



**MINUTES OF THE 42ND MEETING OF THE FINANCE COMMITTEE
HELD ON 14TH DECEMBER 2019 AT 10:00 A.M. IN THE NIT TRANSIT
HOUSE, NEW DELHI.**

PRESENT:

1. **Dr. (Mrs.) Mini Shaji Thomas** **Director & Chairperson In-charge**
2. **Ms. Darshana M. Dabral**
JS&FA, MHRD **MHRD Representative**
3. **Shri. Madan Mohan**
ADG(HE), MHRD **MHRD Representative**
4. **Dr. S. Kumanan** **Member**
5. **Dr. L. Cindrella** **Special Invitee**
6. **Dr. Samson Mathew** **Special Invitee (For Agenda Item No 3 & 8)**
7. **Shri. A. Palanivel** **Member Secretary**
(Through Teleconference)

Shri Karumuttu T. Kannan expressed his inability to attend the Meeting due to prior commitments and hence leave of absence was granted to him.

GENERAL MATTERS

**WELCOME ADDRESS BY THE CHAIRPERSON
IN-CHARGE, FINANCE COMMITTEE.**

Dr. Mini Shaji Thomas, Director, NIT, Tiruchirappalli & Chairperson In-charge, Finance Committee welcomed the Members and special invitees to the Meeting. She specially thanked the Ministry Officials Shri Madan Mohan, Additional

Director General and Ms Darshana M. Dabral, Joint Secretary & Financial Advisor for sparing time and attending the meeting. The Director and Chairperson In-charge thanked the Senate Nominee to the Finance Committee Prof. P. Jayabalan for the excellent services he rendered as FC Member for the past two years. She warmly welcomed the new Senate Nominee to the Finance Committee, Prof. S.Kumanan, Department of Production Engineering. Thereafter, the Registrar initiated the deliberations on the Agenda Items.

ITEM NO.1 CONFIRMATION OF THE MINUTES OF THE 41ST MEETING OF THE FINANCE COMMITTEE HELD ON 28TH SEPTEMBER 2019.

The Minutes of the 41st Meeting of the Finance Committee (FC) were circulated to the Members and no comments were received, the FC confirmed the Minutes.

RESOLUTION **RESOLVED THAT** the Minutes of the 42/FC/2019/1 41st Meeting of the Finance Committee be confirmed.

ITEM NO. 2 ACTION TAKEN REPORT ON THE DECISIONS OF THE 41ST MEETINGS OF FINANCE COMMITTEE

Action Taken Report of the previous meetings of the Finance Committee was discussed and noted with the following observations.

With reference to the resolution no.38/FC/2018/3, regarding the seed grant of Rs.1,65,68,740/- sanctioned to 37 new faculty recruited in 2018, the FC suggested the following to Board:

- The purchase should be completed in 2 years with periodic monitoring, in order to improve the research output of the Institute.
- The faculty should give an undertaking that they will complete the project in the Institute and will not leave the project incomplete.
- Co-Project Investigator working in the related area of specialization may be appointed for each project for smooth implementation of the project in case

**RESOLUTION
42/FC/2019/2**

RESOLVED THAT the action taken on the decisions of the previous meetings of the Finance Committee be noted with following remarks:

Regarding the seed grant sanctioned for 37 new faculty recruited in 2018, the following are recommended to Board:

- The purchase should be completed in 2 years with periodic monitoring, so that it will improve the research output of the Institute.
- The faculty should give undertaking that they will complete the project in the Institute and should not leave the project incomplete.
- The Co-Project Investigator working in the related area of specialization may be appointed for each project for smooth

implementation of the project, in case needed.

APPROVAL ITEMS

ITEM NO. 3 RECOMMENDATIONS OF THE 24TH BUILDING AND WORKS COMMITTEE HELD ON 10 DEC 2019.

