



## **The Madras School of Economics Act, 2020**

Act 25 of 2020

**Keyword(s):**

Centre of Public Finance, Qualifying Examination, UGC

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# TAMIL NADU GOVERNMENT GAZETTE

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## Part IV—Section 2

### Tamil Nadu Acts and Ordinances

The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 9th October 2020 and is hereby published for general information:—

**ACT No. 25 OF 2020.**

***An Act to provide for incorporation of an institution of special importance in the field of Economics, its allied subjects and management in the State of Tamil Nadu and to provide for certain other matters connected therewith or incidental thereto.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-first Year of the Republic of India as follows:—

#### CHAPTER – I.

##### PRELIMINARY.

1. (1) This Act may be called the Madras School of Economics Act, 2020. Short title and commencement.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

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

(a) "Academic Council" means the Academic Council constituted under section 20;

Central Act 52 of  
1987.

(b) "AICTE" means the All India Council for Technical Education established under section 3 of the All India Council for Technical Education Act, 1987;

(c) "appointed date" means the date appointed for the commencement of this Act;

(d) "authorities" means the authorities of the Institute;

(e) "Centre of Public Finance" is a Centre of the Institute, wherein academic courses and research on Public finance and allied subjects are conducted;

(f) "Dean" means the Head of Department of, a Centre or a School of the Institute or the person appointed for the purpose to act as such in his absence;

(g) "Department" means a Department of Studies of the Institute and includes a Centre of Studies and Research;

(h) "employee" means any person appointed by the Institute, and includes a teacher or any other member of the staff of the Institute;

(i) "Executive Council" means the Executive Council constituted under section 19;

(j) "Faculty" means a Faculty of the Institute;

(k) "Governing Council" means the Governing Council constituted under section 18;

(l) "Government" means the State Government;

(m) "hostel" means a unit of residence for students of the Institute maintained or recognized by the Institute;

(n) "Institute" means the Madras School of Economics, Chennai;

(o) "prescribed" means prescribed by statutes and ordinances;

(p) "qualifying examination" means the test or examination to be cleared with such marks as may be stipulated by the Academic Council, to apply for admission to any course in the Institute;

(q) "regulatory body" means and includes a body such as UGC, AICTE established for the maintenance of standards of higher education;

(r) "society" means the Madras School of Economics registered under the Tamil Nadu Societies Registration Act, 1975; Tamil Nadu  
Act 27 of 1975.

(s) "statutes" and "ordinances" means, respectively, the statutes and the ordinances made under this Act;

(t) "student" means a student enrolled in the register of the Institute;

(u) "teachers" means Professors including Honorary / Emeritus / Adjunct Professors, Associate Professors / Assistant Professors or any person appointed by the Institute to impart instructions on its behalf;

(v) "UGC" means the University Grants Commission established under section 4 of the University Grants Commission Act, 1956. Central Act  
3 of 1956.

**CHAPTER – II.****THE INSTITUTE.**

3. (1) On and from the appointed date, the Madras School of Economics shall be a body corporate by the same name. Incorporation of Institute.

(2) The Institute shall have a perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire and hold property, to contract, to do such other things necessary for the purposes of this Act and shall, by the said name, sue and be sued.

(3) The Institute may establish regional centres, additional campuses and study centres at such places in this State as it deems fit subject to the norms of the UGC and other regulatory bodies.

(4) The headquarters of the Institute shall be at Chennai, Tamil Nadu.

4. (1) The objects of the Institute shall be—

Objects of  
Institute.

(a) to advance and disseminate learning and knowledge of economics and its allied subjects and management, so as to play a role in the national development;

(b) to become a globally reputed institution of excellence in the field of higher education focusing on economics, its allied subjects and management;

(c) to develop the Institute into an advanced centre for teaching, research, training and policy advocacy;

(d) to undertake training programmes for policy makers and others from public and private sectors;

(e) to offer consultancy and to accept sponsored projects in the field of economics, its allied subjects and management;

(f) to develop in the students and research scholars, a sense of responsibility to serve the society at large in the field of higher education and to organise lectures, seminars, symposia and conferences to promote knowledge and to make economic strategies as efficient instruments of social development;

(g) to hold examinations and confer degrees or other academic distinctions;

(h) to take all such measures for the promotion of research in respect of social and economic development and to perform all such academic functions and undertake such other academic activities as deemed necessary; and

(i) to take up works as may be entrusted by the State Government or the Central Government or other Government Agencies, corporate bodies, public or private from time to time, in the fields of economics, management, education and related aspects.

