

**National Institute of Technology
Rourkela**

MINUTES

***59th Meeting of Finance Committee
through VC***



DATE : 16th July, 2021 (Friday)

Time : 15:00 – 16:00 Hours

Venue : Board Room, NIT Rourkela



राष्ट्रीय प्रौद्योगिकी संस्थान, राउरकेला
National Institute of Technology, Rourkela

MINUTES OF THE 59TH MEETING OF THE FINANCE COMMITTEE, NATIONAL INSTITUTE OF TECHNOLOGY, ROURKELA HELD DURING 3.00 P.M – 4.00 PM. ON 16.07.2021(FRIDAY) IN THE BOARD OF NIT, ROURKELA THROUGH VC.

Members Present:

| Sl. No | Name | Contact No. |
|--------|--|---|
| 1. | Prof. Animesh Biswas Director & Chairman, BOG (acting) National Institute of Technology Rourkela-769008 | Tel : 0661-2462001/2472050(O),2463001(R) Mob : 9437972455 Fax : 0661-2472926/2462022 Email: director@nitrrkl.ac.in |
| 2. | Shri Mrutyunjay Behera [through VC] Economic Adviser (HE) Ministry of Education, Government of India Shastri Bhawan, New Delhi – 110001 | Tel : 011-20862081 (O) Email : mrutyunjay.b@nic.in Mob : |
| 3. | Mr. Anil Kumar [through VC] Director, Finance Ministry of Education (Shiksha Mantralaya), Government of India Dept. of Secondary & Higher Education Shastri Bhawan, New Delhi- 110001 | Tel : 011-23382696 Fax : 011-23070668 Mob : 9996990426 Email : jsfa.edu@gov.in / anil.k35@gov.in |
| 4. | Prof. R V Raja Kumar [through VC] Director Indian Institute of Technology Bhubaneswar Toshali Bhawan, Satyanagar Bhubaneswar-751013 | Tel : 0674-2570334) Fax : 0674-2576004 Email : director.office@iitbbs.ac.in |
| 5. | Padma Shri Nalini Ranjan Mohanty [through VC] Ex-Chairman, HAL Flat No.620B4, Yamuna Block National Games Village (NGV) Koramangala, Bangalore-560047 | Mob : 9845038631 Email : nalinirmohanty@yahoo.co.in |
| 6. | Dr. Ajay Kumar Nayak [through VC] Joint Secretary [representative of Commissioner-Cum-Secretary] Skill Development & Technical Education Dept. Government of Odisha, Bhubaneswar-751001 | Tel : 0674-2391319(O) Fax : 0674-2391324 Mob : 9437051000 Email : etet.od@nic.in / ajaynayak0001@gmail.com |
| 7. | Prof. G. K. Panda Professor, MA National Institute of Technology Rourkela-769008 (Odisha) | Tel : 0661-2462705 (O), 2463705(R) Mob : 9437139237 Email : gkpanda@nitrrkl.ac.in |
| 8. | Prof. N. R. Mishra Associate Professor, HS National Institute of Technology Rourkela-769008 (Odisha) | Tel : 0661-2462695(O)/ 2463698(R) Mob : 9437462037 Email : mishran@nitrrkl.ac.in |
| 9. | Prof. P. K. Das Registrar & Secretary, BOG National Institute of Technology Rourkela – 769 008(Orissa) | Tel : 0661-2462021/ 2462516/2476773 (O) Mob : 7008581227 Email : registrar@nitrrkl.ac.in |

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FC-59(2021)-01: Welcome to the members by the Chairman.

The Chairman welcomed all the members to the meeting.

FC-59(2021)-02: Confirmation of the minutes of the 58th Meeting of the Finance Committee held on 30.04.2021 at NIT, Rourkela through VC.

The minutes of the 58th Meeting of the FC held on 30.03.2021 at NIT, Rourkela were sent by E-mail to the members. The copy of the minutes and comments received from the member(s) was given in the Annexure.

