

IndiaCode

The National Institutes of Design Act, 2014

(ACT NO. 18 OF 2014)

[*As on the* 1*st August,* 2026]

AMENDMENT ACT

1. The National Institute of Design (Amendment) Act, 2019 (38 of 2019).

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LIST OF ABBREVIATIONS USED

Cl.,cls.	. . . . .	*for*	Clause, clauses.
Ins.	. . . . .	,,	Inserted.
Notifn.	. . . . .	,,	Notification.
S., ss.	. . . . .	,,	Section, sections.
Sch.	. . . . .	,,	Schedule.
Subs.	. . . . .	,,	Substituted.
w.e.f.	. . . . .	,,	with effect from.

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THE NATIONAL INSTITUTES OF DESIGN ACT, 2014

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THE NATIONAL INSTITUTES OF DESIGN ACT, 2014

ACT NO. 18 OF 2014

[17*th July*, 2014.]

An Act to declare [1][certain institutions of design to be institutions of national importance] for the promotion of quality and excellence in education, research and training in all disciplines relating to Design and for matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(*1*) This Act may be called the National [2][Institutes] of Design Act, 2014.

(*2*) It shall come into force on such date[3] as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act.

[4]**[2. Declaration of certain institutions as institutions of national importance.—**Whereas the objects of the institutions mentioned in the Schedule, are such as to make them institutions of national importance, it is hereby declared that each such Institute is an institution of national importance.]

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

(*a*) "Chairperson" means the Chairperson of the Governing Council nominated under clause (*a*) of section 11;

(*b*) "Dean", in relation to any Institute campus, means the Dean of such Institute campus;

(*c*) "design" means a rational, logical and sequential innovative process for the purpose of transferring culture to viable products and services and for providing a competitive edge to products and services, and includes industrial design, communication design, textile and apparel design, lifestyle design, experiential design, exhibition design, craft and traditional sector design;

[5][(*d*) "Director", in relation to any Institute, means the Director of such Institute as appointed under section 18;]

[6][(*e*) "Fund", in relation to any Institute, means the Fund of such Institute as maintained under section 23;]

[7][(*f*) "Governing Council", in relation to any Institute, means the Governing Council of such Institute as constituted under section 11;]

[8][(*g*) "Institute" means any of the institutions mentioned in column (4) of the Schedule;]

[9][(*h*) "Institute campus" means the campus of an Institute as may be established by such Institute at any place within India or outside India;]

(*i*) "notification" means a notification published in the Official Gazette;

(*j*) "prescribed" means prescribed by rules made under this Act;

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1. Subs. by Act 38 of 2019, s. 2, for certain words (w.e.f.13-1-2020).
2. Subs. by s. 3, *ibid*., for "Institute" (w.e.f. 13-1-2020).
3. 16th September, 2014 *vide* Notifn. No. S.O. 2393(E), dated 16th September, 2014, *see* Gazette of India, Extraordinary, Part II, sec. 3(*ii*).
4. Subs. by Act 38 of 2019, s. 4, for section 2 (w.e.f. 13-1-2020).
5. Subs. by s. 5, *ibid*., for cl. (*d*) (w.e.f. 13-1-2020).
6. Subs. by s. 5, *ibid*., for cl. (*e*) (w.e.f. 13-1-2020).
7. Subs. by s. 5, *ibid*., for cl. (*f*) (w.e.f. 13-1-2020).
8. Subs. by s. 5, *ibid*., for cl. (*g*) (w.e.f. 13-1-2020).
9. Subs. by s. 5, *ibid*., for cl. (*h*) (w.e.f. 13-1-2020).

[1][(*k*) "Registrar" in relation to any Institute, means the Registrar of such Institute as appointed under section 20;]

[2][(*ka*) "Schedule" means the Schedule annexed to this Act;]

[3][(*l*) "Senate", in relation to any Institute, means the Senate of such Institute;]

[4][(*m*) "Society" means any of the societies registered under the Societies Registration Act, 1860 (21 of 1860), and mentioned in column (3) of the Schedule;]

[5][(*n*) "Statutes" and "Ordinances", in relation to any Institute, mean the Statutes and the Ordinances of such Institute made under this Act.]

CHAPTER II

THE INSTITUTE

[6][4. Incorporation of Institute.—(*1*) Each Institute shall be a body corporate by the same name as mentioned in column (4) of the Schedule.

(*2*) Each Institute shall have perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.

(*3*) The body corporate constituting each Institute shall consist of a Chairperson, Director and other members of the Governing Council for the time being, of the Institute.

(*4*) Any Institute may establish an Institute campus at such place within India or outside India, as it may deem fit:

Provided that each campus of the National Institute of Design, Ahmedabad, established before the commencement of this Act, at Bengaluru in the State of Karnataka and at Gandhinagar in the State of Gujarat, shall be deemed to be the Institute campus thereof.

