



## FEES REGULATING AUTHORITY

Maharashtra Unaided Private Professional Educational Institutions  
(Regulations of Admission and Fees)

"शिक्षण-नव्वेव्यवसाय -ज्ञान यज्ञ"

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Meeting Date: 17/03/2021

### **(through video conferencing- Meeting to discuss urgent subjects)**

Minutes of the 219<sup>th</sup> Online Meeting of the Fees Regulating Authority (constituted under section 11(2)(3)(4) of the Maharashtra Unaided Private Professional Educational Institutions (Regulation Admissions and Fees) Act, 2015) held on **Wednesday 17<sup>th</sup> March 2021 at 11:00 a.m. is conducted on Zoom Application.**

Following were present:

1.	Mr. Justice M.N. Gilani, (Retd.)	:	Chairperson
2.	Dr. R.S. Mali, Ex- Vice Chancellor, North Maharashtra University	:	Member
3.	Dr. Kalidas Chavan, Registrar, Maharashtra University of Health Science, Nashik Registrar, Maharashtra University of Health Science, Nashik	:	Member
4.	Shri. Chintamani D. Joshi I.A.S.	:	Secretary
5.	Dr. S.P. Dange, Joint Director, Medical Education & Research, Mumbai	:	Special Invitee

Mrs. Vaishali Bapat, Cost Accountant the panel of C.A. has been invited to assist the Authority.

### **Item No. 1: Audyogik Shikshan Mandal's Institute of Management & Computer Studies, Thane- complaint received from the students. (Ref meeting dated 2/3/2021, 8/3/2021)**

The student admitted to Audyogik Shikshan Mandal's Institute of Management and Computer Studies, Thane for A.Y. 2018-19 to pursue MMS course has approached this Authority with a grievance that the college has charged the fees in addition to the fees approved by the FRA.

The college had submitted an online fee proposal for the A.Y. 2017-18. The FRA approved fee structure of Rs. 1,23,500/-. The college did not opt for upward revision for the A.Y. 2018-19 and thus retained the fees of Rs. 1,23,500/-.

The term 'fees' is defined under section 2(g), which reads as under :


*(g) "Fees" means the amount fixed as fee which includes tuition fee, library fee, gymkhana fee, examination fee, development fee or amount payable for any curricular or co-curricular activities, laboratory fee, information brochure fee and any other amount collected from the students, by whatsoever name called, and accepted in whichever manner, that is made payable to a Private Professional Educational Institution, for whatever purpose, by any candidate admitted to a professional course at such institution, but excludes any charges payable towards use of any optional hostel accommodation, mess charges and Students Insurance Fees."*

The above indicates that whatever the amount received by the college under whatever head falls within the ambit of fees. The fees proposal format consists of 153 heads with the residuary head 'any other expenses' giving complete liberty to the college to claim student-related expenditure. The purpose behind this is that the expenditure under various heads should undergo regulatory scrutiny. The concept of two parallel fee structure is not permissible. This is necessary to ensure transparency and eliminate the possibility of profiteering.

After receipt of the complaint, the college was put to notice and was asked to justify the collection of fees under various heads. On 13/1/2021, the college submitted the reply stating that whatever fees charged by them are as per the rules and regulations of Mumbai University. On 19/2/2021, the college submitted the collection of fees head wise; reproduced below :

<b>Other fees (AY 2018-19)</b>	<b>Amount</b>
University Registration fees	1025.00
University share of fees	240.00
Exam fee for Sem I & II (Assessment charges, paper setting, supervision Charges etc.)	12000.00
I-Card charges	275.00
<b>Total</b>	<b>13540.00</b>

<b>Other fees (AY 2019-20)</b>	<b>Amount</b>
University share of fees	210.00
University share of exam fees (Sem-III + IV) which is paid to University of Mumbai.	3020.00
University convocation fees which is paid back to the university	250.00
Fees charges towards examination expenses (Sem-III)	14080.00
Fees charges towards examination expenses (Sem-IV)	9180.00
Lab exp.	720.00
Case study, workshop, conference	2500.00
Skill & Training	1000.00
Industry certifications	3000.00
Guest lectures by foreign faculty	1700.00
Foreign students social gathering/functions expenses/welfare	2000.00
Alumni Association	1300.00
Student competition	500.00
<b>Total</b>	<b>39460.00</b>



On 9/3/2021, the representative of the college Dr. V.P. Pawar, Director of Pune College, was present. On 15/3/2021 Shri. D.V. Kulkarni, Director was present. Today, Shri D.V. Kulkarni and Mrs. Varsh Parab, Professor, are present for the hearing.