5. The Institute shall exercise the following powers and perform the following functions, namely:- Powers and  
functions of  
Institute.

(a) to administer and manage such centres for research, education and instruction as may be necessary for the furtherance of the objects of the Institute;

(b) to provide for instructions in such branches of learning as the Institute may, from time to time, determine and to make provisions for research and for the advancement and dissemination and application of knowledge and skills;

(c) to impart and promote the study of economics and allied subjects and management courses through in-campus, off-campus and satellite centres or by distance educational programmes;

(d) to honour educational stalwarts and persons of academic eminence with the decoration of Professor Emeritus;

(e) to grant, subject to such conditions as the Institute may determine and confer, diplomas, certificates, degrees or other academic distinctions on the basis of examinations, evaluation or any other method of testing and to withdraw any such diplomas, certificates, degrees or other academic distinctions for good and sufficient cause;

(f) to confer honorary degrees or other distinctions on persons in the manner laid down in the ordinances;

(g) to provide education and training including correspondence and such other courses, to such persons who are not members of the Institute, as it may determine;

(h) to create administrative, ministerial and other posts and to make appointments thereto;

(i) to appoint either on contract or otherwise, visiting professors, emeritus professors, consultants, fellows, scholars, artists, course writers and such other persons who may contribute to the advancement of the objects of the Institute;

(j) to appoint or engage persons of eminence working in any other University or Organisation permanently or for a specified period;

(k) to co-operate, collaborate or associate with any other University or Authority or Institution in India or abroad in such manner and for such purposes as laid down in the statutes;

(l) to establish and maintain schools, centres, specialised laboratories or other units for research and instructions as are in the opinion of the Institute, necessary for the furtherance of its objects;

(m) to institute and award fellowships, scholarships, studentships, medals and prizes for meritorious students;

(n) to establish and maintain and supervise residences, hostels and promote the health and general welfare activities of students and staff, and recognize places of residence for the students;

(o) to make provisions for research and consultancy, and for that purpose, to enter into such arrangements with other institutions or bodies as the Institute may deem necessary;

(p) to declare a centre, an institution, a department or school, as the case may be, in accordance with the statutes;

(q) to determine standards for admission into the Institute, which may include examination, evaluation or any other method of testing;

(r) to prescribe, demand and receive payment of fees and other charges;

(s) to make such arrangements in respect of the residence, discipline and teaching of women and other disadvantaged students as the Institute may deem fit;

(t) to regulate and enforce discipline amongst the employees and students and take such disciplinary measures in this regard as may be deemed necessary by the Institute;

(u) to organize and undertake extra-mural teaching and extension services;

(v) to establish such special centres, specialized study centres or other units for research and instruction as are, in the opinion of the Institute, necessary for the furtherance of its objects;

(w) to institute Professorships, Associate Professorships, Assistant Professorships and any other teaching, academic or research posts required by the Institute;

(x) to receive grants, endowments, subscriptions, donations and gifts for the purposes of and consistent with the objects of the Institute;

(y) to acquire, hold, manage and dispose of any property, movable or immovable, for the welfare of the Institute with the prior approval of the Governing Council:

Provided that no land granted by the Government shall be disposed of without the prior permission of the Government;

(z) to borrow money without security or by way of hypothecation or mortgage against the property of the Institute, with the approval of the Governing Council;

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

6. The Institute shall be a self-financing Institute:

Grants.

Provided that the Government may sanction grant-in-aid or other financial assistance for any specific purpose, as it may deem necessary.

