

ASERF ISSUE BRIEF

September, 2018

The Higher Education Commission of India

(Repeal of University Grants Commission Act) Bill, 2018

The Centre has proposed to replace the University Grants Commission with a **“Higher Education Commission of India”** in what it calls an effort to **“end the inspection raj”**. Under the planned structure, unlike the UGC, the new commission will focus only on academic matters, while the ministry will issue grants.

The draft law is called the **Higher Education Commission of India (Repeal of University Grants Commission Act) Act, 2018**. The ministry said the draft law intends to reform the regulatory systems for more autonomy and to **“facilitate holistic growth of the education system”** to provide better opportunities to students more affordably.

The new set-up aims to cut the scope of regulation so that there is **“no more interference in the management issues of the educational institutions”**, the government said. The regulation will be done through transparent public disclosures and **“merit-based decision making”** on matters of higher education standards and quality.

Issues related to Functioning of UGC

Background

University Education Commission under Dr S Radhakrishnan recommended creation of UGC. UGC was created in 1953 and granted statutory status in 1956

UGC’s Mandate

- A statutory body in charge of Quality maintenance and maintaining uniformity in higher education (*monitoring conformity to its regulations*)
- Advise central and state government regarding regulation of university education
- providing scholarships/fellowships to beneficiaries
- Provide grants to universities

Issues

Since its inception in 1956, the University Grants Commission (UGC) has been witness to a spectacular growth in higher education. The number of universities has multiplied 40-50 times over, and student enrolment has increased a hundred fold. But the UGC has also been a silent spectator to the languishing quality of education in many of these institutions.

1. UGC could not maintain quality standards as evidenced in the “massification of education”. In 1956 there were 20 universities, 500 colleges and 2.1 lakh students in the country which has now risen to 903 universities, 40,026 colleges and 3.57 cr students. While more no of universities and colleges is desirable in light of growing demand for education, however, the mushrooming of deemed universities and private colleges without adequate infrastructure and research facilities is a major problem. The Draft National Education Policy has also identified the above as a major challenge of the education sector.
2. Its policies suffer from two diametrically opposite issues—under-regulation and over-regulation and .
3. Instead of experts in UGC suggesting reforms in higher education, there is a bureaucratization in the functioning of UGC which has resulted in “one size fits all” solutions being provided
4. There is a stark failure in attracting foreign faculties to Indian Universities
5. UGC has been accused of biased granting of funds
6. There is a flawed system of rewarding research. Research is Rewarded based on Academic Performance Index which are based on citations instead of peer review and expert appraisal
7. Autonomous institutes have often complained that they are not being allowed to function independently

Suggestions of various Reform Committees

1. 2009 – National Knowledge Commission recommended abolition of UGC and creation of an independent regulatory authority for higher education namely National Higher Education Authority
2. In 2011, Yash Pal Committee also recommended scrapping UGC and AICTE and restore autonomy to institutes providing higher education
3. In pursuance of Yash Pal Committee Report, UPA 2 introduced Higher Education and Research Bill. The Bill sought to create an overarching education regulator to replace the Universities Grants Commission and associated councils. It was withdrawn by current government citing violation of Federal principle as states were not consulted in drafting the Bill
4. NDA constituted the Hari Gautam Committee which gave the following suggestions
 1. Amend UGC Act as restructuring UGC would be a futile and cumbersome process
 2. Set up National Higher Education Authority as suggested by National Knowledge Commission and scrap UGC
 3. Suggested conducting National Research Aptitude Test to take admissions into PhD programmes
 4. Doing away with system of 10 years’ experience criteria for VC appointment

5. Emphasized on yoga and meditation teaching
6. Most important observation with regards to UGC's functioning
 - UGC has sidestepped its primary function of being a guardian of educational excellence and focused more on awarding grants which is its secondary function
5. NITI Ayog chief has also criticized the cookie cutter approach (one size fits all) of UGC in light of dense network of educational institutes in the country and has emphasized on the importance of decentralized regulations for effective management
6. T.S.R. Subramanian committee's recommendation in the National Education Policy, that the UGC Act should be allowed to lapse and replaced by a new National Higher Education Act, brings up an important question— *has the UGC failed to evolve according to the changing dynamics of higher education, and fallen short of achieving its original mandate?*
7. Union HRD Ministry also suggested is setting up a new funding agency for universities and higher educational institutions, Higher Education Funding Agency (HEFA), for the purpose and relegating UGC to just an academic regulatory body.

The Higher Education Commission of India (Repeal of UGC Act) Act 2018:

A draft Act for repeal of UGC and setting up Higher Education Commission of India has been prepared by the Ministry. The draft Act is in accordance with the commitment of Government for reforming the regulatory systems that provide for more autonomy and facilitate holistic growth of the education system and which provides greater opportunities to the Indian students at more affordable cost.

Suggestion on the draft Act for Higher Education Commission of India (repeal of UGC Act) 2018.

The transformation of the regulatory set up is guided by the following principles:

1. Less Government and more Governance
2. Separation of grant functions
3. End of inspection raj
4. Focus on academic quality, and
5. Powers to enforce

Hence the proposed Commission all together the following functions:-

1. To promote quality of academic instruction, and
2. Maintenance of standards

These are the same as at present; however, by removing financial and grant giving powers from UGC, the focus of the new Commission will be quality and standards.

The Act proposes to give more “teeth” to the Higher Education Commission than what the UGC presently has.

Presently UGC has powers to recognize (and derecognize) institutions and courses. This has not been very effective. The Act proposes powers to give

binding directions and to authorize commencement of courses and deauthorise institutions and course.

There is provision for penalty and withdrawal or ceasing of operations. Failure to comply with such penalty can lead to prosecution under criminal procedure code with imprisonment which could extend to three years.

1. It is felt the commission should be the **final appellate authority and not the initial deauthorisation / penalty levying authority**. Such action should be taken by other regulatory authorities like AICTE, NCTE etc. There should be such a **regulatory authority for Higher Education Institutions not covered by other regulatory authorities**. All these regulatory agencies will no doubt function under the overall guidance of HEC.
2. **There should be no requirement of prior authorization for commencement of academic programmes.**

After all, HEI are authorized by or under Central / State Acts or are affiliated to universities. They could be trusted to build up their facilities within five years, doing which accreditation/inspection agencies could help them to cover up to requisite standards.