While submitting the fees proposal for A.Y. 2017-18, the college has claimed Rs. 2,35,88,345/- out of that Rs. 2,01,74,308/- was allowed, and fee structure of Rs. 1,23,500/- was approved. The college opted for no upward revision so far as A.Y. 2018-19 is concerned.

Section 20(4) of Maharashtra Unaided Private Professional Educational Institutions (Regulation of Admissions and Fees) Act, 2015 provides that if any institution has charged the fees in excess of those approved by the Authority, such fees shall be refunded to the concerned students.

**Admittedly, the college collected the following fees in the A.Y. 2018-19 and 2019-20**

Other fees (AY 2018-19)	Amount
Exam fee for Sem I & II (Assessment charges, paper setting, supervision Charges etc.)	12000.00
I-Card charges	275.00

Other fees (AY 2019-20)	Amount
Fees charges towards examination expenses (Sem-III)	14080.00
Fees charges towards examination expenses (Sem-IV)	9180.00
Lab exp.	720.00
Case study, workshop, conference	2500.00
Skill & Training	1000.00
Industry certifications	3000.00
Guest lectures by foreign faculty	1700.00
Foreign students social gathering/functions expenses/welfare	2000.00
Alumni Association	1300.00
Student competition	500.00

From the above, prima-facie it appears that the college was not justified in collecting the fees under the above heads. All these heads very well form part of the fees proposal submitted by the college. It appears that the college has invented a parallel fee structure which is not permissible.

While this was being explained, Shri. D.V. Kulkarni sought time to furnish clarification after consulting their Chartered Accountant.

Adjourned on the request.


**Item No. 2: In the matter of Nalanda Law College, Mumbai, regarding the excess collection of the fee. Ref: Meeting dated 8/2/2021)**

The Nalanda Law college, Borivali, Mumbai, conducts LLB3 and LLB5 years course, with sanctioned strength of 540 and 540 for LLB 3 and LLB5, respectively. On 14/2/2020, the FRA team visited the college premises to verify infrastructural facilities and other amenities available to the students. When visited the accounts department, the team came across the receipt books year-wise. It was found that as against the fee structure of Rs. 17,000/- for A.Y. 2018-19 and Rs. 16,500/- for A.Y. 2019-20 approved for both the streams, the college was collecting Rs. 23,000/- and Rs. 21,000/- for each academic year.

On 12/2/2020, the office issued a notice seeking clarification. On 3/3/2020, second communication was sent. On 26/2/2021, the college submitted a reply and did not dispute the collection of Rs. 23,000/- and Rs. 21,000/- fees per annum. They also did not dispute the fee structure of Rs. 17,000/- and Rs. 16,500/- approved by the FRA. Their explanation is that they are spending over arranging guest lectures, purchasing the computer, payment of salary, updating the library, Law journals, sports and cultural activities etc. On 8/2/2021, the college was asked to attend the zoom meeting, and the link was sent. Today also, none appeared, although a link of the Zoom meeting was sent through email.

There is no merit in the reply submitted. The fees proposal is based on the statement of Income and Expenditure of a particular financial year. It is, thus, expected that the entire student-related expenditure incurred should find a place in the proposal along with the receipt, if any. The college has complete liberty to claim expenditure whatever incurred. There are more than 153 heads available on the online portal. Based on the audited Income and Expenditure, the fee structure is determined, leaving no scope to make a claim on any other ground.

The college receipts :



## NALANDA LAW COLLEGE

Plot No. 2, RSC - 34, Gorai-II, Borivali (W), Mumbai - 400 091

FEES STRUCTURE 2019-20

Received from Mr./Mrs./Ms. Rhisc Danti Rajendary

Course : LL.B. 5 Yrs      Class : 2nd Year      Caste Opm

Division :      Roll No. \_\_\_\_\_

**On following Fees Heads for the Academic Year 2019 -20**

Sr. No.	Particulars	Amount Rs.
1.	Tuition Fees	16500/-
2.	Gymkhana Fees	200/-
3.	Group Insurance	40/-
4.	Disaster Relief-E Connectivity	50/-
5.	E-Service Charges	50/-
6.	Sports & Cultural Contribution	30/-
7.	Other Fees	350/-
8.	Students Welfare Fund	50/-
9.	Extracurricular Activities	300/-
10.	Magazine	200/-
11.	Identity & Library Card	200/-
12.	Utility Fees	400/-
13.	Printing & Stationary	500/-
14.	Moot Court	500/-
15.	Court Visit	500/-
16.	Mark Sheet	200/-
17.	Examination Form Fees	30/-
18.	Caution Money	400/-
19.	Library Deposit	500/-
<b>TOTAL</b>		<b>21000/-</b>

