



### Madhuben & Bhanubhai Patel Institute of Technology

(The Charutar Vidya Mandal (CVM) University)

#### CIRCULAR REGARDING FEES

(AS PER FEE REGULATORY COMMITTEE (TECHNICAL)
GOVT. OF GUJARAT)

PROGRAM	Tuit	Fees Circular by FRC			
	2022-23	2023-24	2024-25	2025-26	FRC/FEE/2023-24 to
B.E. /	Rs.71,000/-	Rs.84,000/-	Rs.89,000/-	Rs.94,000/-	
B.Tech					B.E. / B.Tech / 138-
					13 dated 16-12-2024

Principal

Madhuben & Bhanubhai Patel Institute of Technology



## 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 (Gujarat Act No. 2 of 2008)

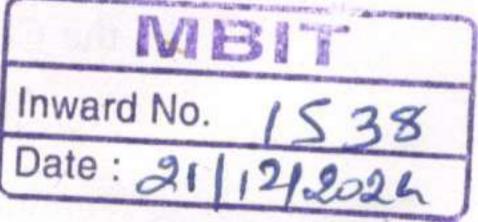
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No: FRC/FEE/2023-24 to 2025-26/11192/B.E./B.Tech./138-13

Date: 16/12/2024

#### FEE ORDER



In the matter of Madhuben and Bhanubhai Patel Institute Of Technology (erstwhile: MBIT), V.V. Nagar, FRC Institution Code No. 11192 for determination of fee for Bachelor of Engineering/Bachelor of Technology Program.

- 1. This order is made under Section 10(1) of the Gujarat Professional Educational Colleges or Institutions (Regulation of Admission and Fixation of Fees) Act, 2007 (Gujarat Act No.2 of 2008) ("the Act" for short) by the Fee Regulatory Committee (Technical) ("the Committee" for short) to determine the fee structure of B.E./B.Tech. Program offered by Madhuben and Bhanubhai Patel Institute Of Technology (erstwhile: MBIT), V.V. Nagar, FRC Institution Code No. 11192, ("the Institution" for short) for years 2023-24, 2024-25 and 2025-26. The relevant provisions of the Act, and the facts and circumstances in which this order is made can be described as under.
- 2. The Act has been enacted by the Government of Gujarat to make special provisions for regulation of admission in the Professional Technical Educational Colleges or Institutions in the State and fixation of fees in such colleges and institutions and for matters connected therewith or incidental thereto. The Professional Technical Educational Colleges or Institutions covered under the Act are only the unaided colleges or institutions.

Institution Code: 11192

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- 2.1 For the purpose of determining the fees for admission of students in the aforesaid colleges or institutions, the State Government has constituted the Committee under Section 9(1) of the Act. Under Section 9(3) of the Act, the Committee has been given power to adopt its own procedure to conduct its business. In pursuance thereof, the Committee, based on its experience of determining the fee structures over the years, has evolved its own procedure for fixation of fees, known as Standard Operating Procedure ("SOP" for short). Periodically, it is reviewed and revised as per the need of the time. While doing so, suggestions from the sponsoring bodies are invited and appropriate suggestions are incorporated in the SOP. Then it is published on the Committee's website for the benefit of all concerned.
- 2.2 Under Section 10(1) of the Act, the Committee has been conferred powers to determine the fee structure for the professional courses. Under Section 10(2)(a), the Committee has power to require any unaided professional educational college or institution to place before the Committee its proposed fee structure along with all the relevant documents and books of accounts. Under Section 10(2)(b) and (c), the Committee has power to verify the proposed fee structure and to approve it, if found just and proper, or determine other fee structure for such college or institution. Under Section 10(5)(a)(iv), the Committee has power of a Civil Court under the Code of Civil Procedure while trying a suit, to issue commission for local inspection.
- 3. For determining the fee structures for the professional colleges/ institutions covered under the Act for the aforesaid block period of three years, the Committee commenced the necessary procedure in the month

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of February 2023 and invited suggestions from the sponsoring bodies before finalizing the SOP. The suggestions received from the sponsoring bodies were taken into consideration and appropriate suggestions were incorporated in the SOP. The Committee published the SOP on its website on 04.05.2023. The link of the same was also communicated to the concerned institutions before inviting their fee proposal.

