BEFORE DR. K.K. KATOCH, CHAIRMAN, H.P. PRIVATE EDUCATIONAL INSTITUTIONS REGULATORY COMMISSION, SHIMLA-171009.

Case No: 4 of 2017
Instituted on: 11.10.2017
Dated of decision reserved: 27.10.2017
Date of pronouncement of decision: 14.11.2017.

Kanwar Bharat Singh, Near Tunnel, Lower Bazar, Shimla-171001.
... Complainant

Versus

Frankfinn Institute of Air Hostess, Scandal Point, The Mall, Shimla.
.... Respondent

Present:

For the petition: None
For the Respondent: Maj. Gen. (Rtd) R.K. Sharma, Shri A.K. Sharma, Ex. DIG (GM Admn, Liasoning & HR) and Shri Tejinderjeet Singh appeared in person on behalf of FRANKFINN AVIATION SERVICES (P) LIMITED

ORDER

1. On the complaint received from Kanwar Bharat Singh in H.P. Private Educational Institutions Regulatory Commission Shimla on 12.6.2017, the respondent was directed to furnish basic information with regard to running of the Institute(s) in Himachal Pradesh. The respondent submitted information vide its letter dated 12.07.2017 and stated that Frankfinn Institute of Air Hostess Training Centre is a unit of Frankfinn Aviation Services Private Limited, a registered Company incorporated under CIN U 74992 DL 1993 PT CO51813. The Frankfinn Training Centres are running PAN India including in the State of Himachal Pradesh for the past 14 years. The training curriculum constitutes various modules pertaining to Personality Development, Communication Skills, English Language, Grooming, Customer Care etc. including Computer Reservation Systems for Hotel and Travel Industries. The training Centres are in no manner governed by the State and/or the Central Government, either relating to education or technical education for carrying out such training programmes in its centres. The training imparted in Frankfinn training Centres is primarily to enhance the overall personality of the students/ candidates and equipping them with requisite knowledge and skill sets so that they have distinctive edge over other candidates in appearing and facing interviews conducted by major Airlines, Five Star Hotels in hospitability, Travel and Customer Service Industries besides Multi National Companies and reputed Indian Companies/ organisations. The Frankfinn training centres are in no manner affiliated with any institute, whatsoever. It further stated that

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centres of Frankfinn in the State of Himachal Pradesh are outside the purview of definition of "Private Educational Institutions" as defined in Section 2 (c) of the Himachal Pradesh Private Educational Institutions (Regulatory Commission) Act, 2010. It further disclosed the following information:

(a) The Training Centre of Frankfinn is not a college and therefore, is not covered under UGC or any equivalent authority. The Company had never received any grant or other facilities e.g. of allotment of land, etc by Central government and/or State Government.

(b) The Training Centre of Frankfinn is not an Institute providing or dealing in courses/ training in professional, Technical, Management, law, Engineering, Medicine, Pharmacy, Para medical Institutions or Universities, Deemed Universities, Centre of Excellence or any other educational Institutions of higher learning.

(c) The courses conducted through training Centre are not academic in nature. The training courses are for a period of 12 months and are part time course of 2 hours for 3 to 5 days in a week, which means the students can undertake training in Frankfinn training Centre alongwith their normal graduation/ post graduation courses.

(d) The Diploma /Certificates conferred on students is only an acknowledgement of successful completion of course by the students as per internal assessment and procedures adopted by the Frankfinn training centres for this purpose.

(e) The Training Centre of Frankfinn is primarily engaged in imparting SOFT SKILL related trainings to its students duly acknowledged by Ministry of Skill and Development. The Company is an "Approved Training Partner" of "National Skill Development Corporation (NSDC)". Accordingly the Company is following guidelines issued by NSDC from time to time to company with regard to its training and delivery.

(f) The Frankfinn training centres have impeccable reputation on account of quality training, delivery and placement for its students. It is because of Frankfinn's best placements that Frankfinn training centres has been recorded in Prestigious Limca Book of Records Year after year.

