

**GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:112

ANSWERED ON:21.03.2012

FEE STRUCTURE IN PRIVATE COLLEGES/UNIVERSITIES

Ajnala Dr. Rattan Singh; Rama Devi Smt.

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether the Government has laid down norms for fee structure in private colleges/universities in the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether these norms are being followed by such colleges/universities;
- (d) if not, the action taken/proposed to be taken against such institutions;
- (e) whether the Government has evolved any mechanism to control the arbitrary fee structure in the private colleges/universities; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF HUMAN RESOURCE DEVELOPMENT (SHRI KAPIL SIBAL)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.112 FOR 21.03.2012 ASKED BY HON'BLE MEMBERS DR. RATTAN SINGH AJNALA AND SHRIMATI RAMA DEVI REGARDING FEE STRUCTURE IN PRIVATE COLLEGES/UNIVERSITIES.

(a) to (d) : Though the Government has not laid down any norms for fee fixation, the directions of the Hon'ble Supreme Court are being followed. The Hon'ble Supreme Court, in its judgment dated 31.10.2002 in TMA Pai Foundation & Others vs. State of Karnataka [WP (Civil) No.317 of 1995], held that, fixing of a rigid fee structure would be an unacceptable condition. The decision on the fee to be charged must necessarily be left to the private educational institution that does not seek or is not dependent upon any funds from the Government. It has further held that in the establishment of an educational institution, the object should not be to make profit in as much as education is essentially charitable in nature. There can, however, be a reasonable revenue surplus, which may be generated by the educational institution for the purpose of development of education and expansion of the institution. The Apex Court also held in its majority judgment in the same Writ Petition that, "in as much as the occupation of education is, in a sense, regarded as charitable, the Government can provide regulations that will ensure excellence in education, while forbidding the charging of capitation fee and profiteering by the institution".

Further, in Islamic Academy & Ors Vs State of Karnataka & Ors [(2003) 6 SCC 697], the Hon'ble Supreme Court directed (14/8/2003) that in order to give effect to the judgment in TMA Pai's case, a Committee, headed by a retired High Court judge, be set up in each State to approve the fee structure and the fee fixed by this Committee shall be binding for a period of 3 years at the end of which the institution would be at liberty to apply for revision.

In a subsequent judgment (12/8/2005) in this connection in PA Inamdar & Ors Vs State of Maharashtra & Ors [(2005) 6 SCC 537], the apex Court has held that the Committees regulating admission procedure and fee structure shall continue to exist, but only as a temporary measure and an inevitable passing phase until the Central Government or the State Governments are able to devise a suitable mechanism and appoint competent authority in consonance with the observations made herein above.

As per the Supreme Court of India's direction in Islamic Academy & Ors Vs State of Karnataka & Ors (2003) and upheld in PA Inamdar & Ors Vs State of Maharashtra & Ors (2005) judgment, State level fee Committees have been constituted by the State Governments concerned to prescribe the tuition and other fees to be charged by technical and professional higher educational institutions at under graduate and post graduate level and to regulate and oversee the implementation.

The University Grants Commission [UGC (Institutions Deemed to be Universities) Regulations, 2010] which came into operation from 26.05.2010 also contains provisions for regulating admission and fee in institutions deemed to be universities. Para 6.5 of these Regulations provides that, "The level of the fees charged for the courses offered in deemed to be universities shall have a reasonable relation to the cost of running the course. The fee structure shall be displayed in the prospectus and on the institution's website".

The UGC (Establishment of and Maintenance of Standards in Private Universities) Regulations, 2003 stipulate that the fixation of fees

in Private Universities shall be in accordance with the norms/guidelines prescribed by the UGC and other concerned statutory bodies.

(e) & (f) : To regulate fees which the private educational institutions may charge, the Government directed the University Grants Commission (UGC) to frame regulations for admissions and fee structure in private educational institutions in consultation with the stakeholders. The UGC constituted an Expert Committee in August, 2007 under the chairmanship of Prof.B.S.Sonde to formulate, inter alia, regulations with regard to admission and fee for self-financing private professional institutions, including 'deemed to be universities'. Based on the recommendation given by the Sonde Committee, UGC has submitted draft UGC (Fee structure in Institutions deemed to be universities) Regulations 2009 and the same are under examination of the Government.

In PA Inamdar & Others Vs State of Maharashtra & Others (2005), the apex court has held that every institution is free to devise its own fee structure but the same can be regulated in the interest of preventing profiteering. No capitation fee can be charged. The court held that it was for the Central Government or for the State Governments, in the absence of a Central Legislation, to come out with a detailed well thought out legislation on the subject. Government have introduced the Prohibition of Unfair Practices in Technical Educational Institutions, Medical Educational Institutions and Universities Bill, 2010 in the Lok Sabha which provides for the prohibition of certain unfair practices in technical educational institutions, medical educational institutions and universities including private universities to protect the interest of the students admitted and to provide for matter connected therewith or incidental thereto. It also provides for criminal liability and civil penalties for charging capitation fee or donations.