

# FEE REGULATORY COMMITTEE (TECHNICAL)

(Constituted under Section 9(1) of the Gujarat Professional Technical Educational Colleges or Institutions (Regulation of Admission and Fixation of Fees) Act, 2007)

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No.FRC/FEE/2011-12 to 2013-14/MB-34 /322

Date : 06.07.2011

**BY SPEED POST**

**FEE ORDER**

In the matter of **S.R. Luthra Institute of Management, Surat** for the academic years **2011-2012, 2012-13 & 2013-14** :

S. R. LUTHRA INSTITUTE OF MANAGEMENT,  
Inward No. XXXX1 / 234  
Date: 16/7/11  
of Management, Surat-30

1. The State Government has passed an Act No.2 of 2008 namely **"The Gujarat Professional Technical Educational Colleges or Institutions (Regulation of Admission and Fixation of Fees) Act, 2007"** (hereinafter referred to as "The Act") as published in the Government of Gujarat Gazette Extraordinary on March 7, 2008, to make special provision inter alia for fixation of fees in professional technical colleges or institutions.
2. Under the provisions of Section 9 of the Act, the Fee Regulatory Committee (hereinafter referred to as the "Committee") has been constituted vide Education Department, Gujarat State, Gandhinagar Notification No.GH/SH/(GHN-6)/SCF-2008-878-S dated:1.5.2008 for a period of 3 years which has now been extended till 30.4.2014 by Resolution No.SCF/2008/878/S dated 30.4.2011 of the Education Department, Government of Gujarat. The Committee has been empowered to determine the fee structure for degree/diploma engineering and technology/pharmacy/ Architecture/Hotel & Tourism Management, MCA, MBA, PG Engg/Technology & PG Pharmacy programs in unaided professional colleges/institutions in the State.
3. Since **S.R. Luthra Institute of Management, Surat** is unaided professional Institution imparting **MBA** course it falls within the purview of the Act and it is subject to the jurisdiction of the Committee.

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(Secretary /Chairman)  
A. Chavan  
16.7.11

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4. Section 10 of the Act provides that (a) the Committee may require any unaided professional educational college or institution to place before its proposed Fee Structure along with all the relevant documents and the books of accounts; (b) verify whether the Fee Structure proposed by such college or institution is justified and (c) approve the Fees Structure of such college or institution or determine other Fees Structure which shall be charged by such college or institution for admission of students in the professional courses.

As per Section 10(3) of the Act, the fee structure so determined by the Fee Regulatory Committee shall be binding to the unaided professional educational colleges or institutions for a period of three years. The fee so determined shall be applicable to a student who is admitted to a professional educational college or institution in that academic year and shall not be revised till the completion of his professional course in that college or institution.

5. Accordingly, in the first phase, the Committee determined fee structure for all the unaided institutions imparting professional education in technical courses in the State of Gujarat for the block of three years from 2008-09 to 2010-11. Since your institution stands covered under the Act, its fee structure was also determined by the Committee for the said period. The term of the aforesaid period expired on completion of academic year 2010-11.
6. The Committee, therefore, initiated its process for determination of fee structure for the academic year 2011-12, 2012-13 & 2013-14 by inviting fee proposals in the prescribed format of Information Memorandum vide circular letter No.FRC/FeeProposal/2011-12to2013-14/371 dated 3.12.2010. In pursuance thereof your proposal together with requisite details was received by the Committee.
7. The Committee carried out the preliminary scrutiny of the details in the proposal submitted by the institution. Based on the preliminary scrutiny and analysis of the details furnished by the institution,

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further additional relevant information and explanations were called for to support the fees proposed which were duly forwarded to the Committee by the institution. These supplementary details were also scrutinized by the Committee.

8. Further before taking into consideration factors relevant for determination of fee structure including the factors decided by the Committee to verify the fee proposed by the institution, the Committee felt the need to carry out the inspection of the institution. Hence, the Committee resolved to request the Commissioner, Technical Education to form teams of experts to carry out this exercise for and on behalf of the Committee as it was not possible for the Committee on its own to visit more than 425 institutions and do the inspection thereof. The request was acceded to by the Commissioner, Technical Education. These teams of experts were duly authorised by the Committee to undertake visit to all the institutions for physical verification of infrastructure and other qualitative aspects. On completion of those visits, the teams submitted their reports to Commissioner, Technical Education who in turn submitted to the Committee the details of the report on every individual institution based on the quality of imparting education and other factors prescribed by the Committee.
9. One such team of experts visited your Institution and after due verification, submitted its report to the Committee.
10. Further with a view to grant you personal hearing to support your proposed fee, intimation was given to you requesting you to remain present before the Committee. In pursuance thereof an authorized representative of the Trust/Management remained present before the Committee for hearing. The authorized representative of the Trust/Management was duly heard by the Committee.
11. On the basis of final scrutiny of total information and details submitted by the institution as also the oral submissions made at the hearing referred to above, the Committee evaluated the facilities, infrastructure, capital investments made by the college in last 2 years,

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plans for development on hand and for future, compliance of requirements concerning the staff, cost estimates etc for the purpose of fixing the fees for the institution. In other words, while discharging its functions, the Committee has taken into consideration (a) the location of the technical professional educational institution, (b) the nature of professional course, (c) the staff and available infrastructure, (d) the expenditure on administration and maintenance, (e) the reasonable surplus required for the growth and development of the institution and (f) the standing of the institution (g) implementation of 6<sup>th</sup> Pay Commission to staff as per AICTE norms and (h) your merits relating to the other factors prescribed by the Committee.

