Govt. of India**

BWC reviewed the proposal. As roof-top rain water conservation for entire campus involved huge cost, it is suggested by BWC that the above mentioned work will be taken up in a phased manner. In the first phase rain water conservation of SD and VS Hall of residence is to be taken up.

*The item was deferred due to non-inclusion of the relevant documents relating to 35<sup>th</sup> BWC meeting.*

**2. A) Provisions of Firefighting- Alarming system for all sensitive buildings.**

On experimental basis, the Firefighting- Alarming system to be adopted in the administrative building of the Institute. The member from RSP (SAIL) suggested to explore the reliable agency like Honey Well after proper demonstration.

*The item was deferred due to non-inclusion of the relevant documents relating to 35<sup>th</sup> BWC meeting.*

**Item No. BWC: 35 (2019)-05: EXTENSION OF TIME AND OTHER ISSUES OF VARIOUS WORKS.**

**1. Extension of time for Major Project Phase-II.**

M/s. SPCL had completed all the buildings under major project phase-II except golden Jubilee building on 31.12.2019. Accordingly, M/s. SPCL applied for six months' extension of time to complete the balance work of Golden Jubilee, including the rehabilitation for crack

area. NIT, Rourkela granted the extension of time up to 30.06.2019 to M/s. SPCL to complete all the balance work of Golden jubilee building. In this connection NIT Rourkela repeatedly follow up with M/s. Inform Architect (Architect appointed for Golden jubilee building by NIT Rourkela) to resolve this long pending issue relating to crack portion in the building but the Architect was not responding. On the other hand, M/s. SPCL and the architect appointed for other completed building were pressing hard for "Part Completion Certificate" to settle their final dues but the provision is not there in the contract made between M/s. SPCL and NIT Rourkela.

Finally, inform Architect was served a notice on the matter relating to pending issues by NIT Rourkela vide letter no. NITR/RG/2019/L/0330 dated 13.06.2016. M/s. Inform Architect responded and a meeting was held on 24.06.2019 in presence of M/s SPCL. M/s. Inform Architect committed that the firm will submit the solution of cracked portion of Golden Jubilee building latest by 01.07.2019. Accordingly, NIT Rourkela granted the extension of time up to 31.08.2019 to M/s. SPCL on their request vide letter no. SPCL/1067/NITR/19-20/1255 dated 28.06.2019 to complete the balance work for cracked portion of golden jubilee building. But M/s. Inform Architect never responded again despite several reminders from NIT Rourkela. Hence, NIT Rourkela was compelled to send the final notice after due consultation with the institute legal advisor to M/s. Inform Architect vide letter no. NITR/RG/2019/L/0418 dated 02.08.2019. Then M/s. Inform Architect participated in discussion held on 28/08/2019 to bring out solution to the crack portion, the minutes of which is attached. The detailed drawing of rehabilitation scheme for cracked area of GJB on 28.08.2019 in line with above said minutes was sent by M/s Inform Architect and that was communicated to M/s. SPCL on 30.08.2019 for its implementation.

M/s SPCL has communicated vide letter no. SPCL/1067/NITR/19-20/1275 dated 06.09.2019 that to execute the proposed structural rehabilitation measures for cracked portion of GJB submitted by Inform Architect shall take another Two (02) months to execute the work at site. But the extension of time for major project phase-II was expired on 31.08.2019. In view of the above extension of time up to 31.10.2019 may be granted to M/s SPCL on their request

***The item was deferred due to non-inclusion of the relevant documents relating to 35<sup>th</sup> BWC meeting.***

**2. Discussion on Arbitration Proceeding No. 26 of 2019 date: 07/03/2019 filed by M/s Shapoorji Pallonji Ltd V/s NITR**

Arbitration Proceeding No. 26/2019 M/s Shapoorji Pallonji Ltd. Versus National Institute of Technology & others. It is claimed an amount of Rs. 29,98,425/- (in the form of Bank Draft) as arbitrator's fee as assessed by Advisory Council on 16.07.2019 in the name of "The High Court of Orissa Arbitration Centre".

Total Arbitration's fee assessed by Advisory Council IS Rs. 29,98,425/-.

Claimant-Rs.14,99,212.5/-  
Respondent-Rs. 14,99,212.5/-

Further, they claimed to deposit Rs. 50,000/- in the Account Section of Orissa High Court (in the form of Bank Draft) as administrative cost in favour of "Registrar (Judicial), Orissa High Court "payable at SBI, Main Branch, Cuttack.

Total administrative cost Rs. 50,000/-  
Claimant (Contractor- M/s.SPCL) -Rs. 25,000/-  
Respondent (NIT, Rourkela) -Rs. 25,000/-.

The above said amounts was paid by the institute vide payment voucher no. 1133 dated 14.08.2019.

*The item was deferred due to non-inclusion of the relevant documents relating to 35<sup>th</sup> BWC meeting.*

[Annexure-A3, Page 17-23]

**B) BWC: 36 (2019)-03: Proposal for New Projects.**

**1) External painting of academic and hostel buildings:**

External painting for all the academic buildings and hostel buildings of the campus which has not been done since last 10 years. Over the years, due to weathering effects, the external surfaces of the buildings are discolored and disfigured having black patches etc. and resulting in shabby look. From maintenance point of view and better aesthetics, it is very essential to color the exterior parts of the said buildings to prevent possible water seepage and damage due to other reasons.

