

SYNOPSIS

By this Writ Petition filed in public interest, the Petitioners are approaching this Hon'ble Court as a last resort to save the Indian Institutes of Management (hereinafter referred to as "IIMs") from being destroyed by the Respondents by their arbitrary action, arrived at on wholly irrelevant considerations, and dictated by the imminent elections.

The Ministry of Human Resources Development of the Government of India vide the impugned Order dated 5.2.2004 (Annexure F) (passed on the day of the dissolution of the last Lok Sabha) directed the IIMs to reduce the fees charged at the IIMs to Rs. 30,000/- per student from the academic year 2004-2005.

The impugned order is bad in law and is vitiated for the following reasons :-

- (i) The fees charged by the IIMs from each student is already subsidized by more than 60%. The IIMs spend around Rs. 4 Lakhs on each student, whereas the fees collected from each student is only Rs. 1.5 Lakhs. The fees include tuition fees, cost of reading material for about 40 courses, the cost of maintaining the library with over 1.5 lakhs titles including 650 journals, the single occupancy hostel charges (fitted with telephone, internet connection and other facilities) and other expenses. Except for the food bill, the students are not required to pay any other charges in addition to Rs. 1.5 lakhs charged every year.
- (ii) Originally, the fees charged by the IIMs were negligible as a result of which they had to wholly depend on the Central Government. The Central Government, in order to reduce its financial burden, constituted a Committee called 'Kurien Committee' to look into ways to reduce its financial burden. The Kurien Committee filed its report (Annexure D) in July 1992 *inter alia* recommending a) steps for creation of a

corpus within five years, b) reduced dependence on governmental grants c) upward revision of fee structure d) provision of scholarships for needy students and educational loans *“to mitigate the impact of revising the fee structure on talented students coming from economically weaker sections...”*. The Committee in its report observed that *“The expectation that the government would or can support without limit the maintenance budget of the institutes is untenable in the current context of financial stringency.”* And *“The committee is of the view that steps should be taken to build up a Corpus Fund for each institute during the period of the next five years.”* The recommendations were accepted by the Central Government, and fees in the IIMs have been gradually increased to the present level. Correspondingly, the contribution from the Central Government has also been going down. For instance, for the academic year 2004-05, the Central Government has reduced its grant to IIMs by 30%.

- (iii) The Respondents, in passing the impugned Order, have relied upon the U.R. Rao Committee Report, which was constituted to look into the fees charged by private technical institutions, (governed by AICTE) against whom there were allegations that they were charging capitation fee from the students. Mr. U.R. Rao, the Chairman of the Committee, has categorically stated that his Committee had not dealt with IIMs and IITs. This statement was carried in the Economic Times on 8.2.04 (Annexure E).
- (iv) The Central Government has not made public the Report of U.R. Rao Committee, and the attempt of the Petitioners to get a copy of the Report from the Hon'ble Minister has not fructified.
- (v) The reliance on the recommendations of the UR Rao Committee Report was misconceived and erroneous in as much as the said committee was not formed as per the

mandate of Article 5 of the Articles of Association of the IIMA Society (and other equivalent provisions of the other IIMs). As per this article consultation with the State government is mandatory before either forming a committee or before implementing an order.

- (vi) The Hon'ble Minister for Human Resources in his interview to the Press on 7.2.04 (Annexure J) admitted that the reduction in fees was connected to vote garnering.

“To say that all actions of the government is not related to votes is a poor simplification”

- (vii) The Hon'ble Minister had been attempting to destroy the autonomy of the IIMs in the past and had asked the IIMs to sign an MOU with the Government, based on which annual grants would be made. The IIMs at Ahmedabad, Bangalore and Calcutta refused to sign the MoU. It may be worthwhile to mention here that in order to enable them to function as autonomous institutions and free from Governmental interference, the IIMs were started as Societies registered under the Societies Registration Act, 1860. The IIMs are the result of a grand vision of the founding fathers of our nation. The object of setting up these institutions as well as other technical institutions like RECs and IITs is to achieve excellence in their respective fields.

- (viii) Mr. Naryana Murthy, Chairman of the Board of Governors, IIM, Ahmedabad referring to the impugned order reportedly stated (Annexure H) *“It's not based on data and facts. It's not based on reason or logic”*. The news report also goes on to state *“He [Mr. Murthy] said the Government had taken the steps without detailed consultation with stakeholders such as Chairmen of IIMs and its Directors. Murthy said he did meet Joshi and gave him data. “But I don't think they have looked at it”. According to him, he met Mr. Joshi on January 14 and gave him all information”*...*“For some reason, these things have been ignored”*.

