



ज्ञान-विज्ञान विमुक्तये

प्रो. रजनीश जैन  
सचिव

Prof. Rajnish Jain  
Secretary



सत्यमेव जयते

विश्वविद्यालय अनुदान आयोग  
**University Grants Commission**

(मानव संसाधन विकास मंत्रालय, भारत सरकार)  
(Ministry of Human Resource Development, Govt. of India)

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No. F. 1-6/2016(CPP-I/DU)

27<sup>th</sup> November, 2019

### **PUBLIC NOTICE**

The Commission in its 544<sup>th</sup> meeting held on 16.10.2019 considered the draft University Grants Commission (Fees in professional education imparted by private aided and unaided institutions deemed to be universities) Regulations, 2019 and resolved to place the draft Regulations on UGC website to solicit comments from all stakeholders. The draft Regulations are attached herewith for observations and suggestions of stakeholders.

The feedback and comments on the above draft Regulations may be sent to UGC by e-mail at [socppi.ugc@gmail.com](mailto:socppi.ugc@gmail.com) within **15 days** from the date of issue of this public notice.

(Rajnish Jain)  
Secretary

UNIVERSITY GRANTS COMMISSION  
BAHADUR SHAH ZAFAR MARG  
NEW DELHI - 110 002

NOTIFICATION

F.No. 1-6/2003 (CPP-II)

New Delhi, the \_\_\_ August, 2019

**REGULATIONS IN RESPECT OF FEE STRUCTURE IN PROFESSIONAL EDUCATION IMPARTED BY PRIVATE AIDED AND UNAIDED INSTITUTIONS DEEMED TO BE UNIVERSITIES**

Whereas, the University Grants Commission (hereinafter referred to as the Commission) has been empowered under section 12(j) of the University Grants Commission Act, 1956 (hereinafter referred to as the Act) to perform such functions as may be deemed necessary by the Commission for advancing the cause of higher education or as may be incidental or conducive to the discharge of its functions;

And, Whereas, the Commission has powers under section 26(1)(g) of the Act to regulate the co-ordination of work or facilities in Universities;

And further, Whereas, the Commission has been tasked under section 12A(2)(c) to ensure, as far as may be, that no person secures admission to certain courses of study by reason of economic power and for that purpose the Commission can regulate fees and prohibit capitation in certain cases;

And, Whereas, the Commission is satisfied that it is necessary, in the public interest, that the rationale for regulating fees and prohibit capitation fees is extended to institutions declared as deemed to be Universities under section 3 of the Act;

And, Whereas, in compliance with the directions contained in the judgment of the Hon'ble Supreme Court of India in the matter of "Islamic Academy of Education and Another vs State of Karnataka and Others" [reported in (2003)6 SCC 697] fee fixation committees for unaided professional education institutions coming under the purview of state governments have been constituted as temporary measure in states, and several states have also enacted appropriate state laws to regulate fixation of fee in such institutions; there is no mechanism at present to regulate fees in respect of private aided and unaided institutions declared as deemed to be universities, which come under the purview of the central government;

And, further, Whereas, Hon'ble the Supreme Court of India has laid down, in paras 139 and 141 of its judgment in the matter of "PA Inamdar and Others vs State of Maharashtra and Others" [reported in (2005)6 SCC 537] that "(E)very institution is free to devise its own fee structure, but the same can be regulated in the interest of preventing profiteering"; and that "(N)o capitation fee can be charged directly or indirectly or in any form";

- 2.7 “Institution”, means a private institution, established and maintained by a private trust or a society or under section 25 of the Companies Act, 2013, declared under section 3 of the Act to be deemed to be university for imparting education at the undergraduate, post graduate or doctoral levels in professional programmes of study;
- 2.8 “Professional Programme(s) of study”, means programmes of study at the undergraduate, post graduate or doctoral levels in specific discipline(s) as specified by the Commission from time to time under regular or self-financing modes;
- 2.9 “Student”, means a person admitted to and pursuing a professional programme of study, and includes a candidate seeking admission to such programme(s) in the private institution.
- 2.10 “Unaided Institution”, means a private institution deemed to be university declared as such under section 3 of the Act, established and maintained without any financial support from the Centre, State, Union Territory Government, whether in the form of financial grant or in the form of land, subsidised land, subsidised leased land or building, or in the form of any other facility provided at a concessional rate to the institution.

