



Association Of The Managements Of Un-aided Engineering Colleges (Mah.)
(Reg. No. MH / 8081 / 03 / Nashik, dtd. 27-05-2003)

C/o. K. K. Wagh Education Society, Hirabai Haridas Vidyanagari, Amrut Dham, Panchavati,
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Date : 15/05/2014

To,
The Chairman,
Shikshan Shulka Samiti,
305, 3rd Floor, Government Polytechnic Building,
49, Kherwadi, Ali Yavar Jung Marg,
Bandra(East), Mumbai – 400 51.

Subject : Approval of Norms for professional courses for the Academic Year 2014-15.

Reference: Agenda Item No 5(a) of the Minutes of the meeting (H&T) dated 21st April 2014.

Hon'ble Sir,

The association is having 224 Member Colleges. It is working for healthy development of student's, Colleges and overall quality technical education in un-aided engineering colleges in the state of Maharashtra. It has from time to time addressed many issues affecting interests / existence of Member Colleges & related to keeping & enhancing quality of education on various forums. Our association has also from time to time taken up issues regarding fees fixation of Member Colleges. Our association has from time to time raised its concern about the role of the Shikshan Shulka Samiti (SSS) regarding charging of fees by the educational institutions. Our association and its members are of a strong view that as Supreme Court Judgment in the case of P. A. Inamdar Vs Government of India and various other judgments; the autonomy of unaided colleges has to be maintained and there is a full discretion to the managements of unaided colleges in charging fees to the students. The only factor which needs to be monitored by the competent authority is whether there is an element of profiteering while charging of fees by the private educational institute. For monitoring of the above, as per the Supreme Court Judgment the court should make appropriate legislation. Till that time, a stop gap arrangement in the form of SSS should be formed at the state level. Thus, role of SSS is a stop gap arrangement and that is restricted to confirm whether there is an element of profiteering. Thus, our association and Member Colleges are of the view that as per the Supreme Court Judgment the SSS is not expected to fix fees or to decide norms for fixation of fees, but just to monitor whether there is an element of profiteering by private colleges and **the fee fixation is an exclusive authority of each private college.**

Without prejudice to the above view of our Association and its Members we want to bring to Honorable SSS's notice, concerns and reservations of our Member Colleges about the **fee fixation norms** for academic year 2014-15 displayed on the website of the SSS referring to Minutes of the meeting(H&T) dated 21st April 2014. The Member Colleges are of the opinion that the norms fixed on the above basis will seriously affect the financials of college and the same needs immediate attention of the SSS and in turn **appropriate changes** in the norms declared on 21st April 2014. Our association has thought it proper to put at one place the various concerns of Member Colleges, the same are as under:-

1) **Norm No 1.5** – As per the said norm the fees for 2014-15 will be computed by considering expenditure as per audited accounts for 2013-14. Thus while fixation of fees for 2014-15, it appears that the SSS is **not going to consider effect of price-rise/inflation** considering the fact that the fees

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शिक्षण शुल्क समिती व प्रवेश निबंधन समिती
भासकीय तंत्रनिकेतन इमारत,
प्रोली क्र. ३०५, रसा मजला
९, खेरवाडी, बांद्रा (पूर्व), मुंबई-४०० ०५१

are to be fixed on the basis of earlier year's expenditure and obviously there will be significant rise in salary and non-salary expenses compared to earlier year. **This approach of the SSS looks to be unjustified.** In every year there will be at least 15% rise in salary component of each college and on average same risk on account of non salary expenses. The SSS itself has in earlier norms have considered this factor and given 10% rise on actual expenses of previous. The association thus wants that the SSS should allow at least 10% as factor towards increase in cost as compared to earlier year.

It will also be worth to point out fact that the SSS as per it's norm 1.1 is going to allow 5% rise while allowing interim fees. Indicating that there needs to be a consideration towards price rise compared to earlier year due to inflation.

It is therefore requested to reconsider the above norm and restore consideration for cost rise/inflation factor at least 15% on expenses of 2013-14 for computation of fees for 2014-15.

2) Norm No 1.8 – As per the said norm the students admitted in 2009-10 or earlier years will continue to remain unchanged for duration of course. In this matter as far as academic year 2014-2015 is concerned the students admitted in 2009-10 or earlier years must have completed their duration of four years of the course. Hence, fees applicable to them will be the new fees as may be fixed for as academic year 2014-2015. **It is therefore requested to the SSS to delete norm No.1.8 as it is not applicable due to the provision of norm No.1.6.**

3) Norm No 2.2 – As per the above norms, Non salary revenue expenditure will not include interest on loan, legal charges. Ordinarily, non salary expenditure should not exceed 45% of the salary expenditure.