- (ix) The impugned Order has been passed with a view to gain control over the IIMs and is therefore *mala fide*.
- (x) The impugned Order is a retrograde step and if allowed to be implemented, would adversely affect the excellence of the IIMs, which has been achieved over the last 4 decades.
- (xi) Admission to the IIMs is based on merit. Students with humble economic background easily get admission into these institutions, and none of them has been declined admission on the ground of their inability to pay the fees. Besides the numerous scholarships sponsored by the Industry, IIMs and the government for needy, SC/ST and merit based students, the Banks vie with each other in extending educational loans to the students of IIMs. On passing out, these students get gainful employment with good salary package. Many of them also work for NGOs, PSUs and the Government.
- (xi) There is a 22.5% reservation in IIMs in favour of students belong to Scheduled Caste and Scheduled Tribe.
- (xii) IIMs are rated amongst the top schools of management in the world.
- (xiii) The excellence achieved by institutions like Harvard, Oxford, Cambridge is due to minimal Governmental interference even though the Governments there continue to support those institutions economically.

Since the IIMs are spread across the country and the impugned order, which has been taken arbitrarily, affects the present and future generation of the students community across the country, the Petitioners are approaching this Hon'ble Court directly in public interest under Article 32 of the Constitution for breach of their fundamental rights guaranteed under Article 14 of the

Constitution against the arbitrary and ill conceived action of the Respondents.

LIST OF DATES AND EVENTS

S. No.	Date	Event
1.	1961-1998	<p>During this time the six Indian Institutes of Management were set up:</p> <p>Indian Institute of Management, Ahmedabad (1961)</p> <p>Indian Institute of Management, Calcutta (1961)</p> <p>Indian Institute of Management, Bangalore (1973)</p> <p>Indian Institute of Management, Lucknow (1984)</p> <p>Indian Institute of Management, Kozhikode (1996)</p> <p>Indian Institute of Management, Indore (1998)</p>
2.	July, 1992	<p>The HRD ministry set up the Kurien Committee to look into ways of making IIMs less dependent on government resources. The committee recommended an increase in fees and reduction of subsidy. The recommendations were accepted by the ministry and the same were implemented over the subsequent years.</p>
3.	2003	<p>The Ministry of Human Resources Development appointed the UR Rao Committee, to look into the question of fee structure of technical institutes. The present impugned order is based upon the assumption that the report is applicable to IIMs. However, Mr. U.R. Rao, Chairman of the Committee denied that the</p>

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report had anything to do with IIMs.

4. August 2003 IIMs were asked to sign an MoU, with the government. The MoU sought to gain more control of the IIMs and

made the signing a condition to grant of funds. IIM Ahmedabad, Bangalore and Calcutta did not sign the MoU.
5. 23.11.2003 The Common Admission Test (CAT) for IIMs was cancelled following the leakage of question papers of IIMs. The CBI prima facie found the Government controlled press negligent.
6. 30.01.2004 The Petitioner No.1 wrote to the Minister of the Human Resource Development asking for a copy of the U.R. Rao Committee report
7. 4.02.2004 The Petitioner No.1 made a representation to the Respondents detailing why no steps should be taken regarding the proposed reduction in the fee structure or reducing the autonomy of the IIMs.
8. 5.02.2004 Respondent No. 3 issued the impugned order directing the Directors of the IIMs to reduce the fees of the IIMs from 1.5 lakh (approx.) to Rs. 30,000 per annum.
9. 7.02.2004 Mr. U R Rao in a televised interview to the NDTV has stated that his report focused only on technical institutes under the All India Council for Technical Education (AICTE) and had nothing to do with the IIMs or IITs.

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10. 7.02.2004 The Hon'ble minister for Human Resources Development
inter alia admitted in his interview to the press that the reduction in fees was connected to vote garnering.
"To say that all actions of the government is not related to votes is a poor simplification"
11. 9.02.2004 Since the decision to reduce the fees is ill conceived having been arrived at on irrelevant consideration like garnering votes and gaining control over the IIMs, the present petition is filed in public interest with a view to save the institutes of international repute from being destroyed by the arbitrary actions of the Respondents.