

Bill No. 38 of 2013

THE INDIAN INSTITUTES OF INFORMATION TECHNOLOGY
BILL, 2013

ARRANGEMENT OF CLAUSES

CHAPTER I

PRELIMINARY

CLAUSES

1. Short title and commencement.
2. Declaration of certain institutions as institutions of national importance.
3. Definitions.

CHAPTER II

THE INSTITUTES

4. Establishment and incorporation of Institutes.
5. Effect of incorporation of Institutes.
6. Objects of Institute.
7. Powers and functions of Institutes.
8. Institute to be open to all races, creeds and classes.
9. Institute to be not-for-profit legal entity.

CHAPTER III

ESTABLISHMENT OF INSTITUTES IN PUBLIC-PRIVATE PARTNERSHIP MODE

10. Institute in public-private partnership mode.
11. Establishment of Institute fully funded by Central Government.

CHAPTER IV

THE AUTHORITIES OF INSTITUTES

12. Board of Governors.
13. Term of office of, vacancies among, and allowances payable to, members of Board.
14. Powers and functions of Board.
15. Senate.
16. Powers and functions of Senate.
17. Research Council.
18. Director.
19. Other Committees and authorities.
20. Review of performance of Institute.

(ii)

CHAPTER V

ACCOUNTS AND AUDIT

CLAUSES

21. Grants by Central Government.
22. Fund of Institute.
23. Statutes.
24. Statutes how to be made.
25. Ordinances.
26. Ordinances how to be made.
27. Annual accounts and balance sheet.
28. Books of account to be maintained by Institute.
29. Appointment of auditors.
30. Annual report of Director.
31. Annual meeting of Board to consider statement of accounts.
32. Annual statement of accounts of Institutes fully funded by Central Government.
33. Annual report of each Institute.

CHAPTER VI

THE COUNCIL

34. Council of Institutes.
35. Term of office and allowances payable to members of Council.
36. Functions of Council.

CHAPTER VII

MISCELLANEOUS

37. Acts and proceedings not to be invalidated by vacancies, etc.
38. Returns and information to be provided to Central Government or State Government.
39. Powers of Central Government to issue directions.
40. Institute to be public authority under Right to Information Act.
41. Power of Central Government to make rules.
42. Transitional provisions.
43. Power to remove difficulties.
44. Laying of rules and notifications.

THE SCHEDULE.

Bill No. 38 of 2013

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A

BILL

to declare certain institutions of information technology to be institutions of national importance with a view to develop new knowledge in information technology and to provide manpower of global standards for the information technology industry and to establish other Institutions of Information Technology and to provide for certain other matters connected with such institutions or incidental thereto.

BE it enacted by Parliament in the Sixty-fourth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

- 5 **1.** (1) This Act may be called the Indian Institutes of Information Technology Act, 2013. Short title and commencement.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
- 10 **2.** Whereas the objects of the institutes mentioned in the Schedule are such as to make them institutions of national importance, it is hereby declared that each such institute is an institution of national importance. Declaration of certain institutions as institutions of national importance.

Definitions.

3. In this Act, unless the context otherwise requires,—

(a) “appointed day” means the date of establishment of the Indian Institute of Information Technology established under clause (b) of sub-section (1) of section 4;

(b) “Board”, in relation to any Institute, means the Board of Governors referred to in sub-section (1) of section 12; 5

(c) “Chairperson” means the Chairperson of the Board appointed under sub-section (2) of section 12;

(d) “Council” means the Council established under sub-section (1) of section 34;

(e) “Director” means the Director of the Institute; 10

(f) “existing Institute” means the Institute mentioned in column (3) of the Schedule;

(g) “industry partner” means an individual, or a trust established under the Indian Trusts Act, 1882, or company established under the Companies Act, 1956, or society formed and registered under the Societies Registration Act, 1860, or a combination of one or more of such industry partner, having interest in the information technology industry or related areas, and providing, under a scheme of the Central Government, funds for capital investment for establishment of an Institute and for its maintenance; 15 2 of 1882. 1 of 1956. 21 of 1860.

(h) “Institute” means any of the institutions mentioned in column (5) of the Schedule and such other Institutes established under section 10 or section 11; 20

(i) “notification” means a notification published in the Official Gazette and the expression “notify” shall be construed accordingly;

(j) “prescribed” means prescribed by rules made under this Act;

(k) “public-private partnership mode” means such partnership under a scheme of the Central Government which provides for establishment of Institute involving collaboration between the Central Government, State Government and the industry partner; 25

(l) “Schedule” means the Schedule to this Act;

(m) “Senate”, in relation to any Institute, means the Senate thereof; 30

(n) “Statutes” and “Ordinances”, in relation to any Institute, mean the Statutes and Ordinances of that Institute made under this Act.

CHAPTER II

THE INSTITUTES

Establishment and incorporation of Institutes.

4. (1) (a) On and from the commencement of this Act, every existing Institute, shall be a body corporate by the same name as mentioned in column (5) of the said Schedule. 35

(b) On and from the appointed day, any other Institute of Information Technology as may be established under section 10 or section 11 shall be a body corporate by such name as the Central Government may notify. 40

(2) Every existing Institute or any Institute established under clause (b) of subsection (1) shall have perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by its name, sue or be sued.

5 **5.** On and from the date of commencement of this Act,—

Effect of
incorporation
of Institutes.

(a) any reference to any existing Institute in any contract or other instrument shall be deemed as a reference to the corresponding Institute mentioned in column (5) of the Schedule;

10 (b) all properties, movable and immovable, of or belonging to every existing Institute shall vest in the corresponding Institute mentioned in column (5) of the Schedule;

(c) all the rights, debts and other liabilities of every existing Institute shall be transferred to, and be the rights and liabilities of, the corresponding Institute mentioned in column (5) of the Schedule;

15 (d) every person employed by any existing Institute, immediately before such commencement, shall hold his office or service in the corresponding Institute mentioned in column (5) of the Schedule, by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, gratuity, provident fund and other matters as he would have held the same if this
20 Act had not been enacted and shall continue to do so unless and until his employment is terminated or until such tenure, remuneration and the terms and conditions are duly altered by the Statutes:

25 Provided that if the alteration so made is not acceptable to such employee, his employment may be terminated by the Institute in accordance with the terms of the contract with the employee or, if no provision is made therein in this behalf, on payment to him by the Institute of compensation equivalent to three months' remuneration in case of permanent employees and one month's remuneration in the case of other employees:

30 Provided further that any reference, by whatever form of words, to the Director, Registrar or other officer of any existing Institute mentioned in column (3) of the Schedule in any law for the time being in force, or in any instrument or other document, shall be deemed as a reference to the Director, Registrar or other officer of the corresponding Institute mentioned in column (5) of the Schedule;

35 (e) every person pursuing any academic or research course, immediately before such commencement in any existing Institute, shall be deemed to have registered with the corresponding Institute mentioned in column (5) of the said Schedule at the same level of course in such Institute;

40 (f) all suits and other legal proceedings instituted by or against the existing Institute, immediately before such commencement, may continue by or against the corresponding Institute mentioned in column (5) of the Schedule.

Objects of
Institute.

6. The objects of every Institute shall be to—

(a) emerge as one amongst the foremost institutions in information technology and allied fields of knowledge;

(b) advance new knowledge and innovation in information technology and allied fields to empower the nation to the forefront in the global context; 5

(c) develop competent and capable youth imbued with the spirit of innovation and entrepreneurship with the social and environmental orientation to meet the knowledge needs of the country and provide global leadership in information technology and allied fields;

(d) promote and provide transparency of highest order in matters of admission, appointment to various positions, academic evaluation, administration and finance. 10

Powers and
functions of
Institutes.

7. Subject to the provisions of this Act, every Institute shall exercise the following powers and functions, namely:—

(a) to provide for instructions in such fields of knowledge relating to information technology and allied areas as the Institute may think fit, for the advancement of learning and dissemination of knowledge; 15

(b) to lead, organise and conduct research and innovation in information technology and allied fields of knowledge in such manner as the Institute may think fit, including collaboration or association with any other Institute, educational institution, research organisation or body corporate; 20

(c) to hold examinations and grant degrees, diplomas and other academic distinctions or titles and to confer honorary degree;

(d) to institute teaching, research or other academic positions, required by the Institute with such designations as it may deem fit, and to appoint persons on tenure, term or otherwise to such positions; 25

(e) to appoint persons working in any other Institute or educational institution or involved in research of significance in any industry as adjunct, guest or visiting faculty of the Institute on such terms and for such duration as the Institute may decide;

(f) to create administrative and other posts and to make appointments thereto; 30

(g) to make provision for dissemination of knowledge emerging from research and for that purpose to enter into such arrangements, including consultancy and advisory services, with other institutions, industry, civil society or other organisations, as the Institute may consider necessary;

(h) to determine, specify and receive payment of fees and other charges, as the Institute may deem fit, from students and any other person, institution or body corporate for instructions and other services, including training, consultancy and advisory services, provided by the Institute; 35

(i) to deal with any property belonging to, or vested in, the Institute in such manner as the Institute may deem fit for advancement of the objects of the Institute: 40

Provided that no land or other immovable property shall be disposed of by the Institute without the prior approval of the Central Government:

Provided further that where the land for the Institute has been provided free of cost by a State Government, such land may be disposed of only with the prior approval of such State Government; 45

(j) to receive gifts, grants, donations or benefactions from the Government and to receive bequests, donations and transfer of movable or immovable properties from testators, donors or transferors, as the case may be;

(k) to establish and maintain such infrastructure as may be necessary;

5 (l) to institute and award fellowships, scholarships, exhibitions, prizes and medals; and

(m) to do all such things as may be necessary, incidental or conducive to the attainment of all or any of the objects of the Institute.

10 **8. (1)** Every Institute shall be open to all persons of either sex, irrespective of caste, creed, race, religion, disability, domicile, social or economic background.

Institute to be open to all races, creeds and classes.

(2) Admissions to every course or programme of study in each Institute shall be based on merit assessed through transparent and reasonable criteria disclosed through its prospectus, prior to the commencement of the process of admission by such Institute:

5 of 2007. 15 Provided that every such Institute shall be a Central Educational Institution for the purposes of the Central Educational Institutions (Reservation in Admission) Act, 2006.

9. Every Institute shall be a not-for-profit legal entity and no part of the surplus, if any, in revenue of such Institute, after meeting all expenditure in regard to its operations under this Act, shall be invested for any purpose other than for the growth and development of such Institute or for conducting research therein.

Institute to be not-for-profit legal entity.

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CHAPTER III

ESTABLISHMENT OF INSTITUTES IN PUBLIC-PRIVATE PARTNERSHIP MODE

10. (1) A State Government may establish an Institute under this Act.

Institute in public-private partnership mode.

25 (2) For the purposes of establishment of an Institute in the public-private partnership mode, a State Government shall identify an industry partner for collaboration and submit a proposal to the Central Government in such form and manner as may be prescribed.

