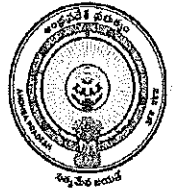




**ANDHRA PRADESH HIGHER EDUCATION REGULATORY
AND MONITORING COMMISSION**

III Floor, SreeMahendra Enclave, NRI Block (C-Block),
NH-16, Tadepalli, Guntur District - 522501
Office Telephone : 08645 274443 Email Id : aphermc@gmail.com



**PROCEEDINGS OF THE ANDHRA PRADESH HIGHER EDUCATION
REGULATORY AND MONITORING COMMISSION**

The Andhra Pradesh Higher Education Regulatory and Monitoring Commission Act, 2019 (Act 20 of 2019) was first published on 16.08.2019 which came in to force with effect from 19.08.2019 vide G.O.Ms.No.41, Higher Education (U.E.) Department. The Andhra Pradesh Higher Education Regulatory and Monitoring Commission (herein after referred as 'APHERMC' or the 'Commission') is constituted under Act 20 of 2019. The Andhra Pradesh Higher Education Regulatory and Monitoring Commission Rules, 2019 (hereinafter referred as 'Rules' or 'APHERMC Rules, 2019') are issued in G.O.Ms.No.49, Higher Education (U.E.) Department dated 11.10.2019 and the Andhra Pradesh Higher Education Regulatory and Monitoring Commission Regulations, 2020 (hereinafter referred as 'APHERMC Regulations, 2020') are issued in G.O.Ms.No.12, Higher Education (U.E.) Department dated 04.03.2020. The Act 20 of 2019, APHERMC Rules, 2019 and APHERMC Regulations, 2020 have been further amended.

The Commission met on **18.08.2020** and on **07.09.2020** to review and determine the fee structure for Agriculture and Horticulture Courses affiliated to Acharya N.G.Ranga Agricultural University and Dr. Y.S.R. Horticultural University in the State of Andhra Pradesh for the academic years 2020-21 to 2022-23 in the Office of the Commission. The meeting was attended by the following Members:

Sl.No.	Name	Designation
1	Justice V. Eswaraiah	Chairperson
2.	Prof. N. Bhargava Rama Mohan Rao	Vice-Chairperson
3.	Shri Asutosh Mishra IAS., (Rtd.)	Member Administration
4.	CA Kaliki Vijayulu Reddy	Member Finance
5.	Prof. D. Usha Rani	Member Academic
6.	Dr. G. Santa Rao	Member Academic
7.	Prof. P. Vijaya Prakash	Member Academic
8.	Shri A. Sambasiva Reddy	Nominee Member from Higher Educational Institutions
9.	Dr. N. Rajasekhar Reddy	Member Secretary & CEO

The Members at serial No.1, 2, & 9 have attended the meeting personally and the Members at Serial No.3 to 8 have attended online.

MINUTES

1. The Andhra Pradesh Admission and Fee Regulatory Committee (AFRC) constituted under Andhra Pradesh Admission and Fee Regulatory Committee (for professional courses offered in Private Un-aided Professional Institutions) Rules, 2006 issued in G.O.Ms.No.6, Higher Education (EC-2) Department, dated 08.01.2007 ceased to hold office upon the formation of the Commission constituted under the Andhra Pradesh Higher Education Regulatory and Monitoring Commission Act, 2019 (Act 20 of 2019). The G.O.Ms.No.6 dated 08.01.2007 was withdrawn and AFRC was abolished.

Under Section 9(b) of the Act 20 of 2019, as amended, the Commission is empowered to monitor and regulate Fee in Higher Educational Institutions in accordance with the Rules,



Regulations, Guidelines and Procedures prescribed for the purpose. The APHERMC Regulations and Rules have been prescribed in accordance with Section 2(7), 2(9), 2(10A), 22(1) and Section 23 of the Act. Rule 8 of the APHERMC Rules, 2019 deals with fee regulation and Regulation 5 also deals in detail with regard to the review and determination of fee. The Commission also made Guidelines in accordance with the Act, Rules and Regulations streamlining the procedure which was furnished to the said Agricultural and Horticultural Colleges.