The Buildings and Works Committee had recommended additional cost estimates for vertical expansion of Lecture Hall Complex Rs.17.57 crores (Rs.15.97 crores + Rs.1.6 crores) and Girls Hostel Rs.14.49 crores (Rs.13.43 + Rs.1.06 crores) in its 24th Meeting. The cost escalation is because of the adoption of new DSR 2019. The first instalment of fund (one-third of the cost) will be released to CPWD from the Internal Revenue savings of the Institute.

The new works will be brought as an agenda item to the next Finance Committee.

RESOLUTION 42/FC/2019/3

RESOLVED THAT the cost escalation of vertical expansion of Lecture Hall Complex and Girls Hostel, amounting to Rs.1.6 cores and Rs.1.06 cores respectively, be recommended to Board.

RESOLVED FURTHER THAT the first instalment of the total cost (One-third) of the above infrastructure projects will be released to CPWD from the Internal Revenue savings of the Institute

**ITEM NO. 4 ENHANCEMENT OF FIXED MEDICAL
ALLOWANCE FOR PENSIONERS AS PER THE
RECOMMENDATION OF 7TH CPC**

The Finance Committee discussed the referred relevant orders of MHRD and Ministry of Personnel, Public Grievances & Pension regarding the revision of Medical allowances and recommended to Board to enhance the Fixed Medical Allowances for pensioner/family pensioner from Rs 500 to Rs.1000/- with effect from 01 Jul 2017. The Finance Committee also noted the additional financial implication amounting to Rs.14.16 Cr and arrears payment amounting to ~Rs.35.00 Lakhs.

**RESOLUTION
42/FC/2019/4**

RESOLVED THAT enhancement of fixed medical allowances for the Institute pensioner and family pensioner from Rs.500/- to Rs.1000/- with effect from 01 Jul 2017 be recommended to the Board.

ITEM NO. 5 Ph.D. CONTINGENCY COMMITTEE MINUTES

The item has been deferred.

ITEM NO. 6 IMPLEMENTATION OF EWS FOR THE PG PROGRAMS AND STARTING OF 3 NEW PG PROGRAMS FROM THE AY 2020-2021.

Finance Committee discussed MHRD OM F.No 12-4/2019-U1 dated 17.01.2019 & F.No 35-4/2019-TS- III dated 05.03.2019 to increase the number of seats, over and above its annual permitted strength, in UG, PG and Ph.D programmes to implement the 10% reservation for students belonging EWS (Economically Weaker Section). Accordingly, the increase in seats for PG programmes, out of 207 seats arising for implementation of 10% EWS reservation for 28 PG programmes, 76 seats were allotted in AY 2019-2020 and remaining 131 seats are to be included in AY 2020-2021. The Senate in its 47th meeting held on 03.12.2019 resolved to implement the EWS reservation in PG Programmes with the following recommendations:

- (a) It was decided to enhance the seats in 08 PG Programmes (56 seats) and to implement the proposed seat matrix with EWS reservations in all PG programmes (M. Tech. and M.Sc.) from AY 2020-2021 onwards.
- (b) Starting of new PG programmes in AY 2020-2021: It was decided to start the three new two year (4 semesters) PG programmes viz M.Tech. (Geotechnical Engineering, Department of Civil Engineering), M.Tech. (Industrial Automation, Department of Instrumentation and Control Engineering) and M.A. (English Language and Literature) with an initial intake of 25 in each inclusive of EWS reservation.

The FC considered and recommended the above resolution of the Senate to Board for approval.

**RESOLUTION
42/FC/2019/5**

RESOLVED THAT the seat matrix with Economically Weaker Sections (EWS) reservation in all PG programs

for the academic year 2020-21, including enhancement of the seats in 8 PG programs as given in Annexure V of the Agenda be recommended to Board.

RESOLVED FURTHER THAT 3 new PG programs, M.Tech. Geotechnical Engineering (Department of Civil Engineering), M.Tech Industrial Automation (Department of Instrumentation and Control Engineering) and M.A. English Language and Literature (Department of Humanities and Social Sciences) with initial intake of 25 each, inclusive of EWS reservation, be recommended to Board.

