

**ADMISSION AND FEE REGULATORY COMMITTEE**

**(A Statutory body established under an Act of the State of Chhattisgarh)**

**FEE STRUCTURE FOR THE ACADEMIC SESSION 2014-15,**

**2015-16 & 2016-17 Relating to discipline :- B.E.**

**Resolution dated- 29-05-2014**

- 1 Exercising powers conferred under section 4 (1) and (2) of the CG NIJI VYAVASYIK SHIKSHAN SANSTHA (PRAVESH KA VINIYAMAN EVAM SHULK KA NIRDHARAN ) ACT, 2008 (here in after referred to as "Act 2008") the State Government has constituted Admission and Fee Regulatory Committee ( hence forth "AFRC") for the supervision and guidance of the admission process and for the fixation of fee to be charged from candidate seeking admission in a private professional educational institution.
- 2 Fixation of fees earlier announced for Institutions running BE Course, whose fees have been fixed for academic sessions 2011-12, 2012-13 and 2013-14 are now due for reconsideration therefore the matter is being taken up for revision of fees structure of those institutes.
- 3 Following observations made by Hon'ble the Apex Court while rendering judgment in T.M.A. PAI FOUNDATION v. STATE OF KARNATAKA<sup>1</sup>, are also guiding factors for fixation of fee structure:

56. ....Different courses of study are usually taught by teachers who have to be recruited as per qualifications that may be prescribed. It is no secret that better working conditions will attract better teachers. More amenities will ensure that better students seek admission to that institution. One cannot lose sight of the fact that providing good amenities to the students in the form of competent teaching faculty and other infrastructure costs money.....

<sup>1</sup> (2002) 8 SCC 481

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57. We, however, wish to emphasize one point, and that is that in as much as the occupation of education is, in a sense, regarded as charitable, the Government can provide regulations that will ensure excellence in education, while forbidding the charging of capitation fee and profiteering by the institution. Since the object of setting up an educational institution is by definition "charitable", it is clear that an educational institution cannot charge such a fee as is not required for the purpose of fulfilling that object. To put it differently, in the establishment of an educational institution, the object should not be to make profit, in as much as education is essentially charitable in nature. There can however be a reasonable revenue surplus, which may be generated by the educational institution for the purpose of development of education and expansion of the institution.

4 In *Islamic Academy of Education vs. State of Karnataka*<sup>2</sup>, Hon'ble the Apex Court in para 154 and para 198 has observed as below:

154. The fee structure, thus, in relation to each and every college must be determined separately keeping in view several factors, including facilities available, infrastructure made available, the age of the institution, investment made, future plan for expansion and betterment of the educational standard etc. The case of each institution in this behalf is required to be considered by an appropriate committee. For the said purpose, even the books of accounts maintained by the institution may have to be looked into. Whatever is determined by the Committee by way of fee structure having regard to relevant factors, some of which are enumerated herein before, the management of the institution would not be entitled to charge anything more.

198. Thirdly, to ensure high standard of education and for that purpose to ensure admission to the most eligible candidates, requiring

<sup>2</sup> (2003) 6 SCC 697

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merit in a poor country like ours, the tuition and other fees should be within the reach of common people.

- 5 In PA Inamdar and others Vs.State of Maharashtra and others , reported in 2005 AIR SCW 3923 in para 146 Hon'ble the Apex Court has observed:-

“We expect the committee, so long as they remain functional, to be more sensitive and to act rationally and reasonably with due regard for realities”.

- 6 We also cannot ignore observation made by Hon'ble Apex Court in PA Inamdar case( supra) in para 92 reproduced below:-

92. Education , accepted as a useful activity, whether for charity or for profit, is an occupation. Nevertheless , it does not cease to be a service to the society, and even though an occupation, it cannot be equated to a trade or a business.