2. The Commission issued a notification dated 09.01.2020 requiring the Agricultural and Horticultural College Managements in the Private Un-Aided Professional Institutions in the State of Andhra Pradesh, proposing to review and determine the fee structure for the block period 2020-21 to 2022-23. The managements of the said colleges were required to submit the relevant data together with their audited financial statements for the year 2017-18 and 2018-19 in the prescribed Schedules No.1 to 31, online before 29.02.2020. On the request of the A.P. Agricultural and Horticultural Colleges Management's Association, the last date was extended from time to time and ultimately extended upto 06.05.2020. Wherever the entire required information in the prescribed schedules and the financial statements etc., could not be uploaded online, they were permitted to furnish the same by email.



3. The Fee proposals were submitted online and by e-mail by entering the required data in the 31 schedules relating to the fee receipts for Agriculture and Horticulture programs, income like interest on investments, rents, Income from Agriculture farming related activities and grants received from the Government, salary expenditure of teaching and non-teaching staff, those with qualifications and without qualifications, TDS returns filed in form 24Q and 26Q under the Income Tax Act for both years i.e., 2017-18 and 2018-19, cadre strength, faculty strength, evidence of payment of salaries through cheques, audited financial statements for the financial year 2018-19 and 2017-18, income tax returns together with form 10B/10BB/3cb-3cd audit reports, Expenditure on agriculture and related activities, legal expenditure, gardening expenditure, expenditure on seminar/workshops, students related expenditures, fests, scholarships, merit awards, administrative and other expenditures, hostel charges, transport charges, depreciation, finance costs, statement of proposed expenditure for the block period 2020-21 to 2022-23, statement of fixed deposits of the institutions, statement of loans received, independent income and expenditure of the society/trust and balance sheet, expenditure bifurcated and reflected program-wise data/figures certified by the Chartered Accountants. For the colleges which have not submitted the program- wise data/figures certified by auditor, the total expenditure of the institution is considered on the basis of sanctioned intake of each program.



4. The above referred data relating to the fee proposals have been evaluated by the Commission based on faculty available (teaching & non-teaching staff), infrastructural, instructional, laboratory and other facilities. The financial aspects have been evaluated by the appointed Auditor M/s. Ramanatham & Rao, Chartered Accountant and counter verified by M/s. Velugu Reddy Associates. The Auditors have taken note of the expenditure statements of all the relevant heads relating to the Salaries including Provident Fund, of teaching & non-teaching staff, administration, welfare expenses, telephone charges, postage & internet, equipment purchased, books & periodicals, printing & stationary, consumables, research & development, university affiliation fee & inspection charges, examination fee, sports, games, meetings and functions, awards, merit scholarships, travelling and conveyance, repairs and maintenance, depreciation, interest, advertisement and miscellaneous expenditure etc. The Chartered Accountants have carried out the necessary exercise by following the standard accounting practices. A detailed report was made covering all these aspects in accordance with the Regulations and Guidelines issued by the Commission which was analyzed by the Members of the Commission.
5. The Commission issued notices dated 01.07.2020 to the management of the said institutions to attend the personal hearings along with all the required documents. The college managements have requested to postpone the date of personal

hearing from 09.07.2020 and accordingly by notice dated 08.07.2020, the date of hearing was postponed. Again by notice dated 14.08.2020, the said Agricultural and Horticultural Colleges were directed to attend for the Personal Hearings to be held on 18.08.2020 along with all the required documents relating to the colleges vide letters dated 06.08.2020. The individual letters have been communicated to the said agricultural and horticultural colleges requesting them to submit the soft copies of the required documents before 10.08.2020 and also submit the hard copies of the documents on 18.08.2020. The documents required to be furnished are as follows:

- (a) *Soft copies (in pdf format) of Cash/Day book and all Ledgers with narrations for the financial year 2018-19. The said books of account are required for consideration of the student related educational expenditure incurred by the institution for imparting the education in the relevant course for the students.*
- (b) *Soft copies (in pdf format) of Bank Statements for the financial year 2018 -19 and 2017-18.*
- (c) *Copies of financial statements submitted to Banks duly confirmed/ attested by the concerned Lending bank.*
- (d) *Audited financial statements for the financial year 2017-18 and 2018-19 submitted to income tax department. Copy of the returns/ forms submitted under the provisions of Income Tax Act, 1961 (form 10B/ 10BB/ 3cb-3cd). Copy of the Institute wise/course wise bifurcated Financial statements for all the institutes under the society duly certified by the auditor.*
- (e) *List of all kinds of the faculty/ staff both teaching faculty and non-teaching staff who were working with the college as on 31st March, 2019. Their names, designation and gross salary as on 31st March, 2019 are required.*
- (f) *Salary Acquaintance registers for both teaching faculty and non-teaching staff on the roll for the financial years 2017-18 and 2018-19 and proof for the payment of the same through bank. The proof of authenticated Bio-metric attendance for the payment of salary of teaching and non-teaching staff.*