ITEM NO. 7 START UP GRANT FOR ASSISTANT PROFESSORS

Thirty-one faculty members who joined the Institute in 2006, 2007 and 2008, 2008 with M. Tech and completed Ph.D. in recent times, have appealed that they have not been provided seed grant in their career and requested that seed grant scheme to be extended to them as resolved in 56th meeting of Board of Governance vide resolution no 56/BoG/2019/2, to boost their research output.

The Board discussed the proposal in detail and observed that the above faculty members who joined in 2006, 2007 and 2008 have already availed CPDA for more than 10 years and hence the proposal need not be entertained.

However the Finance Committee suggested that the Institute can initiate some innovative schemes to support Faculty members

through Alumni or other means to boost their research.

RESOLUTION **RESOLVED THAT** the Institute may
42/FC/2019/6 initiate some innovative schemes
through Alumni to support faculty
research proposals.

ITEM NO. 8 CPWD – ARBITRATION CASE

The Finance Committee discussed arbitration case filed by M/s URC Company (P) Ltd. The FC was appraised about the developments in this case and the steps taken by the Institute. The FC was informed that the Institute has submitted its prayer before the Hon'ble Judge in Hon'ble High Court of Madras on 19/11/2019 that due directions in this case will be obtained from the Board of Governors of the Institute in its upcoming meeting and the decision taken by the Board will be placed before the Hon'ble High Court of Madras. The case has been adjourned and the next hearing is scheduled to be held on 16.12.2019. The Memo prepared by the Learned ASG is placed before the Finance Committee for suitable direction.

The Finance Committee examined the case in detail as follows with reference to the WP.No. 4670 of 2019, in the High Court of Judicature at Madras:

- Whereas the second respondent, National Institute of Technology, Tiruchirappalli entrusted the work of construction of five buildings to the third respondent CPWD and CPWD awarded the contract in 2009-10 to the writ petitioner M/s URC Constructions (P) Ltd; and the work was completed in 2014 after a delay of 1238 days.

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- Whereas the agreement is between M/s URC Constructions (P) Ltd and CPWD, NIT, Trichy is not a party and in view of certain disputes between CPWD and the writ petitioner, the matter was referred to arbitration (the request was filed by URC vide letter no: URC/NIT/2015-16/139 dated 29.02.2016). The Arbitrator has passed an Award on 20th September, 2017 and gave a clarification on 30th October 2017, for a final award of Rs. 6,40,25,700 (Six Crores, forty lakh twenty five thousand and seven hundred only);
- Whereas the agreement is between M/s URC Constructions (P) Ltd and CPWD, NIT, Trichy is not a party and in view of certain disputes between CPWD and the writ petitioner, the matter was referred to arbitration (the request was filed by URC vide letter no: URC/NIT/2015-16/139 dated 29.02.2016). The Arbitrator has passed an Award on 20th September, 2017 and gave a clarification on 30th October 2017, for a final award of Rs. 6,40,25,700 (Six Crores, forty lakh twenty five thousand and seven hundred only);
- Whereas it is the stand of NIT, Tiruchirappalli, the second respondent that since they were not party to the arbitration proceedings, and CPWD had not informed about the developments regarding the arbitration case to NIT Tiruchirappalli from time to time, NIT Tiruchirappalli did not have an opportunity to defend the case at any point of time in respect of the arbitration case: and they are not liable to pay the award;
- Whereas it is the stand of CPWD that since the work was undertaken on behalf of NIT, NIT, Tiruchirappalli is liable to honour the award as per their manual; and
- Whereas, the arbitral award is on account of cost escalation due to delay in completion of project, the quantification of share of responsibility for the delay by

CPWD and M/s URC Construction (P) Ltd, has not been done in the arbitration proceedings. Hence it is not logical to demand NIT Tiruchirappalli/MHRD to compensate the loss.

