

**Government of Madhya Pradesh,  
Department of Technical Education, Skill Development and Employment  
Secretariat, Bhopal, Madhya Pradesh**

R1479506/2023/42-1/

1386

Dated 06/09/2023,

To,

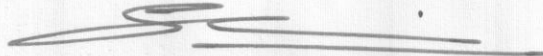
08/09/2023

✓ **The Chairman/Secretary/Director,**  
Shriram Institute of Technology,  
Near ITI, Madhotal,  
Jabalpur- 482 002.  
Mail- [bharat.jbp@gmail.com](mailto:bharat.jbp@gmail.com)  
Mob: 7389817299.

**Sub: Order passed in Appeal No. 14/2023.**

I am directed to send you a copy of the order dated 04.09.2023 in above mentioned appeal passed by the Additional Chief Secretary, Government of Madhya Pradesh, Department of Technical Education, Skill Development and Employment, Bhopal and Hon'ble Appellate Authority, AFRC, Bhopal for your information and necessary action. A copy of the same is being provided to Secretary/ O.S.D., AFRC, Bhopal for their information and necessary action.

Enclosure : As above.



**(Dr. Santosh Kumar Gandhi)**  
Officer on Special Duty,  
Government of Madhya Pradesh,  
Department of Technical Education,  
Skill Development and Employment

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R1479506/2023/42-1/

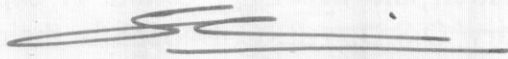
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Dated 06/09/2023

08/09/2023

Copy to:

1. Personal Assistant, Additional Chief Secretary, Government of Madhya Pradesh, Department of Technical Education, Skill Development and Employment, Bhopal and Hon'ble Appellate Authority, AFRC, Bhopal for kind information.
2. Secretary/ O.S.D., AFRC, Tagore Hostel No. T-2, Ground Floor Left Wing, Shyamla Hill, Bhopal-462002 for information and necessary action.
3. Hon'ble Appellate Authority Office, AFRC, Tagore Hostel No. T-2, Ground Floor Left Wing, Shyamla Hill, Bhopal-462002.



**Officer on Special Duty,**

OK Government of Madhya Pradesh,  
Department of Technical Education,  
Skill Development and Employment

**BEFORE THE APPELLATE AUTHORITY CONSTITUTED  
UNDER THE MADHYA PRADESH NIJI VYAVSAYIK  
SHIKSHAN SANSTHA (PRAVESH KA VINIYAMAN AVAM  
SHULK KA NIRDHARAN) ADHINIYAM, 2007**

Presided over by Shri Manu Srivastava, Additional Chief  
Secretary, Government of Madhya Pradesh, Department of  
Technical Education, Skill Development and Employment.

Appeal No. 14/2023

**Shri Ram Institute of Technology**

..... Appellant

**V E R S U S**

**The Admission and Fee Regulatory Committee,  
Bhopal**

..... Respondent

**ORDER**

(Date: 4<sup>th</sup> September, 2023)

1. This appeal is filed under Section 10 of Madhya Pradesh Niji Vyavasayik Shikshan Sanstha (Pravesh Ka Viniyaman Avam Shulk ka Nirdharan), Adhiniyam, 2007 (hereinafter referred to as the *Act*) against the order



passed by the Admission and Fee Regulatory Committee (hereinafter referred to as *AFRC*) dated 16/08/2022, whereby the fees for the Appellant institute was fixed at ₹63,000/- per student, per year, for the Bachelors of Engineering (hereinafter referred to as *B.E.*), for three academic sessions, viz., 2022-23, 2023-24 and 2024-25.

2. This appeal is being decided in accordance with Regulation 7(2) of the “Regulations for fixation of fee in a Private unaided Professional Institution Regulation, 2008” under the Act in compliance of the direction dated 02.11.2022 passed by the Hon’ble High Court of Madhya Pradesh in W.P 25930/2021 and Department of Technical Education, Skill Development and Employment’s order no. 2110/988095/2022/42(1), dated 05/12/2022, empowering the Additional Chief Secretary, Department of Technical Education, Skill Development and Employment to address appeals arising from the fee orders issued by the *AFRC*.
3. The background facts as projected by the Appellant and Respondent are as follows: The Appellant’s college imparts higher education through a professional course, namely, *B.E.*, which is a four year course. The fee decided by *AFRC* for the *B.E.* course for the academic sessions 2022-23, 2023-24 and 2024-25 is ₹63,000/-. The Appellant, feeling aggrieved and dissatisfied, has filed the present appeal.
4. The Appellant contends that they had submitted the Balance Sheet and Income & Expenditure for the year 2021-22, but they are not satisfied with the amount of fees decided.
5. The Appellant raised the concern that they are not aware of the methodology followed for calculation of the fees and the specific expense items that have been disallowed by the Respondent while calculating their

fees. This lack of transparency has resulted in an unfair situation for the Appellants, as they are unable to understand the basis on which their fees has been determined.

