



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

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**PROCEEDINGS OF THE ANDHRA PRADESH HIGHER EDUCATION
REGULATORY AND MONITORING COMMISSION RELATING TO THE REVIEW
AND DETERMINATION OF FEE STRUCTURE FOR B.Ed. AND M.Ed. COURSES
IN THE PRIVATE UN-AIDED PROFESSIONAL HIGHER EDUCATIONAL
INSTITUTIONS IN THE STATE OF ANDHRA PRADESH FOR THE BLOCK
PERIOD 2020-21 TO 2022-23**

The Commission met on **09.11.2020** to review and determine the fee structure for **B.Ed. and M.Ed. Courses** in the Private Un-Aided Professional Higher Educational Institutions in the State of Andhra Pradesh for the block period 2020-21, 2021-22 and 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

MINUTES

1. 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 APHERMC Rules, 2019 (hereinafter referred as 'Rules') are issued in G.O.Ms.No.49, Higher Education (U.E.) Department dated 11.10.2019 and the APHERMC Regulations, 2020 (hereinafter referred as 'Regulations') 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.

Under Section 9(b) of the Act 20 of 2019, as amended, the Commission have the power 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 deals with detailed procedure 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.

2. The Commission issued a notification dated 20.04.2020 requiring the Private Un-Aided Professional Higher Educational 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 are required to submit the relevant data together with their audited financial statements for the years 2017-18 and 2018-19 in the prescribed Schedules No.01 to 31, online before 31.07.2020. On the request of the



Colleges Management's Association, the last date was extended from time to time to 07.07.2020 and finally with penalty upto 31.07.2020. 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. The data furnished by the institutions is deficiency in every aspects and is not in accordance with the guidelines of the Regulatory Authorities.

- 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 B.Ed. & M.Ed. courses. Income such as interest on investments, rents, 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, 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.

All the private B.Ed. and M.Ed. colleges are required to furnish the documents as follows:

- (a)** *Soft copies (in pdf format) of Cash/Day book and Ledger 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. Proof for Profession Tax Registration and Payments for institution and employees to be submitted.*
- (b)** *List of all kinds of the faculty/staff both teaching faculty and nonteaching 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.*
- (c)** *The statement containing the amounts proposed to be deducted from the salary expenditure of 2018-19 together with reasons for such deduction in respect of the institutions.*
- (d)** *Salary Acquittance registers for faculty/ staff both teaching faculty and non – teaching staff on 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.*
- (e)** *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.*
- (f)** *Details of Expenses incurred towards furtherance/development of the Institution during the last three years i.e., 2017-18 to 2019-20*
- (g)** *Copies of financial statements submitted to Banks duly confirmed/attested by the concerned Lending bank.*
- (h)** *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 course wise bifurcated financial statements for all the institutes under the society duly certified by the auditor.*
- (i)** *Particulars and proofs of payment for contract/ outsourcing staff from the man power agencies*

(j) *Date wise detailed statement showing nature of each item of asset/ equipment purchased during the financial year 2018-19 with copies of supporting invoices.*

(k) *Each course wise income & expenditure statement relating to the financial year 2018-19, along with basis of apportionment / allocation of expenditure between UG and PG courses duly certified by a chartered accountant has to be submitted. Student fee has to be determined for each program/course wise.*

- 4.** The above referred data relating to the fee proposals have been examined 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 Auditors M/s.Velugu Reddy & Associates, Chartered Accountants. 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. Expenditure for equipment purchased, books & periodicals, printing & stationary, consumables, research & development, NCTE and 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 examined by the Members of the Commission.



5. The Commission issued notices dated 14.10.2020 to 16.10.2020 to the managements of the said institutions to attend the personal hearing from 20.10.2020 to 22.10.2020 along with all the required documents.