**Installment Details :**

1st Installment DD/Cheque Bank - SAI

2nd Installment - DD/Cheque Bank -

DD/Cheque No. 592057

DD/Cheque No. \_\_\_\_\_

\_\_\_\_\_  
Receiver's Signature



Receipt No. **001** Date **2/09/2020**

SHAHU SHIKSHAN SANSTHA'S (PANDHARPUR)  
**NALANDA LAW COLLEGE**  
 Plot No. 2, RSC - 34, Gorai-II, Borivali (W), Mumbai - 400 091.

**FEES STRUCTURE 2019-20**

Received from Mr./Mrs./Ms. Bhuyare Sunita Manohar  
 Course : LL.B. 5 Yrs Class : 1st Year Caste : SC  
 Division : Roll No. :

On following Fees Heads for the Academic Year 2019 -20

Sr. No.	Particulars	Amount Rs
1.	Tuition Fees	16500/-
2.	Gymkhana Fees	300/-
3.	Group Insurance	40/-
4.	Disaster Relief-E Connectivity	50/-
5.	E-Service Charges	50/-
6.	Sports & Cultural Contribution	30/-
7.	Enrollment Fees	400/-
8.	Eligibility Fees (In Case of Students from other than Mumbai University)	700/-
9.	Other Fees	400/-
10.	Students Welfare Fund	50/-
11.	Extracurricular Activities	500/-
12.	Magazine	200/-
13.	Identity & Library Card	200/-
14.	Utility Fees	450/-
15.	Printing & Stationary	500/-
16.	Moot Court	500/-
17.	Court Visit	500/-
18.	Adm. Proc. & Doc. Verification	500/-
19.	Mark Sheet	200/-
20.	Examination Form Fees	30/-
21.	Caution Money	400/-
22.	Library Deposit	500/-
	<b>TOTAL</b>	<b>23000/-</b>

Installment Details :  
 1st Installment - DD/Cheque Bank - Federal DD/Cheque No. Online payment  
 2nd Installment - DD/Cheque Bank - NK DD/Cheque No. :  
 Student Sign [Signature] Receiver's Signature [Signature]

The fees collected under the heads: gymkhana fees, sports & culture contribution, other fees, student welfare fund, extracurricular activities, magazines, identity & library card, utility fees, printing & stationery, moot court, mark sheet, examination form fees are not justified.

Therefore, it is desired that the college immediately refund the excess amount of fees collected to the students who are in the final year of the course or who have left the college. In the case of the students who are yet to complete the course, the amount of extra collection, either be refunded or adjusted against the fees due by them.

Office to seek necessary compliance from the college.

**Item No. 3: To consider and decide the fees Palak Nursing Institute, Dhule regarding fees for 2019-20 RANM course.**

This relates to the delayed submission of the fees proposal by the said college. We have examined the statement of Income and Expenditure, with the assistance of Mrs. Bapat and also consulted Dr. Dange, Joint Director, DMER. The fee for the previous year was on the higher side. No justification to increase or retain the same fee structure. For the reasons given in the worksheet fee of Rs. 50,000/- is approved for the A.Y. 2019-20 (on lower side).


**Item No. 4: Attention of the management of all the Private Professional Educational Colleges/Institutes—In the matter of collection of deposits.**

1. While examining websites of different colleges and institutes, many startling facts involving the collection of excess fees came to the notice of FRA. It has been observed that under the head "Caution Money Deposit", hefty amounts ranging from fifty thousand to two lakh are collected. Under the head "Library Deposit", sums in the range of forty thousand to one lakh are collected. Moreover, deposits are taken under heads such as "Students Association", "Student Welfare", "College Kit", "Security Deposit" and so on.
2. One college came up with the novel idea of forming a "Doctors' Club" and has proposed to collect a deposit of one lakh under the said head. Such deposits are retained till completion of the course. The deposits so collected from students pursuing MBBS course are retained by the college, without interest, over a period of 4½ years. In some cases, the students, apart from being required to pay fees of 10 lakh or more, are




also required to shell out 3 to 4 lakh more towards deposits. When room rent and mess charges for any year are already collected, deposits there against (hostel deposits, mess deposits) are additionally collected.