### **3. Regulation of Fee Structure**

- 3.1 The Commission shall constitute one or more Fee Committees to regulate the fees to be charged by Private Aided or Unaided Institutions deemed to be universities; and it shall be in order for the Commission to distribute work among the Committees based on geographical location of institutions or Professional Programmes of study offered by such Institutions.
- 3.2 Fee Committee shall perform the following functions, namely :—
- 3.2.1 to determine the reasonableness of fee levied by aided and unaided institutions by taking into account-
- (i) social aspects such as share in population of Scheduled Castes, Scheduled Tribes, Social and Educationally Backward Classes, Economically Weaker Sections, minorities and rural population and their educational needs in the area of location of the Institution;
  - (ii) the average per-seat cost of imparting education on the basis of guidelines and instructions, if any, issued by the Commission from time to time;
  - (iii) the quantum and extent of aid received in the case of Aided Institutions



- (iv) provision for reasonable surplus of revenue over and above the average per-seat cost, which may be sufficient for being retained to be expended on development of facilities for quality education and for the expansion of the Institution;
  - 3.2.2 to verify whether the fee so levied does not amount to profiteering or charging of capitation fees;
  - 3.2.3 to scrutinise and verify fee proposals of the Institutions and accord final approval thereof ;
  - 3.2.4 to evolve the mechanism for verification of infrastructure facilities and amenities, and to undertake verification thereof;
  - 3.2.5 to undertake research studies, at such intervals as the Commission may deem fit, for determining the professional course-wise expenses required to be made per student, separately for the Aided Institutions and the Unaided Institutions.
- 3.3 In assessing and approving the fee to be charged for each semester or per annum, as the case may be, the Fee Committee shall take the following additional factors into account, namely:
- 3.3.1 salary and allowances including bonus, if admissible payable to teaching and non-teaching staff;
  - 3.3.2 expenditure on administrative services;
  - 3.3.3 cost of maintenance of laboratories including consumables;
  - 3.3.4 contingency expenditure including statutory requirements such as audit fee and the like;
  - 3.3.5 cost of acquisition of books and journals for libraries;
  - 3.3.6 maintenance of building(s) and other infrastructure facilities including rents and tariffs;
  - 3.3.7 amortisation of capital expenditure invested on the infrastructure facilities;
  - 3.3.8 any other recurring expenditure to be determined by the Commission
  - 3.3.9 reasonable surplus (10-15% of average cost) after taking into consideration revenues from other sources for growth and development.
- 3.4 The fee approved by the Fee Committee, for each Professional Programme of study and for different categories of students, shall be communicated by it to the Institution well before the commencement of the admission process, so as to enable incorporation of the information by the Institution in the admission brochure (prospectus) for all categories of seats.
- 3.5 No Institution shall charge capitation fee in any form or manner, whatsoever.
- 3.6 An Institution shall charge from the students only the fee approved and communicated by the Fee Committee; and no other fee shall be demanded



Now, therefore, the Commission, in exercise of its powers under the Act, and in compliance with the directions contained in the judgments of Hon'ble Supreme Court of India referred to herein above, and UGC (Institution Deemed to be Universities) Regulations, 2019 makes the following regulations in respect of fees fixed by private aided and unaided institutions declared deemed to be universities under section 3 of the Act, namely:-

### **1. Short title and commencement**

- 1.1 These Regulations shall be called the University Grants Commission (Fees in professional education imparted by private aided and unaided institutions deemed to be universities) Regulations, 2019.
- 1.2 These Regulations shall come into force on the date of publication in the official gazette.

### **2. Definitions**

In these Regulations, unless the context otherwise requires:

- 2.1 "Act", means the University Grants Commission Act, 1956 as amended from time to time;
- 2.2 "Aided Institution", means a private institution deemed to be university declared as such under section 3 of the Act, receiving aid from the central, state, union territory government or any grant disbursing agency of such government, whether in the form of financial grant or in the form of land, subsidised land, subsidised leased land or building, or in the form of any other facility provided at a concessional rate to the institution;
- 2.3 "Capitation fee", means any amount, by whatever name called, whether in cash or in kind, paid or donated or demanded or collected or received, directly or indirectly, in addition to the fees determined under these regulations;
- 2.4 "Commission", means the University Grants Commission established under section 4 of the Act;
- 2.5 "Fee", means fee prescribed by the Fee Committee under these regulations.
- 2.6 "Fee Committee", means the Committee constituted under these regulations to regulate fee structure for the professional programmes of study offered by the private aided or unaided institution deemed to be university;

or collected by the Institution, either directly or indirectly under any other head of account or guise.