7. (1) The Institute shall, subject to the provisions of this Act and the relevant rules and regulations of the UGC and other regulatory bodies, as the case may be, be open to all persons, irrespective of race, creed, caste or class or religion.

Admission and standards.

(2) No person shall be admitted to a course of study in the Institute for admission to the examinations for degrees, titles or diplomas of the Institute unless he,—

(i) has passed the examination prescribed therefor; and

(ii) fulfills such other academic conditions as may be prescribed.

(3) Nothing contained in sub-sections (1) and (2) shall require the Institute,—

(a) to admit to any course of study any person who does not possess the prescribed academic qualification or standard;

(b) to retain on the rolls of the Institute any student whose academic record is below the minimum standard required for the award of a degree or other academic distinction;

(c) to admit any person or retain any student whose conduct is prejudicial to the interest of the Institute or the rights and privileges of other students and teachers; or

(d) to retain on rolls of the Institute any student who fails to remit necessary fees as prescribed for the course.

(4) Subject to the provisions of sub-sections (1), (2) and (3) and the standard admission process of the Institute as may be prescribed, the Institute shall reserve thirty five percentage of seats in each course of study for resident students of Tamil Nadu.

(5) Admission of students to thirty five percentage of seats reserved for resident students of Tamil Nadu under sub-section (4) shall be made following the reservation as per law in force.

**Explanation.**— For the purpose of this section, “resident student of Tamil Nadu” means—

(i) a student who or either of whose parents has resided in the State of Tamil Nadu for a period of not less than five years preceding the qualifying examination; or

(ii) a student who has studied in any one of the educational institutions in the State of Tamil Nadu for a period of not less than five years leading to the qualifying examination.

(6) Notwithstanding anything contained in sub-sections (4) and (5), where adequate number of resident students of Tamil Nadu are not available for admission, the seats reserved for such students, shall be filled up with the remaining students on merit.

Admission to  
examinations.

8. (1) Every candidate for an examination conducted by the Institute shall, unless exempted from the provisions of this sub-section by a special order of the Executive Council made on the recommendation of the Academic Council, be enrolled as a member of the Institute. Any such exemption may be made subject to such conditions as the Executive Council may think fit.

(2) No candidate shall be admitted to any examination conducted by the Institute, unless he is enrolled as a member of the Institute, and has satisfied the requirements as to the attendance required for the same or unless he is exempted from such requirements of enrolment or attendance or both by an order of the Executive Council made on the recommendation of the Academic Council. Any exemption granted under this section shall be subject to such conditions as the Executive Council may think fit.

(3) Any student or candidate for an examination, whose name has been removed from the rolls of the Institute by an order of the Controller of Examinations, and who has been debarred from appearing at the examinations for more than one year, may within ten days of the date of receipt of such order, appeal to the Director.

(4) Any decision taken by the Director in this regard shall be final.

### CHAPTER – III.

#### OFFICERS OF INSTITUTE.

9. The following shall be the officers of the Institute, namely:—

Officers of Institute.

(a) the Director;

(b) the Administrative Officer;

(c) the Controller of Examinations;

(d) the Finance Officer;

(e) the Dean(s); and

(f) such other officers of the Institute, as may be declared by the statutes to be officers of the Institute.

10. (1) The Director shall be appointed by the Governing Council in such manner as may be prescribed, and shall hold office for a period of three years and shall be eligible for re-appointment for a further period of three years.

Director.

(2) The Director shall be an eminent academician with specialization in economics, fiscal management, social science, mathematics, statistics, banking or other related subjects.

(3) The Director shall be a whole-time Officer and be the academic head and principal executive officer of the Institute.

(4) The Director shall exercise such powers and perform such functions as may be prescribed.

11. During the temporary absence of the Director by reason of leave, illness or otherwise, the Governing Council may designate the senior-most Professor of the Institute or any other person with qualification for appointment as a Director, to be the Director in-charge of the Institute, till the incumbent rejoins duty.

Arrangement of work during vacancy in office of Director.

12. (1) The Administrative Officer shall be a whole-time salaried officer of the Institute. The terms of appointment and conditions of service of the Administrative Officer shall be such as may be prescribed.