Examples: (drawn from respective college website):

- A) The approved fee structure more than 8 lakh. Additional collection: Library Deposit 10,000, Laboratory Deposit 40,000, Caution Money 2,00,000 (all refundable). Hostel Fee 1,00,000, Mess Fee 50,000, Hostel Deposit 50,000, Mess Deposit 25,000, Doctors' Club Lifetime Membership 1,00,000. Thus, in addition to the regular fee of a little over 8 lakh, students are required to cough up 5,75,000. The college retains 4,25,000 without interest from each student over a period of 4½ years. This is not only a case of profiteering; it is fleecing.
- B) The second college has quoted an adhoc fee of 7,25,000 for UG course. There are other charges quoted, like Admission Processing Fee, Library Fee, Hostel Fee, Mess Charges, Laundry Charges, Gymkhana/Indoor Games, Study Material, Administrative Expenses etc. which total up to 6,58,500. They are collected through two separate demand drafts. One is for 7,25,000 and the other is for 3,77,000 (+ either 85,000 or 1,25,000 or 2,00,000 depending upon room occupancy). Admission Processing Fees of 1500 is demanded in cash although it is a part of the regular fee and collection in cash is prohibited. That means the student choosing a college having a
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fee structure of 7,25,000 is required to additionally pay 3,77,000, which results in an aggregate fee of 11,02,000. In addition to this, a student has to pay 85,000 or 1,25,000 or 2,00,000 towards room rent. Thus the total amount required to be paid by a student ranges from 11,87,000 to 13,02,000.

- C) Yet another, the third, the college has an approved fee structure of 8,30,000. It proposes to collect additional fees like Admission Fee at 1500, Caution Money at 1,00,000, Library Fee at 50,000, Gymkhana fee at 8,000, Student Association at 20,000, Hostel Caution Money at 60,000 and Hostel Fee at 60,000. The following heads namely Admission Fee, Library Fee, Gymkhana Fee are already included in the format of the fee proposal and cannot be charged separately. Further, there is no reason to claim the Student Association fee separately. It should be incorporated in the fees proposal itself. The college has declared that hostel is compulsory for all the admitted students, although MBBS is not a residential course.
- D) The college conducting BAMS course has proposed to collect large sums towards various deposits and also club membership fees of Rs. 75,000/-.
- E) The college conducting BDS course proposed caution money of Rs. 1,50,000/- for UG and Rs. 1,55,000/- of the students in PG course.
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3. Observations of the Hon'ble Supreme Court in case of P.A. Inamdar (2005) para 140 – which depicts the ground reality are reproduced below :

*"Capitation fee cannot be permitted to be charged and no seat can be permitted to be appropriated by payment of capitation fee. "Profession" has to be distinguished from "business" or a mere "occupation". While in business, and to a certain extent in occupation, there is a profit motive, profession is primarily a service to society wherein earning is secondary or incidental. A student who gets a professional degree by payment of capitation fee, once qualified as a professional, is likely to aim more at earning rather than serving and that becomes a bane to society. The charging of capitation fee by unaided minority and non-minority institutions for professional courses is just not permissible. Similarly, profiteering is also not permissible. Despite the legal position, this court cannot shut its eyes to the hard realities of commercialisation of education and evil practices being adopted by many institutions to earn large amounts for their private or selfish ends If capitation fee and profiteering is to be checked, the method of admission has to be regulated so that the admissions are based on merit and transparency and the students are not exploited. It is permissible to regulate admission and fee structure for achieving the purpose just stated."*  
(emphasis supplied.)

The colleges have been, individually as also generally, put to notice and asked to offer their remarks/justification relating to collecting hefty amounts under different heads, besides regular approved fees.

The gist of the replies is thus –


- a) The amount of caution money is decided by the management. It is towards the security of the college property.



- b) Library and laboratory deposits are collected as security amounts from which the cost of books lost or laboratory equipment damaged at the hands of a student can be recovered.
- c) Amount collected under head Student Association/Welfare Activity is utilized for that purpose.

