

# THE UNIVERSITIES FOR INNOVATION BILL, 2010.

No. \_\_\_\_\_ of 2010

**WHEREAS** creation of new knowledge and its dissemination are critical to the progress and development of society;

**AND WHEREAS** knowledge societies address how information and ideas are germinated, nurtured, adopted, adapted and transferred efficiently by knowledge-based institutions;

**AND WHEREAS** knowledge-based institutions have the capacity to share, create and apply new knowledge over time, in cultures of mutual learning and continuous innovation;

**AND WHEREAS** innovation carries spin-off benefits and yields social dividends through enhanced quality of life, reduction in poverty, improved health, better education, empowerment of women and weaker sections of society and the pursuit of happiness;

**AND WHEREAS** Universities are spaces where ideas germinate and grow into applications, and the prevailing culture of creativity, intellectual challenge and freedom trigger innovation; constantly challenging and stretching the existing boundaries of knowledge;

**AND WHEREAS** Universities which strive for high quality and excellence of research as recognised by society and academic peers and distinguish as worthy of being world-class, are required to be encouraged so as to attract outstanding faculty and students to gravitate towards an ambience sustained by a spirit of free inquiry.

**BE** it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:-

**AN ACT** to provide for the establishment of Universities for Innovation which would be at the fount of making India the global knowledge hub and set benchmarks for excellence for other institutions of higher learning through path-breaking research and promoting synergies between teaching and research to create institutions universally recognized for quality in teaching, learning and research, and to provide for matters connected therewith or incidental thereto.

## CHAPTER I

### PRELIMINARY

1. **Short title, extent, commencement and applicability.**- (1) This Act may be called the Universities for Innovation Act, 2010.

(2) It extends the whole of India.

(3) It shall come into force on such date or dates as the Central Government may, by notification, appoint; and different dates may be appointed for different Universities listed in the Schedule to this Act.

(4) This Act applies to the Universities listed in the Schedule to this Act.

**2. Definitions.** – In this Act, unless the context otherwise requires,—

- (a) "Academic Board" means the Academic Board constituted under sub-section (1) of section 12;
- (b) "Board of Governors" means the Board of Governors constituted under sub-section (1) of section 10;
- (c) "Board of Studies" means the Board of Studies of a Faculty or School of Studies;
- (d) "Chancellor" and "Vice-Chancellor", and mean, respectively, the Chancellor and Vice-Chancellor of a University for Innovation, unless specified otherwise;
- (e) "Commission" means the University Grants Commission or its successor body thereof;
- (f) "financial year" means –
  - (i) the year commencing on the first day of April in case of a University for Innovation;
  - (ii) the year commencing on the first day of June in case of a University for Innovation other than a publicly funded University;
- (g) "intellectual property" means any right to intangible property, including trade mark, patent, design, and plant variety as defined under the Copyright Act, 1957 [14 of 1957], the Patents Act, 1970 [39 of 1970], the Designs Act, 2000 [16 of 2000], the Semiconductor Integrated Circuits Layout-Design Act, 2000 [37 of 2000], the Protection of Plant Varieties and Farmers' Rights Act, 2001 [53 of 2001], or any law governing right to intellectual property and related rights for the time being in force;
- (h) "intellectual property creator" means the person employed or engaged by a University for Innovation for research and development and who created the public funded intellectual property;
- (i) "memorandum of agreement" means such memorandum specified in section 9;
- (j) "not for profit" in the context of this Act means application of revenue, grants, surplus or other income for the promoting the objects of a University for Innovation specified under this Act and prohibition of transfer or payment of any revenue, grant, surplus or other income to the promoter or promoters of the University for Innovation;
- (k) "notification" means a notification published in the Official Gazette and the expression "notify" with its cognate meanings and grammatical variations shall be construed accordingly;
- (l) "prescribed" means prescribed by rules made under this Act;
- (m) "programme of study" means a course or programme of study leading to the award of a degree or a diploma in a University for Innovation;
- (n) "promoter" means -