Administrative Officer.

(2) The Administrative Officer shall have the power to enter into agreements, sign documents and authenticate records on behalf of the Institute and shall exercise such other powers and perform such other functions as may be prescribed.

(3) The Administrative Officer shall be the ex-officio Secretary of the Executive Council and the Academic Council.

(4) In all suits and other legal proceedings by or against the Institute, the pleadings shall be signed and verified by the Administrative Officer and all the processes in such suits and proceedings shall be issued to, and served on, the Administrative Officer.



(5) The Administrative Officer shall exercise such other functions and perform such other duties as may be prescribed.

Controller of Examinations. 13. (1) The Controller of Examinations shall be a whole-time officer of the Institute appointed in such manner and on such terms and conditions as may be prescribed.

(2) The Controller of Examinations shall exercise such functions and perform such duties as may be prescribed.

Finance Officer. 14. (1) The Finance Officer shall be appointed in such manner and exercise such powers and perform such duties as may be prescribed.

The Dean. 15. (1) There shall be a Dean for each Faculty of the Institute who shall be the Chief Academic Officer of the Faculty concerned.

(2) The Dean shall be appointed in such manner and shall exercise such functions and perform such duties as may be prescribed.

Other Officers. 16. The manner of appointment and functions and duties of the other officers of the Institute shall be such as may be prescribed.

#### CHAPTER - IV.

#### AUTHORITIES OF THE INSTITUTE.

Authorities of Institute. 17. The following shall be the authorities of the Institute:—

- (1) the Governing Council;
- (2) the Executive Council;
- (3) the Academic Council;
- (4) the Finance Committee;
- (5) the Planning Board; and

(6) such other authorities as may be declared by the Statutes to be authorities of the Institute.

Governing Council. 18. (1) The Governing Council shall be constituted by the Board of Governors of the Society in such manner as may be prescribed. The term of office of the members of the Governing Council shall be such, as may be prescribed.

(2) Subject to the provisions of this Act, the Governing Council shall have the following powers and functions, namely:-

(a) to exercise overall superintendence over the functioning of the Institute in consonance with its objectives;

(b) to review, from time to time, the broad policies and programmes of the Institute and suggest measures for the working, improvement and development of the Institute;

(c) to consider and pass resolutions on the annual report and annual accounts of the Institute and audit report of such accounts;

(d) to advise the Director in respect of any matter which may be referred to it for advice; and

(e) to perform such other functions as may be prescribed.

19. (1) The Executive Council shall be the chief executive body of the Institute. Executive Council.

(2) The Executive Council shall consist of not more than ten members, of whom three members shall be,-

(a) the Secretary to Government in-charge of Finance department, *ex-officio*;

(b) the Secretary to Government in-charge of Planning, Development and Special Initiatives department, *ex-officio*; and

(c) the Secretary to Government in-charge of Higher Education department, *ex-officio*.

(3) The remaining seven members of the Executive Council shall be nominated by the Governing Council from among eminent people in the field of economics and allied subjects and management and professors of the Institute in the manner prescribed.

(4) The term of office of the members and the powers and functions of the Executive Council, shall be such as may be prescribed.

20. (1) The Academic Council shall be the principal academic body of the Institute and subject to the provisions of the statutes, and ordinances co-ordinate and exercise general supervision over the academic policies of the Institute. The Academic Council.

(2) The constitution of the Academic Council, the term of office of its members and its powers and functions shall be such as may be prescribed.

21. (1) The Finance Committee shall be the principal financial body of the Institute to take care of the financial matters. Finance Committee.

(2) The constitution of the Finance Committee, the term of office of its members and its powers and functions shall be such as may be prescribed.

22. (1) The Planning Board shall be the principal planning body of the Institute. The Planning Board shall ensure that the infrastructure and academic support system meets the norms of the regulatory bodies. Planning Board.

(2) The constitution of the Planning Board, the term of office of its members and its powers and functions shall be such as may be prescribed.