(g) The Frankfinn Training Centre in no manner requires any permission or sanction to impart such training and is only a service provider to the candidates. Due to this

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reason, Frankfinn training centres is outside the purview of AICTE, UGC, Directorate of Distance Education of Centre or any State, DGCA and CBSE etc.

(h) The Frankfinn Institute of Air Hostess Training has been awarded the best Air Hostess Training Institute Award six years in a row from 2011 to 2016. In 2015 and 2016 by ASSOCHAM, the award has been handed over by Shri Ashok Gajapati Raju, Hon'ble Union Minister of Civil Aviation, Govt. Of India.

It has further been mentioned that the Frankfinn Institute of Airhostess Training is being run at Upper Mall Road, Shimla-171001 and another at Kashmiri Complex, Upper Bazar, Hamirpur, Himachal Pradesh -177001. And the following programmes are being run:

(i) FDAHTM (Frankfinn Diploma in Aviation, Hospitality and Travel Management)

(ii) FDHTCS (Frankfinn Diploma in Hospitability, Travel and Customer Services)

(iii) FPGDAHS (Frankfinn Post Graduate Diploma in Aviation and Hospitability Services)

(iv) FPGDAGS (Frankfinn Post Graduate Diploma in Airport Ground Services)

It has further been clarified that the fee charged from students is on account of tuition fee only which is commensurating with the cost involved in high quality training and the Company has never charged fee for Building Fund, Infrastructure, Capitation, Development etc.

2. Feeling dis-satisfied with the reply submitted by the respondent, the H.P. Private Educational Institutions Regulatory Commission (HPPERC) vide its Notice dated 11.10.2017 called the respondent for personal hearing on 24.10.2017. However a request was received that the hearing be postponed, accordingly the hearing was fixed for 27.10.2017 on which date Maj. Gen. (Rtd) R.K. Sharma, Shri A.K. Sharma, Ex. DIG (GM Admn, Liasoning & HR) and Shri Tejinderjeet Singh appeared in person on behalf of FRANKFINN AVIATION SERVICES (P) LIMITED.

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3. Representatives of the FRANKFINN AVIATION SERVICES (P) LIMITED stated that the Company is running its two institutions in the State of Himachal Pradesh as its franchises one at Shimla and another at Hamirpur. There are 100 students at Shimla and about 40 students at Hamirpur. They further stated that fee structure is designed by the Company of its own and there is no approval from any State Government /Central Regulators/Central Government. Fee from the students undergoing training in Cabin Group is charged at the rate of Rs. 1.25 lacs to Rs. 1.50 lacs and that from the non cabin group @ Rs. 1.00 lac for one year. The course duration is one year with 2 hours per day of five days' week. The minimum qualification for admission in the Institute is 10+2. The representatives further stated that all diplomas are awarded in the name of the Company. They further stated that they have affiliation with the National Skill Development Corporation (NSDC). They submitted copies of the affiliation of both the Institutions and a copy of certificate of Partnership with NSDC. They further stated that the subject matter in hand is not covered under the HPPERC Act/Rules. The representatives prayed that in case HP PERC comes to a conclusion that the both the Institutes are to be closed, then in such eventuality atleast 3 months' time be granted for compliance or any other directions be given for running the Institute as per law.

4. Representatives of the Company were directed to submit any document in their defence, for which they denied and stated that they have no other documents in their defence. Representatives of the respondent were heard at length and documents submitted were taken on record. The orders in the case were reserved.

5. I have gone through the entire record submitted by respondent. It is apparent that the respondent is offering diploma courses for one year and charging hefty amount for imparting such training, as described by them in the reply. The diploma/ certificates are issued by the Company "Frankfinn Aviation Services Private Limited" and the fee has been designed by the Company itself. The Company has no permission from the competent authority to run such Institute in the State of Himachal Pradesh. In view of the averments made in reply by the respondent and the submissions made before the Commission, the following points emerge for consideration and my findings against each are as under:

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(a) Whether the activities undertaken by Frankfinn are within the jurisdiction of HP PERC?

