

**Indian Institute of Chemical Engineers
Kolkata – 700 032**

Minutes of the 2nd Meeting of the Headquarters Administrative Committee, 2019

Venue: IChE Office, Dr. H.L.Roy Building, Jadavpur, Kolkata 700 032
Date & Time: 21.09.2019; 3.30 PM
Members Present: Prof. B.B.Paira, Chairman
Mr. P.R.Datta Roy
Dr. Avijit Ghosh
Mr. A. Sural
Prof. A.Bandyopadhyay (Convener)

Leave of absence considered for Prof. Asim K De, Mr. Goutam Mitra and Mr. Ranga Rao.

Prof. B B Paira, Chairman of the committee chaired and called the meeting to order.

01. Confirmation of the minutes of 1st Headquarters Office Administrative Committee meeting held on 06.07.2019 and Emergency Meeting of the Headquarters Office Administrative Committee held on 29.07.2019

The Minutes of the 1st Headquarters Office Administrative Committee meeting held on 06.07.2019 and Emergency Meeting of the Headquarters Office Administrative Committee held on 29.07.2019 circulated were confirmed.

2. Matters arising out from the previous Meetings, if any

Mr. Golap Majumder, Proprietor of M/s Art & Architecture agreed to refund/return the excess payment made to him amounting to Rs. 2,76,991 by IChE for the Civil Works carried out during 2018. A letter was submitted by him (**Annexure-1**). As requested, he was given confirmation by the Honorary Secretary for refunding/returning the said amount through A/C Payee Cheque to the IChE at the earliest (**Annexure-2**). Honorary Secretary further informed that Mr. Golap Majumder has agreed to submit a letter soon to specify the date of the said refund/return.

Thus the direction issued by Mr. Soumen Nath (**Annexure-3**) to M/s Art & Architecture singlehandedly, violating the administrative procedures, that (a) excess payment amounts to Rs. 99,913 and (b) M/s Art & Architecture pay back to IChE an amount of Rs. 99,913, proved to be totally wrong. *His initiative would have caused financial loss of Rs 1,77,078 to the IChE.*

Further, his responses to two Show Cause Letters issued to him regarding the excess payment of Rs.2,76,991 (**Annexure-4 & 5**) were confined to illogical attempts to justify the excess payment as Rs.99,913 instead of Rs.2,76,991. He continued to do this even after the basis of calculation of excess payment as Rs.2,76,991 was explained to him by the Honorary Secretary and two members of the Headquarters Administrative Committee. *Instead of admitting his mistake, he deliberately attempted to mislead/misguide others and over ruled the administration of the IChE causing delay of several months to recover the excess payment.* Members considered this to be an attempt of financial misappropriation and expressed their strong disappointments over such act of gross insubordination which calls for stringent disciplinary action to avoid repetition of similar incident.

3. Discussion on issues relating to Headquarters Office Administration

3.1 The excess payment amounting to Rs. 2,76,991 made by IChE for the Civil Works carried out by M/s Art & Architecture during 2018 is not the only instance of incurring avoidable expenditure by Mr Soumen Nath from IChE account. He had paid Rs 1000 to an outsider from petty cash for downloading Form 26 AS which could have very well been done by him using IChE infrastructure. The matter was being assessed by the Honorary Secretary at the relevant point of time and he was being told by the Honorary Secretary not to incur such expenditures. On this issue, he stopped handling petty cash, deciding the same by himself and ***threatened the Honorary Secretary in his office in presence of Assistant Secretary*** which led to summoning of an Emergency Meeting of the Headquarters Office Administrative Committee on 29.07.2019. This is one more act of grave insubordination (on duty) by Mr Nath deserving punishment.

3.2 A letter was submitted by the Assistant Secretary, through the Honorary Secretary, to the Chairman, Headquarters Office Administrative Committee, requesting intervention in respect of misbehavior and insubordination of Mr. Soumen Nath. The letter was returned back by the Chairman on 21.09.2019, in consultation with the Members, to the Honorary Secretary as he is empowered to take necessary action in the matter. ***Members felt disturbed to hear about repeated acts of misbehavior and insubordination of Mr. Soumen Nath*** and felt that stern measures should be taken to tackle such issues according to regular administrative procedures.

3.3 The Honorary Secretary informed the Members that Mr. P.Banerjee, Manager Accounts, who joined IChE on 04.09.2019 has put up some observations in respect of the overall financial situation of the IChE and handling of the Accounts by Mr Soumen Nath. The Members interacted with the Manager Accounts, at the request of Honorary Secretary, and came to know about the following:

- a) There are number of anomalies in the manner of preparation and presentation of Annual Accounts, which could be resolved by adjustment within accounting heads. On query, **Mr Soumen Nath has informed Mr. Banerjee that he could not make the adjustments as there was no resolution of the Council.** This is clearly a case of negligence of duty because it is the responsibility of the Accounts Department to point out such anomalies to the Honorary Secretary to apprise the Council for taking appropriate decisions.
- b) TDS Receivable has not been reconciled with 26 AS since 2007-2008. As a Result, the adjustment of the tax liability made by the I.T. Authority did not match with the book balance. In consequence, IChE has been deprived of the benefit of TDS Receivable vide details of TDS Receivable Statement as on 31.03.2019. It is evident from the Statement, that the Institute has lost Rs.29,69,249/- in the Assessment Year 2008-09 as the same was not shown in the return as refundable (Tax Liability was NIL). Assessment Order has not been passed and no assessment order has been received by IChE. The matter is already time barred. The referred amount is still lying in the books of IChE. Ultimately it is to be treated as tax paid subject to Council's resolution.
- c) Balance Sheet of the FY 2017-2018 reflects suspense A/C in both the assets and liability sides which is not matching with the Generally Accepted Accounting Procedure (GAAP). Corrective action has been taken by the Manager Accounts in consultation with the Auditor.
- d) There are lots of irregularities in the whole accounts of IChE.