- Whereas the Learned Additional Solicitor General wrote letters to Secretary to the Department of both the organizations to take a call in the matter, so far no decision has been arrived at by the Ministry of Urban Development. Ministry of Human Resource Development indicated that, NIT Tiruchirappalli being an autonomous body, the Board of Governors is the Competent Authority to take a decision on this matter, and

- Whereas the Learned ASG prepared a memo to be jointly filed by NIT Tiruchirappalli and CPWD, it was not consented to by the CPWD: and

- Whereas NIT Tiruchirappalli is not a party to the Arbitration proceedings, the remedy for the contractor, if any, is only as against CPWD and no writ petition can be filed by the contractor and the remedy is to file an execution petition against CPWD in the lower court, as already advised by the learned Additional Solicitor General in his letter No: ASG/GR/OPN-12/2019/184 dated 26th June 2019.

Considering the above facts, the FC advised the Institute, to request the learned Additional Solicitor General, to defend the case on merit. Further the Institute without prejudice to their contention they are not liable to pay – will deposit 75% of the award amount into the court, to the credit of the above Writ Petition within six weeks from the date of the order which shall to paid to party only on the settlement of the case.

RATIFICATION ITEMS

ITEM NO. 9 BUDGET ESTIMATE FOR FINANCIAL YEAR 2020-2021

**RESOLUTION
42/FC/2019/7**

RESOLVED THAT the Institute to request the learned Additional Solicitor General, to defend the case on merit.

RESOLVED FURTHER THAT considering the fact that the interest component may increase, in case NIT Tiruchirappalli has to eventually pay, the FC recommends the following:

(i) NIT, Trichy - without prejudice to their contention that they are not liable to pay – will deposit 75% of the award amount into the court, to the credit of the above Writ Petition within six weeks from the date of the order; and

(ii) The amount so deposited may be paid to the party, only after the case is settled with the instruction to the Institute to pay.

The Finance Committee discussed the Budget estimates for Financial year 2020-2021 submitted by the Institute and recommended to Board.

RESOLUTION 42/FC/2019/8 **RESOLVED THAT** the Budget Estimates for Financial year 2020-2021 be recommended to Board for ratification.

ITEM NO. 10 REVISED PROCUREMENT PLAN FOR EQUIPMENT UNDER TEQIP - III

The Finance committee discussed the revised procurement plan for equipment which was finalized based on proposal received from departments under “Modernization of Laboratories” head, TEQIP –III with the available fund of Rs.1.695 Crores. The finalized list consisting of Mimics **integrated 3D scanner and Bio medical imaging software**, estimated cost of Rs 37 lakhs under Direct contract, be recommend to Board.

RESOLUTION 42/FC/2019/9 **RESOLVED THAT** the purchase of equipment with the additional fund of Rs.1.695 Crore from TEQIP III be recommended to Board.

RESOLVED FURTHER THAT the Institute shall not advance the money for purchases under TEQIP III.

REPORTING ITEMS

ITEM NO. 11 SEPARATE AUDIT REPORT (SAR) ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2018-19.

The Finance Committee noted the Separate Audit Report (SAR) for Annual Accounts of NIT Tiruchirappalli for the Financial

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year 2018-19 along with remarks.

RESOLUTION **RESOLVED THAT** Separate Audit
42/FC/2019/10 Report (SAR) for Annual accounts for the
Financial year 2018-19 be noted.

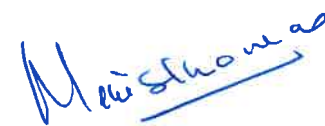
**ITEM NO. 12 GRANTS-IN-AID RECEIVED FROM MHRD DURING
THE FINANCIAL YEAR 2019-20 UNDER RECURRING
& NON – RECURRING HEADS (OH-31, 35, 36)**

The FC noted the Grants-in-aid received by the Institute from
MHRD during the Financial Year 2019-2020

RESOLUTION **RESOLVED THAT** the Grants-in-aid
42/FC/2019/11 received by the Institute from MHRD
during the Financial Year 2019-20 be
noted.

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


Member Secretary


Chairperson In-charge, FC