

2. In addition, the Committee has considered the audited accounts of the colleges in order to determine the cost structure of the colleges based on the actual cost/expenses that are directly attributable to teaching education. Expenses not related to education directly or expenses or in the nature of capital expenditure have been either ignored completely or have been treated differently. Accordingly, the Committee has disallowed or reconsidered its treatment in light of correct accounting and costing principles and practices for the following expenses.

- a. Expenses incurred on running and maintaining the hostel is not considered as relevant cost.
- b. Expenses incurred on running other courses like M.Ed./M.P.Ed/B.P.Ed/PTC etc. are not considered.
- c. Interest paid on loan being in the nature of finance cost.
- d. Donations made to other institutions not considered as relevant cost.
- e. Development fund/expense claimed on ad-hoc basis not allowed.
- f. Rent charged as expense for building and other infrastructure of related parties if found excessive. The same was restricted to depreciation on the same.
- g. Unrelated legal expense, penalty, fine etc. not considered as relevant expense.
- h. Capital expenditure (Amount spent on acquiring capital assets like building, furniture, equipments, books etc. for which depreciation has to be allowed.)
- i. Depreciation is allowed on major repairs resulting into modification and improvements of enduring nature in infrastructure.
- j. Fee refund is not an item of expense but reduction in income hence not considered
- k. Impact of abnormal item expense or onetime expense of substantial amount is either not considered or spread over 3/5 years.



3. The Committee also made inter-college comparison of major cost elements and then moderated or readjusted wherever found excessive or unreasonable as compared to other similar colleges.
4. Building and other rent shown as paid to trust and other agencies related to the college is considered as unreal expense being payment not made on arm's length basis. However adequate depreciation on the entire infrastructure is considered. This is based on the average depreciation on entire infrastructure claimed by the colleges during the period.
5. It is observed that few colleges have collected other fees under various heads over & above prescribed tuition fees. Such other fees include computer fee, library fee, stationery fee, practical fee, form fee, sports fee, kit fee, uniform fee, orientation fee, transportation fee, breakage fee etc. Such practices need to be stopped and the college will be asked to collect only fees fixed by the Committee except those allowed by the university to which the college is affiliated. Wherever such fee is found to be in the nature of reimbursement of the concerned expense, such expense is disallowed in final working of admissible costs.
6. Scholarship paid is not considered as relevant expense as it amounts to cross subsidization and is not an expense directly related to imparting education. In case the scholarship is paid out of scholarship received for specified class of students, the same is also not considered as relevant expense.
7. In the circumstances where the actual number of students on roll is substantially lower than the number of students on normative intake basis, we have adjusted the cost structure by considering appropriate number of students for deriving cost per student to be fair with both the students as well as management.
8. Since the major cost of imparting quality education is towards manpower, the committee has given appropriate weightage to salary cost. This means if the employee cost is lower than the other costs; the committee has discounted other costs appropriately.
9. The committee has considered an allowance of 7.5% for growth and development on the actual cost structure emerging of past 3 years.
10. While finalizing the fee structure, the committee has considered the actual cost structure emerging from the audited accounts with the fee structure declared of preceding block of 2015-18. The