(3) The Central Government shall examine the proposal on the basis of such criteria as may be prescribed and such criteria shall include the following, namely:—

30 (a) the investment of capital required for establishing the proposed Institute and its phasing;

(b) the expertise and standing of the industry partner referred to in sub-section (2) in the field of information technology;

(c) the assessment of the capability, financial and other resources of the industry partner to support the Institute;

35 (d) the availability of adequate land free of cost for establishment of the Institute;

(e) the availability of, or the commitment of the State Government to make available, adequate physical and social infrastructure at the proposed site for establishment of the Institute;

40 (f) the commitment of the concerned State Government and the industry partner for supporting the Institute after its establishment.

(4) The Central Government with the concurrence of the concerned State Government may suggest modifications to the proposal submitted to it under sub-section (2), if any.

(5) The Central Government shall, on acceptance of the proposal with modifications, if any, under sub-section (4), enter into a memorandum of understanding or an agreement with the concerned State Government and the industry partner for the establishment of the proposed Institute, subject to the provisions of this Act and the rules made thereunder.

(6) Every memorandum of understanding or agreement referred to in sub-section (5) shall contain,—

(a) the investment of capital in establishment of the Institute, the respective shares in such investment of capital of the Central Government, the concerned State Government and the industry partner, and the phasing of such capital investment over a period of five years;

(b) the first Statutes of the Institute;

(c) the commitment of the Central Government, the concerned State Government and the industry partner in ensuring autonomy to the proposed Institute.

(7) Where a proposal submitted by the State Government under sub-section (2) is not acceptable to the Central Government, it shall communicate its decision to that State Government, specifying the reasons for such decision.

Establishment of Institute fully funded by Central Government.

11. (1) The Central Government may establish an Institute fully funded by it.

(2) Nothing contained in section 10 shall apply to an Institute established by the Central Government under sub-section (1).

CHAPTER IV

THE AUTHORITIES OF INSTITUTES

Board of Governors.

12. (1) The Board of Governors of each Institute shall be the principal executive body of that Institute.

(2) The Board of Governors of each Institute shall consist of the following members, namely:—

(a) a Chairperson, to be appointed by the Institute as provided in sub-section (3);

(b) two persons from the industry in the field of information technology, to be appointed by the Institute as provided in sub-section (5);

(c) two persons from leading research laboratories having research interests in the field of information technology, to be appointed by the Institute as provided in sub-section (6);

(d) two persons having special knowledge or practical experience in respect of education or engineering, to be appointed by the Institute as provided in sub-section (6);

(e) two persons from amongst faculty members of the Institute to be nominated by the Chairperson in consultation with the Director and two senior most Deans of the Institute;

(f) the Director of the Indian Institute of Technology located in the zone in which the Institute is located, *ex officio*;

Explanation.—For the purposes of this clause, “zone” shall have the same meaning as assigned to it in the *Explanation* to section 11 of the Institutes of Technology Act, 1961;

(g) the Vice-Chancellor of a University in the State, to be nominated by the State Government in which the Institute is located, *ex officio*;

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59 of 1961.

(h) one person to represent the Scheduled Castes or the Scheduled Tribes to be nominated by the State Government;

(i) the Director of the National Institute of Technology of the State in which the Institute is located, *ex officio*;

5 (j) two senior most Deans of the Institute;

(k) the Director of the Institute who shall be its Member-Secretary.

(3) The Chairperson shall be appointed by the Institute from a panel of three names recommended by a Search-cum-Selection Committee consisting of—

10 (a) a nominee of the Central Government who shall be a person of eminence in academia in the field of engineering or science;

(b) a nominee of the State Government who shall be a person of eminence in academia in the field of information technology; and

15 (c) a nominee of the Central Government, in case of an Institute fully funded by the Central Government, or by the industry partner, in case of an Institute established in the public-private partnership mode, to represent industry.

(4) The Director of the Institute shall be the convenor of the meetings of the Search-cum-Selection Committee but shall not participate in its deliberations.

20 (5) A member of the Board referred to in clause (b) of sub-section (2) shall be appointed by the Institute on approval of a specific name by the Board from a panel of names recommended by the Central Government, in case of an Institute fully funded by the Central Government, or by the industry partner, in case of an Institute established in the public-private partnership mode.

25 (6) A member of the Board referred to in clause (c) or clause (d) of sub-section (2) shall be appointed by the Institute on approval of a specific name by the Board from a panel of names recommended by the Council.

13. (1) Save as otherwise provided in this section, the term of office of the Chairperson or any other member of the Board, other than an *ex officio* member, shall be for a period of five years from the date of his nomination.

30 (2) The term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member.

(3) The term of office of a member nominated under clause (e) of sub-section (2) of section 12 shall be for a period of two years from the date of his nomination.

(4) A member of the Board, other than an *ex officio* member, who fails to attend three consecutive meetings of the Board, shall cease to be a member of the Board.

35 (5) Members of the Board shall be entitled to such allowances, as may be specified in the Statutes, for attending meetings of the Board or as may be convened by the Institute.

40 **14.** (1) Subject to the provisions of this Act, the Board of every Institute shall be responsible for the general superintendence, direction and control of the affairs of the Institute and shall have the power to frame, amend, modify or rescind the Statutes and the Ordinances governing the affairs of the Institute to achieve the objects specified in section 6.

(2) Without prejudice to the provisions of sub-section (1), the Board shall have the following powers, namely:—

45 (a) to decide questions of policy relating to the administration and working of the Institute;

Term of office of, vacancies among, and allowances payable to, members of Board.

Powers and functions of Board.

(b) to make Statutes governing the administration, management and operations of the Institute;

(c) to examine and approve the annual budget estimates of the Institute;

(d) to examine and approve the plan for development of the Institute and to identify sources of finance for implementation of the plan; 5

(e) to establish departments, faculties or schools of studies and initiate programmes or courses of study at the Institute;

(f) to create teaching and other academic posts, to determine the number of such posts and emoluments thereof and to define the duties and conditions of service of teachers and other academic staff: 10

Provided that the Board shall not take action otherwise than on consideration of the recommendations of the Senate;

(g) to provide, by the Statutes, the qualifications, criteria and processes for appointment to teaching and other posts in the Institute;

(h) to fix, by the Statutes, fees and other charges payable for pursuit of courses or programmes in the Institute; 15

(i) to exercise such other powers and perform such other duties as may be conferred or imposed by this Act or the Statutes.

(3) The Board may, subject to the provisions of this Act and the Statutes, delegate such powers and functions to the Senate, the Research Council, or to the Director or other officer of the Institution as the Board may deem fit. 20

(4) The Board shall conduct an annual review of the performance of the Director with specific reference to his leadership in the achievement of the objects of the Institute.

(5) The Board shall in exercise of the powers and discharge of functions strive to provide autonomy in academic matters to the Senate and departments or faculties or schools, as the case may be. 25

(6) Where in the opinion of the Chairperson, the situation is so emergent that an immediate action needs to be taken in the interest of the Institute, the Chairperson in consultation with the Director, may, after recording the reasons for his opinion, issue such order, as he thinks fit: 30

Provided that such orders shall be submitted for ratification of the Board in the next meeting.

Senate.

15. (1) The Senate of every Institute shall consist of the following persons, namely:—

(a) the Director of the Institute who shall be the Chairperson of the Senate; 35

(b) heads of all departments, faculties or schools, as the case may be, comprising the Institute;

(c) Deans in charge of academic, research and student affairs in the Institute;

(d) six members of faculty from amongst the Professors of the Institute to be nominated by the Board; 40

(e) three persons of eminence in the field of education having knowledge of inter-disciplinary field, to be nominated by the Board;

(f) three persons of eminence from the fields of research in information technology or related fields, to be nominated by the Board;

5 (g) such other persons to be nominated by the Board to provide representation in such fields of knowledge or technology which, in its opinion, are not adequately represented.

(2) The term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member.

(3) The term of office of a member nominated under clauses (d) to (f) of sub-section (1) shall be for a period of three years from the date of his nomination.

10 (4) A member of the Senate under clauses (d) to (f) of sub-section (1) who fails to attend three consecutive meetings of the Board, shall cease to be a member of the Board.

15 **16.** (1) Subject to the provisions of this Act, the Statutes and the Ordinances, the Senate shall be the principal academic body of the Institute and shall have the power to enact, amend or modify the Ordinances governing academic matters and the affairs and welfare of students of the Institute.

Powers and
functions of
Senate.

(2) Without prejudice to the provisions of sub-section (1), the Senate shall have the following powers, namely:—

20 (a) to specify the criteria and procedure for admission to courses or programmes of study offered by the Institute;

(b) to recommend the Board to institute teaching and other academic posts, determination of their number and emoluments and defining the duties and conditions of service of teachers and other academic posts;

25 (c) to recommend the Board about commencement of new programmes or courses of study;

(d) to specify the broad academic content of programmes and courses of study and to suggest modifications, if any;

(e) to specify the academic calendar and approve grant of degrees, diplomas and other academic distinctions or titles;

30 (f) to exercise such other powers and discharge such other functions as may be assigned to it, in the Statutes, by the Board.

17. (1) Every Institute shall establish a Research Council comprising of the Director and such other members, as may be specified in the Statutes by the Board.

Research
Council.

(2) The Research Council of every Institute shall—

35 (i) interface with research funding organisations, industry and civil society to identify potential areas for research;

(ii) organise and promote research in such Institute or in collaboration with any institution of higher learning or research laboratories;

40 (iii) assist teachers in obtaining funding from external sources for research projects prepared by them;

(iv) provide, out of the funds placed at its disposal by the Board, research resources and grant assistance for research projects proposed to be undertaken by teachers in such Institute;

(v) provide for incubation of technology applications emerging from research and to protect and utilise the intellectual property obtained from research in the Institute;

(vi) make provisions for research and advisory services and for that purpose enter into such arrangements with other institutions, industry, civil society or other organisations and enable the research to be disseminated to industry and society through such arrangements; 5

(vii) exercise such other powers and perform such other functions as may be assigned to it by the Statutes.

Director.

18. (1) The Director shall be the principal executive officer of every Institute and shall be responsible for implementation of the decisions of the Board and Senate and for the day-to-day administration of the Institute. 10

(2) The Director shall exercise such other powers and discharge such other duties as may be assigned to him by this Act or the Statutes or Ordinances or delegated by the Board or the Senate.

(3) The Director shall be appointed by the Board from a panel of names recommended by a Search-cum-Selection Committee consisting of— 15

(a) the Chairperson of the Board;

(b) the Director of the Indian Institute of Technology of the zone in which the Institute is located;

(c) the nominee of the Central Government, in case of an Institute fully funded by the Central Government, who shall be a person of eminence in academia in the field of information technology; 20

(d) three nominees, one each from the Central Government, the concerned State Government, each of whom shall be a person of eminence in academia in the field of information technology, and a nominee of the industry partner from the information technology industry, in the case of an Institute established in the public-private partnership mode. 25

(4) The Director shall, except on account of resignation or removal, hold office for a period of five years from the date on which he enters upon his office.

