

Minutes of First Meeting

of the Finance Committee, IIT Hyderabad

14th July 2011 (Thursday), 11am – 1pm, Board Room, IIT Delhi

Present:

Shri Ajai Chowdhry	Chairman
Prof UB Desai	Director, IITH
Shri Naveen Soi	Director (Finance), MHRD for FA
ShriPrakharViplav Gupta	Deputy Secretary, MHRD for Special Secretary
Dr MV PandurangaRao	Member
Shri N Jayaram	Member- Convenor

The Chairman and Prof UB Desai extended a hearty welcome to the First meeting of the Finance Committee of IIT Hyderabad.

Agenda Item No.1: Prof. Desai briefly outlined the budget estimates tendered by IITH, the budget sanctioned by MHRD, and expressed concern over the fact that the sanction takes care of the activities other than the expenditure related to construction of new campus. Further, he also expressed that IITH is very progressive in its student intake and pursuing academic and research activities and this requires funds for procurement of various laboratory and teaching equipment for which projections were forwarded to MHRD and funds have not yet been released.

The Chairman suggested that IITH should fix a date for commencement of construction activities during November 2011 and work backwards towards accomplishing necessary tasks. The Chairman further suggested that IITH should forecast funds requirement for construction activities and split the estimates for each quarter for the current financial year and annual requirement for the ensuing years and

forward the proposals to MHRD to enable MHRD to be in readiness with funds at the time of actual need. Prof Desai agreed to the suggestions.

In regard to the annual budget requirement, the Chairman advised that IITH may address a comprehensive communication to MHRD with adequate emphasis on immediate fund requirement. Prof Desai agreed with the advice.

The Committee approved the agenda item.

Agenda Item No.2: Prof Desai briefly explained the purchases and emphasised the philosophy adopted by IITH that the suppliers of major equipment have been informed of the need of reinstallation in the new Campus and that they have agreed to this.

The Committee approved the agenda item.

Agenda Item No.3: Shri Gupta stated that IIT Delhi is in the process of instituting a medical insurance scheme for its Faculty and staff members and IITH may attempt instituting a similar scheme. The Chairman stated that in the corporate world medical insurance is widely implemented and IITH may also implement such a scheme. Prof Desai agreed to look into this matter.

The Committee took note of the financial implications and approved the medical policy for IITH with the modifications proposed in the agenda item.

Agenda Item No.4: Architectural planning for various facilities.

The Chairman stated that the institute should propose and develop a comprehensive and long term plan for the new campus. He suggested that suitable space may be left for future expansion of Departments or Centres or other facilities like technology parks so that the campus will undergo systematic expansion.

He suggested that IITH may prepare a realistic cash flow statement for the construction activities that will fully cover civil constructions. The cash flow should be for each quarter for the current financial year and for each subsequent year. The cash flow statement may be forwarded to MHRD to enable the esteemed Ministry to be in readiness to release funds. He emphasised that furniture should be procured on just-in-time basis and not in one go. The Institute may have a long term contract with the suppliers in which the contract provides for supply as and when needed and also ensures that the latest furniture becomes available.

The view on furniture was also supported by the representatives of MHRD.

The Chairman stressed the importance of safety and international standard facility to the students. The students should be provided air-conditioned accommodation as part of international standard facility. This is more particular in view of the fact that the maximum temperature in the area is more than 45°+ C While the initial expenditure is borne by the Institute, running and maintenance costs should be recovered from the students. The Institute may devise a suitable policy of recovery of costs from students that will not unduly burden the under-privileged students. This view was supported by the representatives of MHRD.

In regard to security, the Chairman laid emphasis on facilities like School, banks, ATM, etc., having a separate entry and exit gates that will not interfere with the functioning of the Institute.

Prof Desai agreed with the suggestions of the Chairman and stated that these issues will be suitably addressed.

Prof Desai stated that strict adherence to safety norms in laboratories is highly essential and that IITH will particularly take steps in this regard.

The Chairman suggested that IITH should go for GRIHA 4 standard with estimated cost of Rs.3,000 per SFT and not GRIHA 3. He suggested that the Institute may ascertain from the Consultants the financial impact if GRIHA 5 is followed and the savings that may be achieved with GRIHA 5 in comparison to GRIHA 4.

The Committee approved agenda item 4 that includes 4.1, 4.2, and 4.3 with the modification that IITH will follow GRIHA 4 instead of GRIHA 3. Further, the Committee also approved inclusion of Director's bungalow in this estimate. The additional financial impact is about Rs. 1.2crores.

The total built up area to be constructed under Phase I will be 33.25 lakh sft including director's bungalow. Considering an average construction cost of Rs 3000 per sft, the total cost will be 998 crores. This figure does not include the cost of site development and services.

Agenda Item No.5: Payment to consultants.

Prof Desai briefly explained the entire process of selection of consultants. He also explained that the jury recommended adherence to the norms of Council of Architects of India (COA), a body established under the Act of Parliament.

It was clarified that the fee payable to the consultants is @ 5% of the accepted value of bids. In this way the quantum of fee becomes definite and not variable with time or actual cost of construction. Although, as per COA norms, the fee payable to the consultant will be on actual completion cost, adhering to Central Vigilance Commissions Guidelines vide no: OFF 1.CTE1. dated 25/11/2002, the architects fees have been pegged at tendered cost. Where there is a repetition of the design, the fee payable will not be 5%, but less, based on the norms laid down by COA. In the present case, the fee for repetition will be 2.5%.

The Chairman suggested working out a cash flow statement for this item as well to enable MHRD to be in readiness.

After discussion, the Committee changed the item to one of in-principle approval and not as an information item and accorded in-principle approval with the modification that GRIHA 4 will be adhered and not GRIHA 3. Additional expenditure on account of change from GRIHA 3 to GRIHA 4 for fee payable to consultants is estimated to be Rs. 5.23 crores; but this may vary.

Agenda Item No.6: Bulk services

At the outset, the Chairman suggested that the new Campus should be green campus, to the extent possible, bereft of vehicles propelled by non-renewable energy sources. He suggested that students, Faculty, and staff members should be encouraged to walk and/or use bicycles for travel within the campus and no motor vehicles should be allowed beyond a certain point. He stated that parking should be devised in a clear manner that takes care of the needs and also ensures aesthetic appearance of the campus. He emphasised that the Architectural drawings for parking facilities should be shown to him at the earliest.

The Chairman suggested that solar power may be extensively generated and harnessed so that this source will become the primary source of power in future and power from grid will be stand by source. Extensive usage of solar power will offer a number of advantages in terms of non-requirement of UPS/Inverter, prolonging the life of equipment due to its steadiness (no surge or drop-out), etc.

Shri Gupta stated that Delhi Technological University (formerly Delhi College of Engineering) has adopted this model.

Prof Desai stated that IITH will implement a full load solar field infrastructure on campus.

Agenda Item 6.1 and 6.2 along with full load solar field infrastructure were approved by the Committee.

Agenda Item No.7: Additions & alterations to temporary campus


The Chairman suggested that in future prior approval may be obtained.

The Committee noted this item.

Agenda Item No.8: any other item with the approval of the Chair.

None.

The meeting ended with thanks to the Chair.


(Ajit Chowdhry)
Chairman