The Committee intimated the Institution, vide its circular dated 3.1 22.05.2023, to submit its proposal along with the relevant documents and books of accounts. In pursuance of the circular, the Institution submitted its proposal along with the relevant record and books of accounts to the Committee on 12.06.2023. The said proposal was acknowledged by the Committee on the same date vide a receipt bearing Acknowledgement No. 23A003. Upon receipt of the proposal, by exercising power under Section 10(5) of the Act, the Committee deputed a team of experts nominated by the Office of the Commissioner of Technical Educational, Government of Gujarat, for the physical inspection of the Institution. The team of experts visited the Institution on 21.07.2023 and evaluated the Institution in terms of the parameters like Building and Infrastructure, Performance and Academic Excellence, Accreditation, Placement Records, Staff Cadre, Qualification and Academic Contribution, Financial Aid Program for Students, Students Performance and Compliance / Services, etc. These parameters are in consonance with the factors prescribed in Section 11(i) of the Act. The report prepared by the expert team was submitted to the Committee and a signed copy of the report was also given to the Institution for its record. This exercise is termed as 'Know Your College' ("KYC" for short) program.

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- Since the entire process of determination of fee structure of more than 3.2 100 institutions / colleges was likely to consume considerable time, to facilitate the process of admission, provisional fees of these institutions fixed vide circular dated 09.08.2023 bearing were FRC/FeeBlock 2023-24/Provisional Fee/August-23/120 and intimated to them. The institutions/colleges were directed to charge provisional fee from the students for the academic year 2023-24 pending final determination of their fee structures. It was on condition that if final fee that may be determined by the Committee was less than the provisional fee, the institutions will return the excess amount to the students or adjust it in fees of following semester and if it was more than the provisional fee, the institutions could recover the additional amount from the students. So far as the Institution is concerned, its provisional fee was decided as Rs. 76500/- for the academic year 2023-24.
- 3.3 In order to work out the cost per student and based on it, the fee structure, the relevant record and the books of accounts were submitted together with the proposal of the Institution to the empaneled Chartered Account of the Committee for recasting. The Chartered Accountant, under the guidance and supervision of the designated Chartered Accountant Member of the Committee, made the scrutiny of the record submitted by the Institution and in accordance with the SOP dated 04.05.2023 (hereinafter referred to as "the SOP"), carried out the necessary exercise and worked out tentative fee structure for the B.E./B.Tech. Program. The working of the Chartered Accountant was placed before the Committee for its consideration in its meeting dated 28.05.2024. During the discussion, the Chartered Accountant Member

apprised the Committee that while carrying out the exercise for determining the fee structure in accordance with the SOP, the Chartered Accountant has taken into consideration only the expenses which are directly related to imparting of the education and/or the amounts which are allowable as per the SOP. The expenses which are not directly related to imparting of the education have not been allowed to the Institution. In its cost sheet, the Institution has claimed for the expenses incurred towards interest on capital investment and other financial costs. The Institution had also claimed the amount that was spent for grants of scholarships and other financial support to deserving students. Both these expenses have been disallowed by the Chartered Accountant. Reason for which these expenses have been disallowed are recorded later in this while dealing with the oral submission of the Institution.

3.4 After making the above-mentioned deduction to the expenditures submitted by the Institution, the cost per student was worked out as per Point 7 of the SOP dated 04.05.2023 by the Chartered Accountant. To work out the cost per student, the expenses that have been taken into consideration by the Chartered Accountant are salary of teaching and non-teaching staff, educational and academic expenses, energy and utility expenses, communication expenses, administrative expenses, repairing of building, equipment and furniture, travelling, advertisement expenses other than promotional expenses and depreciations on SLM basis. The figures of expenses that are taken into account by the Chartered Accountant are as per the figures reflected from the books of accounts of the Institution, in other words, without any change or moderation. However, the amount claimed as the development expenses and research reserve are not the expenses but actually a reserve and

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hence it is disallowed by the Chartered Accountant. The average of the cost per student derived individually for the financial years 2020-21, 2021-22 and 2022-23 was considered for further calculations. In order to consider the inflation for subsequent years, the Consumer Price Index declared by the Central Government was considered, based on which appropriate inflation per annum was decided by the Committee to calculate the fee structure for the subsequent years i.e. 2023-24, 2024-25 and 2025-26 from the average cost per student mentioned above.