(5) The Director may, by notice in writing under his hand addressed to the Chairperson, resign from his office. 30

(6) The Director may be removed by the Board on proven charges of misbehaviour or misconduct:

Provided that the Director shall not be removed from his office, except by an order made by the Board after an inquiry instituted in this behalf by the Board, and after giving him a reasonable opportunity of being heard: 35

Provided further that where the institution of an inquiry or removal of the Director is being considered by the Board, the Director shall refrain himself from the proceedings of the Board.

(7) The Board may remove the Director from office, if it is dissatisfied with the functioning of the Institute after review of the affairs of the Institute under sub-section (6). 40

(8) The Board shall initiate the process of appointment in respect of any vacancy due to arise for the post of Director on completion of tenure before a period of six months from the date of arising of such vacancy: 45

Provided that the process of appointment shall be completed before such vacancy arises.

(9) Where any casual vacancy has occurred for the post of Director, the process of appointment in respect of such vacancy shall be completed within a period of three months from the date of such vacancy.

19. (1) The constitution, powers and functions of the other authorities as may be declared by the Statutes shall be such as may be provided by the Statutes.

Other Committees and authorities.

(2) The Board may constitute such Committees, as it may deem fit, for efficient management of affairs of the Institute.

10 **20.** (1) Every Institute shall, within seven years from the date of establishment and incorporation of such Institute under this Act and thereafter at the expiration of every fifth year, constitute, with the prior approval of the Central Government, a Committee to evaluate and review the performance of such Institute in achievement of its objects during the said period.

Review of performance of Institute.

15 (2) The Committee constituted under sub-section (1) shall consist of members of repute in academia or industry, from relevant fields of teaching, learning and research in such Institute.

(3) The Committee shall assess the performance of Institute and make recommendations on—

20 (a) the extent of fulfilment of the objects of the Institute mentioned in section 6 and its contribution to the society;

(b) the promotion of transformational research and its impact on industry or society;

(c) the advancement of fundamental research;

25 (d) the establishment of the Institute as amongst the global leaders in the area of information technology;

(e) the extent of achievement of social equality through education and research in the Institute; and

(f) such other parameters as the Board may consider necessary and specify.

30 (4) The Board shall consider the recommendations referred to in sub-section (3) and take such action as it may deem fit:

35 Provided that the recommendations of the Committee along with an explanatory memorandum on the action taken or proposed to be taken, specifying the reasons thereof, shall be submitted to the Central Government or to the State Government in case of an Institute established under section 10 in the public-private partnership mode and the Central Government or the State Government, as the case may be, shall cause such recommendations to be laid before each House of Parliament or the State Legislature.

40 (5) The Central Government shall have the power to give such directions, emanating from the recommendations of the Committee, on policy relating to national purposes, as it may deem fit, and the Institute shall comply with such directions:

Provided that if any dispute arises as to whether the direction is a question of policy relating to national purpose or not, the decision of the Central Government shall be final.

CHAPTER V

ACCOUNTS AND AUDIT

Grants by the Central Government.	<p>21. (1) The Central Government may, after due appropriation made by Parliament by law in this behalf, make to each Institute, which is fully funded by the Central Government, grants of such sums of money as are required for supporting the Institute for its operation, management and maintenance.</p> <p>(2) The Central Government shall provide to each Institute, including Institutes established in the public-private partnership mode, grants of such sums of money as are required to meet the expenditure on scholarships or fellowships instituted by it, including scholarships or fellowships for students from socially and educationally backward classes or categories of citizens enrolled in such Institute.</p>	5 10
Fund of Institute.	<p>22. (1) Every Institute shall maintain a fund to which shall be credited—</p> <p>(a) all monies provided by the Central Government or the State Government or industry partner, as the case may be;</p> <p>(b) all fees and other charges received by the Institute;</p> <p>(c) all monies received by the Institute by way of grants, gifts, donations, benefactions, bequests or transfers;</p> <p>(d) all monies received by the Institute from utilisation of intellectual property arising from research conducted or provision of advisory or consultancy services by it; and</p> <p>(e) all monies received by the Institute in any other manner or from any other source.</p> <p>(2) The fund of every Institute shall be applied towards meeting the expenses of the Institute including expenses incurred in the exercise of its powers and discharge of its duties under this Act, furtherance of research in the Institute or in collaboration with other educational institutions or industry and for capital investment aimed at the growth and development of the Institute.</p>	15 20 25
Statutes.	<p>23. Subject to the provisions of this Act, the Statutes may provide for all or any of the following matters, namely:—</p> <p>(a) the conferment of honorary degrees;</p> <p>(b) the formation of departments of teaching;</p> <p>(c) the fees to be charged for courses of study in the Institute and for admission to the examinations of degrees and diplomas of the Institute;</p> <p>(d) the institution of fellowships, scholarships, exhibitions, medals and prizes;</p> <p>(e) the term of office and the method of appointment of officers of the Institute;</p> <p>(f) the qualifications of teachers of the Institute;</p> <p>(g) the classification, the method of appointment and the determination of the terms and conditions of service of teachers and other staff of the Institute;</p> <p>(h) the constitution of pension, insurance and provident funds for the benefit of the officers, teachers and other staff of the Institute;</p> <p>(i) the constitution, powers and duties of the authorities of the Institute;</p> <p>(j) the establishment and maintenance of halls and hostels;</p> <p>(k) the conditions of residence of students of the Institute and the levying of fees for residence in the halls and hostels and or other charges;</p>	30 35 40

- (l) the allowances to be paid to the Chairperson and members of the Board;
- (m) the authentication of the orders and decisions of the Board;
- (n) the meetings of the Board, the Senate, or any Committee, the quorum at such meetings and the procedure to be followed in the conduct of their business; and
- 5 (o) any other matter which is required to be or may be specified by Statutes or in respect of which provision is to be made by Statutes.

24. (1) The first Statutes of each Institute shall be framed by the Board with the prior approval of the Central Government and a copy of the same shall be laid, as soon as may be, before each House of Parliament.

Statutes how to be made.

10 (2) The Board may, from time to time, make new or additional Statutes or may amend or repeal the Statutes in the manner provided in this section.

(3) Every new Statute or addition to the Statutes or any amendment or repeal of Statutes shall require the previous approval of the Central Government.

15 25. Subject to the provisions of this Act and the Statutes, the Ordinances of every Institute may provide for all or any of the following matters, namely:—

Ordinances.

- (a) the admission of the students to the Institute;
- (b) the courses of study to be laid down for all degrees and diplomas of the Institute;
- 20 (c) the conditions under which students shall be admitted to the degree or diploma courses and to the examinations of the Institute, and shall be eligible for degrees and diplomas;
- (d) the conditions of award of the fellowships, scholarships, exhibitions, medals and prizes;
- 25 (e) the conditions and mode of appointment and duties of examining bodies, examiners and moderators;
- (f) the conduct of examinations;
- (g) the maintenance of discipline among the students of the Institute; and
- (h) any other matter which by this Act or the Statutes is to be or may be provided for by the Ordinances.

30 26. (1) Save as otherwise provided in this section, Ordinances shall be made by the Senate.

Ordinances how to be made.

(2) All Ordinances made by the Senate shall have effect from such date as it may direct, but every Ordinance so made shall be submitted, as soon as may be, to the Board and shall be considered by the Board at its next meeting.

35 (3) The Board shall have power by resolution to modify or cancel any such Ordinance and such Ordinance shall from the date of such resolution stand modified accordingly or cancelled, as the case may be.

27. (1) At every annual meeting of the Institute, the Director shall lay before the Board—

Annual accounts and balance sheet.

- 40 (a) a balance sheet as at the end of the financial year;
- (b) a statement of income and expenditure for that period.

45 (2) Every balance sheet and statement of income and expenditure of such Institute shall give a true and fair view of the state of affairs of such Institute as at the end of the financial year and shall, subject to the provisions of this section, be in such form as may be prescribed and in accordance with such general instructions and accounting standards as may be prescribed, or as near thereto as circumstances admit.

(3) Where the statement of income and expenditure and the balance sheet of the Institute do not comply with the accounting standards, the Institute shall disclose in its statement of income and expenditure and balance sheet, the following, namely:—

- (a) the deviation from the accounting standards;
- (b) the reasons for such deviation; and
- (c) the financial effect, if any, arising due to such deviation.

Explanation.—For the purposes of this section, the expression “accounting standards” means the standards of accounting recommended by the Institute of Chartered Accountants of India constituted under the Chartered Accountants Act, 1949. 5 38 of 1949.

Books of account to be maintained by Institute.

28. (1) Every Institute shall keep proper books of account with respect to—

- (a) all sums of money received and expended by it and the matters in respect of which the receipt and expenditure take place;
- (b) the assets and liabilities of the Institute; 10
- (c) the properties, movable and immovable of the Institute.

(2) For the purposes of sub-section (1), proper books of account shall not be deemed to be kept with respect to the matters specified therein, if such books are not kept—

- (a) as are necessary to give a true and fair view of the state of affairs of the Institute and to explain its transactions; and 15
- (b) on accrual basis and according to the double entry system of accounting.

Appointment of auditors.

29. (1) The Board of every Institute shall, before the expiry of three months prior to the end of the financial year, without prejudice to the provisions contained in the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971 or any other law for the time being in force containing provisions for audit of accounts by the Institutes, appoint an auditor or auditors, on such remuneration, as it thinks fit, to scrutinise the balance sheet and the statement of income and expenditure of such Institute. 20 56 of 1971.

(2) No person appointed as auditor or persons in the employment of such auditor shall have any direct or indirect interest, whether pecuniary or otherwise, in any matter concerning or related to the administration or operations (except being enrolled as students) of the Institute. 25

(3) The provisions of section 226 of the Companies Act, 1956 on the qualifications and disqualifications of auditor shall apply, *mutatis mutandis*, for appointment of an auditor under this Act. 1 of 1956.

(4) Every auditor of each Institute shall have such powers and perform such duties as the auditor may think necessary for the performance of his duties as an auditor and as are available to, or are required of, such auditor under the Companies Act, 1956. 30 1 of 1956.

Annual report of Director.

30. (1) There shall be attached to every statement of accounts laid before the Board of each Institute, a report by its Director, with respect to—

- (a) the state of affairs of such Institute; 35
- (b) the amounts, if any, which it proposes to carry to any surplus reserves in its balance sheet;
- (c) the extent to which understatement or overstatement of any surplus of income over expenditure or any shortfall of expenditure over income has been indicated in the auditor’s report and the reasons for such understatement or overstatement; 40
- (d) the productivity of research projects undertaken by the Institute measured in accordance with such norms as may be specified by any statutory regulatory authority;
- (e) appointment of the officers and teachers of the Institute; and

(f) benchmark and internal standards set by the Institute, including the nature of innovations in teaching, research and application of knowledge.

(2) The report of the Director shall also include a statement showing the name of the five officers and other employees of the Institute who received the highest remuneration (including allowances and other payments made to such employee) during the preceding financial year and the contributions made by such employees during the financial year.