Detailed BOQ and Estimate (Rs.2.5 Crore) have been prepared and the copy is enclosed for review.

*The FC recommended the BWC proposal to BOG for its approval.*

**3. Construction of Staff and Faculty quarters:**

Over the years, there has been large increase in the student strength faculty members and corresponding non-teaching staff. It is observed that there is a acute shortage of quarters for faculty and staff and they are facing hardship. The problem will be more severe in the coming years when the demand for the quarter will increase further.

a) Estimate for 60 nos. Faculty quarters (3 BHK) has been prepared and this amounts to Rs.28.57 Cr.(approximately).

b) Estimate for 60 nos. Staff quarters (2 BHK) has been prepared and this amounts to Rs.21.97 Cr. (approximately)

Proposed Funding agency of the Project : HEFA Loan  
Agency to be engaged for construction : CPWD

***The item was deferred and was advised to present in the next FC meeting with details of cash flow of Loans. IRG and MHRD grant.***

**4. Completion of contract of Major Project, Phase-II:**

To complete the contract of M/s SPCL, following points need to be discussed.

- (a) Taking over of Golden Jubilee Building.
- (b) Issue of virtual completion certificate.
- (c) Release of 50% retention amount of contract.
- (d) Recommendation and approval of final time extension.
- (e) Final bill submission and certification.
- (f) Submission of virtual completion certificate and as built drawing of different building by Architect.
- (g) Verification of different documents required to foreclose the contract by Architect.

***BWC advised to form a committee to look into the matter with following members-***

*Prof. P.K. Sahu, Chairman  
Prof. C.R. Patra  
Shri S S Sathpathy  
Prof. Pradip Sarkar  
Prof. Subrata Karmakar  
Prof. Susovan Samanta  
Prof. Murugan S  
Mr. Joydip Mondal  
MR. Rajesh Sahoo*

*However, BWC advised further the following-*

- A) Virtual completion certificate for major project phase-II is to be issued to the agency after getting the virtual completion certificate for each and every building from different architect appointed for said project.*
- B) 50% Retention money is to be released after payment of final bill of the agency.*

***The FC recommended the BWC proposal to BOG for its approval.***

**5. Issues regarding new projects under HEFA :**

HEFA has sanctioned loan for the following two buildings-  
Sports Complex and Common Facility (Rs. 25 crore)  
Academic Building at Bhubaneswar (Rs. 20 crore)

The above mentioned works will be done through CPWD Sambalpur and CPWD Bhubaneswar respectively. An MOU was signed between NITR and CPWD in the year 2017. But later on, keeping the interest of NIT Rourkela in mind some amendments in MOU



was felt necessary. Accordingly the modified MOU was sent to CPWD, vide letter No. NITR/RG/2019/L/0609, dated.12/11/2019.

*The amendments were discussed in details; particularly Clause A21, B13 which are annexed. The CPWD official did not agreed for changes under those clauses. But all member felt that unless those clauses are modified the NIT, Rourkela may face same problem which are now the Institute is facing in the ongoing arbitration cases. Hence, it was decided that legal advisor may be consulted in this matter and accordingly the prepared letter is to be sent to CPWD for their comment. However, MHRD suggest to go for all future construction work funded by HEFA loan through CPWD and accordingly this may be taken as noted item and permission may be given to sign revised MoU with the terms of the CPWD.*

**The clauses A21 and B13 of MoU by NIT, Rourkela with CPWD in connection with hiring the services of CPWD for construction of “Sports Complex and Common Facility at Rourkela campus and Academic Building at Bhubaneswar” was cited, on which there was disagreement from NIT, Rourkela and got clarified by MHRD representative, which is in line with Rule-133(3),Rule-140 and Rule-194 of GFR 2017. The Board approved to go ahead with CPWD to carry out these construction works as per the terms and conditions of CPWD.**

**Appointment of Architect for Academic building at BBSR :**

Modalities of appointment of Architect for Academic building at BBSR is to be finalized.

BWC decided to give the project to CPWD on Turn-key basis (Including selection of Architect). However, members from NIT Rourkela will be present in Architect Selection Panel.

***It is placed before the FC for recommendation to the BOG for approval.***

***The matter is deferred.***

***[Annexure-A4, Page 2-30]***

**FC-51(2019)-04: Discontinuation of Voluntary Contribution to GPF/CPF account**

The Board of Trustees (BOT), NIT Rourkela is maintaining its GPF/CPF accounts since 1976. The employees generally deduct 10% of their Basic pay to their GPF/CPF accounts as per Rule as Entitled deduction. Also Non-Entitled / Voluntary category, the employees are generally deducting any amount to the GPF/CPF account at present. The employees get the interest rate as circulated by Ministry of Finance (Quarterly) from BOT at the end of every financial year.