- (i) an organisation, being a company registered under section 25 of the Companies Act, 1956 [1 of 1956] or a society formed and registered under the Societies Registration Act, 1860 [5 of 1860] or a trust formed under the Indian Trusts Act, 1882 [5 of 1882] or any other law for the time being in force, which is recognised as amongst the foremost organisations of its kind in India and has demonstrated financial capability and expertise for establishing a University for Innovation; and has devoted itself to proven innovations in research in unique or emerging areas of knowledge bearing a relationship to the area of focus or problem of significance referred to in sub-section (3) of section 7; or
- (ii) a university established or incorporated outside India which has been functioning as such for at least fifty years in the country in which it had been established or incorporated and is recognised, through internationally accepted standards, as amongst the foremost universities of the world.
- (o) "public funded intellectual property" means intellectual property which is the outcome of research and development in a University for Innovation for which the Central Government, or any agency established by or under any law or otherwise by the Central Government, has provided grants under sub-section (1) of section 17;
- (p) "publicly funded University" means a University for Innovation where the entire capital investment for its establishment is provided, directly or indirectly, by the Central Government
- (q) "Statutes" and "Ordinances" mean, respectively, the Statutes and the Ordinances, for the time being in force, of a University for Innovation;
- (r) "statutory regulatory authority" means any regulatory authority established under any law for the time being in force, for coordinating or determining or maintaining the standards of higher education;
- (s) "teachers of the University" means persons as may be, by whatever designation, appointed for imparting instruction and conducting research in a University for Innovation and are designated as teachers by Ordinance;
- (t) "University for Innovation", unless the context otherwise requires, means a University listed in the Schedule to this Act;
- (u) "utilisation" along with its cognate meanings and grammatical variations thereof, means the manufacture of a composition or product, the practice of a process or method, operation of a machine or system, or commercialisation thereof;
- (2) Words and expressions used and not defined herein but defined in the or in the General Clauses Act, 1897 [10 of 1897], and not inconsistent with this Act shall have the meanings respectively assigned to them in such law or in the General Clauses Act, 1897 [10 of 1897].

## CHAPTER II

### UNIVERSITIES FOR INNOVATION

**3. Universities for Innovation.** – (1) There shall be established Universities for Innovation by the names mentioned in the Schedule to this Act.

(2) The headquarters of each University for Innovation shall be such as may be provided in the Memorandum of Agreement notified by the Central Government.

(3) Each University for Innovation shall be a body corporate by the name mentioned in the Schedule, having 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.

(4) The jurisdiction of each University for Innovation shall extend to the whole of India:

Provided that each University for Innovation may, if it so deems fit, establish campuses in foreign countries in accordance with the provisions of the laws of such foreign country.

**4. Declaration of Universities for Innovation as institutions of national importance.**- Whereas the objects of the Universities for Innovation established under this Act are of national importance, it is hereby declared that Universities for Innovation established under this Act are institutions of national importance.

**5. Objects of University.**- (1) Every University for Innovation shall –

(a) stand for humanism, for tolerance, for reason, for the adventure of ideas, and for the search for truth.

(b) constantly aspire for attainment of the pinnacle of knowledge and learning;

(c) attempt, through research, to provide a path for humankind free from deprivation and want;

(d) seek to understand and appreciate nature and its laws for the well-being and happiness of present and future generations;

(e) seek and cultivate new knowledge, to engage vigorously and fearlessly in the pursuit of truth, and to interpret old knowledge and beliefs in the light of new needs and discoveries;

(f) seek to provide society with competent men and women to meet knowledge needs of the country, in training professionals, specialists, scientists and researchers for the purpose, who will also be cultivated individuals, imbued with a sense of social purpose performing service to the nation and to humanity and cultivating the right moral and intellectual values;

- (g) develop competent and capable youth with the social and environmental orientation to provide global leadership for the future;
- (h) strive to promote equality and social justice and to reduce social and cultural differences through diffusion of education;
- (i) provide an ambience of learning that has an international flavour; and
- (j) enable the fruits of research to be disseminated in society through promotion of robust linkages with economy and civil society.

(2) Every University for Innovation shall, for the purpose of achievement of the objects specified in sub-section (1) provide instruction, teaching and research facilities of standards comparable or superior to the best universities in the world, in such branches of learning across various fields of knowledge, as it may deem fit.

Provided that every such University shall, in recognition of the fact that knowledge created is not pure discipline-based or propositional but emerges in response to problems of society, focus on an area or areas with problem of significance and build an ecosystem of research and teaching around different related disciplines and fields of study which are relevant thereto, searching for solutions that are globally valid and in the process develop education at undergraduate and higher levels.

**6. Autonomy to University.-** Every University for Innovation shall exercise autonomy in regard to the achievement of its objects and in particular, in the following matters, namely;

- (i) to provide for instruction in such branches of learning consistent with its objects as such University may, from time to time, determine and to make provisions for research and for the advancement and dissemination of knowledge; and to award academic distinctions;
- (ii) to institute teaching, research or other academic positions, required by such University with such designations as it may deem fit, and to appoint persons on tenure, term or otherwise to such positions;
- (iii) to organize, promote and conduct research in such University or in collaboration or association with any other University, institution of research or body corporate;
- (iv) to appoint persons working in any other University or academic institution or involved in research of significance in any industry as adjunct, guest or visiting teachers of the University on such terms and for such duration as the University may decide;
- (v) to create administrative and other posts and to make appointments thereto;

- (vi) to make provision for dissemination of knowledge emerging from research and for that purpose to enter into such arrangements with other institutions, industry, civil society or other organizations, as such University may deem necessary;
- (vii) to determine and receive payment of fees and other charges, as such University may deem fit for instruction and other services provided by such University;
- (viii) to establish chairs of studies through benefactions, donations and collaborations for seminal research in areas of knowledge;
- (ix) to establish study centre overseas in accordance with any law of the host country applicable to establishment and operation of such study centre and in accordance with the provisions of or under this Act;
- (ix) to receive benefactions, donations and gifts and to acquire, hold, invest and manage, and to dispose off any moveable property for the purposes of the University;
- (x) to do all such other acts and things as may be necessary, incidental or conducive to the attainment of all or any of its objects.

