

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

UNSTARRED QUESTION NO:192  
ANSWERED ON:09.07.2014  
COMMERCIALISATION OF HIGHER EDUCATION  
Devi Smt. Rama

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

- (a) whether the Government has taken note of commercialisation of higher and technical education in the country;
- (b) if so, the details thereof;
- (c) whether incidences of donations, development charges, exorbitant fee have been reported from educational institutions including engineering and management institutes;
- (d) if so, the details thereof including the number of cases reported during the last three years and the current year, State-wise;
- (e) the action taken by the Government against these institutions; and
- (f) the concrete steps taken or being taken by the Government to address the issue?

**Answer**

MINISTER OF HUMAN RESOURCE DEVELOPMENT (SMT. SMRITI ZUBIN IRANI)

(a) to (d) : Yes, Madam. There have been reports of adoption of unfair practices in admission and related matters by institutions for higher education and exploitation of students by charging capitation fee. A statement indicating the number of complaints received from various States by University Grants Commission (UGC) & All India Council for Technical Education (AICTE) is at Annexure.

(e) : AICTE has informed that show cause notices have been issued in certain cases. The Council has informed that in 02 cases, wherein collection of capitation fee was proved, it has imposed stiff penalties and directed refund of the capitation fee amount. UGC has informed that it has taken up the complaints with the appropriate authorities of the concerned institutions and also with the Central Bureau of Investigation in one case for necessary action.

(f): Education in India is a not-for profit activity. Pursuant to the judgement of the Hon'ble Supreme Court in the Islamic Academy of Education Vs the State of Karnataka and T.M.A Pai Foundation Vs the State of Karnataka, Fee Fixation Committees have been set up by State Governments, which are fixing fees for all professional and technical courses.

The Government has taken various measures to curb the commercialization of higher education. Accordingly, the UGC has issued the UGC Establishment and Maintenance of Standards in Private Universities, 2003. Para 3.9 of these regulations provide that "the admission procedure and fixation of fees shall be in accordance with the norms/guidelines prescribed by the UGC and other concerned statutory bodies. The UGC has also issued the UGC (Institutions Deemed-to- be Universities) Regulations 2010. 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 has further issued the UGC (Institutions Deemed-to- be Universities) (Amendment) Regulations 2014. According to these amended regulations the deemed to be universities have to mandatorily publish a Prospectus before commencement of admission process indicating the details of the fee structure, the number of seats approved for each course, the age limit prescribed for candidates etc. The regulations prohibit such universities from publishing any advertisement inducing students for taking admission claiming to be recognized by appropriate authority where it is not so recognized.

The UGC has issued the UGC (Grievance Redressal) Regulations, 2012 and AICTE has issued the AICTE (Establishment of Mechanism for Grievance Redressal) Regulations, 2012. These regulations provide for redress of grievances including cases where money has been demanded in excess of what is specified in the declared admission policy or approved by the competent authority to be charged by institutions. Both the regulations provide for the resolution of grievances through ombudsmen.

The Government had also introduced the Prohibition of Unfair Practices in Technical Educational Institutions, Medical Educational Institutions and Universities Bill, 2010 in the Lok Sabha which provided for the prohibition of certain unfair practices including charging of capitation fees and donation in higher educational institutions to protect the interest of the students. The Bill has since lapsed consequent to dissolution of the 15th Lok Sabha.