Explanation.—The reference in this sub-section to the commencement of this Act shall, in relation to the National Institute of Design, Ahmedabad, be deemed to be the 16th day of September, 2014.]

5. Effect of the incorporation of the Institute.—On and from the date of commencement of this Act,—

[7][(*a*)any reference to the Society mentioned in column (3) of the Schedule in any law or in any contract or other instrument shall be deemed as a reference to the corresponding Institute mentioned in column (4) thereof;]

(*b*) all property, movable and immovable of, or belonging to, the Society, shall vest in the Institute;

(*c*) all the rights and liabilities of the Society shall be transferred to, and be, the rights and liabilities of, the Institute;

(*d*) any reference to any campus of the Institute, established before the commencement of this Act, shall be deemed as a reference to that Institute campus;

1. Subs. by Act 38 of 2019, s. 5, for cl. (*k*) (w.e.f. 13-1-2020).
2. Ins. by s. 5, *ibid.* (w.e.f. 13-1-2020).
3. Subs. by s. 5, *ibid*., for cl. (*l*) (w.e.f. 13-1-2020).
4. Subs. by s. 5, *ibid*., for cl. (*m*) (w.e.f. 13-1-2020).
5. Subs. by s. 5, *ibid*., for cl. (*n*) (w.e.f. 13-1-2020).
6. Subs. by s. 6, *ibid.*, for section 6 (w.e.f. 13-1-2020).
7. Subs. by s. 7, *ibid*., for cl. (*a*) (w.e.f. 13-1-2020).

(*e*) every person employed by the Society, immediately before such commencement, shall hold his office or service in the Institute including the Institute campuses, [1]*** by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, gratuity, provident fund and other matters as he would have held the same, if this Act had not been enacted, and shall continue to be so, unless and until his employment is terminated or until such tenure, remuneration, terms and conditions are duly altered by the Statutes:

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

[2][*Explanation* I.—The reference in this section to the commencement of this Act shall, in relation to the National Institute of Design, Ahmedabad, be deemed to be the 16th day of September, 2014.

Explanation II.—The reference in this section to the commencement of this Act shall, in relation to the National Institutes of Design in the States of Madhya Pradesh, Assam, Haryana and Andhra Pradesh, be construed as the reference to the date on which the provisions of the National Institute of Design (Amendment) Act, 2019 comes into force.]

6. Powers of Institute.—(*1*) Subject to the provisions of this Act, [3][each Institute shall] exercise the following powers and perform the following duties, namely:—

(*a*) to provide for instructions, research and training in the areas or disciplines relating to design and to nurture and promote quality and excellence thereof in such areas or disciplines;

(*b*) to develop courses leading to graduate and post-graduate degrees, doctoral and post-doctoral distinctions and research in all areas or disciplines relating to design;

(*c*) to hold examinations and grant degrees, and diplomas and other academic distinctions or titles in the areas or disciplines relating to design;

(*d*) to confer honorary degrees, awards or other distinctions in the areas or disciplines relating to design;

(*e*) to institute and award fellowships, scholarships, exhibitions, prizes and medals;

(*f*) to fix, demand and receive fees and other charges;

(*g*) to establish, maintain and manage halls and hostels for the residence of the students;

(*h*) to supervise and control the residence and regulate the discipline of students of the Institute and to make arrangements for promoting their health, general welfare and cultural and corporate life;

(*i*) to institute academic and other posts and to make appointments thereto (except in the case of the Director);

(*j*) to frame Statutes and Ordinances and to alter, modify or rescind the same;

(*k*) to co-operate with educational or other institutions in any part of the world having objects wholly or partly similar to those of the Institute by exchange of faculty members and scholars and generally in such manner as may be conducive to their common objective;

(*l*) to act as a nucleus for interaction between academia and industry by encouraging exchange of designers and other technical staff between the Institute and the industry and by undertaking sponsored and funded research as well as consultancy projects by the Institute;

1. The words "located at Bengaluru in the State of Karnataka and at Gandhinagar in the State of Gujarat" omitted by Act 38 of 2019, s. 7 (w.e.f. 13-1-2020).
2. Ins. by s. 7, *ibid.* (w.e.f. 13-1-2020).
3. Subs. by s. 8, *ibid*., for "the Institute shall" (w.e.f. 13-1-2020).