During deliberation on confirmation of minutes, Registrar brought to the notice of esteemed Members about the financial status of the institute, particularly on GOI grant, actual expenditures under different heads in FY: 2020-21 and the committed obligations for payment like 10% principal amount of HEFA loan, Chiller plant and other capital expenditures in the FY: 2021-22 as depicted in the following table:

| Head | FY- 2020-21 | | | FY- 2021-22 | | |
|--------------|---------------------------|--------------------|--------------------|---------------------------|--------------------|--|
| | Demand from the Institute | GOI grant allotted | Actual Expenditure | Demand from the Institute | Allotted GOI grant | Committed obligation/ expected |
| OH-31 | 140.09 | 82.4 | 85.47 | 118.63 | 69.82 | 86 |
| OH-35 | 112.53 | 8.31* | 23.64 | 32.75 | 9.53 | [Capital Exp. = 12.18Cr HEFA Principal = 6.49Cr Payment. Chiller Plant = 10 Cr OAT = 6 Cr] Total = 34.67 Cr |
| OH-36 | 132.15 | 107.25 | 99 | 136.80 | 130.85 | 110 |
| Total | 384.77 | 197.96 | 208.11 | 288.18 | 210.20 | 231 |

* Unspent balance of previous FY (2019-20) Rs.12.47 under OH-35 was allowed by the ministry to spent in creating capital assets in last FY (2020-21).

** The detail list of Capital expenditure of Rs.12.18 Cr is sent to Ministry vide letter no.NITR/FA/2021/L/0195, dt:03.06.2021 in response to the email dated 24th May, 2021.

The differential amount of spending under OH-31 and OH-35 were met from IRG.

Further he also brought to the notice of Members about the GOI allotment for the FY 2021-22 amounting to Rs.210.20 Cr (OH-31 = Rs.69.82, OH-35= Rs.9.53, and OH-36 = Rs.130.85).

He stressed that under the above financial fact sheet, the approved proposal [BOG-76(2021-03 vide FC-5892021)-06 and BWC-41 (2021)-03(01)] for new project like APP membrane hydro insulation on Roof top of Residential quarters (Phase-II) is not possible to take up in the FY 2021-22, for which tentative estimated cost for the work is Rs1.78Cr and was proposed to meet from OH-31.

Director brought to the notice of all members about the importance of Chiller plant to make operational the Golden Jubilee building. Registrar mentioned the approval for setting –up of Chiller plant for Major Project – II in 76th BOG meeting for kind notice of all members. The decisions were the followings:

(a) The CPWD, Sambalpur to be engaged for execution of the Chiller plant project.

(b) The institute will spent Rs20 Cr from its IRG , spread over in two FY 2021-22 & FY 2022-23 and the rest amount of Rs10 Cr for this project to be met from GOI fund under OH-35 spreading over in two FY 2021-22 & FY 2022-23.

Hence, there is a need of additional minimum grant Rs5.0Cr under OH-35 to meet the financial requirement of the project.

The FC confirmed and approves the minutes.

[Annexure- A1, Page 12-18]

FC-59(2021)-03: *To report on the Action Taken on the minutes of 58th meeting of the Finance Committee held on 30.04.2021 at NIT, Rourkela through VC.*

The report on the action taken on the decisions made in the 58th Meeting of the Finance Committee held on 30.04.2021 at NIT, Rourkela through VC was given in the Annexure as reporting item.

The FC noted the above.

[Annexure- A2, Page 19]

FC-59(2021)-04: To approve the Statement of Accounts for the Financial year 2020-2021.

The Statement of Accounts for the financial year 2020-21 was enclosed for consideration of the FC.

Registrar presented the abstract of 29 pages of Statement of Accounts for the FY 2020-21 of the institute to the Members under different heads like Income, Expenditures, Funds & Liabilities, Assets, significant Accounting Policies and contingent Liabilities, & Notes to accounts, touching upon all the respective 24 schedules of account.

Participating in discussion Mr. Anil Kumar representing from IFD of Ministry advised that no need to keep money in separate bank account for future requirements towards retirement gratuity and leave encashment for superannuated employees of the Institute. Institute should calculate the same as and when required and send to the Ministry for additional grant. The Government will provide these expenditures.

He also suggested, as there is no such provision in our account statement relating to Accounting of human resources, institute can only mention in brief about human resources of the Institute but not to quantify that.

