

Minutes of the Third Meeting of the Finance Committee

Date and time: January 03, 2014, 10.00 Hours

Venue: Office of Smt Amita Sharma, Additional Secretary, MHRD.

Present:

Shri BVR Mohan Reddy	Chairman via audio link
Smt Amita Sharma	Additional Secretary, MHRD
Shri Yogendra Tripathi	Financial Adviser, MHRD
Prof UB Desai	Director, IITH
Dr MV Panduranga Rao	Assistant Professor, IITH
Shri N Jayaram	Registrar and Secretary

The Chairman welcomed the Members and wished a very happy new year to all. He expressed inability to be personally present due to personal inconvenience.

Agenda Item No.1: The Minutes of both the first and the second Meetings of the Finance Committee were approved.

During the course of discussions, the Chairman suggested that hereinafter the Minutes may be circulated within two weeks of the date of the meeting and the Members may suggest amendments, if any, within two weeks and in case no amendments are received or no response is received, it shall be assumed that the member has agreement with the minutes as recorded.

Shri Yogendra Tripathi suggested that the Institute may comply with the statutory requirements with regards to the number of meetings to be held during a year. Further, he suggested that activities involving all major financial implications need to be approved by the Finance Committee before presenting them to the Board of Governors for approval.

Smt Amita Sharma stated that the Council holds discussions and approves the development plan of IITs with identification of sources of funding under plan and non-plan. In the light of this, IITH may plan its development in regard to its activities and get the development plan approved by the Finance Committee and the Board of Governors and forward the plan to MHRD. She suggested that for accomplishing this, the Institute may like to hold two meetings of the Finance Committee in a year i.e. April/May and November so that Revised Estimates may reflect ground realities.

Prof Desai accepted all the suggestions and assured that they will be implemented.

Agenda Item No.2: The reports of action taken on the minutes of the first and the second meeting of the Committee were discussed and approved.

During the course of discussions the following emerged:

Minute No.2 - Report of major Purchases: Prof Desai suggested that considering the current costs, the purchases to be reported may be of the order of Rs.20 lakhs and above so that the list of items will provide an opportunity for verification and discussion, if any. The Committee agreed to the suggestion.

Minute No.3 - Medical reimbursement scheme: The Chairman wished to know about the statement that IITH would also like to take a look at the scheme implemented at IIT Bombay. Prof Desai explained that for retirees IIT Bombay has a scheme in which contributions are collected while in service and certain medical facilities are extended after retirement.

Shri Tripathi stated that CGHS is an approved scheme and is in existence for a long time now, it will be in the interest of IITH to follow the pattern of CGHS, and the Institute may add some more hospitals to the list of recognized hospitals.

Minute No.4 - Architectural planning of various activities: Prof Desai briefly stated that the planning is compliant with GRIHA 4 and IITH would strive to achieve GRIHA 5.

Shri Tripathi suggested that the Institute may contain the expenditure to the approved limits, and the Institute may carry out a cost-benefit analysis.

Smt Amita Sharma stated that though the expenditure towards green campus is stated to be one time expenditure the cost-benefit analysis should encompass long term sustainability. She further stated that the performance review of the Institute by the Council will involve assessment of the extent of greening of the campus vis-à-vis the sustainability of expenditure in the long run.

Prof Desai clarified that IITH would strive achieving GRIHA 5 without additional expenditure.

Minute No.6 - Bulk services: The Chairman sought details on generation of 1 megawatt solar power and the total area set apart for solar farm. Prof Desai stated that the tender documents are under preparation for 1 megawatt solar power and the Institute intends to generate 5 megawatt of solar power. He added that in view of grid overflow and non-availability of power during lean period as experienced in certain places, IITH is planning a concept where IITH intends to have an optimal solution of grid-battery backup option. He clarified that @ 5 acres of land area for 1 megawatt power generation, the total area set apart is 25 acres and not 50 acres as stated in the action taken column.

Agenda Item No.3: Smt Amita Sharma stated that at present the Institutes cannot expend more than the limits set by the Government during the year 2008. Considering the current costs, the Institutes may be required to halt further progress of construction due to cost ceiling. In the light of these facts, she suggested that the process of approval of EFC for the Revised Estimates may be got expedited to prevent possible cost overruns as also difficulty in functioning from incomplete campuses.

The Finance Committee strongly recommended that the process of approval of EFC for Revised Estimates may be got expedited.

Shri Yogendra Tripathi stated that as far as possible the Institutes may like to have modular constructions so that at least one more modules may be completed within the approved cost ceiling. He also implored that the expenditure should be dovetailed with the funds allocated.

Smt Sharma suggested that the development plan of the Institute should have an innate link with the budget proposed.

The Committee noted the Annual Budget for 2013-14.

Agenda Item No.4: The Chairman stated that strengthening of internal control mechanism has been emphasized by the CAG and this aspect would be considered and acted upon by him in consultation with the Director.

Shri Yogendra Tripathi suggested that IITH may take care of the deficiencies pointed out by the CAG on priority basis.

The Chairman suggested that the letter of CAG relating to deficiencies may also be placed before the Finance Committee.

The suggestions were accepted by Prof Desai.

The Committee approved the Annual Accounts for 2012-13.

Agenda Item No.5: Shri Yogendra Tripathi suggested that the Institute may attach a statement that all the purchases have been made in conformity with GFR and other relevant rules. Prof Desai clarified that all the purchases are compliant with GFR and othe relevant rules and agreed to implement the suggestion.

The Chairman suggested that the Committee may meet as frequently as far as possible to prevent a long list of purchases to be perused. Prof Desai agreed to the suggestion.

The Committee noted the report of major purchases.

Agenda Item No.6: Shri Yogendra Tripathi suggested that Technical Sanction to be accorded by the engineers of the Institute should be confined only to the activities duly approved.

Prof Desai explained that IITH is broadly following the footsteps of older IITs and that IITH has established sufficient checks and balances.

The Committee approved the delegation of powers relating to works.

Agenda Item No.7: With the approval of the Chairman, a statement of unspent balances as prescribed by MHRD was submitted to the Committee. IITH is not lagging behind in meeting the targets of expenditure vis-à-vis the time table set for this purpose. The Committee took note of the statement.

Release of funds for Permanent Campus Construction: With the approval of the Chairman, Prof Desai presented the financial requirements for the purpose of Permanent Campus Construction. This includes Rs.1237 crores, as per Revised Estimates, to be funded by MHRD. IITH is being funded to the extent of about Rs.1776 crores under GOI-JICA agreement. Prof Desai clarified that the activities undertaken under the funding of MHRD is for specific activities and the activities undertaken under GOI-JICA agreement for identified purposes and are different from the former. He further clarified that there is no overlap/redundancy in the activities under the two. In the light of the clarifications, Prof Desai urged that IITH may be provided full funding of Rs.1237 crores by MHRD without any reduction and without linking the funding to the funding provided under GOI_JICA agreement.

The Committee agreed with the clarifications of Prof Desai and recommended the request of Prof Desai.

The Meeting ended with thanks to the Chair. The Chairman thanked Smt Amita Sharma for facilitating the meeting in her offices and also thanked Shri Yogendra Tripathi for his presence.