- e) The Accounting Process in *the Tally Package has been maintained & managed by Mr. Nath in such a way that it is not user friendly and readymade information is not available* for Managerial decision making. Records are not maintained on day-to-day basis.
- f) In the Accounting Process, there is no “Cash Book” of the Institute. “Petty Cash Book” has been titled as “Petty Cash Expenses”. The method adopted by Mr Nath is not at all desirable and scientific. Under the constant surveillance & monitoring of Manager Accounts the same has been rectified.
- g) As per sound accounting practice, *every financial event is to be handled by at least 2 persons and the financial assets are to be kept under lock & key to be handled by an authoritative person*. Earlier all Fixed Deposit Receipts (FDRs) were kept in the custody of Honorary Treasurer. This system was adopted after the incident of *defalcation by Late Sastipada Ghosh by withdrawing cash against FDRs*. But the system is not in practice at present - *all the FDRs are in the custody of Mr. Nath and financial events are being handled solely by him. This may create/repeat the previous incidence of the 90’s*.

3.4 *Mr Soumen Nath singlehandedly tried to make lower recovery from M/s Art & Architecture against excess payment made to them*, as mentioned earlier. That *he is gradually trying to exercise singlehanded control over all financial matters of IChE* is also manifested by the fact that in the Income Tax Return form (ITR 7) of the Institute for the AY2018-19, he had put his personal email id ‘soumen.nath@gmail.com’ and personal mobile number ‘91- 9748567692’ (**Annexure-6**) instead of using Institute’s email id and Honorary Secretary’s mobile number. He could not give any satisfactory explanation for the same when asked for. Sometimes he said this is according to previous practice, then he said that this is as desired by Honorary Secretary and then again said angrily that this has been put by the Auditor without his knowledge.

In spite of being instructed to refrain from taking home IT and other accounts related data of IChE without keeping anyone informed and to refrain from communicating with anyone regarding IChE related office matters from his own personal email address, he had put his personal email address in BCC (**Annexure-7**) while sending GST related documents to Mr. Nirupam Banerjee on 11.09.2019. This act of Mr. Soumen Nath is unprecedented and uncalled for and needed immediate rectification.

3.5 Analyzing the above facts, the Members had serious doubts about Mr Soumen Nath’s knowledge of accountancy that was already reported in earlier Minutes. Going through his service records it was found that he has academic qualifications of HS (Arts) & BA (Pass) with experience of stenographer & typist when he joined IChE on 01.07.1998 as a Jr Assistant. After working for about 9½ years as Jr Assistant and Sr Assistant, he was promoted as Assistant Manager (Regular Grade) on 01.02.2007 and subsequently placed in the Accounts Department although *he neither had the minimum academic qualification nor any experience regarding accounting jobs. Being a student of Arts all along, he even does not have adequate mathematical knowledge to carry out mathematical calculations in accounting sheets*. He was promoted as Assistant Manager (Accounts) (Selection Grade) on 01.02.2017.

3.6 Considering the facts stated above as also those discussed in the 1st Meeting of the Headquarters Office Administrative Committee, 2019, the Members made the following recommendations for consideration by the Council:

- a) Mr Soumen Nath does not have requisite knowledge to work in the Accounts Department of IChE and hence should be removed from the Accounts Department. *His tendency to grab*

single handed control over financial matters is also detrimental to the interest of IChE and that makes him further unfit to work in the Accounts Department.

- b) His attempted misappropriation in the matter of M/s Art & Architecture, acting in manners prejudicial to the interest of the Institute in several cases, repeated willful insubordination or disobedience, are to be treated as individual cases of misconduct in terms of Service Rules of the Institute, which when added together constitutes gross misconduct. The Service Rules state that ***“Punishment for gross misconduct may lead up to termination of service without any compensation.”***
- c) Mr Nath has not changed his arrogant and obstinate attitudes as well as lack of integrity in spite of repeated persuasions and mild disciplinary actions in the form of issue of Show Cause Letters. ***In fact, he has behaved more and more arrogantly after each of such persuasions and Show Cause Letters.*** In the light of these observations, ***he is absolutely unfit for holding the post of Assistant Manager in any department of the IChE.***
- d) ***Stringent disciplinary action, in the form of financial punishment is required to enforce proper working atmosphere and discipline in the office.***
- e) In the past, for alleged non-performance, one of the employees (Ms. Nandini Roy) of IChE was asked to resign from the permanent employment (instead of termination) and was appointed as a contractual employee with consolidated pay (much lesser remuneration). ***Considering the seriousness involved in the entire matter, Members recommended that the Council may like to contemplate similar yardstick in the case of Mr. Soumen Nath also – identical with that of Ms Nandini Roy.***

4. Any other matter with the permission of the Chair

Nothing reported.

The meeting ended with thanks to the Chair.

(Prof B.B Paira)
Chairman

(Prof A.Bandyopadhyay)
Convener & Honorary Secretary