The FC approved the Statement of Accounts for the Financial year 2020-2021.

[Annexure- A3, Page 20-48]

FC-59(2021)-05: Action Taken Report on Separate Audit Report (SAR) on the Accounts of the Institute for the year 2019- 20.

The FC vide resolution No.FC-58(2021)-04, dated 30.04.2021 advised the Institute to put up the Action Taken Report (ATR), against each point raised by CAG in its Separate Audit Report (SAR) on the Accounts of the Institute for the year 2019 - 20. The copy of the Action Taken Report on Separate Audit Report (SAR) on the Accounts of the Institute for the year 2019- 20 is given in Annexure.

Participating in discussion Padma Shri Nalini Ranjan Mohanty appreciated institute for presenting action taken on Management Report of FY 2020-21 in a very proper format. Citing the observation of CAG on the general heading E-5 on unadjusted amount of Rs.1.05 cr as on 31.03.2021, he expressed his concern to take necessary action on that and he suggested the institute should be serious in this issue.

Register brought to the notice that after so many reminders to the concern department about submission of bills for adjustment of advances, the concern department has not complied yet. On dated 15th July, 2021 one more reminder vide no. 4433R is sent to the department to comply, otherwise necessary action to be taken as applicable. FC suggested following up it and taking necessary action.

Mr. Anil Kumar suggested that at the end of every financial year a physical verification of all equipments should be done. If any discrepancy found immediately it should be reported. He also suggested bank reconciliation should be done.

The FC noted the Action Taken Report (ATR) against final Separate Audit Report (SAR) for the financial year 2019-20.

[Annexure-A4, Page 49-62]

FC-59(2021)-06: **Proposal for Central Civil Services (implementation of National Pension Scheme) Rules, 2021-seeking options in the prescribed Form I & II under the Rule 10 of CCS (implementation of NPS).**

In terms Statue 24 (vi) and Statue 29 of First Statutes of NIT, the employees of the Institute appointed on or after 01/01/2004 are governed by New Pension Scheme (NPS) announced by Government of India. In pursuance to the O.M. vide F. No. 1-34014/01/2020- Ad.II dated 31st May 2021, all the employees covered under NPS are requested to submit their options in the prescribed Form I & II.

As per Rule 10 of CCS (Implementation of NPS) Rules, 2021 the government servants covered under NPS, at the time of joining, shall exercise an option in Form I for availing benefits under the NPS in case of his death or discharge on invalidation or disability of government servant/subscriber during service. Those who have already joined shall also exercise such option as soon as possible after notification of these rules.

Further, they also need to furnish the family details in Form II to the respective Head of the Office.

Participating in discussion Prof. Nihar Ranjan Mishra, an internal BOG member of NIT Rourkela apprised the BOG about its necessity and requested all members to consider this.

Participating in discussion Mr. Anil Kumar enquired whether Ministry of Education has circulated the OM issued by Ministry of Finance. He was apprised that based on the OM of MoF, this matter is brought to the FC for discussion and he suggested to wait as MoE is perusing the matter with MoF.

FC is requested to wait till the matter is clarified by MoE.

[Annexure-A5, Page 63-66]

FC-59(2021)-07: Proposal for revision of Fee Structure for the Advocate engaged in "Arbitration Cases" of the Institute.

Mr. N. K. Sahu, Advocate, Odisha High Court, Cuttack and Institute paneled advocate at present is engaged in the following two Arbitration cases :-

- 1) *Arbitration Proceeding Arbitration Proceeding No.1/2018 (M/s. ESAR Engineering –vs. - NIT, Rourkela).*
- 2) *Arbitration Proceeding No.26/2019 (Shapoorji & Pallonji Pvt. Ltd. –Vs. - NIT, Rourkela) and -*

One Arbitration Proceeding No.20/2018 (M/s. Udra Contraction Pvt. Ltd. –vrs- NIT, Rourkela) in which Mr. N. K. was engaged has been closed after mutual agreement on 23.12.2020.