(3) The statement referred to in sub-section (2) shall indicate whether any such employee is a relative of any member of the Board or Senate of the Institute and if so, the name of such member and such other particulars as may be required.

(4) The Director shall also be bound to give the complete information and explanations in its report on every reservation, qualification or adverse remark contained in the auditors' report.

31. (1) The statement of accounts, including the balance sheet and the statement of income and expenditure, the auditor's report, the report of the Director and other documents required to be annexed or attached with such statement, shall be brought before the Board in its meeting at such time immediately, but not later than three months, from the conclusion of the financial year.

Annual meeting of Board to consider statement of accounts.

(2) A copy of every statement of accounts (including the balance sheet, statement of income and expenditure, the auditors' report and every other document required to be annexed or attached to balance sheet) which is to be laid before the Board of each Institute shall, not less than twenty-one days before the date of the meeting, be sent to every member of the Board.

(3) After the statement of accounts referred to in sub-section (1) has been laid before the Board of each Institute, such balance sheet, statement of income and expenditure and other documents shall be published and placed on the website of such Institute.

32. (1) The statement of accounts of each Institute, which is fully funded by the Central Government, shall be audited by such auditor as may be appointed in this behalf by the Comptroller and Auditor-General of India.

Annual statement of accounts of Institute fully funded by Central Government.

(2) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of each Institute, which is fully funded by the Central Government, shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the Central Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Institute.

(3) A copy of the statement of accounts including the balance sheet and the statement of income and expenditure, the auditor's report, the report of the Director and other documents required to be attached with such statement, shall be submitted to the Central Government, and that Government shall, as soon as may be, cause the same to be laid before each House of Parliament.

33. (1) The annual report of each Institute shall be prepared under the direction of the Board, which shall include, among other matters, the steps taken by the Institute towards the fulfilment of its objects and an outcome based assessment of the research being undertaken in such Institute, and be submitted to the Board on or before such date as may be specified and the Board shall consider the report in its annual meeting.

Annual report of each Institute.

(2) The annual report as approved by the Board shall be published and placed on the website of the Institute.

(3) The annual report of each Institute which is fully funded by the Central Government shall be submitted to the Central Government who shall, as soon as may be, cause the same to be laid before each House of Parliament.

CHAPTER VI

THE COUNCIL

5

Council of
Institutes.

34. (1) With effect from such date as the Central Government may, by notification, specify in this behalf, there shall be established for all the Institutes specified in column (5) of the Schedule, a central body to be called the Council.

(2) The Council shall consist of the following members, namely:—

(a) the Minister in charge of the Ministry or Department of the Central Government having administrative control of the technical education, *ex officio*, as Chairperson; 10

(b) the Minister in charge of technical education of State Governments of such States where the Institutes are located, *ex officio*;

(c) the industry partner of each of the Institutes established in the public-private partnership mode; 15

(d) the Chairpersons of each of the Institutes, *ex officio*;

(e) the Directors of each of the Institutes, *ex officio*;

(f) four persons to be nominated by the Central Government, one each to represent the Ministry concerned with finance, technical education, science and technology and information technology; 20

(g) three persons from the information technology industry to be nominated by the Council, from a panel comprised of two names recommended by each Institute;

(h) three persons of eminence in research in information technology to be nominated by the Council, from a panel comprised of two names recommended by each Institute; 25

(i) three persons to represent persons of eminence from academia or civil society to be nominated by the Council, from a panel comprised of two names recommended by each State Government of such States where Institutes are located.

(3) The Council shall have a Secretariat with a Secretary to be appointed in such manner as may be prescribed. 30

(4) The Council may constitute a Standing Committee of the Indian Institute of Information Technology Council to assist the Council in discharge of its duties and responsibilities.

(5) The expenditure on the Council shall be met by the Central Government.

Term of
office and
allowances
payable to
members of
Council.

35. (1) Save as otherwise provided in this section, the term of office of a member of the Council, other than an *ex officio* member, shall be for a period of three years from the date of nomination. 35

(2) The term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member.

(3) The members of the Council shall be entitled to such other travelling and such other allowances, as may be prescribed, for attending meetings of the Council or its Committees. 40

36. (1) The Council shall coordinate the activities of all the Institutes.

Functions of Council.

(2) Without prejudice to the provisions of sub-section (1), the Council shall perform the following functions, namely:—

5 (a) to recommend to the Central Government, the institution of scholarships including research and for the benefit of students belonging to the Scheduled Castes, the Scheduled Tribes and other socially and educationally backward classes of citizens;

(b) to recommend to the Central Government, proposals for establishment of new Institutes of Information Technology in the public-private partnership mode;

10 (c) to deliberate on such matters of common interest to Institutes as may be referred to it by any Institute;

(d) to perform such other functions as may be referred to it by the Central Government or any State Government:

15 Provided that nothing in this section shall derogate the powers and functions vested by law in the Board or Senate or other authorities of each Institute.

(3) The Chairperson of the Council shall ordinarily preside at the meetings of the Council and in his absence any other member, chosen by the members present from amongst themselves at the meeting, shall preside at the meeting.

CHAPTER VII

20 MISCELLANEOUS

37. No act of the Council, or any Institute or Board or Senate or any other body set-up under this Act or the Statutes, shall be invalid merely by reason of—

Acts and proceedings not to be invalidated by vacancies, etc.

(a) any vacancy or defect in the constitution thereof; or

(b) any irregularity in its procedure not affecting the merits of the case; or

25 (c) any defect in the selection, nomination or appointment of a person acting as a member thereof.

38. (1) Every Institute shall furnish to the Central Government such returns or other information with respect to its policies or activities as the Central Government may, for the purpose of reporting to Parliament or for the making of policy, from time to time require.

Returns and information to be provided to Central Government or State Government.

(2) Every Institute, established in the public-private partnership mode, shall furnish to the State Government in which such Institute is located, such returns or other information with respect to its policies or activities as that Government may, for the purpose of reporting to the concerned State Legislature or for the making of policy, from time to time require.

39. The Institute shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

Powers of Central Government to issue directions.

22 of 2005.

40. The provisions of the Right to Information Act, 2005 shall apply to each Institute, including Institutes established in the public-private partnership mode, as if it were a public authority defined in clause (h) of section 2 of the Right to Information Act, 2005.

Institute to be public authority under Right to Information Act.

40

Power of Central Government to make rules.

41. (1) The Central Government may, by notification make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and manner in which the State Government shall submit proposal to the Central Government under sub-section (2) of section 10; 5

(b) the criteria for examination of the proposal of the State Government under sub-section (3) of section 10;

(c) the form of balance sheet and statement of income and expenditure, and the accounting standards under sub-section (2) of section 27; 10

(d) the manner of appointment of Secretary under sub-section (3) of section 34;

(e) the travelling and such other allowances payable to the members of the Council for attending meetings of the Council or its Committees under sub-section (3) of section 35;

(f) any other matter which is to be or may be, prescribed or in respect of which provision is to be made by the Central Government by rules. 15

Transitional provisions.

42. (1) Notwithstanding anything contained in this Act—

(a) the Board of every Institute functioning as such immediately before the commencement of this Act shall continue to function until a new Board is constituted for that Institute under this Act, but on the constitution of a new Board under this Act, the members of the Board holding office before such commencement of this Act shall cease to hold office; 20

(b) every Senate constituted in relation to every Institute before the commencement of this Act shall be deemed to be the Senate constituted under this Act until a Senate is constituted under this Act for that Institute, but on the constitution of the new Senate under this Act, the members of the Senate holding office before the commencement of this Act shall cease to hold office; 25

(c) the Statutes, Ordinances, rules, regulations and bye-laws of each existing Institute as in force, immediately before the commencement of this Act, shall continue to apply to the corresponding Institute in so far as they are not inconsistent with the provisions of this Act until the first Statutes and the Ordinances are made under this Act. 30

(2) The Central Government may, without prejudice to the provisions of sub-section (1), if it considers necessary and expedient to do so, by notification, take such measures which may be necessary for the transfer of the existing Institute mentioned in column (3) of the Schedule to the corresponding Institute mentioned under column (5) of the Schedule. 35

Power to remove difficulties.

43. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions or give such directions not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for removing the difficulty: 40

Provided that no such order shall be made under this section after the expiry of the period of three years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

44. Every rule made and every notification issued by the Central Government under this Act, shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

Laying of
rules and
notifications.

THE SCHEDULE

[See section 4(I)]

Sl. No.	Name of the State	Name of the existing Institute	Location	Name of the Institute incorporated under this Act	
(1)	(2)	(3)	(4)	(5)	
1.	Uttar Pradesh	Indian Institute of Information Technology Allahabad, being a society registered under the Societies Registration Act, 1860 (21 of 1860)	Allahabad	Indian Institute of Information Technology, Allahabad.	5 10
2.	Madhya Pradesh	Atal Bihari Vajpayee Indian Institute of Information Technology and Management, Gwalior, being a society registered under the Societies Registration Act, 1860 (21 of 1860)	Gwalior	Atal Bihari Vajpayee Indian Institute of Information Technology and Management, Gwalior.	15 20
3.	Madhya Pradesh	Pandit Dwaraka Prasad Mishra Indian Institute of Information Technology, Design and Manufacturing, Jabalpur, being a society registered under the Societies Registration Act, 1860 (21 of 1860)	Jabalpur	Pandit Dwaraka Prasad Mishra Indian Institute of Information Technology, Design and Manufacturing, Jabalpur.	25
4.	Tamil Nadu	Indian Institute of Information Technology Design and Manufacturing, Kancheepuram, being a society registered under the Societies Registration Act, 1860 (21 of 1860)	Kancheepuram	Indian Institute of Information Technology Design and Manufacturing, Kancheepuram.	30 35

STATEMENT OF OBJECTS AND REASONS

Education is a key element for developing human resources and contributing to the growth of the society. From relatively small beginning, the Indian information technology industry has emerged as a strong and credible force which is now recognised as a major constituent of the global information technology services industry. In order to provide manpower of global standards for the information technology industry to cater the needs of emerging areas of knowledge economy, education and training, information technology is a prerequisite.

2. At present, there are four Indian Institutes of Information Technology (IIITs) established by the Central Government under the Societies Registration Act, 1860 (21 of 1860) at Gwalior, Allahabad, Jabalpur and Kancheepuram. To meet the challenges of the Indian information technology industry, the Ministry of Human Resource Development intends to establish twenty new Indian Institutes of Information Technology on Public Private Partnership (PPP) basis. The partners in setting up the Indian Institute of Information Technology would be the Ministry of Human Resource Development, the concerned State Government where such Indian Institute of Information Technology will be established and the industry as conceived under the Scheme formulated by the Central Government in this behalf.

3. The main objective in establishing Indian Institutes of Information Technology is to set up a model of education which can produce world class human resource in the field of information technology. These institutions are conceived as self sustaining, research-led institutions contributing significantly to the global competitiveness of key sectors of the Indian economy and industry with application of information technology in selected domain areas.