BOT generally invest the parking fund as per rule and as prescribed by Ministry of Finance, Govt. of India. Now, the interest rate in banks is gradually decreasing and the financial market situation is very volatile. It

is expected return on investment may decreases in coming future. From the accumulated Fund, investment was generally made by the trustee in Fixed Deposits/Bonds /Mutual Fund etc. The interest earned and paid to the employees from 2015-16 to 2018-19 are as follows.

FY	Average Investment	Return on Investment	% of Income	Interest paid to Subscriber	Interest paid in %	Net Income available	Net income of BOT in %
2015-16	400901429.2	46675430	11.64%	42968642	10.72%	3706788	0.92%
2016-17	475537325.4	46682714	9.82%	41716149	8.77%	4966565	1.04%
2017-18	510629065.4	50379838	9.87%	39910804	7.82%	10469034	2.05%
2018-19	601106211.9	56931742	9.47%	46928759	7.807%	10002983	1.66%

Present balance of the employees who will be superannuated by 2024 in their GPF/CPF accounts as on 30.09.2019 is enclosed herewith. The entitled contribution as well as the voluntary contribution to be received from the employees who will have superannuation in future (till 2024) given in the following table along with outflow amount which including interest @8% is put up for information of the FC. The details of financial figure with regards to BOT is enclosed in **Annexure**.

Year	GPF/CPF BALANCE AS ON 30-09-2019	ENT WILL RECEIVED TILL RETIREMENT	NE WILL BE RECEIVED TILL RETIREMENT	Total (E+NE)	Net amount received from subscriber Year wise	Total outflow expecting @8% interest rate
2020	18188143	942306	2161000	3103306	21291449	22994765
2021	34340170	2398245	5273970	7672215	42012385	48120589
2022	51111367	6168364	10810500	16978864	68090231	81715268
2023	42558481	5753539	8128000	13881539	56440020	71169257
2024	1664937	525547	1650000	2175547	3840484	4680502

**The FC recommended for two separate and distinct accounts are to be maintained, one for 10% of basic pay, entitled as GPF/CPF (Account-1) and another one (Account-2) for more than 10% contributions of Basic Pay by the employees of the institute. Exercise to be made to segregate these two types of fund received till date from the employees. The management of fund in both the accounts to be done by the "Board of Trustee" (BOT) as per GOI guidelines.**

- (i) **The institute shall review time to time the management of the 10% employee contributed GPF/CPF fund in Account-1, to ensure whether the fund is generating the announced GPF interest rate or not, set by Government of India time to time. The BOT should prepare "Cash Flow" and "Balance Sheet" at the end of every financial year for the fund under Account-1 by engaging a Chartered Accountant. The expenditure for this purpose to be met from this fund.**
- (ii) **For Account 2 in the case of returns, i.e. any loss/gain earned by the fund from Account 2 will be distributed as the dividend and the Institute will not be obliged to make up any gap between the money earned by the Account 2 and the rate of dividend declared by the Govt. of India. Moreover, under no**

*circumstances the 10% contribution made to Account 1 and the voluntary contribution made to Account 2 should be more than the basic salary of the employee.*

**[Annexure-A5, Page 31-63]**

**FC-51(2019)-05: Perspective plan of infrastructure required through HEFA funding in accordance with RISE by 2022.**

The MHRD vide letter No.F.33-2/2017 TS.III (Pt.III), dated 27.11.2019, directed to prepare a Perspective plan of infrastructure required through HEFA funding in accordance with RISE by 2022, instead of presenting piecemeal proposals periodically to the Ministry.

The Perspective plan of infrastructure required through HEFA funding of the Institute is given in the Annexure.

***A cash flow table to be generated keeping in view the earlier outstanding HEFA loan and proposed amount of loan of amount Rs.177 Crores, Spred up over three years.***

**[Annexure-A6, Page 64-66]**

**FC-51(2019)-06: GST amount to be paid to M/s. SPCL under Major Project Ph.II.**

Initially, the work order value was Rs.302,82,39,866/- (without GST) as GST was not implemented at that time. The details of work done before implementation of GST is Rs.215,57,71,893 (Civil work) and Rs.8,35,88,255/- (Electrical work) amounting to Rs.223,93,60,148/-.

The GST is applicable @12% on remaining amount of construction work, i.e. Rs.78,88,97,718/- for which the amount of GST is Rs.9,46,65,566/- for the said project.

***The FC approved the amount of Rs. is Rs.9,46,65,566/- towards GST payment and recommended the same to BOG for approval.***

***However, it was also decided to verify the original contract and to ascertain whether the contract amount of Rs. 302,82,39,866/- was to be paid excluding all other taxes or including all other taxes. It was also decided that the GST amount of Rs. 9,46,65,566/- is to be paid only of the contract amount mentioned excluding all other taxes.***

**[Annexure-A7, Page 67]**

**FC-51(2019)-07: Any other item with the permission of the Chair.**

***The meeting ended with thanks to the Chair.***



**[Prof. P. K. Das]**  
Registrar and Secretary  
BOG, NIT, Rourkela



**[Dr. Santrupt B. Misra]**  
Chairman  
BOG, NIT, Rourkela