6. In the notices issued the Commission called upon the college management personnel to explain why the proposed expenditure should not be disallowed for fee determination such as finance costs, excess depreciation over and above the specified rates, travelling & conveyance, electricity charges for hostel buildings, transport and hostel charges, salaries relating to duplicate or wrong PAN or repeated in more than one course/institution 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. It was also stated that cash payments over and above Rs.5,000/-, the salaries of ineligible staff, 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 are 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, acquittance 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 from 20.10.2020 to 22.10.2020. 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. The Commission has taken into account the performance indicators and accreditation status of the Institutions.
- 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, 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 students. 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 more meritorious sections of 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 judgments of the Supreme Court, the State has taken effective steps to improve the standards and to impart quality education by enacting Act No.20 of 2019 and Rules and Regulations made thereunder.
- 11.** The APHERMC Rules, 2019 and APHERMC 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, the Regulations and Guidelines of various other State Committees. The fee proposals have been considered by the Commission as per the Rules and Regulations and in the light of the judgments of the Supreme Court.
- 12.** The Commission worked out the cost per student on the basis of the financial data re-cast by the teams of duly qualified Chartered Accountants.



The Commission has determined the cost per student based on the sanctioned intake to the concerned programme. The Commission has taken into account only the expenditures which are directly relating to the imparting of education. The expenditures not directly related to imparting of education have not been considered. The Commission has also taken into account the element of general inflation for successive years and has given appropriate allowances. The Commission has also considered allowances like furtherance for future development, depreciation, Quality Parameters and Accreditations while determining the fee structure.

- 13.** The pro-rata fee per student has been worked out taking into account the total admissible expenditure and dividing it by the total sanctioned student strength of the institution and incentive on the basis of quality parameters. The convener quota fee is fixed on this basis. In respect of management quota and NRI quota, Regulation 5(36)(b) of APHERMC Regulations, 2020 states that “the institution shall be at liberty to collect the fee for the Management quota seats upto the limit notified by the Government in order to maintain quality of education by providing proper infrastructural and instructional facilities and amenities.” Thus, the Commission has resolved to recommend to the Government that the institutions may be permitted to collect higher fee for the management quota not more than two times of the fee fixed and notified for the convener quota. The additional amount collected shall be utilized for the development of the college, infrastructure and instructional facilities.

- 14.** As per the existing admission rules, the seat sharing in B.Ed. Course is 75% of the seats are under Convener Quota and 25% of the seats are under



Management Quota. The Commission vide its letter No.637/APHERMC/ADMN/2020 dated 17.08.2020 addressed to the Special Chief Secretary to the Government, Higher Education Department requesting to consider 70 : 30 seats sharing for Convener and Management quota seats respectively for the B.Ed. Course for the academic year 2020-21 onwards by amending the appropriate admission rules.

15. The Commission, after considering the representations of the respective institutions during the course of personal hearing and also evaluation of reports/worksheets of the Auditors, have resolved to recommend to the Government to consider the fee structure as given in the **ANNEXURE-I (B.ED.) and ANNEXURE-II (M.ED.) Courses** keeping in view the provisions of Section 12 of APHERMC Act, Rule 8 of the APHERMC Rules, 2019 and APHERMC Regulations, 2020 and to notify under Section 7 of the Andhra Pradesh Educational Institutions (Regulation of Admissions and Prohibition of Capitation Fee) Act, 1983 (Act No.5 of 1983).
16. 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, cost of identity card, medical fee, inter college/inter university sports, games & cultural meet 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, Recognition fee, Common Services fee and other recurring expenditure.

- b.** The aforesaid fee determined for the B.Ed. and M.Ed. courses to the colleges mentioned in **ANNEXURE-I (B.Ed.) and ANNEXURE-II (M.Ed.)**, for the Convener Quota and for Management Quota does not include hostel, transport, mess charges, Registration fee, admission fee and refundable deposits of library and laboratory fee.
- c.** The minimum fee mentioned in **ANNEXURE-I (B.Ed.) and ANNEXURE-II (M.Ed.)**, shall be applicable for the new Courses/Colleges sanctioned during the block period 2020-21 to 2022-23.
- d.** The same fee shall continue for the students admitted during the block period of 2020-21 to 2022-23 till they complete the course.
- e.** The institutions whose affiliations are not extended by the affiliating Universities for the academic year 2020-21 are not entitled to collect any fee.
- f.** The institution shall not charge either directly or indirectly any other amount over and above the fee fixed in the **ANNEXURE-I (B.Ed.) and ANNEXURE-II (M.Ed.)**. 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.** 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

Dr. N.Rajasekhar Reddy
Member Secretary &CEO

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

CA Kaliki Vijayulu Reddy
Member(Finance)

Prof D.Usha Rani
Member(Academic)

Dr.G.SantaRao
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