6. During the hearing, the Respondent submitted the exact methodology to determine the fees, as also the specific heads of expenses that were disallowed by them.

7.1 The Chartered Accountant representing the Respondent informed the court that, in accordance with clause 3.5.2 of "**The Framework for Fee Regulation of Technical Education Institutions**" (hereinafter referred to as the *Framework*), specific heads of expenses have been disallowed from the Appellant's expenditure. These disallowed heads of expense include Training & Placement expense, Hostel Fees, Transportation Fees, Mess Fees and Uniform Fees. The Respondent submitted that the amount for Training & Placement far exceeded the amount that the Guidelines stipulate. Hence, it was disallowed to arrive at the fee structure determined for the Appellant.

7.2 Upon being informed of the specific heads that were disallowed by the Respondent, the Appellant submitted their representations and supporting documents to justify why these expenses should be considered while determining the fee structure for their course.

8. The Respondents also informed that the Appellants failed to upload the college's audited depreciation amount on the portal due to which no depreciation was charged to the Income and Expenditure Account. However, during the hearing, the Appellant submitted the audited depreciation amount.

9. The Respondents informed that the Appellant runs many colleges imparting various other courses, registered under the trust named 'Rewa Shiksha Samiti'. The Chartered Accountant for AFRC made certain adjustments by shifting some amount of the profits of the Appellant's colleges to another institution of the Society, namely, Shri Ram Institute of Science and Technology imparting BE and ME courses. The Respondent explained that the purpose of this exercise is to undo the unreasonable apportionment of expenditure among different institutes, all running under the same society. The Appellants objected to this practise as being arbitrary and unfair.
10. Arguments of both the sides were heard. The issues in the appeal raised were deliberated upon.
11. It is observed that the fee order issued by the Respondent provides no reasons, whatsoever, to justify the awarded fees or to indicate whether the factors outlined under Section 9 of the Act were taken into consideration before determining the final fees. It is undisputed that, even on the administrative side, the authorities are obligated to pass orders that provide clear reasoning. In the case of *Shrilekha Vidyarthi v. State of U.P.*, AIR 1991 SC 537, the Hon'ble Supreme Court stated:

*"Every State action must be informed by reason, and it follows that an act uninformed by reason is arbitrary. Rule of law contemplates governance by laws and not by the humour, whims, or caprices of the men to whom the governance is entrusted for the time being. It is trite that be you ever so high, the laws are above you. This is what men in power must remember, always."*



As mentioned above, AFRC has failed to issue a speaking/reasoned order. Therefore, going forward, AFRC should pass speaking orders, demonstrating the application of careful consideration.

### **12.1 The Framework for Fee Regulation of Technical Education**

**Institutions** has been developed with the aim of adhering to the guiding principles provided by the Act and to create a fair and equitable process for determining fees for both students and institutions. **Clause 3.5.2** provides for the treatment of **Ancillary Facilities** and stipulates the following:

*“For facilities like Transportation, Hostel, Mess and Training & Placement, activity fee will be based on actual cost and no profit-no loss basis subject to a reasonable upper cap fixed by the committee. Such fee shall be charged on optional basis from the user only.”*

The Respondent argues that the fees charged under “Training & Placement” should align with above-mentioned Guidelines that impose an upper limit on the charges levied by colleges on students. Further, paying the fees and consequently getting the training is optional for the students. These charges are intended to cover expenses related to organization of placement drives and other supplementary activities, including inter alia training, aimed at ensuring placement for students.

**12.2** However, the argument regarding limiting the allowable expenditure for training is unconvincing, since it views 'Training' in a limited manner, largely as a short-term activity conducted during the final year solely to facilitate job placements. In reality, training is an ongoing process that commences from a student's first day at college and encompasses a wide array of courses, workshops, seminars, and events, directed towards

enhancing students' skills and preparing them for their professional journeys.

**12.3** The crucial responsibility of AFRC is to verify the credibility of the organizations or companies providing such training courses, and the usefulness of the training to the students of the course. Some of the training could be compulsory for all students, while others could be optional. This verification would enable AFRC to factor in the receipt of such training expenses when determining the final overall costs, which can then be used in the calculation of appropriate fees for specific courses within a given college. Without this examination for a specific course and institution, a uniform upper cap fixed by the Respondent for Training for all courses across all institutions seems unreasonable. Thus, the principle laid down in Clause 3.5.2 of the Framework is held to be reasonable only for "Placement", but not for "Training".