23. The constitution, powers and functions of other Boards, committees and councils which may be declared by the statutes to be the authorities of the Institute shall be such as may be prescribed. Other Boards, committees and councils.

#### CHAPTER – V.

#### STATUTES AND ORDINANCES.

24. (1) The Executive Council shall make the statutes for carrying out the purposes of this Act, subject to the approval of the Governing Council. Power to make Statutes.

(2) Subject to the provisions of this Act, the statutes may provide for all or any of the following matters relating to a Institute, namely:-

(a) the constitution, powers, functions and duties of the authorities of the Institute as may be declared from time to time;

(b) the appointment, continuance in office or withdrawal or removal of members of the said authorities, filling up of vacancies of members, and all other matters relating to the authorities;

(c) the appointment and powers and duties of the officers of the Institute and their emoluments;

(d) the method of recruitment and appointment of teachers and other academic and administrative staff and their emoluments;

(e) the conditions of service of the employees including determination of seniority of the employees, their emoluments and disciplinary action;

(f) provisions for retirement benefits, insurance and provident fund, of the employees;

(g) the principles governing seniority of service of employees;

(h) the procedure for settlement of disputes between employees or students and the Institute;

(i) the procedure for appeal to the Executive Council by any employee or student against the action of any officer or authority of the Institute;

(j) the conferment of honorary degrees;

(k) holding of convocations for conferring degrees and diplomas and issue of degree certificates in case of urgency before convocation;

(l) the withdrawal of degree, diploma, certificate or other academic distinctions;

(m) the establishment, and abolition of Departments, Centres and other institutions;

(n) the institution of fellowships, scholarships, studentships, exhibitions, medals and prizes;

(o) the regulation of admissions, fee structure in the Institute and for admissions to the examinations, degrees and diplomas of the Institute;

(p) fees to be charged for the services rendered by the Institute;

(q) the methodology of administering sponsored research, consultancy, patents and intellectual property rights, continuing education and other extension services in the Institute;

(r) the delegation of powers vested in the authorities or officers of the Institute;

(s) the establishment of Centres of Studies, Boards of Studies, Interdisciplinary Studies, Special Centres, Specialised Laboratories and other Committees;

(t) the manner of co-operation and collaboration with other Universities and authorities including learned bodies or association;

- (u) the conditions of residence of the students of the Institute;
- (v) the conditions for recognition of hostels not maintained by the Institute;
- (w) the health and discipline of, and disciplinary proceedings against, students in the Institute;
- (x) the special arrangements, if any, which may be made for the residence, discipline and teaching of women students and prescribing of special course of study for them within the Institute; and
- (y) all other matters, which by this Act are to be or may be prescribed by the statutes.

25. (1) The Executive Council may, from time to time, make statutes and amend or repeal the statutes in the manner hereinafter provided in this section.

Statutes, how made.

(2) A statute or an amendment to, or repeal of, a statute passed by the Executive Council shall be submitted to the Governing Council which may assent thereto or withhold its assent. A statute or an amendment to, or repeal of, a statute made by the Executive Council shall have no validity unless it has been assented to by the Governing Council. A copy of the statutes shall be sent to the Government for information.

26. (1) Subject to the provisions of this Act and the statutes, the ordinances shall be made by the Executive Council on the recommendation of the Academic Council, subject to the approval of the Governing Council, which may provide for all or any of the following matters, namely:-

Ordinances.

- (a) the admission of students to the Institute and their enrolment as such;
- (b) the courses of study to be laid down for all degrees, diplomas and certificates of the Institute;
- (c) the medium of instruction and examination;
- (d) the introduction of semester scheme, choice-based-credit-system, modern grading practices and other innovations in evaluating student's performance;
- (e) the award of degree, diploma, certificate and other academic distinctions, the qualification for the same and the matters to be taken relating to the granting and obtaining of the same;
- (f) the fees to be charged for courses of study in the Institute and for admission to the examinations, degrees, diplomas and certificates of the Institute;
- (g) the conditions for the award of fellowships, scholarships, studentships, medals and prizes;
- (h) the creation, composition and functions of any other body which is considered necessary for improving the academic mileage of the Institute;
- (i) the conduct of examinations, including the term of office and manner of appointment and the duties of examining bodies, examiners and moderators;

(j) the remuneration to be paid to the examiners, moderators, invigilators and tabulators;

(k) the appointment and emoluments of employees other than those for whom provision has been made in the statutes.