After receiving the Fee structure approved by the BOG, Mr. N. K. Sahu, Advocate, expressed his displeasure on the fee structure and refused to accept it. In his letter (copy enclosed) stated that Arbitration Proceedings are Special Proceedings, where a lot of effort and diligence are necessary to prepare a statement of claim/ statement of defense, examination of witnesses, leading of evidence and to meet other legal requirements.

Further, he mentioned that Shapoorji case being a complex and involving of high stakes; of the order of Rs.21,54,65,493/- towards the principal amount with a claim of 12% interest on the principal amount, the Senior Advocate from Kolkata is engaged by Claimant who is charging several lakhs per sitting.

Mr. N. K. Sahu, Advocate has given three types of Fee Schedule for the above 03 (three) different Arbitration Cases of the Institute based on he intensity of effort required. Mr. Sahu requested the Institute for payment of the Arbitration fees, as he submitted, case to case basis. The copy of the letter and fee schedule submitted by Mr. N. K. Sahu, is given in the Annexure.

With regards to advocate fee structure in Arbitration case, on recommendation of FC vide resolution No.FC-58(2021), dated 30.04.2021,



BOG approved the fee structure and Fee structures claimed by Mr. N. K. Sahu is as follows:

1) Arbitration Proceeding No.26/2019 (Shapoorji & Pallonji Pvt. - Vrs – NIT, Rourkela.

| Sl. No. | Legal Activity | The Board vide BOG-56(2021)-03 dt.30.04.2021 approved the Legal Fees for Arbitration cases. | Fee Structure as claimed by Advocate - Mr. N.K. Sahu, for Arbitration Cases |
|---------|---|---|---|
| (1) | (2) | (3) | (4) |
| 1. | a) For drafting of claim statement/defense statement/ affidavit evidence/ written Note. | Rs.10,000/- | Rs.25,000/- |
| | b) Drafting of Interim Application/objection to the Interim Application | Rs.2,000/- | Rs.5000/- |
| | c) Perusal fee | | Rs.15,000/- |
| 2. | Fee For hearing per sitting (at High Court Arbitration Centre). In respect of out station Arbitration proceeding hearing fees per sitting @1.5% extra of the sitting fee. | Rs.8,000/- | Rs.25,000/- |
| 3. | Non-effective hearing | Rs.1,500/- | Rs.5,000/- |
| 4. | Consultation/Conference | Rs.3,000/- | Rs.5000/- |
| 5. | Junior fee | | @20% of 1,2,& 3 above |
| 6. | Clerkage | @ 10% of the advocate fee | @ 10% of the advocate fee |
| 7. | Expenditure- cost, expenses, special assignment/ court fee/ other fees/ misc. expenses | Actual | Actual |

2) Arbitration Proceeding No.1/2018 (M/s ESAR Engineering - Vrs – NIT, Rourkela.

| Sl. No. | Legal Activity | The Board vide BOG-56(2021)-03 dt.30.04.2021 approved the Legal Fees for Arbitration cases. | Fee Structure as claimed by Advocate - Mr. N.K. Sahu, for Arbitration Cases |
|---------|---|---|---|
| (1) | (2) | (3) | (4) |
| 1. | d) For drafting of claim statement/defense statement/ affidavit evidence. | Rs.10,000/- | Rs.15,000/- |
| | e) Drafting of Interim Application/ and objection to the Interim Application | Rs.2,000/- | Rs. 5000/- |
| | f) Perusal fee | | Rs. 5,000/- |
| 2. | Fee For hearing per sitting (at High Court Arbitration Centre). In respect of out station Arbitration proceeding hearing fees per sitting @1.5% extra of the sitting fee. | Rs.8,000/- | Rs.15,000/- |
| 3. | Non-effective hearing | Rs.1,500/- | Rs.5000/- |
| 4. | Consultation/Conference | Rs.3,000/- | Rs.5000/- |
| 5. | Junior fee | | @20% of 1,2,& 3 above |

| | | | |
|----|--|---------------------------|---------------------------|
| 6 | Clerkage | @ 10% of the advocate fee | @ 10% of the advocate fee |
| 7. | Expenditure- cost, expenses, special assignment/ court fee/ other fees/ misc. expenses | Actual | Actual |