4. The Indian Institutes of Information Technology Bill, 2013 seeks to declare the four existing Indian Institutes of Information Technology, funded by the Central Government, as Institutions of National Importance and to provide for the establishment of other Institutions of Information Technology.

5. The notes on clauses explain in detail the various provisions contained in the Bill.

6. The Bill seeks to achieve the above objects.

NEW DELHI;
The 4th December, 2012.

M.M. PALLAM RAJU

Notes on clauses

Clause 1.—This clause provides for the short title and commencement of the proposed legislation.

Clause 2.—This clause deals with declaration of certain institutions as institutions of national importance.

Clause 3.—This clause provides for definitions of various expressions used in the proposed legislation, which, *inter alia*, include “appointed day”, “existing Institute”, “industry partner”, “public-private partnership mode”, etc.

Clause 4.—This clause relates to establishment and incorporation of Institutes. Sub-clause (a) of clause (1) of the said clause provides that on and from the commencement of the Act—(a) every existing Institute, shall be a body corporate by the same name as mentioned under column (5) of the said Schedule; (b) on and from the appointed day, any other Institutes of Information Technology as may be established under section 10 or section 11 shall be a body corporate by such name as the Central Government may, notify. Sub-clause (2) of the said clause provides that every existing Institute referred to in clause (a) or the Institutes established under clause (b) of sub-section (1) shall have perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

Clause 5.—This clause provides for effect of incorporation of Institutes. It provides that on and from the date of commencement of this Act:—(a) any reference to any existing Institute in any contract or other instrument shall be deemed as a reference to the corresponding Institute mentioned in column (5) of the Schedule; (b) all properties, movable and immovable, of or belonging to every existing Institute shall vest in the corresponding Institute mentioned under column (5) of the Schedule; (c) all the rights, debts and other liabilities of every existing Institute shall be transferred to, and be the rights and liabilities of, the corresponding Institute mentioned in column (5) of the Schedule; (d) every person employed by any existing Institute, immediately before such commencement, shall hold his office or service in the corresponding Institute mentioned in column (5) of the Schedule, by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, gratuity, provident fund and other matters as he would have held the same if this Act had not been enacted and shall continue to do so unless and until his employment is terminated or until such tenure, remuneration and the terms and conditions are duly altered by the Statutes. However, the sub-clause provides that if the alteration so made is not acceptable to such employee, his employment may be terminated by the Institute in accordance with the terms of the contract with the employee or, if no provision is made therein in this behalf, on payment, to him by the Institute of compensation equivalent to three months’ remuneration in case of permanent employees and one month’s remuneration in the case of other employees. The said sub-clause further provides that any reference, by whatever form of words, to the Director, Registrar or other officer of any existing Institute mentioned in column (3) of the Schedule, in any law for the time being in force, or in any instrument or other document, shall be deemed as a reference to the Director, Registrar or other officer of the corresponding Institute column (5) of the Schedule; (e) every person pursuing, any academic or research course immediately before such commencement in any existing Institute, shall be deemed to have registered with the corresponding Institute mentioned in column (5) of the said Schedule at the same level of course in such Institute; (f) all suits and other legal proceedings instituted by or against the existing Institute, immediately before such commencement, may continue by or against the corresponding Institute mentioned in column (5) of the Schedule.

Clause 6.—This clause deals with objects of Institutes. It provides that the objects of every Institute shall be to—(a) emerge as one amongst the foremost institutions in information technology and allied fields of knowledge; (b) advance new knowledge and innovation in information technology and allied fields to empower the nation to the forefront in the global context; (c) develop competent and capable youth imbued with the spirit of innovation and entrepreneurship with the social and environmental orientation to meet the knowledge needs of the country and provide global leadership in information technology and allied fields; (d) promote and provide transparency of highest order in matters of admission, appointment to various positions, academic evaluation, administration and finance.

Clause 7.—This clause deals with powers and functions of Institutes. It provides that subject to the provisions of this Act, every Institute shall exercise the following powers and perform the following functions—(a) to provide for instructions in such fields of knowledge relating to information technology and allied areas as such Institute may think fit, for the advancement of learning and dissemination of knowledge; (b) to lead, organise and conduct research and innovation in information technology and allied fields of knowledge in such manner as the Institute may think fit, including collaboration or association with any other Institute, educational institution, research organisation or body corporate; (c) to hold examinations and grant degrees, diplomas and other academic distinctions or title and to confer honorary degree; (d) to institute teaching, research or other academic positions, required by the Institute with such designations as it may deem fit, and to appoint persons on tenure, term or otherwise to such positions; (e) to appoint persons working in any other Institute or educational institution or involved in research of significance in any industry as adjunct, guest or visiting faculty of the Institute on such terms and for such duration as the Institute may decide; (f) to create administrative and other posts and to make appointments thereto; (g) to make provision for dissemination of knowledge emerging from research and for that purpose to enter into such arrangements, including consultancy and advisory services, with other institutions, industry, civil society or other organisations, as the Institute may consider necessary; (h) to determine, specify and receive payment of fees and other charges, as the Institute may deem fit, from students and any other person, institution or body corporate for instructions and other services, including training, consultancy and advisory services, provided by the Institute; (i) to deal with any property belonging to, or vested in, the Institute in such manner as the Institute may deem fit for advancement of the objects of the Institute and no land or other immovable property shall be disposed of by the Institute without the prior approval of the Central Government and where the land for the Institute has been provided free of cost by a State Government, such land may be disposed of only with the prior approval of such State Government; (j) to receive gifts, grants, donations or benefactions from the Government and to receive bequests, donations and transfer of movable or immovable properties from testators, donors or transferors, as the case may be; (k) to establish and maintain such infrastructure as may be necessary; (l) to institute and award fellowships, scholarships, exhibitions, prizes and medals; and (m) to do all such things as may be necessary, incidental or conducive to the attainment of all or any of the objects of the Institute.

Clause 8.—This clause provides that each Institutes shall be open to all races, creeds and classes. Sub-clause (1) of the said clause provides that every Institute shall be open to all persons of either sex, irrespective of caste, creed, race, religion, disability, domicile, social or economic background. Sub-clause (2) of the said clause provides that admissions to every course or programme of study in each Institute shall be based on merit assessed through transparent and reasonable criteria disclosed through its prospectus, prior to the commencement of the process of admission by such Institute. However, every such Institute shall be a Central Educational Institution for the purposes of the Central Educational Institutions (Reservation in Admission) Act, 2006.

Clause 9.—It provides that every Institute shall be a not-for-profit legal entity and no part of the surplus, if any, in revenue of such Institute, after meeting all expenditure in

regard to its operations under this Act, shall be invested for any purpose other than for the growth and development of such Institute or for conducting research therein.

Clause 10.—This clause relates to Institute in public-private partnership mode. Sub-clause (1) of the said clause provides that a State Government may establish an Institute under this Act. Sub-clause (2) of the said clause provides that for the purposes of establishment of an Institute in the public-private partnership mode, a State Government shall identify an industry partner for collaboration and submit a proposal to the Central Government in such form and manner as may be prescribed. Sub-clause (3) of the said clause provides that the Central Government shall examine the proposal on the basis of such criteria. However, such criteria for examination shall include — (a) the investment of capital required for establishing the proposed Institute and its phasing; (b) the expertise and standing of the industry partner referred to in sub-section (2) in the field of information technology; (c) assessment of the capability, financial and other resources of the industry partner to support the Institute; (d) availability of adequate land free of cost for establishment of the Institute; (e) availability of, or the commitment of the State Government to make available, adequate physical and social infrastructure at the proposed site for establishment of the Institute; (f) commitment of the concerned State Government and the industry partner for supporting the Institute after its establishment. Sub-clause (4) of the said clause provides that the Central Government with the concurrence of the concerned State Government may suggest modifications to the proposal submitted to it under sub-section (2), if any. Sub-clause (5) of the said clause provides that the Central Government shall, on acceptance of the proposal with such modifications as may be concurred in by the State Government, enter into a memorandum of understanding or an agreement with the concerned State Government and the industry partners for establishing proposed Institute subject to the provisions of this Act and rules made thereunder. Sub-clause (6) of the said clause provides that every memorandum of understanding or agreement referred to in sub-section (5) shall contain,— (a) the investment of capital in establishment of the Institute, the respective shares in such investment of capital of the Central Government, State Government concerned and the industry partner, and the phasing of such capital investment over a period of five years; (b) the first Statutes of the Institute; (c) the commitment of the Central Government, the concerned State Government and the industry partner in ensuring autonomy to the proposed Institute. Sub-clause (7) of the said clause provides that where the proposal submitted by the State Government under sub-section (2) is not acceptable to the Central Government, it shall communicate its decision to the State Government, specifying the reasons for such decision.

Clause 11.—This clause relates to establishment of Institute by the Central Government . Sub-clause (1) of the said clause provides that the Central Government may establish an Institute which shall be fully funded by it. Sub-clause (2) of the said clause provides that nothing contained in section 10 shall apply to such an Institute as the Central Government may establish under sub-section (1).

Clause 12.—This clause deals with the Board of Governors. Sub-clause (1) of the said clause provides that the Board of Governors of each Institute shall be the principal executive body of that Institute. Sub-clause (2) of the said clause provides that the Board of Governors of each Institute shall consist of the following members—(a) a Chairperson, to be appointed by the Institute in the manner provided in sub-section (3); (b) two persons from the industry in the field of information technology, to be appointed by the Institute in the manner provided in sub-section (5); (c) two persons from leading research laboratories having research interests in the field of information technology to be appointed by the Institute as provided in sub-section (6) ; (d) two persons having special knowledge or practical experience in respect of education or engineering to be appointed by the Institute as provided in sub-section (6); (e) two persons from amongst faculty members of the Institute to be nominated by the Chairperson in consultation with the Director and two senior most Deans of the Institute; (f) Director of the Indian Institute of Technology located in the zone in which the Institute is located, *ex officio*; (g) Vice-Chancellor of a University in the State to be nominated

by the State Government in which the Institute is located, *ex officio*; (h) one person to represent the Scheduled Castes or the Scheduled Tribes to be nominated by the State Government; (i) Director of National Institute of Technology of the State in which the Institute is located, *ex officio*; (j) two senior most Deans of the Institute; (k) Director of the Institute who shall be its Member-Secretary.

Sub-clause (3) of the said clause provides that the Chairperson shall be appointed by the Institute from a panel of three names recommended by a Search-cum-Selection Committee consisting of — (a) a nominee of the Central Government who shall be a person of eminence in academia in the field of engineering or science; (b) a nominee of the State Government who shall be a person of eminence in academia in the field of information technology; (c) a nominee of the Central Government, in case of an Institute fully funded by the Central Government, or by the industry partner, in case of an Institute established in the public-private partnership mode, to represent industry. Sub-clause (4) of the said clause provides that the Director of the Institute shall be the convenor of the meetings of the Search-cum-Selection Committee but shall not participate in its deliberations. Sub-clause (5) of the said clause provides that a member of the Board referred to it in clause (b) of sub-section (2) shall be appointed by the Institute on approval of a specific name by the Board from a panel of names recommended by the Central Government, in case of an Institute fully funded by the Central Government, or by the industry partner, in case of an Institute established in the public-private partnership mode. Sub-clause (6) of the said clause provides that a member of the Board referred to in clause (c) or clause (d) of sub-section (2) shall be appointed by the Institute on approval of a specific name by the Board from a panel of names recommended by the Council.