(2) All ordinances made by the Executive Council shall have effect from such date as it may direct.

#### CHAPTER – VI.

##### FINANCE AND ACCOUNTS.

Annual report. 27. The annual report of the Institute shall be prepared under the directions of the Executive Council and shall be submitted to the Governing Council on or after such date as may be prescribed and the Governing Council shall consider the report in its annual meeting.

Annual accounts. 28. (1) The annual accounts and balance sheet of the Institute shall be prepared under the directions of the Executive Council, duly approved by the Governing Council, and shall, once at least every year and at intervals of not more than fifteen months, be audited by a firm of Chartered Accountants eligible for conducting audit as per the provisions of the Chartered Accountants Act, 1949.

(2) A copy of the annual accounts, together with the audit report thereon, shall be submitted to the Governing Council along with the observations of the Executive Council for their approval.

Central Act XXXVIII  
of 1949.

#### CHAPTER-VII.

##### EMPLOYEES.

Conditions of service of employees. 29. (1) Every employee of the Institute shall be appointed or engaged as per the provisions of the statutes.

(2) Any dispute arising between the Institute and any of the employees appointed substantively, shall be referred to the Director who shall decide the dispute after affording an opportunity to the employee within three months from the date of its reference.

(3) An appeal against the order of the Director may be filed to the Governing Council. The decision of the Governing Council on the appeal shall be final.

(4) Any dispute in respect of any employee engaged temporarily or an adhoc or part time or casual basis shall be heard and decided finally by the Head of the Department concerned.

Employees provident fund and pensions. 30. The Institute may constitute for the benefit of its employees, such pension or welfare schemes or provident fund or provide such insurance schemes as it may deem fit in such manner and subject to such conditions as may be decided by the Executive Council.

#### CHAPTER - VIII.

##### FUNDS.

Permanent Endowment Fund. 31. (1) The Institute shall establish a permanent endowment fund of at least rupees twenty five crores.

(2) The Institute shall have the power to invest in the permanent endowment fund in such manner as may be prescribed.

(3) The Institute may transfer any amount from the general fund or the development fund to the permanent endowment fund.

(4) Any amount exceeding the minimum amount specified in sub-section (1) may be withdrawn from the permanent endowment fund by the Institute for the purpose of development of the Institute.

32. (1) The Institute shall establish a general fund to which the following amount shall be credited, namely:- General Fund.

- (a) the income received by the Institute from fees and charges;
- (b) any bequests, donations, endowments or other grants made by private individuals or institutions;
- (c) any contribution or bequests from the Industries, traders or entrepreneurs;
- (d) all sums received from any other source;
- (e) all contributions made by the Society; and
- (f) all contributions made in this behalf by any other person or body which are not prohibited by any law for the time being in force.

(2) The moneys credited to the general fund shall be applied to meet all the recurring expenditure of the Institute.

33. (1) The Institute shall also establish a development fund to which the following moneys shall be credited, namely:- Development Fund.

- (a) development fees, which may be charged from students;
- (b) all sums received from other sources for the purpose of the development of the Institute;
- (c) all contributions made by the Society;
- (d) all contributions made in this behalf by any other person or body which are not prohibited by any law for the time being in force; and
- (e) all incomes received from the permanent endowment fund.

(2) The moneys credited to the development fund from time to time shall be utilised for the development of the Institute.

34. The funds established under sections 31, 32 and 33 shall subject to general supervision and control of the Governing Council, be regulated and maintained in such manner as may be prescribed. Maintenance of Fund.

#### CHAPTER - IX.

#### DISSOLUTION OR DE-RECOGNITION OF THE INSTITUTE.

35. (1) If the Institute proposes its dissolution for any reason, it shall give at least six months written notice to the Government. Dissolution of Institute.