3.5 The Committee, after perusal of the working and due discussion, approved the tentative fee structure as under:

Year	2023-24	2024-25	2025-26
Fee proposed by the Institution Rs./Student/Annum	110000	120000	130000
Tentative fee structure determined Rs./Student/Annum	74550	74550	75000

3.6 The Committee, by its email dated 07.06.2024, conveyed the cost per student worked out by the Chartered Accountant and duly considered by the Committee in its meeting dated 28.05.2024 and the tentative fee for the year 2023-24 to the Institution and intimated the Institution that if it so wished, it could peruse the working of the Committee for determining the fee on any day between 11.06.2024 and 13.06.2024 at the Office of the Committee. In pursuance of the communication to peruse the working, the representative of the Institution visited the office of the Committee on 11.06.2024 and verified the working done by the Committee for determination of its fee structure. By the said communication i.e. dated 07.06.2024, the Institution was also informed

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that after perusing the working of the Committee, if it so wished, it could apply to the Committee through the Online Portal between 12.06.2024 to 19.06.2024 for personal hearing. In response to the said intimation, the Institution requested for personal hearing and it also uploaded the additional documents through the online portal which were taken on record by the Committee for finalizing the fee structure. In view of the request of the Institution, it was intimated by the Committee, vide its communication dated 24.06.2024, to remain present before it on 04.07.2024 and make its oral submissions. Accordingly, the representatives of the Institution remained present on 04.07.2024 before the Committee and made their oral submissions, which can in short be reproduced as under:

- (i) The Committee may grant interest on the capital investment made by the Institution.
- (ii) The Committee may grant expenses for research and development and general development.
- (iii) Expense for the scholarship may be granted.

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- (iv) Fees have not been increased for the past two blocks.
- (v) Lastly the Institution requested to consider the depreciation certificates duly signed by the Chartered Accountant for calculation of the fee structure. These certificates were taken on record by the Committee.
  - 3.7 In view of the submissions advanced by the Institution, the Chartered Accountant Member rechecked the exercise carried out for fixation of fee of the Institution and found the following:
    - (i) Interest on the project loan cannot be taken into consideration because the students cannot be burdened with the finance to

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compensate the Institution for the expense incurred by it for setting up of the infrastructure for its establishment. In fact, the apex body of the Institution, i.e. All India Council for Technical Education, while granting permission for establishment of new institution or college, issues Letter of Approval, wherein it is clearly stated "The Management shall provide adequate funds for development of infrastructural, instructional and other facilities as per norms and standards laid down by the Council from time to time and for meeting recurring expenditure." This is so because the education is not a business and if the Institution is allowed to set up its infrastructure at the cost of the students, it will be totally against basic concept of setting up an educational institution. The activity of imparting of education has to be purely on no profit no loss basis.

(ii) So far as Point No.(ii) is concerned, the Institution has submitted that to enable it to have funds for the projected expenses, fund is required and it can be generated only if the fee is increased. This submission of the Institution cannot be accepted at this stage. It is well established fact that education is not a business. An educational institution has to first create necessary infrastructure for its establishment and the management has to provide necessary fund for the said purpose. If any institution incurs such costs in the current block, in the next block period of 3 years, the Committee adequately compensates for such costs for the cost in the fee structure of the said institution. If the proposed development is in the nature of fixed assets i.e. purchase of land, building, equipments, computer, softwares etc., it is considered as the capital expenditure and it is not included in recurring expense.

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In such case, cost reimbursement is not given but depreciation is allowed on fixed assets as per the method and rates mentioned in point 4 of the SOP. It is the consistent experience of the Committee in the past that by and large the projected costs towards recurring and non-recurring expenditures, though claimed by concerned institution and granted by the Committee, while determining the fee structure, are not utilized in time or not utilized at all. With the result, the students, who paid for such projected costs, never got the benefit of it. In view of it, the Committee, relying on clause (q) of Point No.2 of the SOP, disallows claim for projected cost. Nevertheless to avoid any injustice being caused to meritorious institution, the Committee under KYC Program gives due weightage to the merits of such institution and grants appropriate premium for growth and development. It is pertinent to note that here, in accordance with Point No.6 of the SOP, considering its KYC program score, the Institution has already been granted premium (increase) of 3.5% on cost per student plus inflation for its growth and development.