- 3.7 Where the Institution offers facilities of lodging, boarding, transport, books etc., the same shall be optional and not compulsory for the students to avail; however, the Institution may recover the actual costs of offering such facilities from the users, subject to the Fee Committee being satisfied about the reasonableness of such costs.
- 3.8 The fee approved by the Fee Committee shall be payable by students at the time of admission for not more than one semester, where the Professional Programme of study is semester based, and for not more than one year, where such Programme follows an annual calendar.
- 3.9 The reasonable return on investment, or surplus of revenue, generated by an Institution shall be utilised only for the development and expansion of that Institution; and shall not be diverted or expended for any other purpose.
- 3.10 The fee approved by the Fee Committee at any point in time shall be valid for a period of three years next; and subsequent change in fees, if any, shall be applicable only in respect of new admissions.

#### **4. Composition of Fees Committee(s)**

- 4.1 Every Fee Committee shall consist of:
  - 4.1.1 An eminent educationist, who has been a Vice Chancellor or has been the Head of a statutory national regulatory authority, to be nominated by Chairman, UGC – Chairperson;
  - 4.1.2 An educationist of eminence, who has been a Professor in the professional programme of study concerned, to be nominated by the Commission – Member;
  - 4.1.3 A nominee of the statutory national regulatory authority concerned – Member;
  - 4.1.4 An expert, with a standing of at least 10 years in the field of cost Accountancy or institutional finance, to be nominated by the Commission – Member;
  - 4.1.5 An officer of the Commission, not below the rank of Joint Secretary, to be nominated by the Commission – Member Secretary.
- 4.2 The Commission shall provide secretarial support to the Fee Committee(s).
- 4.3 The Chairperson and Members, except the ex-officio Member, shall hold office at the pleasure of the Commission, for a period of three years from



the date of notification of the Committee or the constitution of a successor Committee, whichever is earlier;

Provided that, where a vacancy arises due to resignation or death of a Member, a new member may be appointed only for the remaining period;

Provided further that, no person shall be nominated to be Chair Person or a Member, other than an ex officio Member, in more than one Fee Committee;

Provided also that, no person who is associated with an Institution shall be nominated to be Chair Person or Member of a Fee Committee.

- 4.4 The Commission may at any time call for any information or clarification from the Fee Committee(s), and the Committee(s) shall be bound to furnish the same as soon as may be, but not later than 15 days from the date of calling for such information or clarification.

**5. Procedure to be adopted by the Committee(s)**

- 5.1 Subject to the provisions of these Regulations, a Fee Committee shall be free to adopt its own procedure;

Provided that, the Committee shall give reasonable opportunity to the Institution to furnish relevant information and for being heard before deciding on fee proposals from it.

- 5.2 An Institution shall submit, at least six months before the date of its advertisement for the admission of students, a proposal in respect of fee structure in respect of different Professional Programmes of study and categories, if any, of students, along with such processing fee as may be prescribed by the Commission for the purpose;

Provided that, each such proposal shall be accompanied by authenticated data, including all relevant documents and audited books of accounts, on the basis of which the Institution proposes the fee structure, and with the prior permission of the Committee it shall be in order for the Institution to supplement the data already submitted by it;

Provided further that, the Committee shall have the power to call for such information as it may consider relevant, or to seek clarification on the information already submitted by the Institution, for deciding on the proposal or for determining the fee.

- 5.3 The Fee Committee, after taking into account the information provided by the Institution, verification of infrastructure facilities and amenities of the Institution, any other relevant information, and after satisfying itself that the Institution is not charging any capitation fee or profiteering, shall proceed to decide on the reasonability and justification for the proposed fee.

Provided that, the Committee may approve the proposed fee or some other amount to be charged as fee from students.