(*m*) to establish, equip and maintain workshops or laboratories or studios with modern machinery and equipments in order to undertake scientific and technological research for creating good designs for the production of goods and services and to provide funds for such works and for payment to any person or persons engaged in service, training and research work whether in such workshop or laboratory or studio;

(*n*) to acquire any patent or licence relating to such invention, improvement or design or standardisation marks whether for general or specific purposes;

(*o*) to undertake consultancy in the areas or disciplines relating to design;

(*p*) to deal with any property belonging to, or vested in, the Institute, in such manner as the Institute may deem fit for advancing the objects of the Institute;

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

(*r*) to encourage and improve education of persons who are engaged or are likely to be engaged in the service, training or research activities by grant of loans, scholarships or other monetary assistance or otherwise;

(*s*) to prepare, print, publish, issue, acquire and circulate books, papers, periodicals, exhibits, films, slides, gadgets, circulars and other literary undertakings, dealing with or having a bearing upon the subject of industrial design and allied fields;

(*t*) to establish, form and maintain museums, libraries and collections of literature and films, slides, photographs, prototypes and other information relating to design and allied subjects;

(*u*) to nominate designers, engineers (mechanical or electrical or civil), architects, craftsmen, technicians or investigators to study in India or outside India in regard to the service, training and research in such fields as the Institute may think fit;

(*v*) to retain or employ skilled professional, technical advisers, consultants, workers or craftsmen in connection with the objects of the Institute;

(*w*) to encourage artisans, technicians and others with inventive skill to workout details and specifications of processes, appliances and gadgets by giving awards, financial or technical assistance;

(*x*) to construct buildings and alter, extend, improve, repair, enlarge or modify and to provide and equip the same with light, water, drainage, furniture, fittings and all other accessories;

(*y*) to borrow and raise moneys, with or without security or on the security of a mortgage, charge, or hypothecation or pledge of any of the movable or immovable properties belonging to the Institute or in any other manner;

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

(*2*) Notwithstanding anything contained in sub-section (*1*), the Institute shall not dispose of in any manner any immovable property without the prior approval of the Visitor.

7. Institute be open to all races, creeds and classes.—(*1*) [1][Every Institute] shall be open to persons of either sex and of whatever race, creed, caste or class, and no test or condition shall be imposed as to religious belief or profession in admitting or appointing members, students, teachers or workers or in any other connection whatsoever.

(*2*) No bequest, donation or transfer of any property shall be accepted by the Institute, which in the opinion of the Governing Council involves conditions or obligations opposed to the spirit and objects of the Institute.

1. Subs. by Act 38 of 2019, s. 9, for "The Institute" (w.e.f. 13-1-2020).

8. Teaching at Institute.—All [1][teaching at each of the Institutes] and the Institute campuses shall be conducted by or in the name of the Institute in accordance with the Statutes and the Ordinances made in this behalf.

9. Visitor.—(*1*) The President of India shall be the Visitor of [2][each of the Institutes].

(*2*) The Visitor may appoint one or more persons to review the work and progress of the Institute or any Institute campus and to hold inquiries into the affairs thereof and to report thereon in such manner as the Visitor may direct.

(*3*) Upon receipt of any such report, the Visitor may take such action and issue such directions as he considers necessary in respect of any of the matters dealt with in the report and the Institute shall be bound to comply with such directions.

10. Authorities of Institute.—[3][Each Institute shall have the following authorities], namely:—

(*a*) the Governing Council,

(*b*) a Senate, and

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

11. Governing Council.—[4][The Governing Council of every Institute shall consist of] the following members, namely:—

(*a*) a Chairperson, who shall be an eminent academician, scientist or technologist or professional or industrialist, to be nominated by the Visitor;

(*b*) the Director, *ex officio*;

(*c*) the Financial Adviser in the Ministry or Department of the Government of India dealing with the National Institute of Design, *ex officio;*

(*d*) the Joint Secretary, in the Ministry or Department in the Government of India dealing with the National Institute of Design, *ex officio*;

(*e*) one representative of the Ministry or Department of the Government of India not below the rank of Joint Secretary dealing with Higher Education, to be nominated by the Secretary of that Ministry or Department, *ex officio*;

(*f*) one representative of the Ministry or Department of the Government of India not below the rank of Joint Secretary dealing with Information Technology to be nominated by the Secretary of that Ministry or Department, *ex officio*;

(*g*) one representative from the State in which the Institute campus is located, to be nominated by that State Government;

(*h*) five professionals, one each from the fields of architecture, engineering, fine arts, mass media and technology, to be nominated by the Central Government;

(*i*) an outstanding Designer, to be nominated by the Visitor in consultation with the Central Government**;**

(*j*) a management expert, to be nominated by the Chairperson;

(*k*) a representative of the Micro, Small and Medium Enterprises, to be nominated by the Central Government**;**

(*l*) three persons to be nominated by the Senate from amongst persons recommended by companies, firms or individuals who have provided financial assistance or contribution to the Institute:

1. Subs. by Act 38 of 2019, s. 10, for "teaching at the Institute" (w.e.f. 13-1-2020).
2. Subs. by s. 11, *ibid.*, for "the Institute" (w.e.f. 13-1-2020).
3. Subs. by s. 12, *ibid.*, for "The following shall be the authorities of the Institute" (w.e.f. 13-1-2020).
4. Subs. by s. 13, *ibid*., for "The Governing Council shall consist of" (w.e.f. 13-1-2020).