The representatives of the respondent Institute stated that the basic qualification for admission in respondent Institute is 10+2. The duration of course for awarding Diploma/Certificate is one year with 2 hours per day of five days' week. The "Private Educational Institutions" within the ambit of HP PERC means all the private educational institutions in the State viz. degree Colleges, professional colleges of Education, Institutes of Technical Education, Management, Law, Engineering, Medicine, Pharmacy, Paramedical Institutions and Universities, deemed Universities, Centres of Excellence or any other educational institutions of higher learning, except schools affiliated to any recognized Board of School Education. Frankfinn is giving admission to students having basic 10+2 qualification and awarding diploma/certificate after completion of one year, as such Frankfinn comes within the jurisdiction of this Commission and the HPPERC has jurisdiction to try and entertain the present complaint.

(b) What is the scope of Pradhan Mantri Kaushal Vikas Yojana/ National Skill Development Scheme?

In order to arrive at a logical conclusion, I have gone through Pradhan Mantri Kaushal Vikas Yojana (PMKVY) which is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this Skill Certification Scheme is to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood. Under this Scheme, Training and Assessment fees are completely paid by the Government. This scheme has been approved for another four years (2016-2020) to benefit 10 million youth. Various Training Centres (TCs) have been opened under this Scheme. To ensure that high standards of quality are maintained by PMKVY TCs, NSDC and empanelled Inspection Agencies shall use various methodologies, such as self-audit reporting, call validations, surprise visits, and monitoring through the Skills Development Management System (SDMS). These methodologies shall be enhanced with the engagement of latest technologies. The scheme will be implemented through the

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National Skill Development Corporation (NSDC). The NSDC facilitates initiatives that can potentially have a multiplier effect as opposed to being an actual operator in this space. In doing so, it strives to involve the industry in all aspects of skill development. The approach is to develop partnerships with multiple stakeholders and build on current efforts, rather than undertaking too many initiatives directly, or duplicating efforts currently underway. NSDC provides financing either as loans or equity, providing grants and supporting financial incentives to select private sector initiatives to improve financial viability. The exact nature of funding (equity, loan and grant) will depend on the viability or attractiveness of the segment and, to some extent, the type of player (for-profit private, non-profit industry association or non-profit NGO). Over time, the NSDC aspires to create strong viable business models and reduce its grant-making role. A skills development institute requires a number of inputs or support services such as curriculum, faculty training standards, quality assurance, technology platforms, student placement mechanisms and so on. NSDC plays a significant enabling role in these support services, most importantly in setting up standards and accreditation systems in partnership with industry associations. There are two types of affiliations:

NSDC funded Affiliation: It includes any legal entity including, but not limited, to Company/Society/Trust as per the process and applicable laws and guidelines. NSDC guidelines show that NSDC funds training infrastructure (excluding the acquisition/ creation of immovables) and working capital with interest @ 6% p.a. with a moratorium period upto 3 years. The funds are repayable within 7 years (including moratorium period). The training is to be imparted by Private Universities, Engineering Colleges, ITIs and Polytechnics which should be listed in BSE/NSE for more than 3 years with a credit rating of A- or above or foundations/similar ventures of such organisations with intake of 5,000 persons per centre over 7 years. Placement guarantee of 70%.

NSDC Non-Funded Affiliation: NSDC can co-opt reputed entities with established credentials who wish to be a part of the "Skill India" and/or "Make in India Mission" but do not require funding and want to be a partner. Proposals submitted should be robust and catering to sectors with high growth, unmet needs and/or unorganized sector. Proposals must be outcome oriented and should focus on placement in

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industry, self-employment, entrepreneurship. Entity listed in BSE/NSE with more than 5 years with sustainable growth and with a credit rating of A- and above, separate TOR and due-diligence process are eligible for affiliation. Not for profit entity having more than 5 years of sustainable growth are also eligible.