(2) On receipt of the notice referred to in sub-section (1), the Government shall make such arrangement for administration of the Institute from the date of dissolution of the Institute and until the last batch of students in regular courses of studies of the Institute complete their courses or studies, in such manner as may be prescribed.

Expenditure of  
Institute during  
dissolution.

36. (1) The expenditure for administration of the Institute during the process of its dissolution under section 35 shall be met out from the permanent endowment fund, the general fund and the development fund.

(2) If the funds referred to in sub-section (1) are not sufficient to meet the expenditure of the Institute, such expenditure may be met by disposing of the properties or assets of the Institute by the Government.

De-recognition  
of Institute by  
Government.

37. (1) Where the Government receives a complaint with material and substantial allegation that the Institute is not functioning in accordance with the provisions of this Act, it shall require the Institute to show cause within such time, which shall not be less than two months, referring a copy of the complaint as to why the Institute should not be de-recognised.

(2) If, upon receipt of the reply of the Institute to the notice given under sub-section (1), the Government is satisfied that a *prima facie* case of mismanagement or violation of the provisions of this Act in the functioning of the Institute is made out, it shall order such enquiry as it deems necessary.

(3) For the purposes of an inquiry under sub-section (2), the Government shall by notification, appoint an officer or authority as the inquiring authority to enquire into the allegations of violation of the provisions of this Act.

(4) Every inquiring authority appointed under sub-section (3) shall while performing its functions under this Act have all the powers of Civil Court under the Code of Civil Procedure, 1908 trying a suit and in particular in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any witness and examining him on oath;

(b) requiring the discovery and production of any document;

(c) requisitioning any public record or copy thereof from any office;

(d) receiving evidence on affidavits;

(e) any other matter which may be prescribed.

(5) If, upon receipt of the inquiry report, the Government is satisfied that the Institute has violated any provisions of this Act, it shall direct the Institute to make necessary improvement and suggest for proper implementation of the provisions of this Act.

(6) If it is observed that the Institute is violating the Act continuously leading to a situation of financial mismanagement or maladministration of the Institute which threatens the academic standards of the Institute, it may appoint an administrator.

Central Act V of  
1908.

(7) The administrator appointed under sub-section (6) shall exercise all the powers and perform all the duties of the Governing Council under this Act and shall administer the affairs of the Institute until the last batch of the students of the regular courses have completed their courses / syllabus and they have been awarded with degrees, diplomas or other academic distinctions, as the case may be.

(8) After having been awarded the degrees, diplomas or academic distinctions, as the case may be, to the last batch of the students of the regular courses, the administrator shall make a report to that effect to the Government.

(9) On receipt of the report under sub-section (8), the Government after due consideration, continue the functioning of the Institute by vesting the powers of the Governing Council in any other society or trust or any other body having similar objectives or may with the prior approval of the UGC and other regulatory bodies concerned de-recognize the Institute.

(10) During the process of de-recognition under sub-section (9), the Government may utilise the permanent endowment fund, the general fund or the development fund for the purpose of the management of the affairs of the Institute. If the funds of the Institute are not sufficient to meet the requisite expenditure of the Institute, the Government may dispose of the assets or the properties of the Institute to meet the said expenses.

38. In case of dissolution or de-recognition of the Institute, all assets and properties including permanent endowment fund, general fund, development fund or any other fund and also the liabilities of the Institute shall belong to the Society.

Status of assets, liabilities on dissolution or de-recognition.

## CHAPTER – X.

### MISCELLANEOUS AND TRANSITORY PROVISIONS.

39. Notwithstanding anything contained in this Act and the statutes,-

Transitory provisions.

(i) on the appointed date, all the teaching activities, human resources, assets and liabilities of the society shall stand transferred and made over to the Institute constituted under this Act;

(ii) the Director may, with the previous approval of the Governing Council and, subject to the availability of funds, discharge all or any of the functions of the Institute for the purpose of carrying out the provisions of this Act, and for that purpose may exercise any power or perform any duty, which by this Act, the statutes and the ordinances are to be exercised or performed by any authority of the Institute until such authority comes into existence as provided by this Act, the statutes and the ordinances; and

(iii) on the appointed date, the students hitherto enrolled in the Institute, shall continue as students of the Institute and complete their course in continuation of the academic year or part thereof completed by them.



