

State Level Committee for Fee Structure of Private Teachers' Training Institutions
(B.Ed., M.Ed., B.P.Ed. & M.P.Ed. courses)

Order No. ISC.4/BED Fee/4114/4249

Date: 1/2 /2016

Read:

1. NCTE (Guidelines for regulations of tuition fees and other fees chargeable by unaided teachers' education institutions) amendment regulations 2010,
2. GR by Education Department No. NCT/2010/3/KH.1 dated 23-2-2011 and
3. Resolution of even number dated 9-3-2011 and 4-7-2012.
4. Committee meeting held on 30/12/2015.

Preamble:

The State Level Committee for the fees fixation of private teachers' training institutions formed vide GR referred to 2 and 3 above was convened on 30/12/2015 for consideration and approval of fees structure of Self Financed B.Ed. / M.Ed. / B.P.Ed. / M.P.Ed. Colleges of the state for the period 2015-16, 2016-17 and 2017-18. The Committee applying following approach and process, considering analysis and recommendations of Chartered Accountant and after detailed deliberations in the meeting held on 30/12/2015 makes following order.

Approach:

1. The Committee called for information from colleges in the prescribed formats along with the latest audited accounts of the colleges as it was finally decided in the meeting held on 2/3/2015. The information called for, included the details of infrastructure, staff profile, latest approvals from the concerned statutory regulatory bodies, cost statements justifying the proposed fees. The prescribed format was uploaded on the e-gyan portal and this was effectively communicated to each and every concerned college through e-mails, telephonic calls and also through personal communication as and when the representatives of some colleges came for the inquiry regarding the fee structure. As follow up procedure, frequent reminders were sent to those colleges which failed to respond to earlier communication. Also a public notice regarding this was issued in the leading news paper (*Divya-Bhaskar*; dated-19/5/2015).
2. It was realized by the committee during the meeting held on 31/8/2015 that the data submitted by many colleges lacked certain details and thus fees structure could not be determined concomitantly. Also it was observed that prior to the determination of fees for the new block 2015-2018, the colleges would have already admitted the students collecting fees from them and so The Committee specially invited the copies of resolution of the managing committee of the respective college for the proposed fees for the year 2015-16 and also the copy of fees receipt actually issued to the students for the year 2015-16 to arrive at the decision of final fee fixation for the slab of 2015 to 2018.

Process:

The data submitted by the institution were analyzed by the Chartered Accountant, especially the financial analysis based on the audited accounts submitted by the concerned college was made and the resultant cost structure emerging was suggested. In cases where deficiencies/ irregularities observed; they were communicated to the concerned institution to comply with the same.

Also it was specifically pointed out that for some of the colleges the fees fixed by the Committee were more than the actual fees as collected by the concerned college for the current year. However, this was purely an exercise (financial analysis) based on audited accounts of the past submitted by the colleges. It was decided by the Committee that though the fees fixed was higher than the actual collection by the college the excess fees should not be recovered from the students enrolled this year. This was arrived upon keeping in mind the regulations of NCTE (guidelines for regulation of tuition fees and other fees chargeable by unaided teachers' institutions) regulation 2002, amendment 2010. According to this; **Para 9.1.2** reads the following:

"The fees revised shall be applicable only to the new entrants"

1. Thus the fees fixed for the earlier academic years may be considered notional and may also be considered as the base for the fee fixation for the subsequent academic years.

M. E. D. Chinnur¹

- II. The Committee also considered cost structure, cost worked out by the CA, the fees as proposed by the college and actual fee collected by the college for the concerned year.
- III. Accordingly, the fee structure for your college is fixed as per col. No 4 and 5 in the statement annexed hither to.