12. Keeping the above in view, the Committee adopted a general methodology with guiding principles for scrutinizing the data submitted by the un-aided institutions. In the final analysis the Committee has dealt with key cost elements duly relevant to the concerned unaided institutions, as follows.
  - a. Though the actual costing exercise together with the projections for inflation and development surplus explains the hike the colleges have proposed, the Committee has thought it proper to compare the proposed fees with the standard cost structure of a college assuming full compliance to the staff and other requirements to run similar institution. This was found necessary to moderate the projections to be realistic and comparable to a benchmark structure as many colleges have proposed abnormal rise in the Fees.
  - b. The Committee observed that the major cost of recurring nature directly related to education is salary cost to teaching and non teaching staff. In case of those unaided institutions which have projected these costs at a very high figure in the name of inflation and additional manpower to comply with the statutory requirements for recognition, the Committee has revised the estimates based on the actual/audited cost for the year 2009-10 & 2010-11 (up to

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- 30.11.2010) and providing for inflation for the future on reasonable basis.
- c. Similarly, the Committee, in case of such unaided institutions, where the projections for capital expenditure are claimed / shown as repairs and maintenance and are on a higher scale, has treated the same as capital expenditure to be amortized over its economic life.
  - d. In respect of notional rent paid to the trust running the college, the Committee has considered economic depreciation on the actual cost of the college building in place of the notional rent.
  - e. The expenses other than staff cost have been moderated wherever found excessive in relation to number of students and such expenses claimed by other colleges of similar size.
  - f. Interest charges on borrowed funds have not been considered as cost of education as they are expected to be met with out of donations, promoters' funds and/ or reserves and surplus.
13. Further, in view of the ascending trends of inflation over the past three years, and the concomitant reasonable approximation of these trends over the next three years beginning 2011-2012, the Fee Regulatory Committee, in balancing the legitimate fiscal interests of the students seeking admission in a professional course, as well as those of the un-aided institutions running professional course(s), deemed it prudent to work-out an ascending Fee Structure spread-over the three years beginning 2011-2012 through 2013-2014. Instead of a fixed amount of a fee for all the three years, such a Fee Structure, which is in consonance with the provisions of the Act, ensures that the prospective burden of the inflation of the successive year is not pre-poned on the students who take admission in a particular year of the three year bloc beginning 2011-2012 through 2013-2014. At the same time, it takes care that the un-aided institutions running the professional course receive such a fee in ascending fiscal order that is reasonably in tune with the ascending inflation. Thus, such a balanced Fee Structure envisages the protection of the student from

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unreasonable burden of prospective inflation of the successive year(s), as well as, enable the un-aided institutions running professional course(s) to balance the ascending inflation with and ascending Fee Structure beginning 2011-2012 through 2013-2014.

14. Your institution has proposed fee of Rs. 60000/- per annum. The Committee after carrying out the relevant and applicable process as detailed above has based the determination/approval of the Fee Structure on (a) the details submitted by the institution on its facilities and infrastructure, (b) projections for costs for next three years moderated appropriately as explained above (c) standard cost structure for an institution having full compliance to the minimum requirements of AICTE or equivalent governing body (d) provision for inflation for the future and (e) inter-college comparison of key cost elements, the Committee has determined the maximum ceiling limit of the fee structure per annum as follows for each academic year of your institution viz **S.R. Luthra Institute of Management, Surat** for **MBA course**. The fee will be applicable to students admitted in the respective year for the academic year 2011-2012, 2012-2013 and 2013-2014, as under, and shall not be revised till the completion of the student's professional course in the institution.

Sr. No.	Academic Year in which the student is admitted in the above course	Fees per annum approved/determined by the Committee
1.	2011-2012	Rs. 48000/-
2.	2012-2013	Rs. 52000/-
3.	2013-2014	Rs. 56000/-


15. The Fees determined by the Committee shall be binding for a period of three years. The fees so determined shall be applicable to the students admitted in that academic year and shall not be revised till the completion of his/her professional course in that college or institution.
16. The fees indicated as above include all types and kind of fees such as Tuition fees, Library fees, Laboratory fees, Computer Fees, Caution Money, Gymkhana, Internet, Sports and Recreation and Self / Personality Centres and the like. As such the College shall not collect



any other fee from the students except the fees as mentioned in para 14 above.

17. The College / institution is also comply with following additional conditions:
- The College shall not take fees for the full course at the time of admission. The fees should be collected per semester / term of 6 (Six) months as the case may be.
  - The College shall not ask for any bank guarantee or security of any kind from students or their parents.
  - The College shall not force on the students, any facility including hostel and transport as part of the condition for admission or its continuity till the end of the full tenure of the course.
  - The College shall notify the Fees on the college notice board and display copy of this order on its Mandatory Disclosure Link on its web site.
  - Additional fees charged from the students admitted under the NRI Quota shall be deposited in a separate bank account and the same will be used only for the benefits of the students belonging to economically weaker class or for the scholarship scheme instituted by the College.
18. Audited Report of the college including NRI fees should be submitted to the Committee on or before 30th June of every year.

Place: Ahmedabad  
Date: 06.07.2011

  
**Member Secretary**  
Member Secretary  
FEE REGULATORY COMMITTEE  
AHMEDABAD.

Copy to:

- (1) Principal/Trustee, **S.R. Luthra Institute of Management, Surat**
- (2) Principal Secretary, Education Department, Block No.5, Sachivalaya, Gandhinagar.
- (3) Commissioner, Technical Education, Block No.2, 2nd Floor, Dr. Jivraj Mehta Bhavan, Gandhinagar.
- (4) The Vice Chancellor, Gujarat Technological University, Ahmedabad