(2) Notwithstanding anything contained in any other law for the purposes of determination of standards in higher education, for the time being in force, every University for Innovation shall determine and declare, on its website, the standards of such education sought to be provided in such University in its teaching, learning and research:

Provided that the standards so determined and declared by such University shall be higher than minimum standards determined by the statutory regulatory body in the relevant field of knowledge;

Provided further that where no standards have been determined by the statutory regulatory authority in the relevant field of knowledge, the standards so determined and declared by the University shall be equivalent or higher than the standards of the best international universities;

Provided also that where a dispute arises between such university and the statutory regulatory authority in regard to standards of higher education in any discipline or field of knowledge, such dispute shall be referred to a committee of three persons of international eminence and standing of whom -

- (i) one shall be nominated by the statutory regulatory body impugning the standards;
- (ii) one shall be nominated by such university which has determined the standards so impugned;
- (iii) one shall be nominated by an University for Innovation, chosen in such manner as may be prescribed, other than such university which has determined the standards so impugned:

Provided also that the decision of the Committee referred to in the third proviso shall be final and binding.

(3) Notwithstanding anything contained in the University Grants Commission Act, 1956 [3 of 1956] or any other law for the time being in force, every University for Innovation shall have the power to determine the nomenclature of degrees and other academic distinctions awarded by it.

**7. University for Innovation to be open to all.-** (1) Each University for Innovation shall be open to all persons irrespective of nationality, gender, caste, creed, disability, ethnicity, social or economic background.

Provided that not less than one half of the students admitted to pursue any programme of study in a University for Innovation shall be citizens of India.

(2) All admissions to every programme of study in a University for Innovation 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 University.

Provided that every such University, not being a publicly funded University for Innovation, shall specify, by statute, such criteria in the matter of admission as would account for disparities in educational attainments arising from the social or economic background of any class or category of applicants for admission.

**8. University to be a distinct legal entity not-for-profit.-** Each University for Innovation shall be a not-for-profit legal entity by this Act, distinct from its promoter or promoters for all intents and purposes:

Provided that no part of the surplus, if any, in revenue of such University, 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 University or for conducting research therein;

Provided further that no part of such surplus shall be appropriated, distributed or transferred to its promoter.

**9. Memorandum of Agreement.-** (1) The promoter or promoters of each University of Innovation shall submit a vision plan along with a project report which shall indicate –

- (i) the vision for achievement of the objects of such proposed University;
- (ii) the name and location of the such proposed University;

- (iii) the focus on area or areas with problems of significance referred to in the first proviso to sub-section (2) of section 5;
- (iv) the capital investment plan along with its phasing over a reasonable period for the establishment of such proposed University;
- (v) the sources of financing the capital investment and the financial contribution, if any, expected from the Central Government;
- (vi) information, along with audited accounts, regarding financial resources of the promoters;
- (vii) the availability of land and the expected support from the Central Government in obtaining land for the establishment of such proposed University;
- (viii) the infrastructure expected to be provided in such proposed University;
- (ix) the standards of higher education proposed to be maintained in such proposed University;
- (x) the programmes of study that are expected to be provided in such proposed University;
- (xi) the plan for funding the operations and management of such proposed University;
- (xii) the constitution of the Board of Governors of such proposed University, the manner, qualifications and tenure of appointment or nomination of members of the Board of Governors;
- (xiii) a draft Memorandum of Agreement proposed to be entered into with the Central Government.

(2) The Central Government shall, on receipt of the vision plan and the project report under sub-section (1), issue a public notice and place the draft Memorandum of Agreement along with the vision plan and other documents received with the project report, for a period of sixty days from the date of issue of such public notice, on its website to provide an opportunity for comments or objections to such draft Memorandum of Agreement to be received.

(3) The Central Government may require the applicant to furnish such other information or clarification as it may consider necessary.

(4) The Central Government may obtain the advice of such experts, as it deems fit, for the specific purpose of evaluating the competency and expertise of the promoter.

(5) The promoter shall be afforded an opportunity to submit his response on the comments or objections received under sub-section (2) or clarifications sought under sub-section (3).