3. As already mentioned, authorization should be left to regulatory agencies. The idea that HEIs should get two approvals – **one from regulatory authority and another from Higher Education Commission will lead to needless delays, ambiguity and confusion.**
4. The Act should **spell out powers to establish/approve accreditation agencies** – Government and private so that a vibrant, decentralized system of accreditation is built up and promoted.
5. **All unregistered and unaccredited institutions (providing courses of two years or more) must either seek registration/approval and accreditation within a specified time frame or else face criminal prosecution and imprisonment**
6. The representation in the commission to potential employers – Agriculture and Rural Development, Industry, ICT, etc. is grossly inadequate. **There should be at least four representatives or nominees in the Commission from Trade and Industry instead of one.**
7. There should be **two representatives of teachers**, one from school and the other from university sector.
8. There should be **one representative in the Commission from the Health sector** (other than Medical Council of India).
9. In section 15 (3) it is stated that the Commission should specify learning outcomes. Perhaps it may be better to replace learning outcomes by learning objectives and learning outcomes are the result of many interactions and could/should not be predetermined.

ANALYZING THE HECI BILL, 2018

1. Preamble

Whereas the Constitution of India mandates Central Government to take steps for co-ordination and determination of standards in institutions for higher education or research and scientific and technical institutions, Whereas for promoting uniform development of quality of education in higher educational institutions, there is a need for creation of a Body that lays down uniform standards, and ensures maintenance of the same through systematic monitoring and promotion, Whereas the existing regulatory structure as reflected by the mandate given to University Grants Commission required redefinition based on the changing priorities of higher education and allow its growth.

Observations/Comments

Debates on education in India have long argued for a systemic reform/change to transform higher education. Recognising the urgent need for such reform, the Govt. of the day - MHRD has introduced the Draft Bill for the formation of a New body HECI. It can be described as progressive and far reaching which was much desired and it should not be restrictive, intrusive and should not promote bureaucratic and political interference

2. Scope

This Act is applicable for all higher educational institutions established, under any Act of the Parliament excluding Institutions of National Importance so notified by the Government, Act of State Legislature and to all Institutions Deemed to be Universities so notified by the Government.

Anticipated Impact

The institution of national importance includes some of India's best-known institution which has an immense contribution (many of the Central Universities, IITs, NITs and IIITs have been declared as Institutions of National Importance by the relevant Acts of Parliaments. Why these institutions are left out of the ambient of the regulatory body for higher education is a question

Observations/Comments

The specific exclusion of Institutions of National Importance (INI) from the purview of the HECI has no ground and may not be considered desirable. Since the Commissions is expected to deal with the entire range of Higher Education in India and since they are not universities there should be a (separate) special emphasis on the maintenance and standards specified by HECI otherwise the exclusion will slay the essence of the reform process

3. Establishment of the Commission

The Commission shall consist of a Chairperson, Vice Chairperson and twelve other Members to be appointed by the Central Government. The Secretary of the Commission will act as the Member-Secretary

Observations/Comments

There shall be adequate representation from private universities and self-financing institutions; Also desirable to have representation from the Chamber

of Commerce (PHDCCI, CII, FICCI, ASSOCHAM/ NASSCOM). Adequate representation from State

3.1

The Chairperson shall be selected by a Search-Cum-Selection Committee(ScSc), consisting of Cabinet Secretary (Chairperson), Secretary Higher Education, and three other eminent academicians to be co-opted as members. The Committee shall submit a panel of names for each post, who satisfy the following conditions:

- a. Should have been a Professor for at least 10 years preferably in the Institutes of National Importance or Universities and a scholar of repute with acknowledged publications in advancement of knowledge;

OR

An eminent academician and educational administrator with credentials in the relevant field and proven capacity for institution building and governance of institutions of higher learning.

- b. Shall be a citizen or an Overseas citizen of India.

Observations/Comments

All efforts should be made that the selection of the Chairperson is transparent and without any political interference.

Sometimes there may be person of eminence of proven track record for building Higher Education Institutions. He may not necessarily be an Education Administrator or Eminent Academician. There could be reputed Scientist or a Visionary leader. There is no need to restrict the field of selection, hence the word Eminent Academician & Educational Administrator may be replaced by Eminent Persons with Proven Credentials and include all (Eminent person with high academic / scientific/ academic administrator with excellent proven track record, leadership qualities, uprightness unimpeachable integrity and pronounced reputation.

Though the total number of members of the Commission has gone up from ten to twelve.

Since there are two representatives of teachers (it could have been at least four) , one should be from school and the other from university/HEI sector.

There should be specific representation or say of the private players and additionally nominate at least one or two educationists from the Private higher education sector as members.

While the clause provides representations from AICTE and NCTE, there is no representation from other professional / regulatory bodies like MCI, BCI, CoA, Pharmacy Council etc. It may be appropriate to have two chairpersons nominated by rotation from the regulatory bodies concerned with professional education. The name of such regulatory bodies concerned with professional education be listed in Appendix.

There should be one representative in the Commission from the Health sector (other than Medical Council of India).

Further since the standards have to be laid down, keeping in view Sectoral, Technological and Industrial requirements, there should be representations from Industry, Services, Agriculture, ICT etc. to the extent of four members instead of one 'doyen of Industry'.

One doyen of Industry may be replaced by 4 Members representing Trade, Agriculture, Industry, Services & Emerging Technologies.

Also the "doyen of industry", there are no definitions of who so qualifies to be termed as such.

4. Term of office of Chairperson, Vice- Chairperson and Members

A person appointed as Chairperson, Vice Chairperson and other Members shall hold office for a term of five years from the date on which he enters upon his office:

- Provided that Chairperson, Vice Chairperson and Members shall cease to hold office on attaining the age of seventy years.
- Provided further that any Vice Chancellor/ Professor appointed as a Members shall cease to be the Member on the date they cease to be Vice Chancellor/Professor respectively

Observations/Comments

Tenure may be reduced to 3 years which may be extendable by 2 years more, instead of directly giving 5 years to a person without assessing his/her capability on such a responsible post.

The age limit of 70 years is welcomed, but there may be occasionally an outstanding person beyond this Age Limit whose services may have to be continued or may be availed. Such cases may be exceptions. It may be worthwhile to add the word *Ordinarily*

1st proviso- to make this point further clear we may add that " for good and sufficient reasons the Govt. on the recommendations of the ScSc appoint or retain the services of the person beyond the Age of 70 years

5. Terms and conditions of service of Chairperson, Vice Chairperson

The salaries and allowances payable to, and the status and other terms and conditions of service of, the Chairperson of the Commission shall be the same as that of the Secretary to the Government of India.