Clause 13.—This clause deals with term of office of, vacancies among, and allowances payable to, members of the Board. Sub-clause (1) of the said clause provides that save as otherwise provided in this section, the term of office of the Chairperson or any other member of the Board, other than an *ex officio* member, shall be for a period of five years from the date of his nomination. Sub-clause (2) of the said clause provides that the term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member. Sub-clause (3) of the said clause provides that the term of office of a member nominated under clause (e) of sub-section (2) of section 12 shall be for a period of two years from the date of his nomination. Sub-clause (4) of the said clause provides that a member of the Board, other than an *ex officio* member, who fails to attend three consecutive meetings of the Board, shall cease to be a member of the Board. Sub-clause (5) of the said clause provides that members of the Board shall be entitled to such allowances, as may be specified in the Statutes, for attending meetings of the Board or as may be convened by the Institute.

Clause 14.—This clause deals with powers and functions of the Board. Sub-clause (1) of the said clause provides that subject to the provisions of this Act, the Board of every Institute shall be responsible for the general superintendence, direction and control of the affairs of the Institute and shall have the power to frame, amend, modify or rescind the Statutes and the Ordinances governing the affairs of the Institute to achieve the objects specified in section 6. Sub-clause (2) of the said clause provides that without prejudice to the provisions of sub-section (1), the Board shall have the following powers (a) to decide questions of policy relating to the administration and working of the Institute; (b) to make Statutes governing the administration, management and operations of the Institute; (c) to examine and approve the annual budget estimates of the Institute; (d) to examine and approve the plan for development of the Institute and to identify sources of finance for implementation of the plan; (e) to establish departments, faculties or schools of studies and initiate programmes or courses of study at the Institute; (f) to create teaching and other academic posts, to determine the number and emoluments of such posts and to define the duties and conditions of service of teachers and other academic staff and the Board shall not take action otherwise than on consideration of the recommendations of the Senate; (g) to provide, by the Statutes, the qualifications, criteria and processes for appointment to teaching and other posts in the Institute; (h) to fix, by the Statutes, fees and

other charges payable for pursuit of courses or programmes in the Institute; (i) to exercise such other powers and perform such other duties as may be conferred or imposed by this Act or the Statutes. Sub-clause (3) of the said clause provides that the Board may, subject to the provisions of this Act and the Statutes, delegate such powers and functions to the Senate, the Research Council, or to the Director or other officer of the Institution as the Board may deem fit. Sub-clause (4) of the said clause provides that the Board shall conduct an annual review of the performance of the Director with specific reference to his leadership in the achievement of the objects of the Institute. Sub-clause (5) of the said clause provides that the Board shall in exercise of the powers and discharge of functions strive to provide autonomy in academic matters to the Senate and departments of faculties or schools, as the case may be. Sub-clause (6) of the said clause provides that where in the opinion of the Chairperson, the situation is so emergent that an immediate action needs to be taken in the interest of the Institute, the Chairperson in consultation with the Director, may, after recording the reasons for his opinion, issue such order as he thinks fit and such orders shall be submitted for ratification of the Board in the next meeting.

Clause 15.—This clause relates to Senate. Sub-clause (1) of the said clause provides that the Senate of every Institute shall consist of the following persons — (a) the Director of the Institute shall be the Chairperson of the senate; (b) heads of all departments, faculties or schools, as the case may be, comprising the Institute; (c) Deans in charge of academic, research and student affairs in the Institute; (d) six members of faculty from amongst the Professors of the Institute to be nominated by the Board; (e) three persons of eminence in the field of education having knowledge of inter-disciplinary field, to be nominated by the Board; (f) three persons of eminence from the fields of research in information technology or related fields to be nominated by the Board; (g) such other persons to be nominated by the Board to provide representation in such fields of knowledge or technology which, in its opinion, are not adequately represented. Sub-clause (2) of the said clause provides that the term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member. Sub-clause (3) of the said clause provides that the term of office of a member nominated under clauses (d) to (f) of sub-section (1) shall be for a period of three years from the date of his nomination. Sub-clause (4) of the said clause provides that a member of the Senate under clauses (d) to (f) of sub-section (1), who fails to attend three consecutive meetings of the Board, shall cease to be a member of the Board.

Clause 16.—This clause relates to powers and functions of Senate. Sub-clause (1) of the said clause provides that subject to the provisions of this Act, the Statutes and the Ordinances, the Senate shall be the principal academic body of the Institute and shall have the power to enact, amend, modify the Ordinances governing academic matters and the affairs and welfare of students in the Institute. Sub-clause (2) of the said clause provides that without prejudice to the provisions of sub-section (1), the Senate shall have powers – (a) to specify the criteria and procedure for admission to courses or programmes of study offered by the Institute; (b) to recommend the Board to institute teaching and other academic posts, determination of the number and emoluments of such posts and defining the duties and conditions of service of teachers and other academic posts; (c) to recommend to the Board about commencement of new programmes or courses of study; (d) to specify the broad academic content of programmes and courses of study and to suggest modifications therein; (e) to specify the academic calendar and approve grant of degrees, diplomas and other academic distinctions or titles; (f) to exercise such other powers and discharge such other functions as may be assigned to it, in the Statutes, by the Board.

Clause 17.—This clause relates to Research Council. Sub-clause (1) of the said clause provides that every Institute shall establish a Research Council comprising of the Director and such other members as may be specified, in the Statutes, by the Board. Sub-clause (2) of the said clause provides that the Research Council of every Institute shall — (i) interface with research funding organisations, industry and civil society to identify potential areas for research; (ii) organise and promote research in such Institute or in collaboration with

any institution of higher learning or research laboratories; (iii) assist teachers in obtaining funding from external sources for research projects prepared by them; (iv) provide, out of the funds placed at its disposal by the Board, research resources and grant assistance for research projects proposed to be undertaken by teachers in such Institute; (v) provide for incubation of technology applications emerging from research and to protect and utilise the intellectual property obtained from research in the Institute; (vi) make provisions for research and advisory services and for that purpose enter into such arrangements with other institutions, industry, civil society or other organisations and enable the research to be disseminated to industry and society through such arrangements; (vii) exercise such other powers and perform such other functions as may be assigned to it by the Statutes.

Clause 18.—This clause relates to Director. Sub-clause (1) of the said clause provides that the Director shall be the principal executive officer of every Institute and shall be responsible for implementation of the decisions of the Board and Senate and for the day-to-day administration of the Institute. Sub-clause (2) of the said clause provides that the Director shall exercise such other powers and discharge such other duties as may be assigned to him by this Act or the Statutes or Ordinances or delegated by the Board or the Senate. Sub-clause (3) of the said clause provides that the Director shall be appointed by the Board from a panel of names recommended by a Search-cum-Selection Committee consisting of (a) the Chairperson of the Board; (b) the Director of the Indian Institute of Technology of the zone in which the Institute is located; (c) the nominee of the Central Government, in case of an Institute fully funded by the Central Government, who shall be a person of eminence in academia in the field of information technology; (d) three nominees, one each from of the Central Government, the concerned State Government, each of whom shall be a person of eminence in academia in the field of information technology, and a nominee of the industry partner from the information technology, in case of an Institute established in the public-private partnership mode. Sub-clause (4) of the said clause provides that the Director shall, except on account of resignation or removal, hold office for a period of five years from the date on which he enters upon his office. Sub-clause (5) of the said clause provides that the Director may, by notice in writing under his hand addressed to the Chairperson, resign from his office. Sub-clause (6) of the said clause provides that the Director may be removed by the Board on proven charges of misbehaviour or misconduct. However, the said sub-clause provides that the Director shall not be removed from his office, except by an order made by the Board after an inquiry instituted in this behalf by the Board, and after giving him a reasonable opportunity of being heard and where the institution of an inquiry or removal of the Director is being considered by the Board, the Director shall refrain himself from the proceedings of the Board. Sub-clause (7) of the said clause provides that the Board may remove the Director from office, if it is dissatisfied with the functioning of the Institute after review of the affairs of the Institute in the manner provided in sub-section (6). Sub-clause (8) of the said clause provides that the Board shall initiate the process of appointment in respect of any vacancy due to arise for the post of Director on completion of tenure before a period of six months from the date of arising of such vacancy and the process of appointment shall be completed before such vacancy arises. Sub-clause (9) of the said clause provides that where any casual vacancy has occurred for the post of Director, the process of appointment in respect of such vacancy shall be completed within a period of three months from the date of such vacancy.

Clause 19.—This clause deals with other committees and authorities. Sub-clause (1) of the said clause provides the constitution, powers and functions of the other authorities as may be declared by the Statutes shall be such as may be provided by the Statutes. Sub-clause (2) of the said clause provides that the Board may constitute such committees, as it may deem fit, for efficient management of affairs of the Institute.

Clause 20.—This clause deals with review of performance of Institute. Sub-clause (1) of the said clause provides that every Institute shall, within seven years from the date of establishment and incorporation of such Institute under this Act and thereafter at the expiration of every fifth year, constitute, with the prior approval of the Central Government,

a Committee to evaluate and review the performance of such Institute in achievement of its objects during the said period. Sub-clause (2) of the said clause provides that the Committee constituted under sub-section (1) shall consist of members of repute in academia or industry, from relevant fields of teaching, learning and research in such Institute. Sub-clause (3) of the said clause provides that the Committee shall assess the performance of Institute and make recommendations on—(a) the extent of fulfilment of the objects of the Institute mentioned in section 6, and its contribution to the society; (b) the promotion of transformational research and its impact on industry or society; (c) the advancement of fundamental research; (d) the establishment of the Institute as amongst the global leaders in the area of information technology; (e) the extent of achievement of social equality through education and research in the Institute; (f) such other parameters as the Board may consider necessary and specify. Sub-clause (4) of the said clause provides that the Board shall consider the recommendations referred to in sub-section (3) and take such action, as it may deem fit and the recommendations of the Committee along with an explanatory memorandum on the action taken or proposed to be taken, specifying the reasons thereof, shall be submitted to the Central Government or to the State Government in case of an Institute established under section 10 in the public-private partnership mode and the Central Government or the State Government, as the case may be, shall cause such recommendations to be laid before each House of Parliament or the State Legislature. Sub-clause (5) of the said clause provides that the Central Government shall have the power to give such directions, emanating from the recommendations of the Committee, on policy relating to national purpose, as it may deem fit, and the Institute shall comply with such directions and if any dispute arises as to whether the direction is a question of policy relating to national purpose or not, the decision of the Central Government shall be final.