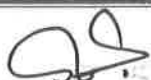
3) Arbitration Proceeding No.20/2018 (M/s Udra Construction Pvt. Ltd. - Vrs – NIT, Rourkela.

| Sl. No. | Legal Activity | The Board vide BOG-56(2021)-03 dt.30.04.2021 approved the Legal Fees for Arbitration cases. | Fee Structure as claimed by Advocate - Mr. N.K. Sahu, for Arbitration Cases |
|---------|---|---|---|
| (1) | (2) | (3) | (4) |
| 1. | g) For drafting of claim statement/defense statement/ affidavit evidence. | Rs.10,000/- | Rs.15,000/- |
| | h) Drafting of Interim Application/ and objection to the Interim Application | Rs.2,000/- | Rs. 5,000/- |
| | i) Perusal fee | | Rs. 5,000/- |
| 2. | Fee For hearing per sitting (at High Court Arbitration Centre). In respect of out station Arbitration proceeding hearing fees per sitting @1.5% extra of the sitting fee. | Rs.8,000/- | Rs.15,000/- |
| 3. | Non-effective hearing | Rs. 1,500/- | Rs.5,000/- |
| 4. | Consultation/Conference | Rs.3,000/- | Rs.5000/- |
| 5. | Junior fee | | @20% of 1,2,& 3 above |
| 6. | Clerkage | @ 10% of the advocate fee | @ 10% of the advocate fee |
| 7. | Expenditure- cost, expenses, special assignment/ court fee/ other fees/ misc. expenses | Actual | Actual |

In this connection the recently adopted (02.07.2021) arbitration fee structure of SAIL, Rourkela Steel Plant may kindly be seen in the following table.

| Sl. No. | Legal Activity | Fee Structure as claimed by Advocate - Mr. N.K. Sahu, for Arbitration Cases |
|---------|--|---|
| 8. | j) Drafting of Defense Statement | Rs.16,000/- |
| | k) Drafting of Interim Application/objection to the Interim Application (except routine petitions) | Rs.4000/- |
| 9. | Fee For effective hearing | Rs.16,000/- |
| 10. | Non-effective hearing | Rs.3,000/- |
| 11. | Consultation/Conference | Rs.3,000/- |
| 12. | Junior fee | @20% of 1 & 2 above |
| 13. | Clerkage | @ 10% of the advocates fee |
| 14. | Expenses | Actual |

Participating in deliberation Mr. Anil Kumar told that in any arbitration case the institute should pay as per the guidelines of Ministry of Law,



GOI. Institute cannot compare it with any private company's guidelines. Citing the earlier decision of the BOG Director apprised the BOG that institute consulted the SAIL, a Public Sector Unit. Both director and Registrar requested BOG that the advocate who is engaged in arbitration proceeding has put lots of effort and because of his sincere effort institute may get relief from large amount of financial claim by Shapoorji & Pallonji Pvt. Ltd.. This case being a complex and involving high stakes; of the order of Rs.21,54,65,493/- with interest of 12% on this claim amount, it can be a huge financial burden on the institute, In case Arbitrator passes order against the institute . So, it should be treated as a special case.

- (a) *Deliberating on this issue FC recommended that this is treated as an exceptional case and institute is allowed to pay the fee claimed by the Advocate Mr N. K. Sahu, shown in the respective tables. But in other two arbitration proceedings (No.1/2018 by M/s ESAR Engineering and No. 20/2018 by M/s Udra Construction Pvt Ltd) the payment of fees to be paid to Mr N.K.Sahu as per adopted fees by RSP, SAIL on 02.07.2021.*
- (b) *Mr. Anil Kumar advised that in future engaging any advocate, institute should inform him/her about Law Ministry fee structure. Director and Registrar explained the predicament of payment of fee at rate as per Govt. Law Department.*

[Annexure-A6, Page 67-82]

FC-59(2021)-08: Proposal for maximum utilization of funds from the Professional Development Allowance (PDA) towards acquiring scientific data through various primary surveys.