Anticipated Impact

The Govt. should not restrict the status and condition of service of the same as of the Secretary of Govt. of India. The Secretary of the GoI and carrier professionals have different kind of expectations. The Govt. should have in appointing the Chairperson and Vice Chairperson of the HECI free hand in determining the emoluments and terms & Conditions. Hence the following words may be replaced the provision under clause 10.

Observations/Comments

The salaries and allowances payable to, and the status and other terms and conditions of service of, the Chairperson of the Commission shall be as determined by Govt. of India from time to time.

(Suppose some outstanding person from abroad or elsewhere joins, there the law cannot be amended at that time, hence that provision should be inbuilt to give GoI such powers to pay and appoint.

6. Authentication of orders and other instruments of the Commission.

All orders and decisions of the Commission shall be authenticated by the signature of the Chairman or any other member authorized by the Commission in this behalf, and all other instruments issued by the Commission shall be authenticated by the signature of the Secretary or any other officer of the Commission authorized in like manner in this behalf.

Anticipated Impact

It is amply clear that all policy-correspondence as well as issues of funding will also be incumbent on the pleasures of the government.

Observations/Comments

This should not corrode the very ground of legislative autonomy that justified the existence of the University Grants Commission.

7. Functions of the Commission.

7.1 Specify learning outcomes for courses of study in higher education

Anticipated Impact

Prescribing curriculum and learning outcomes falls under the purview of Universities and all autonomous institutions board of studies in the concerned discipline specify the expected learning outcomes for each course of study.

This may hamper the institutions internal mechanism which are supposed to be autonomous in terms of academics.

“learning outcomes”, as stated invokes formulaic expectations of what university education must be oriented towards.

This approach may encourage homogeneous, one-size-fits-all approach-administrative models and best practices which is against the process of allowing the institutions to evolve over time, based on their specific needs.

Observations/Comments

This is not clear.

Any learning outcomes & learning expectations are a consequence of several factors, it may be better to lay down standards of teaching assessments of research etc. and leave the learning outcomes one to be achieved by the institutions concerned rather than specifying the same in advance.

While very general directions as what should be the curricular design of what, say, an undergraduate programme should guarantee its learners are desirable, It should promote diversity as well as innovation .

Perhaps it may be better to replace learning outcomes by learning objectives.

Learning outcomes are the result of many interactions and could/should not be predetermined.

7.2 Lay down standards of teaching / assessment / research or any aspect that has bearing on outcomes of learning in higher educational institutions including curriculum development, training of teachers and skill development

Anticipated Impact

It is imperative to maintain institutional autonomy if quality is to be ensured.

Observations/Comments

An enabling framework to be there that allows universities to harmonise their standards with the external expectations.

7.3 Evaluate the yearly academic performance of higher educational institutions, by monitoring the performance on criteria laid down;

Anticipated Impact

Evaluation of yearly academic performance may be practically not possible.

It is highly unlikely that the Commission will be able to do any kind of meaningful yearly evaluation of the 900+ universities and which are to grow in the future. All that will result from this power is a highly partial process that will disrupt the functioning of universities, and convert 'performance' into a punitive category

Observations/Comments

Should provide self-monitoring and self-regulation in academic performance as a general rule.

7.4 Promote research in HEIs and coordinate with Government for provision of adequate funding for research.

Anticipated Impact

There should always be a separate body for disbursement of Grants and monitoring of quality.

Separating the Regulator and grant-giving entity – not sound principles of Governance in this case.

Grant-giving process shall be purely merit-based and can't be done through bureaucratic prism.

Any body/authority empowered for disbursement of Grants should operate in unbiased and impartial manner

Observations/Comments

It is suggested that private universities should also be eligible for funding of research on merit.

It is suggested that the grant giving power remains in a separate Autonomous body (which should have representations from all sectors including academia and Industry).

It should not be with the Ministry.

System to be objective and codified to ensure both transparency and efficiency with least human interface.

Technology should be put in place to manage various funding schemes which was also missing in the UGC system

7.5 Put in place a robust accreditation system for evaluation of academic outcomes by various HEIs

Anticipated Impact

More independent accreditation bodies with the participations of all the stakeholders should be recognized and promoted instead of only Govt. bodies.

Observations/Comments

The Act should spell out *powers to establish/approve accreditation agencies – Government and private so that a vibrant, decentralized system of accreditation is built up and promoted.*

7.6 Order closure of institutions which fail to adhere to minimum standards without affecting the student's interest or fail to get accreditation within the specified period.

Anticipated Impact

This power to close down institutions in a country has to be wielded with great caution, and with checks and balances, and a clear and detailed specification of what protecting the student's interest must entail.

While there is no question of granting impunity to incidents of fraud being perpetrated on students and their families — and it should be noted that this is a penal offence which can easily be prosecuted — the non-availability of enough good publicly funded and Private HEIs is the major reason why students flock to such institutions. Finally, such unbridled power shall in all likelihood may fuel corruption

7.7 Specify norms and standards for grant of authorization, to a university or a higher educational institution empowered, by or under law, to award any degree or diploma, to commence its first academic operations.

Anticipated Impact

It should kept in view that centralization of powers with HECI should not lead to delays in approval.

As already mentioned, authorization should be left to regulatory agencies. *The idea that HEIs should get two approvals – one from regulatory authority and another from Higher Education Commission will lead to needless delays, ambiguity and confusion*

Observations/Comments

There should be no requirement of prior authorization for commencement of academic programmes.

After all, HEI are authorized by or under Central / State Acts or are affiliated to universities. The could be trusted to build up their facilities within five years, doing which accreditation/inspection agencies could help them to cover up to requisite standards

7.8 Specify minimum eligibility conditions for appointment of Vice Chancellor, Pro-Vice Chancellor, Directors / Principals, Deans, Heads of

Department, teaching and non-teaching staff of any Higher Educational Institutions.

Observations/Comments

Include certain other Statutory positions such as Registrar, Finance Officer, Controller of Examination and Librarian.

7.9 Specify norms and processes for fixing of fee chargeable by Higher Educational Institutions and advise Central Government or State Governments as the case may be, on steps to be taken for making education affordable for all.

Anticipated Impact

The HEIs which are not given any maintenance, grant etc. and are Private and self-funded should be allowed to fix their own fees structure.

This will be necessary to maintain and achieve excellence by providing deferential infrastructure and facilities like being done by autonomous institutes of excellence like IITs, IIMs etc. even in public institutions.

This also affects the autonomy of HEIs in fixing the fees. It would also dilute the very objective of this Act.

Observations/Comments

It should not be the work of HECI.

It is suggested that it should be left to related agencies, and It should only focus on quality parameters.