(6) The Central Government shall, as far as practicable within a period of six months from the receipt of the project report under sub-section (1) and after considering the comments or objections or clarifications or recommendations, —



- (i) enter into a Memorandum of Agreement, with or without such modifications, as it may deem fit for reasons to be recorded in writing, to the draft Memorandum published under sub-section (2), with the promoter or promoters; or
  - (ii) reject, for reasons to be recorded in writing, the proposal for entering into a Memorandum of Agreement, for one or more of the following reasons, namely;
    - (a) does not falling within the definition of promoter under clause (n) of sub-section (1) of section 2;
    - (b) lack of demonstrated financial capability or expertise for establishment of a University;
    - (c) funds for capital investment being sought from undisclosed or disreputable or dubious sources;
    - (d) substantial overlap with any existing University in India in the proposed focus on area or areas with problems of significance for the University for Innovation;
    - (e) the lack of possibility of multi-disciplinary approach or social relevance of the proposed focus on area or areas with problems of significance for the University for Innovation;
    - (f) being against national interests or interest of the sovereignty and integrity of India, the security of the State or sensitivity of the proposed location;
    - (g) such other reasons as may be prescribed.
- (7) The Memorandum of Agreement of each University for Innovation referred to in clause (i) of sub-section (6) shall provide –
- (i) the name and location of the such University;
  - (ii) the area or areas with problems of significance referred to in the first proviso to sub-section (2) of section 5;
  - (iii) the capital investment plan along with its phasing over such period, as may be deemed necessary, for the establishment of such University;
  - (iv) the sources of financing the capital investment and the financial contribution, of the Central Government;
  - (v) the constitution of the Board of Governors of such University, the manner, qualifications and tenure of appointment or nomination of members of the Board of Governor.
- (8) Every Memorandum of Agreement shall be published, by notification in the Official Gazette to take effect from such prospective date as may be fixed by the Central Government in this regard.

(9) Every Memorandum of Agreement, along with an explanatory note on the comments or suggestions received to its draft, shall be laid, as soon as may be after it is notified, 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 Memorandum of Agreement or both Houses agree that the Memorandum of Agreement should not be made, such Memorandum 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 Memorandum.

(11) Nothing contained in this section shall apply to a publicly funded University for Innovation where the Central Government provides the entire cost of capital investment.

### CHAPTER III

#### GOVERNANCE STRUCTURES OF UNIVERSITIES FOR INNOVATION

**10. Board of Governors of University.-** There shall be constituted a Board of Governors for each University for Innovation comprising of such members, appointed or nominated in such manner with such qualifications and for such tenure, as may be provided in the Memorandum of Agreement.

Provided that not less than one-third of the members of the Board of Governors shall be drawn from teachers or officers of the University for Innovation.

Provided further that not less than one-half of the members of the Board of Governors shall be independent persons.

*Explanation:* For the purposes of this section, the expression "independent persons" shall mean such persons who are not in the employ of, or possess pecuniary interest, otherwise than as a member of the Board of Governors, in the operations of the University for Innovation; and not in the employ, or possess pecuniary interest in any operations directly or indirectly, of the promoter.

**11. Powers and functions of Board of Governors.-** (1) Subject to the provisions of this Act, the Board of Governors of each University for Innovation shall exercise or provide for the exercise of all powers and discharge all functions vested in such University.

(2) The Board of Governors of each University for Innovation shall enact Statutes to provide for the administration, management and operations of such University

(3) The Board of Governors may, subject to the provisions of this Act and by Statute, delegate the exercise of powers and discharge of functions to the Academic Board, the Board of Studies, the Research Council, the Faculty of Knowledge Manpower Assessment or to the Vice Chancellor or other officer of the University as the Board of Governors may deem fit.

(4) The Board of Governors shall in the exercise of powers and discharge of functions strive, to the extent desirable, to provide autonomy in academic matters to the School of Studies.

(5) Without prejudice to the generality of the fore-going provisions in this section, the Board of Governors may, inter alia, provide for all or any of the following matters, namely;

(i) to establish schools of studies;

(ii) to approve the annual budget estimates of such University providing for the budget outlays for each School of Studies and to the Research Council and in such other operational and functional areas as it may deem fit; and to modify, revise or amend, from time to time, the annual budget estimates during the course of the year;

(iii) to approve the plan for development of such University and to identify sources of finance for implementation of such plan;

(iv) to specify the qualifications and other eligibility criteria and the processes for appointment to posts of Professors Emeritus and Professors in such University and to appoint academics to such posts;

(v) to specify the qualifications, criteria and processes for appointment to posts of Associate Professors and Assistant Professors in such University

(vi) to specify the qualifications and other eligibility criteria and the processes for appointment to posts of Vice Chancellor and other officers of the University and to make appointments to such posts;

**12. Academic Board.-** (1) The Board of Governors of each University for Innovation shall constitute a Academic Board headed by the Vice Chancellor and of the University and with such composition and appointed or nominated in such manner with such qualifications for such tenure as may be specified in the Memorandum of Agreement:

Provided that not less than one-third of the membership of the Academic Board shall be composed of independent academics not in the employ of the University for Innovation:

*Explanation:* For the purposes of this section, the expression "independent academics" shall mean such academics who are not in the employ of, or possess a pecuniary interest, otherwise than as a member of the Academic Board, in the operations of the University

(2) The Board of Governors shall designate such officer, as it may deem fit, of each University for Innovation to act as the secretary to the Academic Board.

