

THE IIIrd MEETING
OF
THE FINANCE COMMITTEE
**NATIONAL INSTITUTE OF TECHNOLOGY
MEGHALAYA**

MINUTES

DAY: FRIDAY

DATE: 22-11-2013 , TIME: 6-00 p.m.

VENUE: HOTEL POLO TOWERS,SHILLONG

NATIONAL INSTITUTE OF TECHNOLOGY MEGHALAYA

MINUTES OF THE THIRD MEETING OF THE FINANCE COMMITTEE HELD ON 22th November, 2013

The 3rd meeting of the Finance Committee was held on 22nd November, 2013 at 6.00 p.m. in Polo Room, Hotel Polo Towers, Shillong, Meghalaya and the following members were present:

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| 1. Prof. D. K. Basu
Chairman BOG &
Chairman Finance Committee,
NIT Meghalaya | Chairman |
| 2. Prof. D. K. Saikia
Director, NIT Meghalaya | Member |
| 3. Prof. Samarjit Sengupta
Electrical Engineering,
Dept. of Applied Physics
Calcutta University | Member |
| 4. Mr. Asim Datta
Asst. Professor, Dept. of EEE
NIT Meghalaya | Member |
| 5. Mr. B. K. Kashyap,
MHRD Representative | Member |
| 6. Mr. D. J. Goswami
Registrar (i/c), NIT Meghalaya | Secretary |

At the outset the Chairman welcomed the members to the 3rd meeting of the Finance Committee. The agenda for the day was taken up for discussion as below:

Item No. 1 Confirmation of the Minutes of the 2nd Meeting of the Finance Committee of the Institute held on 22.03.2013

The Minutes of the Second Meeting of the Finance Committee of the Institute was circulated amongst the members of the Committee for their comments/ observations. No comment / observation were received from any of the members.

R1/FC-II/2013: The Finance Committee **RESOLVED** that the Minutes of the 2nd meeting of the Finance Committee be **CONFIRMED** as circulated.

Item No. 2: Financial status of the Institute as on 31.10.2013

The Committee discussed and noted the financial status of the Institute as on 31.10.2013 as below:

Particulars	₹ in Lakhs
a) Unspent balance as on 01.04.2013	1058.54
b) Internal income during the year as on 31.10.2013 (student fee etc.)	56.06
c) Grant-in-aid received till date during this financial year	500.00
Total Funds available (A)	1614.60
e) Expenditure till 31.10.2013 (B)	631.35
Balance as on 01.11.2013 (A-B)	983.35

The expenditure incurred under different budget heads till 31.10.2013 is as hereunder:-

Sl. No. & CODE	HEAD OF ACCOUNT	Budget Estimate (₹ in Lakh)	Expenditure till 31.10.2013 (₹ in Lakhs)
1-EQP	Equipment, Teaching Aids & Software	600.00	125.54
2-FRN	Furniture	250.00	70.26
3-CON	Construction- Boundary Wall, Buildings etc.	2500.00	0.55
4-ACS	Architectural Consultant, Soil Testing etc.	100.00	80.61
5-PAY	Pay & Allowances	350.00	186.60
6-SOS	Security, Catering & Other Outsourced Services.	100.00	29.57
7-RMT	Repairs & Maintenance	25.00	14.23
8-RNT	House Rents	250.00	54.78
9-CAD	Consumables - Academic Departments	20.00	1.25

10-ROC	Recurring Office Contingency	25.00	2.62
11-RAD	Recurring Contingency-Academic departments	10.00	.06
12-RJN	Research Journals	50.00	.04
13-LBK	Library Books	50.00	0.00
14- SSC	Student Scholarships	25.00	0.35
15-SAC	Students Activity	25.00	1.58
16-PDA	Other Acad. Exp. Exam. Book Grants etc. (PDA)	30.00	0.88
17-TEX	Travel Expenses	25.00	3.80
18-CTR	Communication & Transportation	75.00	27.00
19-PFR	PF and Retirement Benefits	30.00	1.39
20-LAD	Loans & Advance	50.00	0.00
21-REX	Recruitment Expenses	50.00	14.78
22-MIC	Miscellaneous Expenses	25.00	14.10
23-MED	Medical Expenses	5.00	1.36
	TOTAL-	4670.00	631.35

It was noted that an amount of only ₹.631.35 Lakh has been spent till date against a budgeted amount of ₹ 4670.00 Lakh. As the construction activity of the permanent campus has just started and the agreement for PMC work has been signed, and the PMC has started working on the project, the budgeted target of expenditure on account of construction activities is expected to be achieved by the end of this financial year. The Institute has received a letter from RITES Limited requesting for release of an amount of ₹5000.00 Lakh as an initial deposit with the PMC being the 33% of the estimated cost of Package-I of the work of Phase-I construction and development of permanent Campus at Sohra as per the terms of the agreement. On the basis of this letter, requests for release of funds have already been sent to the ministry.