- (g) *In the case Hostel buildings are maintained Hostel Expenditure and depreciation on hostel building included in the financial statements for the year ended 31-03-2019.*
- (h) *Number of college buses owned by each college for the carrying/transportation of students. Details of expenses incurred on maintenance of buses such as diesel expenses, insurance, road taxes, driver's salaries and repairs and maintenance expenses etc. and depreciation claimed on the said buses.*
- (i) *Cash payments made in excess of Rs.5,000/- towards non - faculty salaries, and other expenses. Details of Faculty salaries paid in cash during the financial year 2018-19.*
- (j) *Explanation with proof along with Ledger soft copy for various ledgers identified from the financial statements.*

6. Along with the notices, Annexure-I was issued, calling upon the management personals to explain why the expenditure should not be disallowed for fee determination such as finance costs, excess depreciation over and above the specified rates, travelling & conveyance, electricity charges, transport and hostel charges, salaries relating duplicate or wrong PAN or repeated in more than one course and other expenditures which are not admissible for imparting education as per the regulations and guidelines. The other particulars were also sought for, to be furnished as detailed in Annexure-II attached to the notices dated 06.08.2020. It was also stated that cash payments over and above Rs.5,000/-, faculty salaries relating to duplicate or wrong PAN or repeated in more than one Course/Institution, the salaries of ineligible staff etc., expenditure incurred on hostel and transport charges, charity, donations, legal expenses, scholarships, merit awards, guest house maintenance, expenditures made over and above the prescribed limit on workshops, advertisements, gardening,



student related expenditure, miscellaneous expenditure without any specifications, finance costs etc., are proposed to be disallowed. The said college managements were called upon to appear in person and submit their representations, if any, along with the hard copies of various documents and soft copies in PDF Format of Cash/Day Book, Ledger Book for the financial year 2018-19, list of all kinds of staff with their names, designation, salary, acquaintance register for the year 2018-19 and proof of payment of the salary through banks, details of expenses incurred in the earlier years towards furtherance/development of the institution during the last 3 years i.e., 2017-18 to 2019-20, copies of financial statements submitted to the bank duly attested by the concerned bank(if applicable), audited financial statements, particulars of proof of payment for contracts, outsourcing staff from the manpower agencies etc.

7. The Commission provided reasonable opportunity for personal hearing to all the institutions on 18.08.2020. The Commission worked out the cost per student on the basis of the financial data re-cast by the Chartered Accountants. The Commission has determined the cost per student based on the sanctioned intake for the block period 2020-21 to 2022-23. The Commission has taken into account the expenditures which are directly related to the imparting of education. The Commission has also taken into account the element of general inflation for successive years and



considered appropriate allowances like furtherance for future development and depreciation while determining the fee structure.

8. The Andhra Pradesh Educational Institutions (Regulation of Admissions and Prohibition of Capitation Fee) Act, 1983 (Act No.5 of 1983) was enacted to provide for regulation of admissions into educational institutions and to prohibit the collection of capitation fee. Section 4A of the said Act provides for the admission of foreign country students and Non-Resident Indian students on payment of higher fee in accordance with the guidelines for the improvement of the college and development of facilities and other related purposes. Section 5 prohibits the collection of any capitation fee by any educational institution or by any person who is in-charge of or is responsible for the management of the institution. The voluntary donations by the institution shall be deposited in the account of the institution in any scheduled Bank and spent for improvement of the institution i.e., on the development of educational facilities and for such other related purposes. Under Section 7 of the Act the State Government shall issue a notification regulating tuition fee or any other fee that may be levied and collected by any educational institution in respect of each class of student. No educational institution shall collect any fee in excess of the fee notified.