7.10 Discharge such other functions in relation to the promotion, coordination and maintenance of standards in higher education and research as the Central Government may subject to the provisions of this Act, prescribe

Anticipated Impact

It reveals the total control of the central Govt over HECI

Observations/Comments

HEIs should be given the scope for autonomy and self-regulations.

8. Authorisation to University or institution empowered to award degree or diploma to commence first academic operations

No higher educational institution empowered, by or under law, to award any degree or diploma established after the coming into force of this Act shall commence its first academic operations unless it is so authorized, in accordance with such norms as may be specified by the Commission:

Provided further that a higher educational institution or institution Deemed to be University in existence before the commencement of this Act shall deemed to have been authorised under this Act for a period of three years from the date of notification of this Act in the gazette unless revoked in accordance with the provisions of this Act.

Provided further that a Higher Educational Institution or institutions Deemed to be University shall comply to all the provisions of various Regulations notified under this Act within the stipulated period as mentioned above, otherwise authorization will be revoked.

Anticipated Impact

The provision as contained herein is inconsistent in as much as it stipulates that no Higher Educational Institutions shall commence its academic operations unless so authorized after coming into force of this Act.

The universities established by the state legislature Govt. and Private, if not allowed to make admission without the approval of proposed HECI, then the very purpose of establishing these Universities is defeated.

The Act does not have provision for grievance cell to listen to the affected HEIs.

Observations/Comments

The universities are authorized and empowered to award Degree.- This power of authorization is an important power and the manner in which it is to be exercised should be laid down in the rules and regulations under this very Act.

However the HECI is expected to coordinate and guide all universities and HEI's in both general / traditional and professional education. It should act as the highest body of adjudicating disputes if any i.e. it should be an Applet Authority. This means the power of authorization and withdrawal of authorization should no vest in the HECI but under some other regulatory body. There are already such regulatory bodies in respect of professional education. For those courses that are not covered by such professional agencies there can be creation of specific agencies for all HEIs, other than those created by specific Act such as Medical, Agriculture, Architecture, Pharmacy, Education etc.

These authorities shall recognize and authorize universities and institutions to award degree can be termed as authorization of Degree and notified by this commission as per the procedure to be prescribed by the rules. The Commission itself than become the applet & adjudicating authority in case of dispute of any degree giving body or regulatory body concerned.

HECI to provide the broader guidelines and let them Authorise – in all manner HECI Act should prevail

9. Application for grant of authorization

The online application may need uploading documents/ photos about the availability of land, required infrastructure, teaching-learning facilities, the faculty details and such other details that the Commission would prescribe from time to time.

Anticipated Impact

The process of authorization has no timelines fixed in the Draft Act.

If the authorization is not granted then what will be the fate of faculty employed by such University

Observations/Comments

It should not be mandatory for the a new University which requires authorization from the Commission to employ faculty at the time of submission of online application for authorization. It may be allowed to identify faculties and once authorised should within fixed time employ such faculty/faculties.

10. Penalties for non-compliance

If any University grants affiliation in respect of any course of study to any institution in contravention of the provisions of the regulation/rule/recommendation issued by the Commission, or violates any of the norm/standard laid down by the Commission, or fails within a reasonable time to comply with it, the Commission, after taking into consideration the cause, if any, shown by the University/Institution for such failure or contravention may impose a penalty on such University and/ or on such Institution which may include fine, or withdrawal of power to grant degrees/diplomas or direction to cease operations.

Anticipated Impact

Pertaining to affiliating Universities & Colleges & other HEIs seems to be harsh particularly with reference to withdrawal of degree awarding powers cessation of operations

10.1 Penalties for non-compliance

The Chief Executive and other members of Management of such institution who do not comply with the penalty imposed by the Commission shall be liable for prosecution as per procedure laid down under the Criminal Procedure Code and may be punished with imprisonment for a term which may extend up to three years.

Anticipated Impact

With reference to CEO & other members of Management of HEI, invoking CPC & punishment with imprisonment will dissuade top academicians to take up management positions as well as discourage investment in this sector

Observations/Comments

With respect to Criminal Procedure Code and Imprisonment – it should be left to the law and enforcement agencies. It should not be the task of HECI rather be left to the law of the land

11. Advisory Council

There shall be an Advisory Council chaired by the Union Minister for Human Resources Development, and with the Chairperson/Vice-Chairperson, members of the Commission, and Chairperson/Vice-Chairpersons of all State Councils for Higher Education as members.

Anticipated Impact

It should clearly reflect the federal system

Observations/Comments

The Advisory Council should be Autonomous in nature and have broad representation from all stake holders including private institutions and Industry

12. Act to have overriding effect

The provisions of this Act shall have overriding effect notwithstanding anything inconsistent there with contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act.

Anticipated Impact

The provision that the HECI Act will have an overriding effect will effectively nullify the various Acts of Parliament that have constituted existing universities

Observations/Comments

This proposed HECI Act should take into consideration the existing acts that have promoted a diversity of orientation in institutions, suited to the plural needs of this diverse country, and have maintained the distinctiveness and relevance of our institutions to their local and national milieu

13. Power to make regulations

The Commission may make regulations in support of its internal functioning and take steps to promote quality and set standards and such Regulations so notified shall be binding on all the Higher Educational Institutions.

Provided that the Regulations relating to promoting quality and setting standards shall have prior approval of Central Government

Anticipated Impact

The proviso that the Regulations relating to promoting quality and setting standards shall have prior approval of Central Government nullifies the (Autonomy) mandate given to the HECI, as stated in the preamble of the proposed Act, and the specific powers vested in it under clause 15

Observations/Comments

In matter relating to academic standards the proposed Commission should notify such regulations in consultation with Central Govt. rather than prior approval of the Central Government

14. Repeal and Savings

The University Grants Commission Act, 1956 [3 of 1956], is repealed with effect from such date, not later than one year from the date of coming into force of this Act, as the Central Government may, in consultation with the Commission, notify

Anticipated Impact

As HECI seeks to replace UGC this is not clear. It seems as there will be two Acts on the same domain co-existing at least for some period of Time

Observations/Comments

Till that time a new regulation has been framed and may come into force the provisions of the existing UGC Act may remain in force unless the same are inconsistent to or repugnant to the provisions of the HECI Act

14.1 Repeal and Savings

Notwithstanding anything contained in the Architects Act, 1972[20 of 1972] and the Advocates Act, 1961[25 of 1961], the provisions of this Act shall apply to any matter concerning the determination, co-ordination, maintenance of standards in, and promotion of, higher education and research:

Provided that nothing contained in this section shall be construed as restricting the power of the Bar Council of India to specify standards of higher education concerning practice in courts:

Provided further that nothing contained in this section shall be construed as restricting the power of the Council of Architecture to specify standards of higher education concerning professional practice

Anticipated Impact

Such a measure will minimize overlapping jurisdiction and will ensure much better co-ordination wherein the statutory bodies will not work at cross-purposes

Observations/Comments

Need to make a distinction between determination, co-ordination and maintenance of the standards of teaching & research in the field of law and architecture and practice in a court of law or professional practice in the field of architecture.