Provided that the threshold of financial assistance or contribution and other requirements to qualify for such nomination shall be such as may be provided for in the Statutes; and

(*m*) Dean of each Institute campus, *ex officio.*

12. Term of office of, vacancies among, and allowances payable to Chairperson and other members of Governing Council.—(*1*) The term of office of the Chairperson or any other member of the Governing Council (other than an *ex officio* member) shall be three years from the date of his nomination.

(*2*) Save as otherwise provided in this section, the term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member.

(*3*) The term of office of a member of the Governing Council nominated to fill a casual vacancy shall continue for the remainder of the term of the member in whose place he has been nominated.

(*4*) Notwithstanding anything contained in this section, an outgoing member shall, unless the Governing Council otherwise directs, continue in office until another person is nominated as a member in his place.

(*5*) The members of the Governing Council shall be entitled to such allowances, if any, from the Institute as may be provided for in the Statutes but no member other than the persons referred to in clauses (*b*) and (*m*) of section 11 shall be entitled to any salary by reason of this sub-section.

13. Meeting of Governing Council.—The Governing Council shall meet at least four times in a year at such place and time and observe such rules of procedure in regard to the transaction of business at its meetings, as may be determined by the Governing Council.

14. Powers and functions of Governing Council.—(*1*) Subject to the provisions of this Act, the Governing Council shall be responsible for the general superintendence, direction and control of the affairs of the Institute and shall exercise all the powers of the Institute not otherwise provided for by this Act, the Statutes and the Ordinances, and shall have the power to review the acts of the Senate.

(*2*) Without prejudice to the provisions of sub-section (*1*), the Governing Council shall—

(*a*) take decisions on questions of policy relating to the administration and working of the Institute;

(*b*) take decision on the establishment of new Institute campus at any place in India or outside India;

(*c*) institute courses of study at the Institute;

(*d*) institute academic and other posts and to make appointments thereto;

(*e*) make Statutes;

(*f*) consider and modify or cancel Ordinances;

(*g*) consider and pass resolutions on the annual report, the annual accounts and the budget estimates of the Institute including each of the Institute campuses for the next financial year, as it thinks fit and submit them to the Central Government together with a statement of its development plans; and

(*h*) exercise such other powers and perform such other duties as may be conferred or imposed upon it by this Act or the Statutes.

(*3*) The Governing Council shall have power to appoint such committees as it considers necessary for the exercise of its powers and the performance of its duties under this Act.

(*4*) The Governing Council shall have the power to enter into arrangements with the Central Government, State Governments and other public or private organisations or individuals in India or outside India for securing and accepting endowments, grants, donations or gifts to the Institute on mutually agreed terms and conditions:

Provided that the conditions of such grant, donation or gift, if any, shall not be inconsistent or in conflict with the nature or objects of the Institute and the provisions of this Act.

(*5*) The Governing Council shall have the power to take over and acquire by purchase, gift or otherwise from Government and other public bodies or private individuals willing to transfer movable and immovable properties, endowments or other funds together with any attendant obligations and engagements not inconsistent with the provisions of this Act.

(*6*) The Governing Council may by specific resolution to this effect delegate to the Chairperson such of its powers for the conduct of business, as it may deem necessary.

15. Senate.—[1][The Senate of each Institute] shall consist of the following persons, namely:—

(*a*) the Director, *ex officio,* who shall be the Chairman of the Senate;

(*b*) Dean of each Institute campus, *ex officio*;

(*c*) Senior Professors of the Institute and of the Institute campuses;

(*d*) three persons, not being employees of the Institute, to be nominated by the Chairperson in consultation with the Director**,** from amongst educationists of repute, one each from the fields of science, engineering and humanities and at least one of them shall be a woman;

(*e*) one alumnus of the Institute to be nominated by the Chairperson in consultation with the Director; and

(*f*) such other members of the staff as may be laid down in the Statutes.

16. Functions of Senate.—Subject to the provisions of this Act, the Statutes and the Ordinances, [2][the Senate of an Institute] shall have the control and general regulation, and be responsible for the maintenance of standards of instruction, education and examination in the Institute and shall exercise such other powers and perform such other duties as may be conferred or imposed upon it by the Statutes.

17. Functions, powers and duties of Chairperson.—(*1*) The Chairperson shall ordinarily preside at the meetings of the Governing Council and at the convocations of the Institute.

(*2*) It shall be the duty of the Chairperson to ensure that the decisions taken by the Governing Council are implemented.

(*3*) The Chairperson shall exercise such other powers and perform such other duties as may be assigned to him by this Act or the Statutes.