As per the judgments of Supreme Court in T.M.A. Pai Foundation Vs State of Karnataka (2002) 8 SCC 481, Islamic Academy case (2003) 6 SCC 697 and Fee Regulatory Committee Vs



Kallol Institute of Management (2011) 10 SCC 592, the fee structure for each institute must be regulated keeping in mind the infrastructure and other facilities available, investments made, salaries paid to the staff, future plans for expansion and/or betterment of the institution, etc., but there cannot be any profiteering or collection of capitation fee. Education is essentially charitable and non-profiteering in nature. There can be a differential fee structure for the meritorious students admitted under the Convener Quota for whom the Government is extending scholarships, grants, fee concessions, etc., and in some cases by the Institutions themselves providing scholarships from out of the fee of the Management and NRI Quota.

9. The Supreme Court, right from the Modern School Vs. Union of India & others dated 27.04.2004 in Appeal (Civil) No.2699 of 2001 to Inamdar & others Vs. State of Maharashtra (2005) 6 SCC 537, held that education is a charitable service. This implies that education institutions are run for philanthropic purposes and accounting principles to be applied to them are that of not for profit or non-business organizations.
10. Article 38 read with Article 41, 45 & 46 of the Constitution of India proclaims about education of the people, naturally subject to availability of the funds by the State. It is the duty of the States to provide free education. But if the State is not in a position to provide equal opportunities of education to all sections of the society, it may allow the private educational institutions to provide

the same, obviously without collecting capitation fee or indulging in profiteering. The Hon'ble Supreme Court has further observed that unfortunately education has become a business and for this reason in the recent past the private unaided educational institutions are mushrooming without any quality and standards. Therefore, in view of the aforesaid judgments of the Supreme Court, the State has taken effective steps to improve the standards and impart quality education by enacting Act No.20 of 2019 and Rules and Regulations made thereunder.

11. The Rules called the Andhra Pradesh Higher Education Regulatory & Monitoring Commission Rules, 2019 and the Andhra Pradesh Higher Education Regulatory & Monitoring Commission Regulations, 2020 have been made under the Act by adopting some of the previous guidelines issued by the Government in various G.O's, guidelines of the erstwhile AFRC as confirmed by the Supreme Court in various judgments and the Regulations and Guidelines of various other State Committees. The fee proposals have been considered by the Commission in the light of the recent judgment of the Supreme Court in the case of Vasavi Engineering College Vs. State of Telangana dated 01.07.2019 in C.A.No.5133 of 2019.

12. As per the Regulation No.5(36) of the Regulations of the Commission issued in G.O.Ms.No.12 dated 04.03.2020, there can be differential fee structure for the benefit of more meritorious sections of the students admitted under the Convener Quota from

that of the students admitted under the Management and NRI Quota. The institution shall be at liberty to collect the higher fee upto the limit as fixed by the Commission for the Management quota seats over and above the fee notified for the Convener quota, which shall be utilized for the benefit of the students of from backward classes, economically weaker sections and more meritorious students admitted under the Convener quota and for the utilization of development of the college and infrastructure towards the furtherance.

13. As per the existing Rules and the Orders, the Convener quota is 65% in respect of Agricultural and Horticultural Colleges and management quota is 35%. As per Regulation 36(b), the Commission resolved that the Managements of the said Agricultural and Horticultural Colleges be given liberty to collect fee for the management quota up to the limit notified by the Government in order to maintain quality of education by providing proper infrastructural and instructional facilities and amenities.
14. These Private Agricultural and Horticultural Colleges have been established during the academic year 2016-17 after complying with the required norms prescribed for Private Agricultural and Horticultural colleges for affiliation to the Acharya N.G. Ranga Agricultural University and Dr.YSR Horticultural University. As per the norms required, undisputed ownership and possession of land of 110 acres, registered in the name of the Society/Trust, is essential and this would include cultivable land of 100 acres and



10 acres of land for construction of the college. Out of the 100 acres cultivable land, 10 acres should be wet land, 20 acres dry land, 15 acres garden land, 25 acres orchard, 20 acres botanical garden, 5 acres herbal garden and 5 acres wood land. The trust/society shall satisfy the University that adequate funds are available for running the College for at least three years in the form of FDRs/bank guarantee and they have to satisfy all the conditions as required and report to the affiliating university.