Considering the requirement under the head of Construction- Boundary Wall, Buildings etc. the Committee resolved to revise it to ₹ 6000.00 Lakh.

The Committee agreed that the quantum of the amount to be released to RITES Ltd. will depend upon the amount made available by the Ministry. In the meantime it was decided that an amount of ₹300.00 Lakh be released to RITES Ltd. as the initial instalment to enable starting of the tendering process. Depending on the amount released by the ministry an amount to the extent of 33% of the estimated value of the work may be released to RITES Ltd. at the time of award of contract by the PMC.

It was noted that against an estimate of ₹ 100.00 Lakh under the head 4-ACS Architectural Consultant, Soil Testing etc. an amount of ₹ 80.00 Lakh has already been spent. But we have received bills from the architect firm amounting to ₹ 187.59 Lakhs out of which ₹107.59 Lakh still remains payable to them. Therefore it was decided to re-appropriate an amount of ₹ 100.00 Lakh from head 1-EQP and ₹ 50.00 Lakh from head 2-FRN to 4-ACS.

R2/FC-III/2013: The Committee **RESOLVED** to **RECOMMEND** the following:

1. Enhance the budgeted amount under the head of Construction of Buildings, Walls etc. (3-CON) to ₹ 6000.00.
2. Re-appropriate an amount of ₹ 100.00 Lakh from head 1-EQP and ₹ 50.00 Lakh from head 2-FRN to 4-ACS to enhance it to ₹ 250.00 Lakh.
3. Release an amount of ₹ 300.0 Lakh to RITES Ltd. to enable the PMC to start the tendering process.
4. Depending on the amount released by the ministry, allow release of an amount to the extent of 33% of the estimated value of the work to RITES Ltd. for the work undertaken of Phase-I constructions at the time of award of contract by the PMC as per terms of agreement.

Item No. 3: Approval of Preliminary Estimates for the Phase-I Constructions in the Permanent Campus at Sohra

The architect consultant has submitted the Preliminary Estimates for the Phase-I Constructions in the permanent campus which is being reviewed by the PMC:

Sl. No.	Item	Floor Area (Sq. m.)	Estimated Cost (Rs.)	Qty	Total Estimated Cost (Rs.)	Remarks
1.	Administrative Block	5,500	23,01,79,642/-	1	23,01,79,642/-	@41,850.84 per Sqm.
2.	Academic Blocks	6,000	25,30,05,887/-	4	101,20,23,548/-	@42,167.65 per Sqm.
3.	Library cum Computer Centre	2,500	10,99,66,974/-	1	10,99,66,974/-	@43,986.79 per Sqm.
4.	Workshop Block	2,000	6,80,66,854/-	1	6,80,66,854/-	@34,033.43 per Sqm.
5.	Lecture Hall Complex	6,600	27,55,69,972/-	1	27,55,69,972/-	@41,753.03 per Sqm.
	Sub_Total-	40,600		8	169,58,06,990/-	
6.	Auditorium (1500 capacity)	3,350	17,96,02,238/-	1	17,96,02,238/-	@53,612.61 per Sqm.
7.	Health Centre	800	2,62,67,857/-	1	2,62,67,857/-	@32,834.82 per Sqm.
8.	Shopping Complex	1,850	6,05,00,964/-	1	6,05,00,964/-	@32,703.22 per Sqm.
9.	Recreation Facilities	5,000	15,50,29,451/-	1	15,50,29,451/-	@31,005.89 per Sqm.
10.	Guest House	5,785	17,05,24,168/-	1	17,05,24,168/-	@29,476.95 per Sqm.
11.	Community Centre	1,300	3,47,67,349/-	1	3,47,67,349/-	@26,744.11 per Sqm.
12.	Power Sub Station	300	98,30,005/-	1	98,30,005/-	@32,766.68 per Sqm.
	Sub_Total-	18,385			63,65,22,042/-	
13.	Boys Hostel (triple seating)-400 Seat	5,600	17,26,30,250/-	1	17,26,30,250/-	@30,826.83 per Sqm.
14.	Boys Hostel (single seating)-400 Seat	8,500	26,04,59,122/-	2	52,09,18,244/-	@30,642.25 per Sqm.
15.	Girls Hostel (single seating)-400 Seat	8,500	26,04,59,122/-	1	26,04,59,122/-	@30,642.25 per Sqm.