Clause 21.—This clause deals with grants by Central Government. Sub-clause (1) of the said clause provides that the Central Government may, after due appropriation made by Parliament by law in this behalf, make to each Institute, which is fully funded by the Central Government, grants of such sums of money as are required for supporting the Institute for its operation, management and maintenance. Sub-clause (2) of the said clause provides that the Central Government shall provide to each Institute, including Institutes established in the public private partnership mode, grants of such sums of money as are required to meet the expenditure on scholarships or fellowships instituted by it, including scholarships or fellowships for students from socially and educationally backward classes or categories of citizens enrolled in such Institute.

Clause 22.—This clause relates to fund of Institute. Sub-clause (1) of the said clause provides that every Institute shall maintain a fund to which shall be credited—(a) all monies provided by the Central Government or the State Government or industry partner, as the case may be; (b) all fees and other charges received by the Institute; (c) all monies received by the Institute by way of grants, gifts, donations, benefactions, bequests or transfers; (d) all monies received by the Institute from utilisation of intellectual property arising from research conducted or provision of advisory or consultancy services by it; (e) all monies received by the Institute in any other manner or from any other source. Sub-clause (2) of the said clause provides that the fund of every Institute shall be applied towards meeting the expenses of the Institute including expenses incurred in the exercise of its powers and discharge of its duties under this Act, furtherance of research in the Institute or in collaboration with other educational institutions or industry and for capital investment aimed at the growth and development of the Institute.

Clause 23.—This clause relates to Statutes. It provides that subject to the provisions of this Act, the Statutes may provide for all or any of the following matters—(a) the conferment of honorary degrees; (b) the formation of departments of teaching; (c) the fees to be charged for courses of study in the Institute and for admission to the examinations of degrees and diplomas of the Institute; (d) the institution of fellowships, scholarships, exhibitions, medals and prizes; (e) the terms of office and the method of appointment of

officers of the Institute; (f) the qualifications of teachers of the Institute; (g) the classification, the method of appointment and the determination of the terms and conditions of service of teachers and other staff of the Institute; (h) the constitution of pension, insurance and provident funds for the benefit of the officers, teachers and other staff of the Institute; (i) the constitution, powers and duties of the authorities of the Institute; (j) the establishment and maintenance of halls and hostels; (k) the conditions of residence of students of the Institute and the levying of fees for residence in the halls and hostels and of other charges; (l) the allowances to be paid to the Chairperson and members of the Board; (m) the authentication of the orders and decisions of the Board; (n) the meetings of the Board, the Senate, or any Committee, the quorum at such meetings and the procedure to be followed in the conduct of their business; and (o) any other matter which is required to be or may be specified by Statutes or in respect of which provision is to be made by Statutes.

Clause 24.—This clause relates to Statutes how made. Sub-clause (1) of the said clause provides that the first Statutes of each Institute shall be framed by the Board with the prior approval of the Central Government and a copy of the same shall be laid, as soon as may be, before each House of Parliament. Sub-clause (2) of the said clause provides that the Board may, from time to time, make new or additional Statutes or may amend or repeal the Statutes in the manner provided in this section. Sub-clause (3) of the said clause provides that every new Statute or addition to the Statutes or any amendment or repeal of Statutes shall require the previous approval of the Central Government.

Clause 25.—This clause deals with Ordinances. It provides that subject to the provisions of this Act and the Statutes, the Ordinances of every Institute may provide for all or any of the following matters — (a) the admission of the students to the Institute; (b) the courses of study to be laid down for all degrees and diplomas of the Institute; (c) the conditions under which students shall be admitted to the degree or diploma courses and to the examinations of the Institute, and shall be eligible for degrees and diplomas; (d) the conditions of award of the fellowships, scholarships, exhibitions, medals and prizes; (e) the conditions and mode of appointment and duties of examining bodies, examiners and moderators; (f) the conduct of examinations; (g) the maintenance of discipline among the students of the Institute; and (h) any other matter which by this Act or the Statutes is to be or may be provided for by the Ordinances.

Clause 26.—This clause deals with Ordinances how made. Sub-clause (1) of the said clause provides that save as otherwise provided in this section, Ordinances shall be made by the Senate. Sub-clause (2) of the said clause provides that all Ordinances made by the Senate shall have effect from such date as it may direct, but every Ordinance so made shall be submitted, as soon as may be, to the Board and shall be considered by the Board at its next meeting. Sub-clause (3) of the said clause provides that the Board shall have power by resolution to modify or cancel any such Ordinance and such Ordinance shall from the date of such resolution stand modified accordingly or cancelled, as the case may be.

Clause 27.—This clause relates to the annual accounts and balance sheet. Sub-clause (1) of the said clause provides that at every annual meeting of the Institute, the Director shall lay before the Board — (a) a balance sheet as at the end of the financial year; (b) a statement of income and expenditure for that period. Sub-clause (2) of the said clause provides that every balance sheet and statement of income and expenditure of such Institute shall give a true and fair view of the state of affairs of such Institute as at the end of the financial year and shall, subject to the provisions of this section, be in such form and in accordance with such general instructions and accounting standards as may be prescribed, or as near thereto as circumstances admit. Sub-clause (3) of the said clause provides that where the statement of income and expenditure and the balance sheet of the Institute do not comply with the accounting standards, the Institute shall disclose in its statement of income and expenditure and balance sheet, the following — (a) the deviation from the accounting standards; (b) the reasons for such deviation; and (c) the financial effect, if any, arising due to such deviation.

Clause 28.—This clause deals with books of account to be maintained by Institute. Sub-clause (1) of the said clause provides that every Institute shall keep proper books of account with respect to—(a) all sums of money received and expended by it and the matters in respect of which the receipt and expenditure take place; (b) the assets and liabilities of the Institute; (c) the properties, movable and immovable of the Institute. Sub-clause (2) of the said clause provides that for the purposes of sub-section (1), proper books of account shall not be deemed to be kept with respect to the matters specified therein, if such books are not kept—(a) as are necessary to give a true and fair view of the state of affairs of the Institute and to explain its transactions; and (b) on accrual basis and according to the double entry system of accounting.

Clause 29.—This clause deals with appointment of auditors. Sub-clause (1) of the said clause provides that the Board of every Institute shall, before the expiry of three months prior to the end of the financial year, without prejudice to the provisions contained in the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 or any other law for the time being in force containing provisions for audit of accounts by the Institutes, appoint an auditor or auditors, on such remuneration as it thinks fit, to scrutinise the balance sheet and the statement of income and expenditure of such Institute. Sub-clause (2) of the said clause provides that no person appointed as auditor or persons in the employment of such auditor shall have any direct or indirect interest, whether pecuniary or otherwise, in any matter concerning or related to the administration or operations (except being enrolled as students) of the Institute. Sub-clause (3) of the said clause provides that the provisions of section 226 of the Companies Act, 1956 on the qualifications and disqualifications of auditor shall apply *mutatis mutandis* for appointment of an auditor under this Act. Sub-clause (4) of the said clause provides that every auditor of each Institute shall have such powers and perform such duties as the auditor may think necessary for the performance of his duties as auditor and as are available to, or are required of, such auditor under the Companies Act, 1956.

Clause 30.—This clause deals with annual report of Director. Sub-clause (1) of the said clause provides that there shall be attached to every statement of accounts laid before the Board of each Institute, a report by its Director, with respect to — (a) the state of affairs of such Institute; (b) the amounts, if any, which it proposes to carry to any surplus reserves in its balance sheet; (c) the extent to which understatement or overstatement of any surplus of income over expenditure or any shortfall of expenditure over income has been indicated in the auditor's report and the reasons for such understatement or overstatement; (d) the productivity of research projects undertaken by the Institute measured in accordance with such norms as may be specified by any statutory regulatory authority; (e) appointment of the officers and teachers of the Institute; (f) benchmark and internal standards set by the Institute, including the nature of innovations in teaching, research and application of knowledge. Sub-clause (2) of the said clause provides that the report of the Director shall also include a statement showing the name of the five officers and other employees of the Institute who received the highest remuneration (including allowances and other payments made to such employee) during the preceding financial year and the contributions made by such employees during the financial year. Sub-clause (3) of the said clause provides that the statement referred to in sub-section (2) shall indicate whether any such employee is a relative of any member of the Board or Senate of the Institute and if so, the name of such member, and such other particulars as may be required. Sub-clause (4) of the said clause provides that the Director shall also be bound to give the complete information and explanations in its report on every reservation, qualification or adverse remark contained in the auditors' report.

Clause 31.—This clause provides that annual meeting of Board to consider statement of accounts. Sub-clause (1) of the said clause provides that the statement of accounts, including the balance sheet and the statement of income and expenditure, the auditor's report, the report of the Director and other documents required to be annexed or attached with such statement, shall be brought before the Board in its meeting at such time immediately,

but not later than three months, from the conclusion of the financial year. Sub-clause (2) of the said clause provides that a copy of every statement of accounts (including the balance sheet, statement of income and expenditure, the auditors' report and every other document required to be annexed or attached to balance sheet) which is to be laid before the Board of each Institute shall, not less than twenty-one days before the date of the meeting, be sent to every member of the Board. Sub-clause (3) of the said clause provides that after the statement of accounts referred to in sub-section (1) has been laid before the Board of each Institute, such balance sheet, statement of income and expenditure and other documents shall be placed on the website of such Institute.

Clause 32.—This clause provides for annual statement of accounts of Institutes fully funded by the Central Government. Sub-clause (1) of the said clause provides that the statement of accounts of each Institute, which is fully funded by the Central Government, shall be audited by such auditor as may be appointed in this behalf by the Comptroller and Auditor-General of India. Sub-clause (2) of the said clause provides that the Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of each Institute, which is fully funded by the Central Government, shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the Central Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Institute. Sub-clause (3) of the said clause provides that a copy of the statement of accounts including the balance sheet and the statement of income and expenditure, the auditor's report, the report of the Director and other documents required to be attached with such statement, shall be submitted to the Central Government, and that Government shall, as soon as may be, cause the same to be laid before each House of Parliament.

Clause 33.—This clause deals with annual report of each Institute. Sub-clause (1) of the said clause provides that the annual report of each Institute shall be prepared under the direction of the Board, which shall include, among other matters, the steps taken by the Institute towards the fulfilment of its objects and an outcome based assessment of the research being undertaken in such Institute, and be submitted to the Board on or before such date as may be specified and the Board shall consider the report in its annual meeting. Sub-clause (2) of the said clause provides that the annual report as approved by the Board shall be published and placed on the website of the Institute. Sub-clause (3) of the said clause provides that the annual report of each Institute which is fully funded by the Central Government shall be submitted to the Central Government who shall, as soon as may be, cause the same to be laid before each House of Parliament.