18. Director.—(*1*) The Director of [3][each of the Institutes] shall be appointed by the Central Government fora tenure of five years in such manner and on such terms and conditions of service as may be prescribed.

(*2*) The Director shall be appointed on the recommendations of the Selection Committee constituted by the Central Government.

(*3*) The Director shall be the principal executive officer of the Institute and shall be responsible for—

(*a*) proper administration of the Institute and for imparting of instructions and maintenance of discipline therein;

(*b*) co-ordination of activities of all the Institute campuses;

(*c*) examining the development plans of the Institute and each Institute campus and to approve such of them as are considered necessary and also to indicate broadly the financial implications of such approved plans; and

(*d*) examining the annual budget estimates of the Institute and each Institute campus and to recommend to the Central Government the allocation of funds for that purpose.

(*4*) The Director shall exercise such other powers and perform such other duties as may be assigned to him by this Act, Statutes and Ordinances.

(*5*) The Director shall submit annual reports and accounts to the Governing Council.

1. Subs. by Act 38 of 2019, s. 14, for "The Senate of each Institute" (w.e.f. 13-1-2020).
2. Subs. by s. 15, *ibid*., for "the Senate of the Institute" (w.e.f. 13-1-2020).
3. Subs. by s. 16, *ibid.*, for "the Institute" (w.e.f. 13-1-2020).

(*6*) The Central Government shall have the power to remove the Director before expiry of his tenure, if it considers it appropriate to do so.

19. Dean.—(*1*) The Dean of each Institute campus shall be appointed on such terms and conditions as may be laid down by the Statutes and shall exercise such powers and perform such duties as may be assigned to him by this Act or the Statutes or by the Director.

(*2*) Without prejudice to the provisions of sub- section (*1*), the Dean of each Institute campus shall look after all academic, administrative, research and other activities of the Institute campus in consultation with the Director.

20. Registrar.—(*1*) The [1][Registrar of each Institute] shall be appointed on such terms and conditions as may be laid down by the Statutes and shall be the custodian of records, the common seal, the funds of the Institute and such other property of the Institute as the Governing Council shall commit to his charge.

(*2*) The Registrar shall act as the Secretary of the Governing Council, the Senate and such committees as may be prescribed by the Statutes.

(*3*) The Registrar shall be responsible to the Director for the proper discharge of his functions.

(*4*) The Registrar shall exercise such other powers and perform such other duties as may be assigned to him by this Act or the Statutes or by the Director.

21. Powers and duties of other authorities and officers.—The powers and duties of authorities and officers, other than those hereinbefore mentioned, shall be determined by the Statutes.

22. Grants by Central Government.—For the purpose of [2][enabling an Institute] to discharge its functions efficiently under this Act, the Central Government may, after due appropriation made by Parliament bylaw in this behalf, pay to the Institute in each financial year such sums of money and in such manner as it may think fit.

23. Fund of Institute.—(*1*) [3][Every Institute] shall maintain a Fund to which shall be credited—

(*a*) all moneys provided by the Central Government;

(*b*) all fees and other charges received by the Institute;

(*c*) all moneys received by the Institute by way of grants, gifts, donations, benefactions, bequests or transfers; and

(*d*) all moneys received by the Institute in any other manner or from any other source.

(*2*) All moneys credited to the Fund shall be deposited in such banks or invested in such manner as the Institute may, with the approval of the Central Government, decide.

(*3*) The Fund shall be applied towards meeting the expenses of the Institute including expenses incurred in the exercise of its powers and discharge of its duties under this Act.

24. Setting up of Endowment Fund.—Notwithstanding anything contained in section 23, the Central Government may direct [4][any Institute] to—

(*a*) set up an Endowment Fund and any other Fund for specified purpose; and

(*b*) transfer money from its Fund to Endowment Fund or any other Fund.

25.Accounts and audit.—(*1*) [5][Every Institute] shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balance sheet, in such form as may be prescribed, in accordance with such general directions as may be issued by the Central Government in consultation with the Comptroller and Auditor-General of India.

1. Subs. by Act 38 of 2019, s. 17, for "Registrar of the Institute" (w.e.f. 13-1-2020).
2. Subs. by s. 18, *ibid.*, for "enabling the Institute" (w.e.f. 13-1-2020).
3. Subs. by s. 19, *ibid.*, for "The Institute" (w.e.f. 13-1-2020).
4. Subs. by s. 20, *ibid.*, for "the Institute" (w.e.f. 13-1-2020).
5. Subs. by s. 21, *ibid*., for "The Institute" (w.e.f. 13-1-2020).

(*2*) The accounts of the Institute shall be audited by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Institute to the Comptroller and Auditor-General of India.