**12.4** During the course of hearing, the Appellant was directed to submit the receipts of the courses that they claim to have provided to their students, so that the Chartered Accountant for the Respondent can examine them and rightly allow them the expenses for the same.

**12.5** With regard to the term 'Placement', the Appellant has highlighted and the Respondent has acknowledged the considerable expenses incurred on the day of placements for accommodating visiting recruiters and companies, ensuring a certain level of comfort. This could be inter alia for their accommodation, travel and conveyance or arranging for their food. Nevertheless, it is reasonable that these expenses should be subjected to an upper limit or cap. Further, it is also reasonable that payment of this fees should be optional for the student, depending on the particular student's



desire to avail the placement service offered by the institution. The Guidelines provide for the same and the Chartered Accountant for the Respondent was directed to take that into account to arrive at the final fees.

13. As regards shifting some amount of the profits of the Appellant's colleges to another institution of the Society, namely, Shri Ram Institute of Science & Technology, imparting BE and ME courses, the Respondent has explained that the purpose of this exercise is to undo unreasonable apportionment of expenditure among different institutes, all running under the same Society. The method adopted by the Chartered Accountant for the Respondent to remedy the problem created due to unreasonable apportionment of expenditure among different Institutes of the Appellants, viz., to shift some amount of the profit of one college to another, finds no place in law or reason. The Appellants rightly highlighted clause 7 of the impugned order, wherein it is mentioned that:

*"Surplus, if any, shall be utilized towards growth and development of the same institution and would not be diverted to other institutions of its governing trust/society"*

On a simple and literal interpretation of the above, it becomes clear that the surplus of one college cannot be allocated to another and, in no circumstances, can this method be used to balance out the fees of various colleges formed under the same Trust. The surplus of a college is a reflection of its well-being and efforts; it cannot be shifted to another college's surplus fund while determining the fees of colleges formed under the same trust. Hence, the Respondent is directed to keep 100% surplus of the college for the respective course and accordingly calculate the fees.

14. In view of the above, the following directions are hereby issued:

a. AFRC is directed to provide detailed reasons and explanations in the orders, determining the fees for courses offered by different educational institutes. This will ensure that colleges are aware of the factors considered in their fee determination process, which is their inherent right.

b. As discussed in para 12 above, the word 'Training' from clause 3.5.2 of the Guidelines shall be removed. The expenses on Training should be charged on an actual basis without any upper cap on the same. However, the 'Placement' expense needs to be regulated and, hence, the upper limit for the same, as decided by AFRC, shall continue to exist.

c. As discussed in para 13 above, the entire surplus of the college for the respective course should be considered for calculating the fees and it should not be allocated to other colleges formed under the same Trust.

d. As discussed in para 8 above, the audited depreciation amount submitted by the Appellant during the hearing should be considered in the Income and Expenditure Account.

The directions in sub-para a, b and c above would be applicable to all orders to be issued by AFRC in the future.

15. The Chartered Accountant of AFRC was directed to calculate the fees on the basis of the directions in para 14 above. The Chartered

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Accountant of AFRC has taken all the above considerations into account and has provided information that the final fees, based on the discussed calculations, amount to ₹ 78,400/-. The said calculation would form a part of the order.

16. On the basis of the calculation made by the Chartered Accountant of the Respondent, the fee order for the Appellant's B.E course is enhanced from ₹63,000/- to ₹ 78,400/-.
17. With these directions, the Appeal stands disposed of.
18. A copy of this order is to be provided to both the parties.



**Manu Srivastava**  
**Additional Chief Secretary,**  
**Govt. of Madhya Pradesh,**  
**Department of Technical**  
**Education, Skill Development**  
**and Employment**

**(Appellate Authority)**



Shri Ram Institute of Technology

NAME OF COLLEGE:

NAME OF COURSE:

DURATION OF COURSE (In Years):

SANCTION INTAKE OF STUDENTS / YEAR:

CONSOLIDATED SANCTION INTAKE OF STUDENTS FOR YEARS:

1st BATCH CYCLE COMPLETED:

ACCREDITED INSTITUTE (By NBA or etc.)