Like-wise, it is suggested that the Bill may incorporate that the medical, nursing and pharmacy and other such professional education teaching and research, should also be within the purview of HECI in so far as determination and maintenance of the standards of education are concerned.

The role of Professional Councils at the most may be to provide input to the HECI for setting standards and benchmarks for such qualifications and degrees that are minimum prescribed entry qualification for registration and licensing for practice of a profession

ANNEXURES

The National Knowledge Commission's recommendations to the Government of India for the betterment of Higher Education

This report of the National Knowledge Commission of the Government of India on Higher Education lays down certain guidelines for the betterment of the system. The NKC recommendations on higher education were submitted to the Prime Minister on 29th November 2006. The report focused on the need for excellence in the system, expansion of the higher education sector in the country, and providing access to higher education for larger numbers of students.

The report includes detailed recommendations under the following heads:

Expansion

1. Create many more universities. The higher education system needs a massive expansion of opportunities, to around 1500 universities nationwide, that would enable India to attain a gross enrolment ratio of at least 15 per cent by 2015.
2. Change the system of regulation for higher education. The present regulatory system in higher education is flawed in some important respects. The system, as a whole, is over-regulated but under-governed. We believe that there is a clear need to establish an Independent Regulatory Authority for Higher Education (IRAHE).
3. Increase public spending and diversify sources of financing. The expansion of the system of higher education is not possible without enhanced levels of financing. This must necessarily come from both public and private sources.
4. Establish 50 National Universities that can provide education of the highest standard. As exemplars for the rest of the nation, these universities shall train students in a variety of disciplines, including humanities, social sciences, basic sciences, commerce and professional subjects, at both the undergraduate and post-graduate levels.

Excellence

5. The endeavor to transform higher education must reform existing institutions.
6. The system of affiliated colleges for undergraduate education, which may have been appropriate 50 years ago, is no longer adequate or appropriate and needs to be reformed. Indeed, there is an urgent need to restructure the system of undergraduate colleges affiliated to universities.
7. An expansion of higher education, which provides students with choices and creates competition between institutions is going to be vital in enhancing accountability.

Inclusion

8. Education is the fundamental mechanism for social inclusion through the creation of more opportunities. It is, therefore, essential to ensure that no student is denied the opportunity to participate in higher education due to financial constraints.
9. Affirmative action. A major aim of the higher education system must be to ensure that access to education for economically and historically socially underprivileged students is enhanced in a substantially more effective manner.

2009 – National Knowledge Commission - Abolition of UGC and creation of an independent regulatory authority for higher education namely National Higher Education Authority

2011 – Yash Pal Committee - Scrapping UGC and AICTE and restore autonomy to institutes providing higher education

In pursuance of Yash Pal Committee Report, UPA 2 introduced Higher Education and Research Bill.

- a. The Bill sought to create an overarching education regulator to replace the Universities Grants Commission and associated councils.
- b. It was withdrawn by current government citing violation of Federal principle as states were not consulted in drafting the Bill

NDA constituted the Hari Gautam Committee which gave the following suggestions

- c. Amend UGC Act as restructuring UGC would be a futile and cumbersome process
- d. Set up National Higher Education Authority as suggested by National Knowledge Commission and scrap UGC
- e. Suggested conducting National Research Aptitude Test to take admissions into PhD programmes
- f. Doing away with system of 10 years' experience criteria for VC appointment
- g. Emphasized on yoga and meditation teaching
- h. Most important observation with regards to UGC's functioning
 - i. UGC has sidestepped its primary function of being a guardian of educational excellence and focused more on awarding grants which is its secondary function

NITI Aayog criticized the cookie cutter approach (one size fits all) of UGC in light of dense network of educational institutes in the country

- i. emphasized on the importance of decentralized regulations for effective management

T.S.R. Subramanian committee's recommendation in the National Education Policy

- j. UGC Act should be allowed to lapse and replaced by a new National Higher Education Act,
- k. It brought up an important question—*has the UGC failed to evolve according to the changing dynamics of higher education, and fallen short of achieving its original mandate?*

Union HRD Ministry also suggested (HEFA) - For setting up a new funding agency for universities and higher educational institutions, **Higher Education Funding Agency (HEFA)**,

- l. for the purpose and relegating UGC to just an academic regulatory body.

The Higher Education Commission of India (Repeal of UGC Act) Act 2018.

- m. A draft Act for repeal of UGC and setting up Higher Education Commission of India has been prepared by the Ministry.
- n. The draft Act is in accordance with the commitment of Government for reforming the regulatory systems that provide for more autonomy and facilitate holistic growth of the education system and

which provides greater opportunities to the Indian students

Revamping India’s Higher Education System

The shortage of skilled man-power is a cause for concern in most sectors in India. Experts acknowledge that the present higher education system in India is not equipped to address this problem without some changes in the basic structure. Official records show that the gross enrollment ratio in higher education is only 11 per cent while the **National Knowledge Commission** says only seven per cent of the population between the age group of 18-24 enters higher education. Even those who have access are not ensured of quality. Despite having over 300 universities, not a single Indian university is listed in the top 100 universities of the world.

Present Regulatory framework

The present system of higher education is governed by the University Grants Commission (UGC), which is the apex body responsible for coordination, determination and maintenance of standards, and release of grants. Various professional councils are responsible for recognition of courses, promotion of professional institutions and providing grants to undergraduate programmes. Some of the prominent councils include All India Council for Technical Education (AICTE), Medical Council of India (MCI) and the Bar Council of India (BCI). The Central Advisory Board of Education coordinates between the centre and the states.

Universities in India can be established by an Act of Parliament or state legislatures such as Delhi University, Calcutta University and Himachal Pradesh University. Both government-aided and unaided colleges are affiliated with a university. The central government can also declare an institution to be a deemed university based on recommendation of the University Grants Commission. There are about 130 deemed universities and includes universities such as Indian Institute of Foreign Trade and Birla Institute of Technology. Such universities are allowed to set their own syllabus, admission criteria and fees. Some prominent institutions are also classified as institutions of national importance.