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

(*4*) The accounts of the Institute as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report there on shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

26. Pension and provident fund.—(*1*) [1][Every Institute] shall constitute, for the benefit of its employees, including the Director, such pension, insurance and provident funds as it may deem fit, in such manner and subject to such conditions as may be laid down in the Statutes.

(*2*) Where any provident fund has been constituted under sub-section (*1*), the Central Government may declare that the provisions of the Provident Funds Act, 1925 (19 of 1925) shall apply to such fund as if it were a Government provident fund.

27. Appointment of staff.—All appointments of the staff of [2][an Institute], except that of the Director, shall be made in accordance with the procedure laid down in the Statutes by—

(*a*) the Governing Council, if the appointment is made on the academic staff in the post of [3][Principal Designer] or Professor or above or if the appointment is made on then on-academic staff in any cadre, the maximum of the pay-scale for which is the same or higher than that of [3][Principal Designer] or Professor; and

(*b*) the Director, in any other case.

28. Statutes.—Subject to the provisions of this Act, the Statutes may provide for all or any of the following matters, namely:—

(*a*) conferment of honorary degrees;

(*b*) formation of departments of teaching, establishment of workshops, laboratories and studios;

(*c*) fees to be charged for courses of study in the Institute including Institute campus and for admission to the examinations of degrees, diplomas and certificates of the Institute;

(*d*) institution of fellowships, scholarships, exhibitions, medals and prizes;

(*e*) qualifications of teachers of the Institute;

(*f*) classification, method of appointment and the determination of the terms and conditions of service of officers, teachers and other staff of the Institute;

(*g*) reservation of posts for the Scheduled Castes, the Scheduled Tribes and Other Backward Classes of persons as may be determined by the Central Government;

(*h*) constitution of pension, insurance and provident funds for the benefit of the officers, teachers and other staff of the Institute;

(*i*) constitution, powers and duties of the authorities of the Institute and Institute campuses;

(*j*) establishment and maintenance of halls and hostels;

(*k*) conditions of residence of students of the Institute and the levying of the fees for residence in the halls and hostels and other charges;

1. Subs. by Act 38 of 2019, s. 22, for "The Institute" (w.e.f. 13-1-2020).
2. Subs. by s. 23, *ibid.*, for "the Institute" (w.e.f. 13-1-2020).
3. Subs. by s. 23, *ibid.*, for "Senior Designer" (w.e.f. 13-1-2020).

(*l*) manner of filling up of vacancies among members of the Governing Council;

(*m*) allowances to be paid to the Chairperson and members of the Governing Council;

(*n*) authentication of the orders and decisions of the Governing Council;

(*o*) meetings of the Governing Council, Senate, or any Committee, the quorum at such meetings and the procedure to be followed in the conduct of their business;

(*p*) any other matter which by this Act is to be or may be prescribed by the Statutes.

29. Statutes how to be made.—(*1*) The first Statutes of [1][each Institute] shall be framed by the Governing Council with the previous approval of the Visitor and a copy of the same shall be laid as soon as may be before each House of Parliament.

(*2*) The Governing Council may, from time to time, make new or additional Statutes or may amend or repeal the Statutes in the manner hereinafter in this section provided.

(*3*) Every new Statute or addition to the Statutes or any amendment or repeal of a Statute shall require the previous approval of the Visitor who may assent thereto or withhold assent therefrom or remit it to the Governing Council for reconsideration.

(*4*) A new Statute or a Statute amending or repealing an existing Statute shall have no validity unless it has been assented to by the Visitor.

30. Ordinances.—Subject to the provisions of this Act and the Statutes, the [2][Ordinances of each Institute] may provide for all or any of the following matters, namely:—

(*a*) admission of the students to the Institute including Institute campus;

(*b*) reservation in admission to various courses or programmes of the Institute for the Scheduled Castes, the Scheduled Tribes and Other Backward Classes;

(*c*) courses of study to be laid down for all degrees, diplomas and certificates of the Institute;

(*d*) conditions under which students shall be admitted to the degree, diploma and certificate courses and to the examinations of the Institute and award of degrees, diplomas and certificates;

(*e*) conditions for award of fellowships, scholarships, exhibitions, medals and prizes;

(*f*) conditions and mode of appointment and duties of examining body, examiners and moderators;

(*g*) conduct of examinations;

(*h*) maintenance of discipline among the students of the Institute; and

(*i*) any other matter which by this Act or the Statutes is to be or may be provided for by the Ordinances.