15. With regard to the existing fee being collected by the respective colleges, as permitted by the affiliating Universities, the Vice Chancellor of Acharya N.G. Ranga Agricultural University and their Registrar (In-charge), Controller of Examinations, Chief Finance Officer, Dean of Student Affairs of Acharya N.G. Ranga Agricultural University and the Vice-Chancellor and Registrar of Dr. YSR Horticultural University have discussed in detail with the Commission about the standards uniformly maintained by the said colleges and also about the grievances of the colleges and the need to adhere to the required provisions of A.P. Act 5 of 1983 as well as the APHERMC Act, 2019 (Act 20 of 2019), Rules and Regulations made thereunder. In the course of meeting the Agricultural and Horticultural Universities have been appraised not to collect any tuition fee by the affiliation Universities. Similarly, it was pointed out that certain amounts being collected are disproportionate to the services rendered.



The agricultural and horticultural college managements have made a representation stating that B.Sc(Hons) Agriculture and B.Sc(Hons) Horticulture courses are different when compared with other peer courses like Engineering, Pharmacy & Other Degree Programs because all the 6 Agricultural Colleges are newly started in the year 2016-17 and all the 4 Horticultural Colleges are newly started in the year 2017-18 and they require contiguous Land of 110 acres, building area of 1.50 lakhs sq.ft, joint FDR for Rs.50.00 Lakhs as per EOI (Expression of Interest) issued by ANGRAU, YSRHU at the time of Establishment of New Colleges. The investment on an institution is approximately Rs.80 crores. Students intake is very less i.e., 72 students per year for B.Sc(Hons) Agriculture and 70 students per year for B.Sc(Hons) Horticulture. It is stated that Rupees 50 lakhs joint FD along with accrued interest shall be given, after the requisite period, to the concerned college managements. The Universities cannot retain the interest accrued on the joint FD of Rs.50,00,000/- after maturity and they will have to give back the same to the colleges for strengthening their infrastructural development duly obtaining prior permission from the ANGRAU and Dr. YSRHU.

It is further represented that the affiliation fee of Rs.5,00,000/- per year for each Agricultural College and Horticultural Colleges is on the high side. Therefore, the Commission is of the opinion that the University should consider collecting a sum of Rs.2,00,000/- only from each of the Agricultural and Horticultural Colleges



towards Affiliation fee per year. It is further stated that towards the inter College/inter University sports, games & cultural meet fee, the University is collecting Rs.8,200/- per annum per student and the balance amount is being returned to the colleges after the events are over. This fee is reduced to Rs.2,500/- p.a which is proportionate to the services rendered and the expenses made. Apart from this, a separate fee of Rs.2,500/- is also being collected by the Colleges towards sports and games fee (per semester) which is disproportionate to the services rendered and the expenses made. The existing college fee towards sports & games is therefore reduced to Rs.1,500/- p.a. which is considered just and reasonable. Various other fees have been reviewed and determined as mentioned in the table given in Para -16.

16. The Commission has considered the aforesaid facts and circumstances and the variation in expenditure among the 6 Agricultural and 4 Horticultural Colleges due to variation in the terrain, topography and landscape of the lands, the fact that the final batches are yet to come out and therefore the quality parameters cannot be assessed properly at this stage and the written representations made by all the 6 Agricultural and 4 Horticultural Colleges to consider uniform fee for all the 6 Agricultural and 4 Horticultural Colleges. The Commission has accordingly reviewed the existing fees and determined the new fee structure.



Based on the expenses incurred by the 6 Agricultural Colleges toward imparting education, the average fee per student has been worked out at Rs.91,100/- per year per student for each Agricultural College. Similarly Rs.86,050/- has been worked out as the average fee per year per student for each Horticultural College. Apart from this fee component, the Commission has also taken into account all the incidental and ancillary student related educational expenditure as shown in the following table and included in the fee component.

Sl.No.	Item	Amount (Rs)
1.	Admission fee (at the time of admission)*	2,000
2.	Registration fee (per year)	1,000
3.	Identity Card (at the time of Admission)*	100
4.	Academic Regulation and Course Catalogue (At the time of admission)*	500
5.	Library Fee (per year)	2,000
6.	Laboratory Fee (per year)	4,000
7.	Medical Fee (per year)	1,500
8.	Inter College/Inter university Sports, Games & Cultural meet fee (per year)	2,500
9.	College magazine and student activities (per year)	500
10.	Student Health Care Scheme (per year)	200
11.	Student Welfare Fund (only at the time of admission)*	150
12.	Study Tour (per year)	500
13.	Alumni Fund (in the final semester of study)*	450
14.	Sports & games fee (per year)	1,500
15.	Examination fee including stationery (per year) (out of which Rs.3,000/- to be paid to Universities)	5,000

* The fee to be paid once is equally apportioned for the total duration of the course (4 years).