16.	Married Accommodation	3,000	8,59,00,048/-	1	8,59,00,048/-	@28,633.35 per Sqm.
	Sub_Total-	34,100			103,99,07,664/-	
17.	Director's Residence	350	98,17,633/-	1	98,17,633/-	@28,050.38 per Sqm.
18.	Type-A Residence – 2x24 Units	1,765	6,28,30,717/-	2	12,56,61,434/-	@35,598.14 per Sqm.
19.	Type-B Residence – 2x24 Units	2,243	7,44,97,286/-	2	14,89,94,572/-	@33,213.23 per Sqm.
20.	Type-C Residence – 2x24 Units	3,026	9,82,21,131/-	2	19,64,42,262/-	@32,459.07 per Sqm.
21.	Type-D Residence – 2x24 Units	3,750	12,00,07,812/-	2	24,00,15,624/-	@32,002.08 per Sqm.
22.	Type-E Residence – 12 Units	2,177	7,23,86,134/-	1	7,23,86,134/-	@33,250.41 per Sqm.
	Sub_Total-	24,095			79,33,17,659/-	
23.	Site Development	-			21,95,99,048/-	
	Total-	1,17,180			438,51,53,933/-	
	Contingencies @3%				13,15,54,602/-	
	Labour Cess @1%				4,38,51,534/-	
	Architect Consultancy @1.84%				7,21,36,116/-	
	PMC Fee @4.8%				21,04,87,389/-	
	Grand_Total-				484,31,83,574/-	

The Building & Works Committee (B&WC) of the Institute has already given its approval to the estimates in its meeting held on 23.09.2013.

Finance Committee decided to recommend approval of the preliminary estimates. However, it also recommended that a certificate be obtained from the PMC that CPWD norms have been adhered to while finalizing the estimates.

R 3/FC-III/2013: The Finance Committee **RESOLVED** to **RECOMMEND** approval of the preliminary estimates. It also resolved to recommend that a certificate be obtained from the PMC that CPWD norms have been adhered to while finalizing the estimates.

Item No. 4 : Award of Project Management Consultancy (PMC) Contract

A tender for providing Project Management Consultancy (PMC) Service for development of permanent campus of National Institute of Technology Meghalaya at Sohra was called vide NIT No. NITMGH/Works/PMC/2012-13/944 dtd.30.07.2013. The closing date for submission of the bids was 30.08.2013. Four firms have submitted their bids against the tender as shown below:-

1. RITES Ltd.
2. MMS Advisory Pvt. Ltd.
3. NPCC Ltd.
4. Engineering Projects (India) Ltd.

A Consultant Selection Committee (CSC) was constituted for evaluation of these bids with the following members:-

1. Prof. D. N. Buragohain, Former Director, IIT Guwahati - Chairman

2. Prof. S. K. Deb, Civil Engineering Dept. IIT Guwahati - Member
3. Sri M. Tariang, Former Chief Engineer, Meghalaya PWD- Member

The Committee met for its First meeting on 07-09-2013 at 10 a.m. at the conference Hall, NIRD-NERC, Resham Nagar, Khanapara, Guwahati towards technical evaluation of the bids. Based on the evaluation the committee recommends opening of price bids of two bidders viz:- M/S Rites Ltd.(Technical bid score:- 93) and M/S NPCC Ltd.(Technical bid score:- 71).

The price bids were opened during the second meeting of the Consultant Selection Committee which was held at Hotel Gateway Granduer, Guwahati on 21.09.2013 in the presence of representative of the bidders. The summary of the financial bid is as follows:-

Sl. No.	Bidders	Financial Bid Rate (in % of Cost of the Work)	Financial Bid Score (Lowest Bid Rate/ Bidder's Rate) X 100
1.	BITES Ltd, Gurgoan	4.8% (inclusive of service tax)	100
2.	NPCC Ltd, Faridabad	6.2% (inclusive of service tax)	77.42

Combining the scores of Technical and Financial Bids scores as stated above final scores are as follows:

Sl. No.	Bidders	Technical Bid Score (T)	Financial Bid Score (F)	Final Score $S = 0.7T + 0.3F$
1.	BITES Ltd, Gurgoan	93	100	95.10
2.	NPCC Ltd, Faridabad	71	77.42	72.926

Accordingly, the Committee recommended award of PMC service work for the project to BITES Ltd.

The B&WC discussed the matter during IV-th meeting which was held on 23.09.2013 and noted the chronology of the events leading to the recommendation of award of PMC service work and approved the award of Contract to the Public Sector Unit BITES Ltd. for PMC service for Phase-I of Development of the Permanent Campus of NIT Meghalaya at Sohra. An agreement with BITES Ltd. regarding carrying out of PMC work was signed on 24.10.2013.

As per the terms of the agreement the Institute will have to maintain a deposit of 33% of the total estimated cost of the project as per the terms of the agreement.