(3) Subject to the provisions of this Act and the Statutes enacted by the Board of Governors, the Academic Board of each University shall be responsible for the management and administration of the revenues and property of the University and the conduct of such administrative affairs of the University as may be assigned to it by the Board of Governors.

(4) Without prejudice to the generality of the provisions in sub-section (3), the Academic Board may, inter alia, provide for all or any of the following matters, namely;

(i) to make appointments, on the basis of such qualifications and other eligibility conditions and in accordance with such process as may be provided by Statutes, to posts of Associate Professors and to fill up temporary vacancies therein;

(ii) to prepare and recommend the annual budget estimates to the Board of Governors; and recommend modifications, revisions or amendments to the annual budget estimates to the Board of Governors;

(iii) to create academic posts other than that of Professors Emeritus or Professors, and to define the duties, terms and conditions of service of teachers and other academic staff, other than Professors Emeritus or Professors:

(iv) to create administrative, ministerial and other necessary posts and to define their duties, terms and conditions of their service and the process of appointments to such posts;

(v) to grant leave of absence to any of those for whom the Board of Governors is the appointing authority, and to make necessary arrangements for the discharge of the functions of such officer during their absence;

(vi) to manage and regulate, on the basis of the budget outlays and development plans approved by the Board of Governors, the finances, accounts, investments, property, business and all other administrative affairs of the University and for that purpose to appoint such agents as it may think fit;

Provided that each School of Study shall, on the basis of allocations and outlays for such School approved by the Board of Governors, manage and regulate the finances and maintain accounts; and

(vii) to exercise such other powers and perform such other duties as may be conferred or imposed on it by Statutes or delegated to it by the Board of Governors.

**13. Faculties or Schools of Studies.-** (1) Each University for Innovation shall establish such Faculties or Schools of Studies, with a Board of Studies for each Faculty or School comprised of the Dean of such School and such other members, as may be specified by Statutes.

(2) The Board of Studies of the Faculty or School shall have the powers to –

- (i) specify programmes of study to be offered by such Faculty or School within or in association with other Faculties or Schools;
- (ii) specify criteria and norms for admission to programmes of study offered by such School within or in association with other Schools and the fees to be charged for such programmes of study;
- (iii) prepare and recommend the annual budget estimates of the Faculty or School to the Academic Board; and recommend modifications, revisions or amendments to the such budget estimates;
- (iv) manage and regulate, subject to the limits of the budget outlay approved by the Board of Governors, the finances of the Faculty or School and maintain its accounts;
- (v) make appointments, on the basis of such qualifications and criteria and in accordance with such process as may be specified by Statutes, to posts of Assistant Professors and to fill up temporary vacancies therein.
- (vi) exercise such other powers and perform such other duties as may be conferred or imposed on it by Ordinances or by Statutes.

(3) Each University for Innovation shall establish a Faculty of Knowledge Manpower Assessment to –

- (i) study and assess, through research, trends in emerging fields of knowledge of relevance to such University;
- (ii) assess and project the requirement for knowledge manpower needs and define the competencies so required;
- (iii) recommend, on the basis of the results of its study, assessment and projections, revision of curricula and syllabi to Schools;
- (iv) interface and interact with the alumni of such University;
- (v) exercise such other powers and perform such other duties as may be conferred or imposed on it by Ordinances or by Statutes.

**14. Research Council.**- (1) Each University for Innovation shall establish a Research Council comprised of a Director and such other members as may be specified by the Board of Governors.

(2) The Research Council of each University for Innovation shall –

- (i) interface with research funding organisations, industry and civil society to identify potential areas for research in areas of expertise of such University;
- (ii) to organize and promote research in such University or in collaboration with any other University;

- (ii) assist teachers in such University in obtaining funding from external sources for research projects prepared by them;
- (iii) provide, out of the funds placed at its disposal by the Board of Governors, research resources and grant assistance for research projects proposed to be undertaken by teachers in such University;
- (iv) provide for incubation of applications emerging from research undertaken in such University;
- (v) make provision for research and advisory services and for that purpose enter into such arrangements with other institutions, industry, civil society or other organizations and enable the fruits of research to be disseminated in society through such arrangements;
- (vi) exercise such other powers and perform such other duties as may be assigned to it by Ordinances or by Statutes.

**15. The Chancellor, Vice Chancellor and other officers of the University.-** (1) The Chancellor of each University for Innovation shall be an academic of international eminence and standing, appointed by the promoter in such manner as may be specified by the Statutes.

(2) The Vice Chancellor shall be chosen by the Board of Governors from a panel of three names recommended by the Collegium:

Provided that the Board of Governors may recommend names of academics of international eminence and standing to the Collegium for determining the suitability of such academic for appointment as Vice Chancellor.