NO. OF YEARS OF COURSE COMPLETED IN 2021-22:

BE

4

720

2880

YES

No

4

2880

Total Sanction Intake of Students in 2021-22 (b):

Tuition Fees Proposed by the Institution

- 2022-23

83000.00

- 2023-24

83000.00

- 2024-25

83000.00

- Average Fees

83000.00

Regulated Fees of Institution in 2021-22 (includinve of G&D)

63000.00

Tentative Final Total Fees may be Regulated Per Student / Year for 2023-24/2024-25

78400.00

Name of the Chairman

RAJUL KARSOLIYA

Name of the Secretary

SONAM KARSOLIYA

Expenditure claimed by the College/Institution, as per Audited Final Accounts of 2021-22

198392770.00

NET ALLOWABLE EXPENDITURE as per norms

221248537.00

198392770.00

Expenditure claimed by the College/Institution as per online Audited Final Accounts of FY 2021-22

**Less: Items disallowed**

1 Interest on Loan debited to Income & Expenditure A/c.

As per Item No. 3.1 of  
framework

0.00

- Interest others

2 Training & Placement Exp

As per Item No. 3.5 of  
framework

2540000.00

3 Depreciation debited to Income & Expenditure A/c.

As per Item No. 3.2 of  
framework

0.00

2540000.00

Total

195852770.00

**Less: Incomes to be considered for calculating cost per student**

1 Fees of Other Courses

As per Item No. 3.11.10  
of framework

0.00

Total

195852770.00

**Add: Allowable Items**

1 Interest on Loan

As per Item No. 3.1 of  
framework

0.00

0.00

Total

195852770.00

Add: Allowable Items

5

NET ALLOWABLE EXPENDITURE PER STUDENT FOR F.Y. 2021-22 68300.00

Add:

1 Hike for Inflation @ 6% for converting FY 2020-21 account comparable to FY 2021-22

0.00

NET ALLOWABLE EXPENDITURE FOR F.Y. 2021-22 after inflation 196786526.00

Add:

1 Hike for Inflation @ 12.49%

24462011.00

NET ALLOWABLE PROJECTED EXPENDITURE FOR F.Y. 2022-25 221248537.00

PROJECTED NET COST PER STUDENT / YEAR FOR F.Y. 2022-25 ON SANCTION STRENGTH 76800.00

## I. TENTATIVE TUTION FEES MAY BE REGULATED PER STUDENT / YEAR

A. Normal		76800.00	
B. Additional to ME		-5500.00	
C. Additional to BE of Shri Ram Instt. Of Science & Tech.	As per Point No. 7 of Notes hereunder	0.00	71300.00

As per guidelines approved by the Admission and Fee Regulatory Committee tentative final fees calculated is as under :

## I. TENTATIVE TUTION FEES MAY BE REGULATED PER STUDENT / YEAR

A. Normal (minimum 35500/-)	71300.00
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## II. PRESENT GROWTH &amp; DEVELOPMENT FEES PER STUDENT / YEAR

A. Growth & Development fees	7100.00	
B. Additional for Accrediation	0.00	7100.00

TOTAL FEES TO BE CHARGED PER STUDENT / YEAR AS PER NORMS [ I + II ] 78400.00

TOTAL FEES TO BE CHARGED PER STUDENT / YEAR AS PER NORMS [ I + II ] 78400.00

The above said tentative computation prepared on the basis of policy guidelines approved by the Appellate Authority of Admission and Fee Regulatory Committee is subject to the following notes and our report annexed herewith:

1. Institution has uploaded audited final accounts of 2021-22 of the course separately. Thus, we have prepared the working on the basis of audited final accounts of FY 2021-22 of course.
2. Affiliation Letter has not been submitted by the User. Honorable Committee may look into it and direct accordingly.
3. Though the user has filled Annexure VI of Depreciation for 21-22 as well as 20-21, but these incorporate consolidated fig. of the Society. Further, no depreciation has been charged to the Income and Expenditure Account. In the absence of the same, no benefit of depreciation is given to user in the working presented before Honorable Committee but now depreciation has been added on the basis of depreciation working received on mail as per the instruction of Honorable Appellate Authority.
4. UDIN mentioned on declaration submitted by the User is same as the UDIN mentioned on the audited FS of 21-22 for course. Honorable Committee may look into it and direct accordingly.
5. The user has employed 205 teaching staff which seems to be in excess of the ratio suggested by AICTE. Presently, no disallowance has been made on this account. Honorable Committee may obtain necessary information and direct accordingly.
6. The user has debited high amount of Advertisement Exp. / Newspaper & Journal Exp. / Office & Misc. Exp. / Printing & Stationery Exp. / Refreshment and Hospitality Exp. / Lab Exp. / Repairs and Maintt. Exp. to the Income and Expenditure Account. Presently, no disallowance has been made on this account. Honorable Committee may obtain necessary information and direct accordingly.
7. In the working presented before Honorable Committee of above-mentioned Institute we have made the adjustment for 'additional amount to BE of Shri Ram Instt. Of Science & Tech. BE' because of unresonable apportionment of expenditure among different Institutes resulted in excess/surplus fee allowed to said Institute against the fee working of Shri Ram Institute of Technology, BE but at present we have not made said adjustment as per the instruction of Honorable Appellate Authority.