- Indemnity. 40. No suit, prosecution or other legal proceedings shall be initiated against and no damages shall be claimed from the Institute, the authorities, the Director or other officers of the Institute or any other person in respect of anything which is in good faith done or purporting to have been done in pursuance of this Act or any of the statutes or the ordinances.
- Power of Government to call for information and records. 41. (1) It shall be the duty of the Institute or any authority or officer of the Institute to furnish such information or records relating to the administration or finance or other affairs of the Institute, as the Government may call for.
- (2) The Government, if it is of the view that there is violation of any of the provisions of the Act or the statutes or ordinances, may issue such directions to the Institute under section 42 as it may deem necessary.
- Power of the Government to issue directions on policy matters. 42. The Government may issue such directions, from time to time, to the Institute on policy matters not inconsistent with the provisions of this Act as it may deem necessary. Such directions shall be complied with by the Institute.
- Disputes as to the constitution of authorities and bodies. 43. If any question arises as to whether any person has been duly nominated or appointed as or is entitled to be, a member of any authority or other body of the Institute, the matter shall be referred to the Governing Council whose decision thereon shall be final.
- Constitution of committees. 44. Where any authority of the Institute is given power under this Act or the statutes to constitute committees, such committees shall as otherwise provided, consist of the members of the authority concerned and of such other persons as the authority in each case may think fit.
- Filling up of vacancies. 45. All vacancies among the members of any authority or other body of the Institute shall be filled as soon as may be convenient by the person or body who appointed or nominated the members whose place has become vacant for the remaining term for which he has been appointed or nominated.
- Proceedings of authorities and bodies not to be invalidated by vacancies. 46. No act or proceeding of any authority or other body of a Institute shall be invalidated merely by reason of the existence of a vacancy or of any defect or irregularity in the nomination of a member of any authority or other body of the Institute or of any defect or irregularity in such act or proceeding not affecting the merits of the case or on the ground that the authority or other body of the Institute, did not meet at such intervals as required under this Act.
- Removal from membership of Institute. 47. (1) The Executive Council may, remove by an order in writing made in this behalf, any person from membership of any authority of the Institute by a resolution passed by a majority of the total members of the Executive Council and by a majority of not less than two-thirds of the members of the Executive Council present and voting at the meeting, if such person has been convicted by a Court for an offence which, in the opinion of the Executive Council, involves moral turpitude.
- (2) The Executive Council may also by an order in writing made in this behalf remove any person from the membership of any authority of the Institute if he becomes of unsound mind or has been adjudicated as an insolvent.

(3) No action under this section shall be taken against any person unless he has been given a reasonable opportunity to show cause against the action proposed to be taken.

(4) A copy of every order made under sub-section (1) or sub-section (2), as the case may be, shall after it is so made, be communicated to the person concerned in the manner prescribed.

48. A copy of any receipt, application, notice, proceeding, resolution of any authority or committee of the Institute or other documents in possession of the Institute, if certified by the Administrative Officer, shall be received as *prima facie* evidence of such receipt, application, notice, order, proceeding or resolution, documents or the existence of entry in the register and shall be admitted as evidence of the matters and transaction therein where the original would, if produced have been admissible in evidence.

Mode of proof  
of records of  
Institute.

49. (1) If any difficulty arises as to the constitution or reconstitution of any authority of the Institute or in giving effect to the provisions of this Act, the Government may, by notification, make such provision, not inconsistent with the provisions of this Act, as may appear to them to be necessary or expedient for removing the difficulty:

Power to remove  
difficulties.

Provided that no such notification shall be issued after the expiry of two years from the date of commencement of this Act.

(By order of the Governor)

C. GOPI RAVIKUMAR,  
*Secretary to Government,*  
*Law Department.*