The fee is calculated after considering the Stipend Amount of Rs.3,000/- per student for 5 months payable in the last



semester as students are attached to the farmers outside the University. Accordingly, the stipend expenditure is included in the fee for both the Agricultural and Horticultural Colleges.

Accordingly, the colleges are authorized to collect the fee given in the **Annexure-I for Agricultural Colleges** and in the **Annexure-II for Horticultural Colleges**.

The College managements are at liberty to collect the actual amount incurred towards the transport, hostel accommodation and mess charges of the students from them. In addition, the colleges can collect fee of Rs.1,000/- towards refundable laboratory deposit and Rs.1,000/- towards refundable library deposit from the students which shall be returned to the student after completion of the course. The Seat cancellation fee of Rs.1000/- for the general category students and Rs.500/- for SC/ST category students shall be collected by the college from the students in case if there is any seat cancellation.

Considering all the facts and circumstances of the case and the representations made by the concerned Agricultural and Horticultural College Managements during the course of hearing and also considering the views of both the Universities, evaluation reports, worksheets of the audited financial statements, the Commission resolved to review and recommend the fee structure for the block period 2020-21 to 2022-23, as shown in **Annexure-I** for the B.Sc (Hons) Agriculture course



and as shown in **Annexure-II** for B.Sc(Hons) Horticultural course in the concerned private Un-aided Agricultural and Horticultural Colleges.

17. The said fee structure may be considered and notified by the Government under section 7 of Act 5 of 1983 for the Academic years 2020-21 to 2022-23 subject to the following directions:

- a. The fee is an all-inclusive annual fee including various fee like tuition fee, affiliation fee, stipend, admission fee, registration fee, cost of identity card, medical fee, inter college/inter university sports, games & cultural meet fee, laboratory fee, library fee, computer/internet fee, College magazine and student activities, student health care scheme, student welfare fund, study tour, alumni fund, sports and games fee, examination fee including stationery, maintenance and amenities fee, extracurricular activities fee, development fee and other recurring expenditure.
- b. The aforesaid fee determined for all the agricultural and horticultural courses for the colleges mentioned in **ANNEXURES I & II** for the Convener Quota and for Management Quota does not include hostel, transport, mess charges, etc.
- c. The fee mentioned in **ANNEXURES I & II**, shall be applicable for the new Courses/Colleges sanctioned during the block period 2020-21 to 2022-23.
- d. The institution shall collect the annual fee, in two half yearly installments, in advance.
- e. The same fee shall continue for the students admitted during the block period of 2020-21 to 2022-23 till they complete the course.



- f. The institution shall not charge either directly or indirectly any other amount over and above the fee fixed in the Annexures. If any other amount is charged under any other head or guise i.e., donations, the same would amount to charging of capitation fee and in that case the institution shall be liable to be prosecuted under Section 9 of Act 5 of 1983 apart from imposing appropriate penalty under the APHERMC Act, 2019 and the APHERMC Rules, 2019.
- g. Stipend shall be paid to the students on par with the students in the University / Government colleges till the institutions gets the accreditation from the ICAR.
- h. In case of any deviation from these directions, the Commission will initiate serious penal action as per the provisions of the Act and Rules made there under.

Justice V.Eswaraiah
Chairperson

Prof. N. Bhargava Rama Mohan Rao
Vice-Chairperson

Sri. Asutosh Mishra, IAS., (Rtd)
Member Administration

CA Kaliki Vijayulu Reddy
Member Finance

Prof. D.Usha Rani
Member Academic

Prof. P.Vijaya Prakash
Member Academic

Dr. G. Santa Rao
Member Academic



Sri A. Samabasiva Reddy.
Nominee Member from
Higher Educational Institutions

Dr.N.Rajasekhar Reddy
Member Secretary & CEO

Dated: .09.2020

To

The Special Chief Secretary
to the agriculture &Co
operation Department
A.P. Secretariat,
Velagapudi, Amaravathi.