(3) The other officers of each University for Innovation shall include the Deans of Schools, , the Dean in charge of Admissions, the Director in charge of the Research Council, the Director in charge of Human Resources Management, the Chief Finance and Investment Officer and such other officers as may be declared by the Board of Governors to be officers of the University.

**16. Autonomy over appointments of academic staff.-** (1) The Board of Governors of any University for Innovation shall have the autonomy to enact, by Statutes, its own policy to attract the highly qualified and talented academics having sufficient teaching or research experience from any part of the country or abroad, and to offer them emoluments and perks commensurate with their standing.

(2) The policy to attract the highly qualified and talented academics referred to in subsection (1) may include:

(a) appointment by invitation of any person of high academic distinction and professional attainments to accept the post of Professor or Associate Professor in such University on such terms and conditions as it deems fit;

(b) appointment by invitation of any graduating student with high academic distinction demonstrating exceptional talent for research as Assistant Professor in such University on such terms and conditions as it deems fit.

Provided that the total number of posts filled up by such policy referred to in clause (b) at any time should not exceed twenty per cent of the total sanctioned posts of Assistant Professor in such University.

(3) Each Faculty or School of Studies shall have the autonomy to appoint, in accordance with norms, qualifications and process specified by Ordinances, and for such duration as may be required, persons to assist in research being undertaken or teaching being imparted in such School or Faculty.

#### **CHAPTER IV**

#### **GRANTS, ACCOUNTS AND AUDIT**

#### **17. Grants by Central Government for supporting higher education and research.-**

(1) The Central Government may, after due appropriation by Parliament, make to each University for Innovation, grants of such sums of money as are required for supporting research and the promotion and development of higher education.

(2) The Central Government shall provide to each University for Innovation 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 University.

(3) The Board of Governors of each University for Innovation shall constitute, in such manner and for such period as may be prescribed, an Expert Group for Research Audit for conducting an assessment and evaluation, on the basis of such parameters as may be prescribed, of the research undertaken out of public funds in each University for Innovation.

(4) The Expert Group for Research Audit constituted under sub-section (3) shall submit its assessment and evaluation of the research undertaken out of public funds in each University for Innovation to the Academic Board; and the Academic Board shall cause such report to be placed before the Board of Governors along with an explanatory memorandum of the action taken thereof with reasons for such action.

(5) The Board of Governors shall, on consideration of the assessment and evaluation report referred to in sub-section (5) and the explanatory memorandum thereof, take such

action as it deems fit; and the action taken thereof shall be reported to the Central Government, which shall cause the same to be laid before both Houses of Parliament.

**18. University Endowment Fund.-** (1) Each University for Innovation shall establish a University Endowment Fund with such initial corpus as may be provided in the Memorandum of Agreement having such funds which can include.

(2) Each University for Innovation shall have the power to receive donations, contributions from alumni and other incomes, from time to time, into the University Endowment Fund, and invest such Fund in a manner as may be specified by Statutes.

Provided that upto eighty percent of the incomes received annually into the University Endowment Fund may be used for the purposes of development of its research infrastructure.

**19. Books of accounts to be kept by University for Innovation.-** (1) Every University for Innovation shall keep proper books of account with respect to -

- (a) all sums of money received and expended by such University and the matters in respect of which the receipt and expenditure take place;
- (b) the assets and liabilities of such university;
- (c) the properties, moveable and immovable of such university;

(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, -

- (a) if there are not kept such books as are necessary to give a true and fair view of the state of affairs of such University and to explain its transactions; and
- (b) if such books are not kept on accrual basis and according to the double entry system of accounting.

**20. Annual Accounts and Balance Sheet.-** (1) At every annual meeting of each University for Innovation, the Vice Chancellor and the Chief Finance and Investment Officer of such University shall lay before the Academic Board -

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

(2) Every balance sheet and statement of income and expenditure of such University shall give a true and fair view of the state of affairs of such University 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.



(3) Where the statement of income and expenditure and the balance sheet of such University do not comply with the accounting standards, such University 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 [38 of 1949] or as may be prescribed.

**21. Appointment, Powers and Duties of Auditors.-** (1) The Board of Governors of every University for Innovation shall, before the expiry of three months prior to the end of the financial year, appoint an auditor or auditors, on such remuneration as it thinks fit, to scrutinize the balance sheet and the statement of income and expenditure of such University.

(2) No person appointed as auditor or persons in the employ 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 such University.

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

(4) Every auditor of each University for Innovation shall all such powers and perform all 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 [1 of 1956].

**22. Academic Board's Report.-** (1) There shall be attached to every statement of accounts laid before the Board of Governors of each University for Innovation, a report by its Academic Board, with respect to –

- (a) the state of such University's affairs;
- (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 such University measured in accordance with such norms as may be specified by the Commission.