In this matter it is a collective concern of Member Colleges that many colleges having students from reservation /reserved category and the fees of those students are given/ re-reimbursed by State Government/ Social Welfare Department. However, in last 4 – 5 years there is *very much delayed re-imburement* due to scarcity of funds and for other whatever reasons. The huge amount of such government scholarships are pending to be recovered from Government to Member Colleges. This has led for Member Colleges to borrow funds from banks to meet the cost of education which includes salary, non salary expenditure and development expenditure. Unless the above expenditure is incurred it will be difficult to maintain faculty & staff as well as quality infrastructure as per AICTE norms which are pre-requisite for student's education. The interest component on the loans taken for educational expenses should be considered while computing fees. Alternatively where the college has made provision for expenses, the same should be considered for fixation of fees. If the SSS overlooks this position the colleges may get trapped in the vicious circle where fees will be less than the expenditure and again expenditure will not be met due to reduction in fees and unfortunately without any fault on part of Member Colleges.

It is therefore requested to consider interest payment as a item of cost of education as well as provision of expenses for the year 2013-14 made on accrual basis and paid subsequently.

In Norm no 2.2 There is a further mention that ordinarily, non-salary expenditure should not exceed 45% of the salary expenditure, our Member Colleges have a strong feeling that as far as the

expenditure is incurred on the activities of the college there should not be any restriction/ comparison with salary expenditure for considering any expenditure as an item of cost.

Thus it is requested on behalf of Member Colleges that entire expenditure relating to activities of the college should be considered as an item of cost.

4) Norm No 2.2.1 – As per the said norms there is restriction on the number of advertisement in a year which can be considered as an item of cost. The Member Colleges are required to give advertisement in local and national daily's in English and local language for faculty & staff selection, admission status, tenders for repairs and maintenance works etc. The advertisement relating to the above activities are mandatory in nature as per law as well as for maintaining transparency in the process. Moreover, there is a paucity of faculty in the entire nation, therefore the institutes are required to advertise the posts again and again. Therefore, in the interest of the quality education, it will not be feasible to restrict the number of advertisements.

Thus our Member Colleges are of a strong view as far as advertisement expenses are incurred relating to activities of the college entire advertisement expenses should be considered as an item of cost for arriving at fees.

5) Norm No 2.4.1 – As per this norm a college is allowed usage charges for the building at the rate of Rs 3000/- per student per year.

Thus Rs 3000/- per student per year is too low towards the rent as per market conditions and cost of construction. It is therefore requested that the same should be increased to Rs 5000/- per student per year.

6) Norm No 2.6.1 - As per the said norms college is allowed to charge 3% of tuition fees as increase in development fee if at least 50% of the courses are accredited and 5% if all the courses are accredited. In this matter Member Colleges wants to draw attention to the SSS about the fact that many times Member Colleges apply to the AICTE for accreditations, however there is a delay on part of that authority to send committee for inspection and approval. Thus Member Colleges even if equipped as per NBA norms are deprived of this additional fees benefit due to reasons beyond control of the colleges.

It is therefore requested to the SSS that all Member Colleges who have applied for accreditation should be given benefit of higher fees. It is worth noting here that it will also act as an encouragement to the colleges for quality education.

7) Norm No 3.3 – As per this norm, "heavy expenditure made on repairs of building to be treated as deferred revenue expenditure". The Member Colleges want to bring to the notice of the SSS that the colleges are required to create huge infrastructure in the form of building for running the college. Day by day the cost of just maintaining this infrastructure that is the civil work, painting etc have gone up disproportionately. Even by incurring so much expense it is just maintenance of the existing infrastructure and there is no additional space creation attracting capital nature. Even no substantial benefit is passed on to subsequent years to call the expenses as deferred revenue.

It is therefore requested to the SSS that no such distinction of deferred revenue expenditure should be done and all the repairs should be allowed in the year in which actual expenses are incurred.

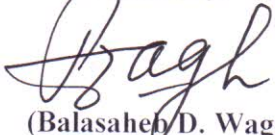
Without prejudice to our above view if at all the SSS wants to bring in the concept the same may please be defined. In any case the expenditure incurred should not be deferred for more than a year.

8) Norm No 3.4 – As per this norm, “the jump in fee shall not be ordinarily more than 15% considering the fees approved for last year”. The Member Colleges would like to place on record fact that it is cost based education. As far as Member Colleges are incurring expenditure on the activities of the courses run by them those expenses should be considered while fixation of fees. Even if in a particular year expenses are low and in another year expenses are high as far as expenses are incurred, there should not be any upper limit on fees rise compared to fees for earlier year.

It is therefore requested to the SSS, kindly consider our submission.

Thanking you in anticipation,

Yours faithfully,


(Balasaheb D. Wagh)
President



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