Reforms in Higher Education

There have been calls to revamp the regulatory structure, make efforts to attract talented faculty, and increase spending on education from about 4% of the Gross Domestic Product (GDP) to about 6%. Presently, the allocation for higher education is at a measly 0.7% of GDP.

From time to time government appointed various expert bodies to suggest reforms in the education sector. The two most recent recommendations were made by the National Knowledge Commission (NKC) formed in 2005-2009 under the chairmanship of Mr Sam Pitroda and the Committee to Advise on Renovation and Rejuvenation of Higher Education, formed in 2008-2011 under the chairmanship of Shri Yashpal.

Key Recommendations of NKC	Key Recommendations of Yashpal Committee
<p>Presently, India has about 350 universities. Around 1,500 universities should be opened nationwide so that India is able to attain a gross enrolment ratio of at least 15% by 2015.</p> <p>Existing universities should be reformed through revision of curricula at least once in three years, supplementing annual examination with internal assessment, transition to a course credit system,</p>	<p>The academic functions of all the professional bodies (such as UGC, AICTE, MCI, and BCI) should be subsumed under an apex body for higher education called the National Commission for Higher Education and Research (NCHER), formed through Constitutional amendment.</p> <p>The professional bodies should be divested of their academic functions. They should only be looking</p>

<p>attract talented faculty by improving working conditions and incentives.</p> <p>A Central Board of Undergraduate Education should be established, along with State Boards of Undergraduate Education, which would set curricula and conduct examinations for undergraduate colleges that choose to be affiliated with them.</p> <p>An Independent Regulatory Authority for Higher Education (IRAHE) should be formed. IRAHE should be independent of all stakeholders and be established by an Act of Parliament.</p> <p>The UGC would focus on disbursement of grants and maintaining public institutions of higher learning. The regulatory function of the AICTE, MCI, and BCI would be performed by IRAHE.</p> <p>The IRAHE shall have the power to set and monitor standards, accord degree-granting power to institutions of higher education, license accreditation agencies, and settle disputes. Same norms shall apply to all institutions irrespective of whether they are public or private, domestic or international.</p> <p>Quality of education can be enhanced by stringent information disclosure norms, evaluation of courses by teachers and students, rethinking the issue of salary differentials within and between universities to retain talented faculty, formulating policies for entry of foreign institutions in India and the promotion of Indian institutions abroad.</p>	<p>after the fitness of the people who wish to practice in their respective fields by conducting regular qualifying examination.</p> <p>Establish a National Education Tribunal with powers to adjudicate on disputes among stake-holders within institutions and between institutions so as to reduce litigation in courts involving universities and higher education institutions.</p> <p>Curricular reform should be the top-most priority of the NCHER. It should be based on the principles of mobility within a full range of curricular areas.</p> <p>Vocational education sector should be brought within the purview of universities.</p> <p>NCHER should promote research in the university system through the creation of a National Research Foundation.</p> <p>Practice of according status of deemed university be stopped till the NCHER takes a considered view on it.</p> <p>NCHER should identify the best 1500 colleges across India and upgrade them as universities.</p> <p>A national testing scheme for admission to the universities on the pattern of the GRE to be evolved which would be open to all the aspirants of University education, to be held more than once a year.</p> <p>Quantum of central financial support to state-funded universities should be enhanced substantially on an incentive pattern.</p>
<p>Sources: The Report to the Nation, 2006-09, NKC; Yashpal Committee Report, 2009; PRS</p>	

The Draft NCHER Bill, 2010

In response to the reports, the government drafted a Bill on higher education and put it in the public domain. The draft National Commission for Higher Education and Research Bill, 2010 seeks to establish the National Commission for Higher Education and Research whose members shall be appointed by the President on the recommendation of the selection committee (include Prime Minister, Leader of the Opposition in Lok Sabha, Speaker).

The Commission shall take measures to promote autonomy of higher education and for facilitating access, inclusion and opportunities to all. It may specify norms for grant of authorisation to a university, develop a national curriculum framework, specify requirement of academic quality for awarding a degree, specify minimum eligibility conditions for appointment of Vice Chancellors, maintain a national registry, and

encourage universities to become self regulatory. Vice Chancellors shall be appointed on the recommendation of a collegium of eminent personalities. The national registry shall be maintained with the names of persons eligible for appointment as Vice Chancellor or head of institution of national importance. Any person can appeal a decision of the Commission to the National Educational Tribunal.

The Higher Education and Research Bill, 2011

The Bill was introduced in the Rajya Sabha on December 28, 2011 by the Minister of Human Resource Development, Shri Kapil Sibal. It was referred to the Department related Standing Committee on Human Resource Development (Chairperson: Shri Oscar Fernandes), which submitted its report on December 13, 2012.

Highlights of the Bill

- The Bill seeks to establish the National Commission for Higher Education and Research (NCHER), a General Council and a Collegium of Scholars. It repeals the UGC Act, 1956, the AICTE Act, 1987, and the National Council for Teacher Education Act, 1993.
- The NCHER shall take steps for the promotion and coordination of higher education and research. → Every degree granting institution established after the enactment of this law has to be authorised by the NCHER to begin its first academic operation. The NCHER may revoke authorisation on certain grounds
- The Collegium shall prepare a directory of academics eligible for appointment as Vice Chancellors of central educational institutions (except a college). The NCHER shall maintain this directory.
- The Higher Education Financial Services Corporation (HEFSC) shall disburse grants to institutions based on norms specified by NCHER.
- The performance of the NCHER shall be reviewed every five years by a committee appointed by the President.

Key Issues and Analysis

- The Bill aims to promote autonomy of higher educational institutions. However, certain provisions of the Bill impede such autonomy. For instance, requirement of permission from NCHER to enrol students.
- Some key recommendations of committees such as NKC and Yash Pal Committee have not been incorporated in the Bill. For example, allowing the regulator to give degree granting powers to an institution
- The Bill separates the functions of grant disbursal and regulation of HEIs. However, the NCHER retains the function of specifying norms for disbursal of funds. Also, a member of NCHER is the non-executive Chairman of the HEFSC. This differs from NKC's recommendation.
- One of the functions of the General Council is to assess the performance of NCHER. The Council includes the Chairperson and all members of NCHER. This may hamper an objective assessment of the performance of NCHER.
- The National Commission for Human Resource for Health Bill, (NCHRH), pending in Parliament, proposes a regulator for health education. There is an overlap between the functions of NCHER and the NCHRH.