R 4/FC-III/2013: The Finance Committee **NOTED** the award of the PMC work to RITES Ltd. and the condition of the agreement that a deposit of up to 33% of a estimated cost of the project is to be maintained with the PMC as per terms of the agreement.

Item No. 5 Advance Sanction of PDA amount.

As per notification F.No.23-1/2008/T.S.II dated 19.08.2009 of Ministry of Human Resources Development, Department of Higher Education, Government of India regarding revision of Pay on the recommendation of 6th Pay Commission, A cumulative Professional Development Allowance (PDA) for ₹ 3.0 Lakhs for every block period of 3 years (₹ One Lakh per year) may be made available to every member of the faculty on reimbursable basis to meet the expenses for participating both national and international conferences, paying the membership fee of various professional bodies and contingent expenses.

BOG of this Institute vide its resolution **R5/BOG-II/2013** taken during the 2nd meeting held on 23.03.2013 **RESOLVED** to adopt and implementation of the Professional Development Allowance (PDA) for the faculty as notified by MHRD as follows:

- i. The block years shall be blocks of Financial Years,
- ii. The available allowance amount for an incomplete year of service shall be computed as fraction of the amount available for the year based on number of completed months of service provided by the faculty member.
- iii. The list of items that is to be covered under contingency expenses will be decided by the Director depending on the requirements.

It may be noted that any unspent balance during a year can be carried forward to the later year(s) of the block applicable and unspent amount lapses only at the end of the block.

Now, the Institute has received two applications from faculty members Mr. S. Debbarma and Mr. A. Datta who intend to attend an International conference in Hong Kong requesting to advance sanction of PDA funds as their estimated expenses cannot be covered from the funds available in their respective PDA Accounts for the financial year 2013-14. However as per the Ministry's letter, though it was clearly mentioned that unspent balance can be carried forward to the end of the third year nothing is mentioned about advance sanction from PDA fund that will be available in the next financial year.

To overcome the financial hardship, it is proposed that sanction for the extra

amount may be given from the funds to be available in the next financial year, but the amount will be released only during the next financial year. In case the concerned faculty member leaves the Institute or otherwise, the extra amount after considering the available amount of allowance calculated as described in (ii) above for an incomplete year of service, will be recovered.

The matter was discussed by the Finance Committee and a resolution was taken as follows:-

R 4/FC-III/2013: The Finance Committee **RESOLVED** to **RECOMMEND** approval of advance sanction of amount from PDA to the faculty to be accrued in the next financial year within a particular block of three years, but the funds will be released in the relevant financial year only. The advance is to be adjusted as per prevailing T.A.norms.

Item No.6

Engagement of M/S Saquei & Co. for preparation of Accounts for the year 2013-14 and internal Audit.

As per the resolution no. **R 1/FC/1/2012** taken during the 1st meeting of the Finance Committee held on 27.04.2012, the Committee **APPROVED** for engagement of M/S Saquei & Co, a chartered accountant firm based at Guwahati for preparation of accounts for the year 2011-12 and also to engage them for audit purpose for the financial year 2012-13. The Director of the Institute was authorized to decide on a negotiated price with the firm.

Accordingly, the firm was entrusted the preparation of the Accounts and the Audit work of the Institute for the years 2011-12 & 2012-13. The work undertaken by them is found to be satisfactory. For preparation of Accounts for the year 2013-14 and Audit work, the firm has given us a letter expressing their willingness to do the work under the same terms and conditions applicable for preparation of the Accounts for the year 2012-13.

The fee for the assignment quoted is Rs.60,000/- + service taxes along with transportation and accommodation and food charges as described in the letter.

The Finance Committee considered the proposal and resolved as follows:-

R4/FC-III/2013: The Finance Committee **RESOLVED** to **RECOMMEND** approval of the proposal to engage of M/S Saquei & Co. for preparation of the accounts for the year 2013-14 and internal Audit work for a fee of Rs. 60,000/- + service taxes along with transportation and accommodation and food charges.

Item No. 7 Approval of Purchase of Vehicle

22.11.2013

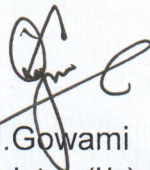
The Committee discussed the matter of purchasing a vehicle as per the letter received from the Ministry.

R4/FC-III/2013: The Finance Committee **RESOLVED** to **APPROVE** allocation of Rs. 20.00 lakh under a separate head 24-VEH (head of account – Vehicle) and recommend to the BOG for the approval of the same.

As there was no other item the meeting concluded with thanking from and to the Chair.

Confirmed
Dr. Banu

Chairman
Board of Governors & Finance Committee
National Institute of Technology
Meghalaya


D.J. Gowami
Registrar(i/c) & Secy.FC
NIT Meghalaya