The Board vide resolution No.BOG-64(2019)-33, dated 21.06.2019 approved Professional Development Allowance (PDA) expenses of Rs.3 lakhs over a period of 3 years to each faculty members as for the following guidelines:

- 1. "The faculty can pay over length page charges for publication in prestigious SCI Journals such as IEEE/IET/ASME/ACSE etc., which is adopted in IITs.*
- 2. The book charges and membership fees (in two professional societies) of Rs.50000 each may be reimbursed in a period of 3 years.*

3. **Online purchase of books is encouraged and reimbursement will be made including shipping charges.**
4. **The direct purchase portal may be made available to all faculties for reimbursement of amount spent on any of the above heads”.**

- a) Now, HOD, Planning and Architecture has given a proposal for maximum utilization of funds from the Professional Development Allowance towards acquiring scientific data through various primary surveys.

In line with the aim of maximum utilization of funds and ensuring highest possible development of intellectual capital, it is proposed that the expenditure towards acquiring scientific data through various primary surveys required in the research towards community, neighborhood, urban, rural and regional planning (such as socio-economic survey, land-use/utilization survey, density survey, infrastructure surveys, transport surveys) may be allowed from the Professional Development Allowance. The ceiling may be prescribed as one third of the allowance per block.

- b) **Utilisation of consumable items from the the Professional Development Allowance (PDA).**

A proposal to purchase of consumables items such as chemicals, laboratory glassware, charges for synthesis, analysis of samples, Purchase of stationary, and Computer-related consumables (such as external storage devices, cartridges).

The FC may consider heading ‘a’ and ‘b’ for inclusion in the list of items under PDA grant in addition to the existing items approved by the BOG vide resolution No.BOG-64(2019)-33, dated 21.06.2019.

Participating in deliberation Mr. Anil Kumar told that Ministry is thinking to bring a uniform guidelines relating to PDA for all NITs. He suggested institute may send its suggestions for considerations.

FC recommended that till Ministry took a decision the existing practice will continue.

[Annexure-A7, Page 83-85]

FC-59(2021)-09: Any other item with the permission of the Chair.

- 1) Permission for Honorarium to be paid to the Hon’ble Novel Laureate Prof. Muhammad Yunus, Dhaka, Bangladesh during the Diamond Jubilee Foundation Day Lecture on 15th August, 2021 through VC .



The Diamond Jubilee Foundation Day to be celebrated on 15th August, 2021. Hon'ble Nobel Laureate Prof. Muhammad Yunus, Dhaka, Bangladesh has given his consent to be the Chief Guest of the function. He has agreed to give the Diamond Jubilee Foundation Day Lecture on 15th August, 2021 through online mode for which an honorarium of 10,000 USD may be allowed to pay him from the Institute recurring expenditure.

The FC approved the proposal and recommended that the amount should be paid from IRG not from the Government Grants.

[Annexure-A8 Page 86-87]

2) Reimbursement of Telephone expenses to faculty members.

The BOG vide resolution No.BOG-32(2012)-07, dated 18.12.2012 approved the reimbursement of telephone expenses to faculty, officers and emergency staff members on official business towards telephone calls.

Since, last 10 year, the faculty members are getting telephone allowance at the rate of Rs.500/- per month. In this COVID situation, it is very difficult to taking classes, attending meetings, giving talks in conferences, and interacting with researchers due to non-availability of high speed internet facility.

Due to the COVID-19 pandemic, at present, faculty members are mostly taking classes, attending meetings, giving talks in conferences, and interacting with researchers of their area from their residences. For this purpose, a high broadband connection at home is very much necessary.

The internal Board members, NIT, Rourkela requested to enhance the existing telephone allowances.


In this regard, reimbursement towards telephone charges, an Office Memorandum issued by the Ministry of Finance, Govt. of India vide order No.F.No.24(3)/E.Coord/2018, dated 26th March, 2018 may kindly be perused (copy enclosed at Annexure).


The FC may consider the proposal.

Deliberating on the above issue FC recommended to increase the reimbursement of telephone expenses for faculty/officers, those who were receiving Rs.500/- to Rupees 1000/-.

[Annexure-A9 Page 88-94]

The meeting ended with thanks to the Chair.


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


[Prof. Animesh Biswas]
Chairman (Acting)
BOG, NIT, Rourkela