Hari Gautam committee recommends scrapping of UGC

Brief

A committee headed by former UGC chairperson Hari Gautam on working of University Grant Commission recommended scrapping of this organisation as it failed to deliver goods. It also recommended that UGC has not been able to deal with emerging diverse complexities. This was the first committee that HRD minister Smriti Irani had set up to review the working of this institution meant for higher education in India

recommending that reshaping and restricting would be futile and even amending UGC Act would be of no use. Instead it suggested forming a new institution called National Higher Education Authority through an act of Parliament. The most interesting thing is that It has emphasized on teaching of yoga and transcendental meditation.

- The Universities Grants Commission, or UGC, should be scrapped and replaced with a national higher education authority, according to a panel set up by the Minister for Human Resource Development, or HRD, to review it.
- In a scathing indictment, the panel, which is headed by the ex-chairman of the UGC, Hari Gautam, said last week that the change was needed because the UGC, which controls funding and administrative issues for all regulated universities, has not fulfilled its mandate.
- In addition the panel said that “any reshaping or restructuring of the UGC will be a futile exercise” and even amending the UGC Act would make little difference.

The panel said that the regulator has not only “failed to fulfil its mandate, but has also not been able to deal with emerging diverse complexities”.

- The UGC was set up by an Act of Parliament and controls more than 650 universities in India. There are, however, private universities and technical bodies that are not governed by the UGC.
- In response to the recommendation, the HRD Ministry has said that the UGC cannot be unilaterally scrapped since it is created by an Act of Parliament. “Hence no such decision has been taken and the recommendations of the committee are yet to be analysed before taking any decision,” a ministry spokesperson said.

New authority proposed

- But the panel, set up by Smriti Irani, the Minister of Human Resource Development, has recommended constituting a national higher education authority through an Act of Parliament to replace the UGC. According to sources, a draft of the proposed bill has already been formulated.
- The two-volume report submitted to the ministry specifically points out that current UGC staff are “unhappy as only few find favour and are delegated with powers to perform in important areas”.
- The report added that it seemed that many “were pushed around through an element of fear and threat”.
- Advising reform from the top, the report suggests that the UGC chairperson keep a sharp lookout in all areas and continually assess contributions at all levels. The panel feels that the chairperson “should be held accountable” and “his performance be assessed once after three years and then at the end of his tenure of five years by a committee constituted by the HRD [Ministry]”.
- It added that “eminent educationists or men of eminence in any field should have been the natural choice, but at times it is observed that businessmen, hotel owners and even readers in colleges have been made members”.
- The UGC has seen a steady erosion of its powers and standing among university alumni over the years.
- Instead of regulating universities academically and suggesting changes that would see institutions grow, the UGC has reduced itself to a funding body.

- There have been allegations of favouritism, and the report states that the “UGC has side-stepped its function of being a sentinel of excellence in education, and embraced the relatively easier function of funding education”.
- UGC suffers from “internal inefficiency” and blamed the HRD Ministry for “dwarfing the body and crippling its role in the regulation of higher educational institutions”.
- There were flaws in the very composition of the body which needed to be rectified. “Of all the national commissions in the country, the UGC is the only one which is functioning without the support of full-time executive members,”
- Executive members did not have clearly prescribed roles. The UGC is the only national commission that relies on part-time non-executive members. Most of them are serving vice-chancellors or college principals, whose institutions are regulated by the UGC.

'Collusion'

There has been a collusion between UGC and the HRD Ministry in setting up deemed universities that now number 130. These are universities granted full autonomy in courses, syllabus, admissions and fees by the Department of Higher Education with the HRD Ministry on the advice of the UGC.

“Sensing the political preferences of the successive governments at the centre, UGC has from time to time rendered the desirable advice, whenever sought by the HRD Ministry, for creating such institutions,”

Some professors at Delhi University, said that the UGC, like most other bodies including universities themselves, was suffering from too much interference by people who were politically motivated. Many expressed doubts if anything at all would come out of this exercise, some going as far as saying that this would be a step towards saffronisation of education in the country.

Interestingly, the panel has also recommended among other things, the teaching of yoga and transcendental meditation.

The T.S.R. Subramanian committee Report

The committee's report, submitted recently to the HRD Ministry, says the UGC has been unable to effectively implement its regulations.

A high-power committee headed by former Cabinet Secretary T.S.R. Subramanian, tasked with drawing a blueprint for a new national **education** policy, has recommended that the law that set up the higher education regulator University Grants Commission (UGC) be allowed to lapse.

Ineffective regulator

The committee's report, submitted recently to the Ministry of Human Resource Development, says the UGC has been unable to effectively implement its regulations aimed at ensuring the quality of higher education in the country over the years.

The panel has instead suggested an alternative arrangement for a pruned UGC.

“The UGC could be revamped, made considerably leaner and thinner, and could be the nodal point for administration of the proposed National Higher Education Fellowship Programme, without any other promotional or regulatory function,” it said.

The UGC’s mandate includes overseeing disbursement of grants to colleges and fellowships to students, and recognising and monitoring institutions.

“The Committee was informed that there are widespread irregularities in grant of approval of institutions and courses. There are serious concerns about the quality of education provided by a large number of colleges/universities; it is the responsibility of the UGC to monitor standards of education in higher education institutions and the UGC has not succeeded in ensuring this. The credibility of the UGC has been seriously dented by approvals given to a large number of sub-standard colleges and deemed universities,” says the report.

The Subramanian Commission report, of which The Hindu has a copy, refers to a recent “expert committee's” examination of the working of the UGC.

“An expert Committee recently has examined thoroughly the past, present and future role of UGC; the report is under examination by the Ministry. It is understood that the report had concluded that the UGC does not have the adequate number of personnel, of requisite quality, to be an effective regulatory force in the higher education sector,” says the TSR Subramanian Commission report, referring to the recent Hari Gautam committee report. “It is recommended that as the new overarching higher education management law is enacted, which the Committee suggests should be very soon, the UGC Act should be allowed to lapse.”

Alternative

The panel also suggests an alternative arrangement of a pruned UGC. “The UGC could be revamped, made considerably leaner and thinner, and could be the nodal point for administration of the proposed National Higher Education Fellowship Programme, without any other promotional or regulatory function.”

“This is one of a series of reforms that need to be undertaken, including improvement of quality, recruiting better faculty, improving research, etc. See the reforms as a whole,” a member of the Subramanian-led panel told The Hindu. Veteran educationist Krishna Kumar said the Yashpal Committee of which he had been a member had suggested subsuming of various authorities like UGC and AICTE — the technical education regulator — within a bigger platform providing interaction between different areas of knowledge.