31. Ordinances how to be made.—(*1*) Save as otherwise provided in this section, Ordinances shall be made by the Senate.

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

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

32. Arbitral Tribunal.—(*1*) Any dispute arising out of a contract [3][between an Institute] and any of its employees shall, at the request of the employee concerned or at the instance of the Institute, be referred

1. Subs. by Act 38 of 2019, s. 24, for "the Institute" (w.e.f. 13-1-2020).
2. Subs. by s. 25, *ibid.*, for "Ordinances of the Institute" (w.e.f. 13-1-2020).
3. Subs. by s. 26, *ibid.*, for "between the Institute" (w.e.f. 13-1-2020).

to an Arbitral Tribunal consisting of one member appointed by the Institute, one member nominated by the employee and an umpire appointed by the Visitor.

(*2*) The decision of the Arbitral Tribunal shall be final and shall not be questioned in any court.

(*3*) No suit or proceeding shall lie in any court in respect of any matter which is required by sub-section (*1*) to be referred to the Arbitral Tribunal.

(*4*) The Arbitral Tribunal shall have power to regulate its own procedure.

(*5*) Nothing in any law for the time being in force relating to arbitration shall apply to arbitration under this section.

CHAPTER III

MISCELLANEOUS

33. Acts and proceedings not to be invalidated by vacancies, etc.—No act of [1][any Institute] or Governing Council or Senate or any other authority, setup under this Act or the Statutes, shall be invalid merely by reason of—

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

(*b*) any defect in the election, nomination or appointment of a person acting as a member thereof; or

(*c*) any irregularity in its procedure not affecting the merits of the case.

34. Sponsored schemes.—Notwithstanding anything contained in this Act, whenever [2][an Institute receives] funds from any Government, the University Grants Commission or any other agency including industry sponsoring a research scheme or a consultancy assignment or a teaching programme or a Chaired Professorship or a scholarship, etc., to be executed or endowed at the Institute,—

(*a*) the amount received shall be kept by the Institute separately from the Fund of the Institute and utilised only for that purpose; and

(*b*) the staff required to execute the same shall be recruited in accordance with the terms and conditions stipulated by the sponsoring organisations:

Provided that any money remaining unutilised shall be transferred to the Endowment Fund set up under section 24 of this Act.

35. Power of Institute to grant degrees, etc.—[3][Every Institute] shall have the power to grant degrees, diplomas, certificates and other academic distinctions under this Act, which shall be equivalent to such corresponding degrees, diplomas, certificates and other academic distinctions granted by any University or Institute established or incorporated under any other law for the time being in force.

36. Powers of Central Government to issue directions.—The Central Government may give such directions as it may deem necessary [4][to any Institute] for effective administration of this Act and the Institute shall comply with such directions.

37. Institute to be public authority under Right to Information Act, 2005.—The provisions of the Right to Information Act, 2005 (22 of 2005) shall apply to [5][every Institute], as if it were a public authority as defined in clause (*h*) of section 2 of the Right to Information Act, 2005.

38. Power of Central Government to make rules.—(*1*) The Central Government may, by notification, 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:—

1. Subs. by Act 38 of 2019, s. 27, for "the Institute" (w.e.f. 13-1-2020).
2. Subs. by s. 28, *ibid*., for "the Institute receives" (w.e.f. 13-1-2020).
3. Subs. by s. 29, *ibid*., for "The Institute" (w.e.f. 13-1-2020).
4. Subs. by s. 30, *ibid.*, for "to the Institute" (w.e.f. 13-1-2020).
5. Subs. by s. 31, *ibid*., for "the Institute" (w.e.f. 13-1-2020).

(*a*) the manner of appointment of the Director and terms and conditions of his service under sub-section (*1*) of section 18;

(*b*) the form and the manner in which the books of account of the Institute shall be maintained under sub-section (*1*) of section 25;

(*c*) any other matter which is required to be, or may be, prescribed.

(*3*) Every rule made by the Central Government shall be laid, as soon as may be after itis 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 both Houses agree that the rule 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.

39. Transitional provisions.—Notwithstanding anything contained in this Act—

(*a*) the [1][Governing Council of an Institute] functioning as such, immediately before the commencement of this Act, shall continue to so function until a new Governing Council is constituted for the Institute under this Act, but on the constitution of a new Governing Council under this Act, the members of the Governing Council holding office before such constitution shall cease to hold office;

(*b*) the Policy and Planning Committee of the Society, functioning as such before the commencement of this Act, shall be deemed to be the Senate constituted under this Act and continue to so function until a new Senate is constituted for the Institute under this Act;

(*c*) until the first Statutes and Ordinances are made under this Act, the rules and regulations, instructions, guidelines and bye-laws of the Society, in force immediately before the commencement of this Act, shall continue to apply to the Institute and Institute campuses [2]***, in so far as they are not inconsistent with the provisions of this Act.

[3][*Explanation* I.—The reference in this section to the commencement of this Act shall, in relation to the National Institute of Design, Ahmedabad, be deemed to be the 16th day of September, 2014.