The term caution money means security deposit. In case of any damage to college property caused by a student, the same can be recovered from the said fund. It seems that even schools/colleges/Institutes run by the Government, Semi-Government or Local Authorities collect such deposits; however, they are token or nominal amounts. It is the view of the FRA that deposits under so-called heads are prima facie exorbitant and exploitative. Collecting amounts of 2 to 4 lakh from each student and retaining them till completion of the course without interest is another way of profiteering. While there are no specific rules on this subject, there are no rules either whereunder such acts can be justified. Omission or absence of rules cannot operate as a license to indulge in arbitrariness, placing a heavy financial burden on the students.

The Regulator cannot be a mute spectator to the above state of affairs. The purpose for which regulatory mechanism has been put in place has been explained by the Hon'ble Supreme Court in *Modern Dental College V/s State of Madhya Pradesh* (2016) quoted below :




*Para 65: "Thus, in T.M.A. Pai Foundation, P.A. Inamdar and Unni Krishnan, profiteering and commercialisation of education has been abhorred. The basic thread of reasoning in the above judgments is that educational activity is essentially charitable in nature and that commercialisation or profiteering through it is impermissible. The said activity subserves the looming larger public interest of ensuring that the nation develops and progresses on the strength of its highly educated*

*citizenry. As such, this Court has been of the view that while balancing the fundamental rights of both minority and non-minority institutions, it is imperative that high standard of education is available to all meritorious candidates. It has also been felt that the only way to achieve this goal, recognising the private participation in this welfare goal, is to ensure that there is no commercialisation or profiteering by educational institutions*

4. The fees is defined under section 2(g) of the Act. It reads as under :

*"Fees" means the amount fixed as fee which includes tuition fee, library fee, gymkhana fee, examination fee, development fee or amount payable for any curricular or co-curricular activities, laboratory fee, information brochure fee and any other amount collected from the students, by whatsoever name called, and accepted in whichever manner, that is made payable to a Private Professional Educational Institution, for whatever purpose, by any candidate admitted to a professional course at such institution, but excludes any charges payable towards use of any optional hostel accommodation, mess charges and Students Insurance Fees"*




The words "by whatsoever name called, and accepted in whichever manner, that is made payable to a Private Professional Educational Institution, for whatever purpose" indicate that any amount collected by the college from the students for any purpose or under any head falls within the definition of fees. The purpose behind such a provision is to ensure transparency and accountability. While submitting the fees proposal, the college has full liberty to claim the entire student-related expenditure., towards which, 153 heads are provided in the online format. Apart from the 153 heads, there is a residuary head titled 'any other expenses'. Thus, any college has an unfettered choice to claim expenditure. That being so, there should not

be any reason to artificially create different heads and thereby indulge in profiteering. The purpose of having one set of fees is to ensure that the entire expenditure incurred under whatever head undergoes scrutiny by the Regulator to preclude the possibility of unjust gain.

5. It has been noticed that the colleges have announced hostel fees. In some cases, they are exorbitant. It is not clarified whether the stay in the hostel is optional or compulsory. Medical Council asserts that they need to maintain a hostel that can accommodate 70% of the students' strength. This does not mean that they can make the stay in the hostel compulsory for the students who are prosecuting a non-residential course. Collecting in advance, hostel charges and mess charges, for the whole year and asking the students, at the same time, to place substantial sums towards hostel and mess deposits is unfair and unjust.
6. As regards prescribed university fees, the college can collect the same for passing on to the university concerned. While submitting the fees proposal, the amount so collected shall be shown on the income side. Simultaneously, the said amount can be shown on the expenditure side (having been paid to the university) and thus can be claimed.

7. What emerges from the above is :

The practice followed by Unaided Private Professional Colleges/Institutes to collect hefty amounts of deposits under whatever name called and retain it without interest till the completion of the course by students is unfair/unjust and smacks of profiteering. Deposits under the heads like Caution Money, Laboratory, Library and Hostel shall be reasonable and shall in no case exceed double the deposits taken by a government college under the respective head. Taking deposits under any other artificially created head needs to be discouraged.





It is desired that the colleges/institutes engaged in the noble profession of imparting education should come clean and ensure transparency in the matter of collection of each penny. Let wisdom prevail so that necessary amends are made by them suo-motu obviating coercive steps by the Regulator.

**Date : 17<sup>th</sup> March 2021**  
**Place : Mumbai**



**CHAIRPERSON**  
**FEES REGULATING AUTHORITY**