Final Analysis :

1. While suggesting the possible fee structure of B.Ed. / M.Ed. / B.P.Ed. / M.P.Ed. colleges, the Committee has adopted similar approach, methodology and guiding principles as are normally adopted from time to time in fixing fee structure of Medical/Para Medical, Technical and Professional courses. The Committee considered the data of basic infrastructure like land, Building, Labs, Staff Profile, Payment of salary etc. submitted by the colleges with respect to norms prescribed by NCTE. However, the Committee has relied upon the affiliation of the college to concerned university as compliance of norms prescribed by NCTE.
2. In addition, the Committee has considered the audited accounts of the colleges in order to determine the cost structure of the colleges based on the actual cost/expenses that are directly attributable to teaching education. Expenses not related to education directly or expenses or in the nature of capital expenditure have been either ignored completely or have been treated differently. Accordingly, the Committee has disallowed or reconsidered its treatment in light of correct accounting and cost principles and practices for the following expenses.
 - a. Expenses incurred on running and maintaining the hostel is not considered as relevant cost.
 - b. Expenses incurred on running other courses like B.Ed./M.P.Ed./B.P.Ed./PTC etc. are not considered.
 - c. Interest paid on loan being in the nature of finance cost.
 - d. Donations made to other institutions not considered as relevant cost.
 - e. Development fund/expense claimed on ad-hoc basis not allowed.
 - f. Rent charged as expense for building and other infrastructure of related parties.
 - g. Unrelated legal expense, penalty, fine etc. not considered as relevant expense.
 - h. Capital expenditure (Amount spent on acquiring capital assets like building, furniture, equipments, books etc. for which depreciation has to be allowed.)
 - i. Depreciation is allowed on major repairs resulting into modification and improvements of enduring nature in infrastructure.
 - j. Fee refund is not an item of expense but reduction in income hence not considered
 - k. Impact of abnormal item expense or onetime expense of substantial amount is spread over 3 years.
3. The Committee also made inter-college comparison of major cost elements and then moderated or readjusted wherever found excessive or unreasonable as compared to other similar colleges.
4. Building and other rent shown as paid to trust and other agencies related to the college is considered as unreal expense being payment not made on arm's length basis. However adequate depreciation on the entire infrastructure is considered. This is based on the average depreciation on entire infrastructure claimed by the colleges during the period.
5. It is observed that few colleges have collected other fees under various heads over & above prescribed tuition fees. Such other fees include computer fee, library fee, stationary fee, practical fee, university fee, exam fee, form fee, sports fee, kit fee, uniform fee, orientation fee, tour fee, transportation fee, breakage fee etc. Such practices need to be stopped and the college will be asked to collect only fees fixed by the Committee. Wherever such fee is found to be in the nature of reimbursement of the concerned expense, such expense is disallowed in final working of admissible costs.
6. Scholarship paid is not considered as relevant expense as it amounts to cross subsidization and is not an expense directly related to imparting education. In case the scholarship is paid out of scholarship received for specified class of students, the same is also not considered as relevant expense.

Conclusion:

With the background and approach mentioned in the following paragraphs, the Committee considered the details of infrastructure, staff etc. and cost structure submitted by institutions based on the audited financial statements of 2012-13, 2013-14 and 2014-15 and made projections for the year 2015-16 and also for 2016-17 and 2017-18 as adjusted on account of specific treatment of certain items of cost of education as mentioned in (a) to (k) of Point no.2 that were excessive, not relevant to the cost of education etc.

In case of your college, the Committee has observed that:

Actual/Audited

2013-14

1. Instead of depreciation the college has claimed Building maintenance Rs. 2.00 lacs, we have considered the Rs. 1.00 lcs as depreciation.

2014-15

1. Instead of depreciation the college has claimed Building maintenance Rs. 2.00 lacs, we have considered the Rs. 1.00 lcs as depreciation.

2015-16-17-18 (Projections)

1. Instead of depreciation the college has claimed Building maintenance Rs. 2.00 lacs, we have considered the Rs. 1.00 lcs as depreciation.

Order

In this way the Committee has reviewed all the documents and information supplied by the college, analyzed the accounts and cost statements and in the final analysis based on the cost structure duly adjusted as mentioned above, fees for the college works out as under.

Sr.No.	Name and Address of the College	Affiliating University	Fee Determined by the Committee for the year 2015-16	Fee Determined by the Committee for the year 2016-17 and 2017-18
1	2	3	4	5
119	<u>M.Ed. Course, Kadi Sarva Vishvavidhyalay, Gandhinagar</u>	KSKV University	Rs.70,000/-	Rs.70,000/-



A-J
Member Secretary
State Fee Reg. Comm. &
Commissioner Higher Education
Govt. of Gujarat
Gandhinagar