Explanation II.—The reference in this section to the commencement of this Act shall, in relation to the National Institutes of Design in the States of Madhya Pradesh, Assam, Haryana and Andhra Pradesh, be construed as the reference to the date on which the provisions of the National Institute of Design (Amendment) Act, 2019 comes into force.]

40. Statutes and Ordinances to be published in the Official Gazette and to be laid before Parliament.—(*1*) Every Statute or Ordinance made under this Act shall be published in the Official Gazette.

(*2*) Every Statute or Ordinance 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 Statute or Ordinance or both Houses agree that the Statute or Ordinance should not be made, the Statute or Ordinance 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 Statute or Ordinance.

(*3*) The power to make Statutes or Ordinances shall include the power to give retrospective effect from a date not earlier than the date of commencement of this Act to Statutes or Ordinances or any of

1. Subs. by Act 38 of 2019, s. 32, for "Governing Council of the Institute" (w.e.f. 13-1-2020).
2. The words "located at Bengaluru or Gandhinagar, as the case may be" omitted by s. 32, *ibid.* (w.e.f. 13-1-2020).
3. Ins. by s. 32, *ibid.* (w.e.f. 13-1-2020).

them but no retrospective effect shall be given to any Statute or Ordinance so as to prejudicially affect the interests of any person to whom such Statutes or Ordinances may be applicable.

[1][*Explanation* I.—The reference in this section to the commencement of this Act shall, in relation to the National Institute of Design, Ahmedabad, be deemed to be the 16th day of September, 2014.

Explanation II.—The reference in this section to the commencement of this Act shall, in relation to the National Institutes of Design in the States of Madhya Pradesh, Assam, Haryana and Andhra Pradesh, be construed as the reference to the date on which the provisions of the National Institute of Design (Amendment) Act, 2019 comes into force.]

41. 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 or give such directions not inconsistent with the purposes of this Act, as appears to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of two years from the appointed day.

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

IndiaCode

1. Ins. by Act 38 of 2019, s. 33 (w.e.f. 13-1-2020).

[1][THE SCHEDULE

[*See* sections 2, 3(*g*), (*ka*), (*m*), 4 (*1)* and 5 (*a*)]

Sl. No.	Name of the State	Name of the Society	Name of the institutions incorporated under this Act
(1)	(2)	(3)	(4)
1.	Gujarat	The National Institute of Design, Ahmedabad, a Society registered under the Societies Registration Act, 1860.	National Institute of Design, Ahmedabad
2.	Madhya Pradesh	The National Institute of Design, Bhopal, a Society registered under the Societies Registration Act, 1860.	National Institute of Design, Madhya Pradesh
3.	Assam	The National Institute of Design, Jorhat, Assam, a Society registered under the Societies Registration Act, 1860.	National Institute of Design, Assam
4.	Haryana	The National Institute of Design, Kurukshetra, a Society registered under the Societies Registration Act, 1860.	National Institute of Design, Haryana
5.	Andhra Pradesh	The National Institute of Design, Andhra Pradesh, a Society registered under the Societies Registration Act, 1860.	National Institute of Design, Andhra Pradesh.]

IndiaCode

1. Ins. by Act 38 of 2019, s. 34 (w.e.f. 13-1-2020).

STATEMENT OF OBJECTS AND REASONS

The National Institute of Design (NID), Ahmedabad was set up in the country in the year 1961 as a society registered under the Societies Registration Act, 1860 and also under the Bombay Public Trusts Act, 1950, by the Government of India in the Ministry of Industry (now known as the Ministry of Commerce and Industry), as an autonomous institution. NID is an educational and training institution which conducts graduate and post-graduate programmes in the area of design education.

2. Realising the strategic importance of design for national and industrial competitiveness of both manufacturing and service industries, NID is already striving for excellence in the field of design education in the country. NID products, comprising its students and alumni, form the spearhead of the design initiative in India. Despite this, the potential of Indian design has not been fully exploited and there is an immense scope for future growth which may be achieved by establishing an institution of national importance for imparting design education with international benchmarking which can award degrees, function as an apex body to train teachers and trainers imparting design education in the country and provide the interface between academia and the industry. In order to achieve the desired objectives, it is expedient to enact a law declaring NID as an institution of national importance in the interest of public at large.

3. The National Institute of Design Bill, 2013, inter alia, provides for declaration of National Institute of design, Ahmedabad, as an institution of national importance and make it a body corporate to nurture and promote quality and excellence in design education; to conduct research and training in all disciplines related to design; to confer honorary degrees, diplomas, certificates, awards and other academic distinctions or titles in disciplines relating to design and to act as a nucleus for interaction between academia and industry by encouraging exchange of designers and other technical staff between the Institute and the industry and by undertaking sponsored and funded research as well as consultancy projects.

4. The Bill seeks to achieve the above objects.

IndiaCode

ANAND SHARMA.

NEW DELHI;
The 21*st February,* 2013.