(2) The Academic Board's report shall also include a statement showing the name of the five officers or other employees of such University who received the highest remuneration (including allowances and other payments made to such employee) during the 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 of Governors or the Academic Board of such University and if so, the name of such member; and such other particulars as may be prescribed.

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

**23. Annual Meeting of Board of Governors' to consider statement of accounts.-**

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

(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 Governors of each University for Innovation shall, not less than twenty-one days before the date of the meeting, be sent to every member of the Board of Governors of such University.

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

**24. Annual report of each University for Innovation.-**

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

(2) The annual report on its approval by the Board of Governors shall be published on the website of the University for Innovation.

## CHAPTER V

### PROTECTION AND UTILISATION OF INTELLECTUAL PROPERTY EMERGING FROM PUBLIC FUNDED RESEARCH

**25. Disclosure of intellectual property created out of publicly funded research and vesting of title of such property .-** (1) Where a University for Innovation creates new knowledge from research which is funded by the Central Government, or by any body under the Central Government, and leading to an intellectual property, such University shall immediately as the fact of actual realisation of the public funded intellectual property comes to knowledge, make a disclosure thereof to the Central Government or such authority designated, by notification, by the Central Government.

(2) The University for Innovation shall within the period required by any law for the time being in force for protection of public funded intellectual property, intimate to the Central Government, its intention to retain the title of the public funded intellectual property and the Central Government shall allow the title of such public funded intellectual property to vest in such University:

Provided that where such University fails to disclose the public funded intellectual property under sub-section (1), or provide the intimation of its intention under this clause, the title of the public funded intellectual property shall vest in the Central Government:

Provided further that the Government may, by an order published in the Official Gazette, refuse the title to such University within ninety days of the receipt of the intimation on any of the following grounds,—

- (a) that in the public interest and in exceptional circumstances the Central Government deems it expedient so to do;
- (b) that it is necessary so to do in the interest of the security of the nation;
- (c) that the public funded intellectual property is related to atomic energy as defined under section 20 of the Atomic Energy Act, 1962 [33 of 1962] or under section 4 of the Patents Act, 1970 [39 of 1970];

Provided also that where the Government is satisfied that such University has, for reasons beyond its control failed to give intimation within the time specified under this sub-section, it may, for reasons to be recorded in writing, extend the said period to such limit as may be prescribed.

**26. Protection and utilization of intellectual property by University for Innovation.-**(1) The University for Innovation retaining the title to a public funded intellectual property shall protect and utilize it in such manner as it may deem fit.

Provided that where the public funded intellectual property has such immense public interest that it is necessary and expedient for the Central Government to initiate the process for utilization of such intellectual property, then such University shall assist the Central Government in providing for such utilization, but the royalties or income received, if any, from such intellectual property shall be made over to such University.

(2) The income or royalties arising out of the public funded intellectual property shall be shared by the University for Innovation with the intellectual property creator in accordance with the provisions of any agreement which may be entered into in this regard between such intellectual property creator and such University.

**27. Powers of Central Government.-** (1) The Central Government shall protect, maintain and utilize the public funded intellectual property for which the title vests with it in any country in such manner as it may deem fit.

(2) The Central Government may give directions for prohibiting or restricting the publication of information with respect to any public funded intellectual property or communication of such information to any person or entity which it considers prejudicial to the interest of the security of India.

(3) The Central Government may acquire title to any intellectual property emerging out of research in a University for Innovation which it considers necessary in the interest of the security of India.

*Explanation.—* For the purposes of this section, the expression "interest of the security of India" means any action for the security of India that relates to the use of public funded intellectual property for making a product which —

- (i) relates to fissionable materials or the materials from which they are derived; or
- (ii) relates to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying to a defence establishment; or
- (iii) is taken in time of war or other emergency;
- (iv) relates to the maintenance of law and order or can cause a threat to life of citizens of the India.

**CHAPTER VI**  
**SPECIAL PROVISIONS REGARDING PUBLICLY FUNDED UNIVERSITIES FOR**  
**INNOVATION.**

**28. Provisions of this Chapter to apply to Universities for Innovation entirely funded by the Central Government.-** The provisions of this Chapter shall apply to such Universities for Innovation as are entirely funded by the Central Government (hereinafter referred to as "publicly funded University for Innovation").

**29. President to be Visitor of University for Innovation.-** (1) The President of India shall be the Visitor of every publicly funded University for Innovation.

(2) The Visitor shall appoint, in such manner as may be specified by Statutes, an academic of international eminence and standing as the Chancellor of each publicly funded University for Innovation.

(3) The Visitor shall have such powers as may be prescribed.

**30. Grants by Central Government for development and maintenance of publicly funded Universities for Innovation.-** The Central Government may, after due appropriation by Parliament, make, on the basis of such norms and criteria as may be determined, from time to time, by the Commission, grants of such sums of money in addition to that provided under section 18, to each publicly funded University for Innovation, as are required for its development and maintenance.