The Subramanian-panel, however, believes that specialised functions should be undertaken by specialised bodies, a member of the panel said. Top UGC officials were not available for comment.

The Report entrusted with preparing a new education policy for India submitted the report to the government in May suggesting measures that the country must take to improve the sector that caters to over 300 million students in the country.

Key Recommendations of the report:

1. An Indian Education Service (IES) should be established as an all India service with officers being on permanent settlement to the state governments but with the cadre controlling authority vesting with the Human Resource Development (HRD) ministry.
2. The outlay on education should be raised to at least 6% of GDP without further loss of time.
3. There should be minimum eligibility condition with 50% marks at graduate level for entry to existing B.Ed courses. Teacher Entrance Tests (TET) should be made compulsory for recruitment of all teachers. The Centre and states should jointly lay down norms and standards for TET.
4. Compulsory licensing or certification for teachers in government and private schools should be made mandatory, with provision for renewal every 10 years based on independent external testing.
5. Pre-school education for children in the age group of 4 to 5 years should be declared as a right and a programme for it implemented immediately.
6. The no detention policy must be continued for young children until completion of class V when the child will be 11 years old. At the upper primary stage, the system of detention shall be restored subject to the provision of remedial coaching and at least two extra chances being offered to prove his capability to move to a higher class
7. On-demand board exams should be introduced to offer flexibility and reduce year end stress of students and parents. A National Level Test open to every student who has completed class XII from any School Board should be designed.
8. The mid-day meal (MDM) program should now be extended to cover students of secondary schools. This is necessary as levels of malnutrition and anaemia continue to be high among adolescents.
9. ***UGC Act must be allowed to lapse once a separate law is created for the management of higher education. The University Grants Commission (UGC) needs to be made leaner and thinner and given the role of disbursal of scholarships and fellowships.***
 - i. **National Higher Education Promotion and Management Act (NHEPMA):** NHEPMA would replace the existing separate laws governing individual regulators in higher education and redefine the role of existing regulatory bodies like UGC and AICTE; and
 - ii. **National Accreditation Board(NAB):** The NAB will subsume the existing accreditation bodies of National Assessment and Accreditation Council and the National Board of Accreditation and set standards for accreditation. The Committee also recommended mandatory accreditation for technical and medical institutions.
10. Top 200 foreign universities should be allowed to open campuses in India and give the same degree which is acceptable in the home country of the said university

Higher Education Financing Agency (HEFA)

Higher Education Financing Agency (HEFA) is a joint venture of MHRD Government of India and Canara Bank for financing creation of capital assets in higher education institutions in India.

Ours is a journey towards developing India's top ranked institutions like IIT's, IIIT's, NIT's, IISc's into Globally top ranking institutions through financial capital expenditure. We are particularly interested in financing the building of educational infrastructure, particularly R&D infrastructure and thereby enabling the institutions to reach top rankings globally.

VISION

To enable India's premier educational institutions to excel and reach the top in global rankings by financing building world class infrastructure particularly R&D Infrastructure

MISSION

To provide timely finance at low interest rates for capital assets creation in India's higher education institutions and supplement it with grants by channelizing CSR funds from the corporate and donations from others.

OBJECTIVE

- India's premier educational institutions with high level of intellectual capital needs to be supported by adequate infrastructure.
- We need to channelize their capabilities into meaningful research and innovation. Presently there is no Indian institution in global top 100 rankings.
- To revitalize infrastructure and systems in higher education, their needs to be new investments in research and related infrastructure.
- HEFA is established by GoI after taking note of all the above facts.
- HEFA would incentivise better internal resource generation and at the same time allow substantial investments through market borrowings that can be repaid over a longer period.

BUDGET ANNOUNCEMENT

Finance Minister in the Budget speech of 2016-17 announced that:

"We have decided to set up a Higher Education Financing Agency (HEFA) with an initial capital base of Rs.2000 crores. The HEFA will be a not-for-profit organisation that will leverage funds from the market and supplement them with donations and CSR funds. These funds will be used to finance improvement in infrastructure in our top institutions and will be serviced through internal accruals."

What HEFA Finances

Term Loans for building world class infrastructure in India's premier educational institutions like IIT, IIM, NIT, IISER and Central Universities in the following areas.

- Construction of buildings or facilities therein, required for academic or research purposes, including the requirements for accommodating students/scholars/faculty/staff of the institution. Only the non-recurring portion shall be financed.
- Setting up laboratories/high performance computing (HPC) facilities/libraries and equipping them, provided further, that the projects are accompanied by detailed plans for utilisation of such facilities. Only the non-recurring portion shall be financed.

- Research projects that are sanctioned by Ministry of HRD or any other Ministry of Government of India provided further that the Company would meet only the cost of the non-recurring portion of the research project, and the cost of maintenance shall be borne by the institution from the resources generated through such project.
- Setting up Centres of Excellence (CoE) sanctioned by the MHRD or other Ministries of Government of India, provided that only cost of the non-recurring portion of the coe project shall be financed.
- Campus common infrastructure/facilities including student facility centres. Only the non-recurring portion shall be financed.

WHOM TO FINANCE

- All the Higher Educational Institutions set up/funded under the control of MHRD GoI and other central ministry as decided by the MHRD would be eligible for loans in financing their capital expenditure projects and R&D infrastructure. Some of the institutes we finance are Indian Institute of Technology (IITs), National Institutes of Technology (NITs), Indian Institutes of Information Technology(IITs), Indian Institutes of Science, Education and Research(IISERs) and Central Universities(CUs) etc.

HOW HEFA FINANCE

- Institutions can apply for loan online through the “Login” button or send proposals by email to info@hefa.co.in

HEFA LOAN PROCESSING SYSTEM

- Create your Institution account through the Login Button and detailed guideline available there.

LOAN ELIGIBILITY AND LIMITS

- The Institution should agree to escrow a specific amount from their internal accruals to HEFA for the loan repayment period.
- Each member institution would be eligible for a credit limit as decided by HEFA based on the amount agreed to be escrowed from the internal accruals.

REPAYMENT

- The institute opens an escrow account with our Bank and escrows a portion of their cash flows from which the repayment is made. Loan portion agreed to be serviced by the Government will be made through normal grants.

RESPONSIBLE LENDING – POLICIES

When granting loans, we begin a long-term commitment with customers. This means that we always make a careful evaluation to gain an understanding of the institutions financial requirements. We offer loans that are appropriate to their needs and that they understand their financial obligations. We place an emphasis on exercising expertise in credit assessments and our due diligence process. HEFA is governed by its *fair practices code*.