- 5.4 The Fee Committee may approve different fee for different Professional Programmes of study, different categories of students based on gender or social or economic background, and for different categories of Institutions, provided it is based on intelligible, rational and objective criteria; and in particular the Committee shall be free to approve differential fee for Institutions located in rural and other areas.

- 5.5 The Commission may specify common norms relating to staffing and scales of expenditure to be incurred by the Institution, wherever such norms have not been laid down prior to the coming into force of these Regulations.

Provided that, in case the Commission does not lay down any specific common norms, the Fee Committee may satisfy itself about the adequacy and reasonableness of the expenditure indicated by the Institution for proposing the amount of fee and decide the amount of fee to be prescribed accordingly.

## 6. Appeal

- 6.1 Any person or institution aggrieved by an order of the Fee Committee may file an Appeal before the Appellate Committee within a period of 30 days from the date of such order

- 6.2 The Appellate Committee shall be constituted by the Chairman of the Commission as follows:

6.2.1 A person, who has been a judge of any High Court – Chairperson.

6.2.2 A person who has been Vice Chancellor of a Central or State Public University – Member

6.2.3 A person experienced in administration who has hold office not below the rank of Joint Secretary to the Government of India – Member

- 6.3 The Commission shall provide secretarial support to the Appellate Committee



- 6.4 The Chairperson and members shall hold office for a period of three years from the date of notification. The Commission may extend the period till successor Appellate Committee is constituted.

Provided, where a vacancy arises due to resignation or death of Chairman or member a substituted member be appointed for the residuary term. Provided no person who is associated or has been associated in any way with such professional institution shall be appointed as Chairman of Member of the Appellate Committee.

- 6.5 The Appellate Committee shall have power to call for the information from the concern Regulatory body or any Fee Committee or such professional institution.
- 6.6 The Appellate Committee shall decide the appeal expeditiously after giving opportunity of hearing to concern parties, as far as possible within 90 days.

#### **7. Maintenance of Accounts in respect of Fee**

- 7.1 Every institution shall maintain two separate accounts, namely, the Maintenance Account and the Development Account.
- 7.2 All proceeds of fee, except that component of fee intended for the development of the institution, shall be credited to the Maintenance Account along with recoveries of costs in respect of boarding, lodging and other miscellaneous fee.
- 7.3 On the expenditure side, the Maintenance Account shall be kept in two parts, namely, (i) pay and allowances, and (ii) other expenditure; and all recurring expenditure, shall be brought to account in either of the parts, depending on the nature of such expenditure.
- 7.4 Proceeds from the component of the fee collected for development of the institution shall be credited to the Development Account, along with any other miscellaneous receipts, if any, not credited to the Maintenance Account.
- 7.5 In the first 10 years of the establishment of the institution, it may appropriate not more than 50 per cent of the credit balance available in the Development Account, or the actual capital cost, whichever is lower, for the amortization of the capital cost.
- 7.6 All receipts in the Development Account, other than the 50 per cent of credit balance therein referred to in Regulation 6.5 above, shall be utilised

for procurement of equipment, books and journals, operation and maintenance of Computer Centre, and acquisition of assets.

- 7.7 No institution shall fail to maintain accounts required to be maintained under these Regulations.
- 7.8 In order to ensure that the financial management of the institution conforms to the requirements under these Regulations, the annual accounts of the institution shall be audited by statutory auditor(s).
- 7.9 The entire amount collected through fee shall be maintained in Scheduled Banks under a separate account to be operated by a person authorized for the purpose by the institution; and the amount available in the said account shall not be used for furnishing any bank guarantee or be pledged against any loan or used for any purpose other than those provided under these Regulations.

## 8. Penalty

- 8.1 The Fee Committee shall be competent to impose fine up to Rupees Ten Lac per violation in addition to the refund or excess fee charged from the students.
- 8.2 The Fee Committee shall also be competent to impose a punishment under section 24 of the University Grants Commission Act 1956.

## 9. Interpretation

- 9.1 Any question as to the interpretation of these Regulations shall be referred to the Commission, whose decision in the matter shall be final.
- 9.2 The Commission shall have the power to issue, *suomotu* or on an application from an institution, such clarification as may be necessary to remove any doubt or difficulty in implementing these Regulations;

Provided that, the Commission shall issue such clarification as soon as may be, but not later than 3 months from the date of application seeking clarification.

**(Prof. Rajnish Jain)**  
Secretary