**31. Statement of Accounts and Audit of publicly funded University for Innovation.-** (1) The statement of accounts of each publicly funded University for Innovation shall be audited by such auditor as may be appointed in this behalf by the Comptroller and Auditor General of India.

(2) Notwithstanding anything contained in any other law for the time being in force, such part of the grants provided, by the Central Government or by any other organization or agency, to each publicly funded University for Innovation for research in such University shall be subjected only to assessment and audit by the Comptroller and Auditor General of India on such outcome based parameters as may be prescribed with the concurrence of the Comptroller and Auditor General of India.

(3) A copy of the statement of accounts including the balance sheet and the statement of income and expenditure, the auditor's report, the Academic Board's report and other documents required to be annexed or attached with such statement, shall be submitted to the Central Government, which shall, as soon as may be, cause the same to be laid before both Houses of Parliament.

(4) The Expert Group for Research Audit constituted under sub-section (2) of section 37 shall submit its assessment and evaluation of the research undertaken in each publicly funded University for Innovation to the Academic Board; and the Academic Board shall cause such report to be placed before the Board of Governors along with an explanatory memorandum of the action taken thereof with reasons for such action.

**32. Annual report of each publicly funded University for Innovation.-** A copy of the annual report, as prepared under section 28, shall be submitted by each publicly funded University for Innovation to the Central Government, which shall, as soon as may be, cause the same to be laid before both Houses of Parliament.

**33. Returns and information to Central Government.-** Each publicly funded University for Innovation shall furnish to the Central Government such returns or other information with respect to its property or activities as the Central Government may, from time to time, require, within such period as may be specified by the Central Government.

## **CHAPTER VII MISCELLANEOUS.**

**34. Proceedings of authorities or bodies not invalidated by vacancies.-** No act or proceedings of any Board or body of each University for Innovation shall be invalid merely by reason of the existence of a vacancy or vacancies among its members.

**35. Application of other laws not barred.-** Subject to the provisions of sub-section (2) and sub-section (3) of section 6, the provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law, including such law on reservation in admission, for the time being in force.

**36. Power to remove difficulties. -** (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, not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty.

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

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

**37. Power of Central Government to make rules.-** (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes 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 manner of choosing the University for Innovation other than a university which has determined the standards impugned under the third proviso to sub-section (2) of section 6;

(b) the other reasons for rejecting a proposal for entering into a Memorandum of Agreement under sub-clause (g) of clause (ii) of sub-section (6) of section 9;

(c) the manner of constitution of an Expert Group for Research Audit, the period for which such Group shall be constituted and the parameters for conducting an assessment and evaluation of the research undertaken out of public funds in each University for Innovation under sub-section (3) of section 17;

(d) the form and the general instructions and accounting standards in accordance with which the balance sheet of a University for Innovation is to be prepared under sub-section (2) of section 20;

(e) the powers of the Visitor of a publicly funded University for Innovation under sub-section (4) of section 29;

(f) the outcome based parameters for assessment and audit by the Comptroller and Auditor General of the part of the grants provided, by the Central Government or by any other organization or agency, to each publicly funded University for Innovation for research under sub-section (3) of section 31;

(g) any other matter which is required to be, or may be, specified by rules or in respect of which provision is to be made by rules.

**38. Power to enact Statutes.-** (1) The Board of Governors may, by publication on its website, enact Statutes to carry out the purposes of this Act.

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

(a) the objective criteria, to account for disparities in educational attainments arising from the socio-economic background of any class or category of applicants for admission in the matter of admission under the proviso to sub-section (2) of section 9;

(b) the establishment of Schools or Faculties of Studies under sub-section (1) of section 13;

(c) the manner of appointment of the Chancellor by the promoter under sub-section (1) of section 15;

(d) policy to attract highly qualified and talented academics having sufficient teaching or research experience from any part of the country or abroad, and to offer them emoluments and perks commensurate with their standing under sub-section (1) of section 16;

(e) the manner of investment of the University Endowment Fund under sub-section (2) of section 20;

(f) the manner of appointment by the Visitor of an academic of international eminence and standing as the Chancellor of a publicly funded University for Innovation under sub-section (3) of section 29;

(g) 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.

(2) The Board of Governors of each such University may, from time to time, make or amend or repeal any Statute.

**39. Power to make Ordinances.-** (1) The Academic Board may, by publication on its website, enact Ordinances to carry out the purposes of this Act.

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

(a) the designation of persons appointed for imparting instruction or conducting research under clause (s) of sub-section (1) of section 3;

(b) the norms, qualifications and process for appointment of persons to assist in research being undertaken or teaching being imparted in a School of Studies under sub-section (3) of section 19;

(c) any other matter which is required to be, or may be, specified by Ordinances or in respect of which provision is to be made by Ordinances.

**40. Laying of rules and notifications.-** (1) Every rule or notification made under this Act shall be laid, as soon as may be after it is made, 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, the rule 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.