- 7 Fees structure for the academic sessions 2008-09, 2009-10, 2010-11 & 2011-12 relating to BE Course run by various institutes of Chhattisgarh was announced vide resolution dated 10-03-2010 by AFRC and the same has been questioned by Disha Education Society under WP(C) No. 2112/ 2010 and by Association of Private Professional Institution of CG in WP (C) No.2388 of 2010 before Hon'ble the High Court of CG. Hon'ble the High Court not only approved the methodology applied by the AFRC for fixation of fees but also approved the fees structure drawn by the AFRC. Hon'ble the High Court in its order at para 33 observed :

“Learned counsel for the petitioners have also questioned the determination of fee by the committee on the ground that the institutions have freedom to fix their own fee structure keeping in mind the infrastructure and staff, future plans for expansion and betterment and growth of the institution, and only profiteering and capitation fee are prohibited. However , we are not able to accept the above argument advanced by learned counsel for the petitioners as the Committee has considered the proposals submitted by the

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individual institution in an objective manner. We also find rationale in allowing incentives of Rs.10,000/- Rs.7500/- and Rs. 5000/- to various institutions on the basis of parameters fixed by the Committee. It is well within the domain of the Committee to ensure that the proposals for fee do not amount to profiteering and capitation fee. The Committee, after considering the entire aspects, has fixed fees of the institutions in the State by applying proper methodology and disallowed the proposals of the institutions to the extent it found the same to be excess as it would amount to profiteering and capitation fee.”

8 Section 9 of the Act prescribes factors required to be considered for fixation of fee and those factors are as below:

1. the location of the private unaided professional educational institution;
2. the nature of the professional course;
3. the cost of land and building;
4. the available infrastructure, teaching, non-teaching staff and equipments;
5. the expenditure on administration and maintenance;
6. a reasonable surplus required for growth and development of the professional institution;
7. any other relevant factor.

9 Thus it is clear that for revision of fee structure not only factors prescribed under Sec. 9 of the “Act” are required to be considered but also we are required to make effective the observations of Hon’ble the Apex Court and also of the High Court of CG. Having considered so the “AFRC” obtained information in format prescribed by it from institutions whose fees structure for revision was due. Excepting a few rest of the institutions deposited processing fees and also gave information, Committee inspected

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institutions for proper assessment and also allowed institutions opportunity of hearings.

10 On 19-03-2014 and 26-03-2014 "AFRC" heard all those institutions in person. Totality of their submissions are that they have to pay atleast 12% more to faculty members, prices of all goods have been raised to a large extent, for development of institutions they are constrained to incur heavy amounts towards misc. expenses. Annual inflation rate is around 10%. For upgradation of library and laboratory they need money. Visiting faculty are now charging high remuneration. Organizing seminar has become costly. Institutions also during the course of hearing proposed their fees structure, excepting Kirodimal Institute of Technology Raigarh who does not want to increase the fees on the contention that because of higher fees admission in their institute is poor, excepting a few, rest of the institution proposed their fees on higher side. Some of the institutions also contended that in other States fees is higher than ours.

11 People of Chhattisgarh are not rich, earlier per capita income in Chhattisgarh in the year 2010-11 was around Rs. 41,167/- in the year 2011-12 it was around Rs. 46,573/-. In the year 2012-13 it was around Rs.50,691/- and in 2013-14 it has been claimed to be around Rs.56,990/-. This itself is sufficient to consider the plight of most of our pupils. So far as ground reality is concerned, it has come to our notice that there are number of institutions where more than 10% of students are not in a position to deposit fee in one time therefore they are allowed to pay the fees in installments and also some of the students who are unable to pay fees, institutions are either waiving their fees or providing those students scholarship. This is sufficient to consider the plight of most of our students and their parents.

12 It has also come to our notice that although according to AICTE norms boys hostel and girls hostel are to be provided to students. In some of the institutions both these hostels are kept within college campus. As disclosed

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by many institutions girls hostels are kept away from institutions and are kept in nearby townships and in few institutions girls hostels are kept within the campus but boys hostels are kept in nearby townships. It has also come to our notice that hostel buildings are taken on hire in townships and are not sufficient for complete strength of the students, naturally this will cost more and students who are bound to make their own arrangement for boarding and lodging are required to pay a heavy amount towards it and certainly it will affect their pocket capacity.