Centre Accreditation: As per scheme of PMKVY, a Centre Accreditation is a quality assurance process, under which required parameters of TCs are evaluated. It is of key importance to ensure that the trainees are provided quality training, thereby creating the requirement to have a well-defined validation process of TCs, creating the need of Centre Accreditation. Accreditation focuses on learning and self-development, and encourages the TC to pursue continual excellence. The process involves a combined mechanism of self-evaluation by the TCs and an external evaluation by a Third Party Inspection Agency to determine that the prescribed qualitative standards are met by the TC

De-accreditation of a Training Centre: The Accreditation Committee may suspend or cancel the accreditation of a TC because of violation of its terms and conditions.

(c) Whether the respondent Institute is undertaking all activities in consonance with the programmes being run by NSDC?

In view of the parameters of National Skill Development Corporation mentioned in para (b) above, it is fairly concluded that neither the respondent Institute is running programmes in consonance with the provisions of Pradhan Mantri Kaushal Vikas Yojana adopted by NSDC nor the fee has been designed by NSDC. Moreover the certificates/ diplomas are being awarded by the Company itself, hence the activities adopted by respondent institute are illegal and contrary to the basic provisions of scheme with an oblique motive of minting money by alluring innocent people, hence this practices deserves to be deprecated and curbed with iron hands.

Conclusion:

6. The Commission has already decided such like matters in the past some of which are pertaining to franchises of a Company and such Institutions have been ordered to be closed down which were found to be alluring innocent students seeking brighter job opportunities, e.g. Suo Moto Case No.5/2016 against Swagat Education Centre Hamirpur, Suo Moto Case No.16/2016 against Paradise Institute of Fashion Designing, Suo Moto Case No.17/2016 against

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Vector Education Society Palampur, Suo Moto Case No.19/2016 against NFCI Education Private Limited Solan, Suo Moto Case No. 14/2016 against Kangra Heights Institute of Fashion and Technology Palampur and Suo Moto Case No. 24/16 against Amass Education, Hamirpur, Dharamshala, Mandi and Kangra. Though the Companies /Registered Societies/Trusts are competent to run educational institutions in the State but such programmes should not be out of those nomenclated by the UGC/ Central /State Regulators and that too with due permission from the competent authorities/State Government. The respondent Institute has not fulfilled any of the criteria of Pradhan Mantri Kaushal Vikas Yojana/NSDC for running programmes and in fact has indulged into unfair practices in the State of Himachal Pradesh by imparting training and awarding diplomas for one year resulting in commercialization of the education, as such the following orders are passed:

1. The respondent is directed to close down its both Institutions i.e. Frankfinn Institute of Airhostess Training, Upper Mall Road, Shimla and Kashmiri Institute of Airhostess Training, Kashmiri Complex, Upper Bazar, Hamirpur (Himachal Pradesh) within a period of 30 days.
2. National Skill Development Corporation be apprised of the unfair trade practices being adopted by respondent Institute in the State of Himachal Pradesh by charging hefty amount from the students under the guise of Skill Development Training Programme, as such affiliation of Frankfinn be cancelled forthwith and this Institute be blacklisted for imparting any training programme under NSDC in future.
3. Compliance of the orders be reported by the respondent by 20 December, 2017, failing which matter be reported to the District Administration/ Police for shutting down forcibly the unauthorized and illegal running Institutes at Shimla and Hamirpur.

Copy of the orders be supplied to the respondent by Registered Post for compliance.
Copy of the orders alongwith affiliation certificate be supplied to National Skill Development Corporation for taking necessary action.
Orders be hosted on the website of the Commission.
File, after due completion be consigned to record room.

Announced

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15.11.2017
(Dr. K.K. Katoch)
Chairman