Clause 34.—This clause deals with Council of Institutes. Sub-clause (1) of the said clause provides that with effect from such date as the Central Government may, by notification, specify in this behalf, there shall be established for all the Institutes specified in column (5) of the Schedule, a central body to be called the Council. Sub-clause (2) of the said clause provides that the Council shall consist of the following members — (a) the Minister in charge of the Ministry or Department of the Central Government having administrative control of the technical education, *ex officio*, as Chairperson; (b) the Minister in charge of technical education of State Governments of such States where the Institutes are located, *ex officio*; (c) the industry partner of each of the Institutes established in the public-private partnership mode; (d) the Chairpersons of each of the Institutes, *ex officio*; (e) the Directors of each of the Institutes, *ex officio*; (f) four persons to be nominated by the Central Government, one each to represent the Ministry concerned with finance, technical education, science and technology and information technology; (g) three persons from the information technology industry to be nominated by the Council, from a panel comprised of two names recommended by each Institute; (h) three persons of eminence in research in information technology to be nominated by the Council, from a panel comprised of two names recommended by each Institute; (i) three persons to represent persons of eminence from

academia or civil society to be nominated by the Council, from a panel comprised of two names recommended by each State Government of such States where Institutes are located. Sub-clause (3) of the said clause provides that the Council shall have a Secretariat with a Secretary to be appointed in such manner as may be prescribed. Sub-clause (4) of the said clause provides that the Council may constitute a Standing Committee of the Indian Institute of Information Technology Council to assist the Council in discharge of its duties and responsibilities. Sub-clause (5) of the said clause provides that the expenditure on the Council shall be met by the Central Government.

Clause 35.—This clause provides the term of office and allowances payable to members of Council. Sub-clause (1) of the said clause provides that save as otherwise provided in this section, the term of office of a member of the Council, other than an *ex officio* member, shall be for a period of three years from the date of nomination. Sub-clause (2) of the said clause provides that the term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member. Sub-clause (3) of the said clause provides that the members of the Council shall be entitled to such other travelling and such other allowances, as may be prescribed, for attending meetings of the Council or its Committees.

Clause 36.—This clause deals with functions of Council. Sub-clause (1) of the said clause provides that the Council shall coordinate the activities of all the Institutes. Sub-clause (2) of the said clause provides that without prejudice to the provisions of subsection (1), the Council shall perform the following functions— (a) to recommend to the Central Government, the institution of scholarships including research and for the benefit of students belonging to the Scheduled Castes, the Scheduled Tribes and other socially and educationally backward classes of citizens; (b) to recommend to the Central Government, proposals for establishment of new Institutes of Information Technology in the public-private partnership mode; (c) to deliberate on such matters of common interest to Institutes as may be referred to it by any Institute; (d) to perform such other functions as may be referred to it by the Central Government or any State Government and nothing in this section shall derogate the powers and functions vested by law in the Board or Senate or other authorities of each Institute. Sub-clause (3) of the said clause provides that the Chairperson of the Council shall ordinarily preside at the meetings of the Council and in his absence any other member, chosen by the members present from amongst themselves at the meeting, shall preside at the meeting.

Clause 37.—This clause deals with acts and proceedings not to be invalidated by vacancies, etc. It provides that no act of Council, or any Institute or Board or Senate or any other body set-up under this Act or the Statutes, shall be invalid merely by reason of — (a) any vacancy or defect in the constitution thereof; or (b) any irregularity in its procedure not affecting the merits of the case; or (c) any defect in the selection, nomination or appointment of a person acting as a member thereof.

Clause 38.—This clause deals with returns and information to be provided to Central Government or State Government. Sub-clause (1) of the said clause provides that every Institute shall furnish to the Central Government such returns or other information with respect to its policies or activities as the Central Government may, for the purpose of reporting to Parliament or for the making of policy, from time to time require. Sub-clause (2) of the said clause provides that every Institute, established in the public-private partnership mode, shall furnish to the State Government in which such Institute is located, such returns or other information with respect to its policies or activities as that Government may, for the purpose of reporting to the concerned State Legislature or for the making of policy, from time to time require.

Clause 39.—This clause deals with powers of Central Government to issue directions. It provides that the Institute shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

Clause 40.—This clause provides that the Institute to be a public authority under Right to Information Act, 2005. It provides that the provisions of the said Act shall apply to each Institute, including Institutes established in the public-private partnership mode, as if it were a public authority defined in clause (h) of section 2 of the said Act.

Clause 41.—This clause relates to power of Central Government to make rules. Sub-clause (1) of the said clause provides that the Central Government may, by notification make rules for carrying out the provisions of this Act. Sub-clause (2) of the said clause provides that in particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters— (a) the form and manner in which the State Government shall submit proposal to the Central Government under sub-section (2) of section 10; (b) the criteria for examination of the proposal of the State Government under sub-section (3) of section 10; (c) the form of balance sheet and statement of income and expenditure and the accounting standards under sub-section (2) of section 27; (d) the manner of appointment of Secretary under sub-section (3) of section 34; (e) the travelling and such other allowances payable to the members of the Council for attending meetings of the Council or its Committees under sub-section (3) of section 35; (f) any other matter which is to be or may be, prescribed or in respect of which provision is to be made by the Central Government by rules.

Clause 42.—This clause relates to transitional provisions. Sub-clause (1) of the said clause provides that notwithstanding anything contained in this Act—(a) the Board of every Institute functioning as such immediately before the commencement of this Act shall continue to function until a new Board is constituted for that Institute under this Act, but on the constitution of a new Board under this Act, the members of the Board holding office before such commencement of this Act shall cease to hold office; (b) every Senate constituted in relation to every Institute before the commencement of this Act shall be deemed to be the Senate constituted under this Act until a Senate is constituted under this Act for that Institute, but on the constitution of the new Senate under this Act, the members of the Senate holding office before the commencement of this Act shall cease to hold office; (c) until the first Statutes and the Ordinances are made under this Act, the Statutes, the Ordinances, the rules, regulations and *bye-laws* of each Institute as in force, immediately before the commencement of this Act, shall continue to apply to the corresponding Institute in so far as they are not inconsistent with the provisions of this Act. Sub-clause (2) of the said clause provides that the Central Government may, without prejudice to the provisions of sub-section (1), if it considers necessary and expedient, by notification, take such measures which may be necessary for the smooth transfer of the existing Institute mentioned in column (3) of the Schedule to the corresponding Institute mentioned under column (5) of the Schedule.

Clause 43.—This clause deals with power to remove difficulties. Sub-clause (1) of the said clause provides that if any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions or give such directions not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for removing the difficulty and no such order shall be made under this section after the expiry of the period of three years from the date of commencement of this Act. Sub-clause (2) of the said clause provides that every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Clause 44.—This clause deals with laying of rules and notifications. It provides that every rule made and every notification issued by the Central Government under this Act, shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

FINANCIAL MEMORANDUM

Sub-clause (1) of clause 4 of the Bill provides that every existing Institute mentioned in column (3) of the Schedule shall be a body corporate by the corresponding name as mentioned in column (5) of the Schedule. The four existing Indian Institutes of Information Technology are centrally funded for meeting their expenditure. During the 11th Plan period these Institutes were sanctioned grants-in-aid to the tune of Rs. 649.86 crore for meeting their recurring and non-recurring expenditure.

2. Sub-clause (1) of clause 10 of the Bill provides for establishment of an Institute. Sub-clause (2) provides that for the purpose of establishing an Institute in the public-private partnership mode, a State Government shall identify an industry partner for collaboration and submit a proposal to the Central Government in such form and manner as may be prescribed. The financial requirement for setting up of these Institutes is estimated at Rs. 2808.71 crore (Rs. 2558.71 crore, for non-recurring expenditure, Rs. 200 crore for recurring expenditure and Rs. 50.00 crore, for faculty development expenditure) during the nine years commencing from the financial year 2012-13.

3. Clause 21 of the Bill, *inter alia*, provides that the Central Government may grant such sums of money, as are required by such Institute or Institutes fully funded by the Central Government, for supporting the Institute for its operation, management and maintenance, after due appropriation made by Parliament by law in this behalf. The clause further provides that the Central Government shall provide to each such Institute, including Institutes established in the public-private partnership mode, grants of such sums of money as are required to meet the expenditure on scholarships and fellowships instituted by it, including scholarships or fellowships for students from socially and educationally backward classes or categories of citizens enrolled in such Institute. The expenditure would be met from the Consolidated Fund of India through the budgetary provision under the Department of Higher Education of the Ministry of Human Resource Development.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 24 of the Bill empowers the Board to frame, with the prior approval of the Central Government, the first Statutes of each Institute. A copy of such Statutes shall be laid before each House of Parliament.

2. Clause 26 of the Bill empowers the Senate of each Institute to make Ordinances consistent with the provisions of the Act and the Statutes. The matters in respect of which such Ordinances may be made relate, *inter alia*, to the admission of the students to the Institute; the courses of study to be laid down for all degrees and diplomas of the Institute; the conditions under which students shall be admitted to the degree or diploma courses and to the examinations of the Institute, and shall be eligible for degrees and diplomas; the conditions of award of the fellowships, scholarships, exhibitions, medals and prizes; the conditions and mode of appointment and duties of examining bodies, examiners and moderators; the conduct of examinations; the maintenance of discipline among the students of the Institute; and any other matter which by this Act or the Statutes is to be or may be provided for by the Ordinances.

3. Sub-clause (1) of clause 41 of the Bill empowers the Central Government to make rules for carrying out the provisions of the Act. Sub-clause (2) specifies the matters in respect of which such rules may be made. These matters relate to (a) the form and manner in which the State Government shall submit proposal to the Central Government under sub-section (2) of section 10; (b) the criteria for examination of the proposal of the State Government under sub-section (3) of section 10; (c) the form of balance sheet and statement of income or expenditure and the accounting standards under sub-section (2) of section 27; (d) the manner of appointment of Secretary under sub-section (3) of section 34; (e) the travelling and such other allowances payable to the members of the Council for attending meetings of the Council or its Committees under sub-section (3) of section 35; (f) any other matter which is to be or may be, prescribed or in respect of which provision is to be made by the Central Government by rules.

4. Sub-clause (1) of clause 43 of the Bill empowers the Central Government, by order published in the Official Gazette, to make such provisions or give such directions not inconsistent with the provisions of the Act, as appears to it to be necessary or expedient for removing the difficulty and such an order is not to be made after the expiry of a period of three years from the date of commencement of the Act and that such order shall be laid before each House of Parliament.

5. Clause 44 of the Bill provides that every rule made and every notification issued by the Central Government are required to be laid before each House of Parliament.

6. The matters in respect of which the Statutes, Ordinances or rules may be made pertain to matters of procedure and administrative details for which it is not practicable to make any provision in the Bill. The delegation of legislative power is, therefore, of a normal character.

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to declare certain institutions of information technology to be institutions of national importance with a view to develop new knowledge in information technology and to provide manpower of global standards for the information technology industry and to establish other Institutions of Information Technology and to provide for certain other matters connected with such institutions or incidental thereto.

(Shri M.M. Pallam Raju, Minister of Human Resource Development)