13 Before formation of Chhattisgarh, it was a part of Madhya Pradesh. In MP Committee has fixed fees for BE course for session 2013-14, 2014-15 & 2015-16. Total fee per semester inclusive of development fee and all other misc. fee for each of the institution varies from 18500/- ( Annual:- 37,000/-) to 32,500/- (Annual:- 65,000/-). For comparative study we have gone through the Fee Structure of AP for academic sessions 2013-14, 2014-15 & 2015-16 excepting some sparse institutions, in general we could not find the fee structure on higher side. The State of MP being adjoining State of ours we are also taking into consideration the above fees structure so as to keep proximity in fees structure of both the States and also to avoid migration tendency of students from one State to another.

14 It has also come to our notice that as per direction of Ministry of Human Resources for making National Institute of Technology self dependant as one of the step from 2014-15 the fees for B Tech courses run by these institutes have been raised from 35,000/- per year to 70,000/- (excepting SC & ST students).

15 During visit to institutions, impression which we felt was that institutions are distinguishable on many factors therefore according to impressions which we received, we have grouped institutions as **very good, good, average.**

16 We are of the considered view that following are the prominent heads, against which reasonable expenditure incurred by the institutions should be

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borne by the student in the shape of tuitions fees. Member (Finance), taking into account those heads has calculated expenditure per candidate per year on the basis of audited/un-audited account furnished by institutions.

**Prominent Heads.**

1. Teaching staff expenditure.
2. Non-teaching staff expenditure.
3. Electricity expenditure.
4. Cleaning, Water expenditure.
5. Administrative expenditure.
6. Work shop consumable.
7. Repairing & Maintenance.
8. Travel & Conveyance.
9. Sports, NSS, Seminar expendt.
10. Printing & Stationary
11. Telephone, Postage, Xerox
12. Fees to regulatory body
13. Software, Internet Exp..
14. Insurance, Tax.
15. Educational Tour Expenditure
16. Annual social exp..
17. Other Misc. Expdt.

17 Institutions have also claimed depreciations. So far as depreciations are concerned the same are allowed under certain laws for calculating actual income for considering those income under various provisions of those laws. To meet the requirements of syllabus and norms prescribed by AICTE, institutions are required to incur expenditure. Equipments, books, computer etc purchased by the institutions does not loses its utility, even computers are updated. There is a distinction between educational institutions and individual. There is also a distinction in between Trade & Commerce and educational institutions. So far as fixation of fee is

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concerned depreciations allowed under various laws for computing income has no role to play even then we are of the considered view that for the sake of making good the loss if any suffered by the institute because of depreciation if any if up to 10% of the reasonable expenditure as earlier allowed by us, incurred by institutions under above heads are allowed towards depreciations that will meet the ends of justice.

18 Some of the institutions are running courses BE, ME, MCA, MBA, some of the institutions are running courses BE & MBA and some of the institutions are running BE/B Tech. course. Institutions running courses BE/B Tech, ME, MCA, and MBA have furnished single audit report for all these courses. Institutions running courses BE/B Tech and MBA also furnished single audit report for both the courses. For all these institutions it is not possible to calculate accurately the expenditure incurred by institutions on each student course-wise, however Member (Finance) taking into consideration total intake of all these courses have prepared calculation sheets on the basis of audit report/ information given by institutions in form B. When there is a audit report, the information given in form B which is not matching with information given in audit report cannot be accepted for correct calculation of expenditure per student. From perusal of report of Member (Finance) it is clear that expenditure per student per year in some of the institutions is very poor. There are some sparse cases where expenditure per student per year is shown on higher side by Member (Finance) and reason behind it is that because those institutions are running various courses and have made consolidated account and consolidated audit report has been furnished therefore calculation have been done on the basis of total intake of all courses. In these circumstances calculation sheets showing expenditure per student per year alone cannot be made sole or substantial criteria for fixation of fees, even otherwise account is not only criteria for fixation of the fees, there are so many factors which requires to be considered.

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