- (iii) The Institution had claimed for the amount that was spent for grant of scholarship and other financial support to the deserving students. However, the Chartered Accountant disallowed the same as allowing such expenditure would amount to cross subsidisation which is not permissible in law and also as per Point No.2(m) of the SOP.
- (iv) During the previous block of three years i.e. 2017-18 to 2019-20 the fee proposal of the Institute could not justify the raise in its fee structure and hence the fee structure was not increased. In the subsequent block i.e. 2020-21 to 2022-23, due to Covid-19



pandemic, the Committee had appealed to all the Professional Technical Educational Colleges or Institutions in the State not to increase their existing fee for the year 2019-2020. In view of this appeal, the Institution had not sought any increase in the existing fee for the year 2020-2021 to 2022-2023.

- (v) The request of the Institution to consider the latest depreciation certificates was granted by the Committee. Based on which the cost per student was revised and accordingly, necessary change was made in the fee structure.
- 4. These findings were put before the Committee in its meeting dated 18.07.2024 for deliberation to arrive at the final fee structure of the Institution. After due deliberation and discussion based on the material placed before it, the Committee found that, the figures revised by the Chartered Accountant under the supervision of Chartered Accountant Member were just and proper and the final fee structure of the Institution for the block period of 3 years 2023-24, 2024-25 and 2025-26 for B.E./B.Tech. Program was approved.
- 5. Thus, the Committee has carried out a fair and transparent process for the determination of the fee structure in accordance with the set principles of accountancy, the factors prescribed under the Act as well as the Standard Operating Procedure. Based on that, the final fee structure is determined as per Paragraph 7 of this order.
- 6. The fee structure is subject to the conditions mentioned herein below:
  - (i) The fee structure indicated is in Rupees per annum per student.

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- (ii) The fee structure determined by the Committee shall be binding for a period of three years. The fee 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 the same institution.
- (iii) As per section 11 (2) of the Act, the fees indicated here include all types and kinds of fees such as Tuition fees, Library fees, Laboratory fees, Computer Fees, Caution Money, Gymkhana, Internet, Sports and Recreation, Self/Personality Centers fee, University Affiliation fees (if any) and the like. As such the Institution shall not collect any other fee from the students except the fees as mentioned in this order.
- (iv) The Institution shall not take fees for the full course at the time of admission or at any other time during the entire duration of the B.E./B.Tech. Program. The fees shall be collected per semester or term of 6 (Six) months as the case may be.
- (v) The Institution shall not ask for any bank guarantee or security of any kind from students or their parents.
- (vi) The Institution shall not compel any student to avail of any facility including hostel and transport as a part of the condition for admission or its continuity till the end of the full tenure of the course.
- (vii) The Institution shall notify the Fee structure on its Notice Board and also display copy of this order on its Mandatory Disclosure Link on its official website.

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- (viii) Additional fees charged from the students admitted under the NRI Quota shall be credited to a separate bank account and the same will be used only for the benefits of the students belonging to the economically weaker class and /or for increasing/developing the infrastructure facilities. The Institution shall also furnish all the information pertaining to the utilization of excess fees from the NRI category students in the information memorandum which may be submitted along with the fee proposal for the next block of three years.
- 7. The fee structure determined by the Committee is as under:

Name of Institution	Madhuben and Bhanubhai Patel Institute Of Technology (erstwhile: MBIT ), V.V. Nagar				
Institution Code	11192				
Name of Program	B.E./B.Tech.				
Existing Fee for	Maximum Ceiling Limit of fee structure determined for the Year				
the year 2022-23	2023-24	2024-25	2025-26		
71000	84000	89000	94000		

# Copy forwarded to:

- 1. The Dean/Director/Principal of concerned institution.
- The Principal Secretary (Higher & Technical Education), Education
   Department, Block No.5, Sachivalaya, Gandhinagar.

CA Member

- 3. The Commissioner of Technical Education, Block No. 2, 6th Floor, Karmayogi Bhavan, Sector 10-A, Gandhinagar.
- 4. Member Secretary, Admission Committee for Professional Courses (ACPC), L. D. College of Engineering Campus, Ahmedabad.
- 5. Member Secretary, Admission Committee for Professional Diploma Courses (ACPDC), L. D. College of Engineering Campus, Ahmedabad



Institution Code: 11192