

FEE REGULATORY COMMITTEE FOR MEDICAL EDUCATION IN KERALA

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FRC 50/21/MBBS/AIMSR

MBBS Admission 2021-22- Regulation of tuition fee, Special fee and other fees in respect of Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam- Order issued on 14.01.2022

PRESENT

1. Hon'ble Justice Mr R Rajendra Babu (Retd) ➤ Chairman
2. Dr. Asha Thomas I A S ➤ Member Secretary
[Additional Chief Secretary, H&FWD]
3. Sri. S Suresh Babu ➤ Member
[Chartered Accountant]
4. Sri. P P Gopi ➤ Member
[Subject Expert]

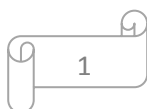
READ

1. Lr. No. FRC 50/21/PG/UG/Medical/Dental/SFMDCK dated 16.09.2021 issued by the FRC
2. Lr. No. AIMS/684/2021 dated 22.09.2021 from the Principal, Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam
3. Lr. No. FRC 50/21/MBBS/AIMSR dated 01.12.2021 issued by the FRC
4. Hearing of the representatives of Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam, held by the FRC dated 07.12.2021
5. Lr. No. AIMS/889/2021 Dated 10.12.2021 from the Principal, Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam received in this office 16.12.2021

ORDER

1. The Azeezia Institute of Medical Sciences and Research, Meeyannoor,

RR



Kollam, in short the Medical College, run by the Podikunju Musliar Memorial Charitable Trust, is having an intake strength of 100 candidates for the academic year 2021-22.

2. The Hon'ble Supreme Court as well as the High Court in various judgments have pronounced that the Fee Regulatory Committee, herein after referred as the Committee, was empowered to regulate the tuition fee in respect of Self Financing Colleges before the commencement of each academic year for professional courses. The Hon'ble Courts have also directed the Self Financing Colleges to submit their fee proposal along with the supporting documents within the prescribed time, as mentioned by the Hon'ble Court, before the Committee for the regulation of the tuition fee. The Committee shall examine the fee proposal and the documents submitted by the Colleges and eliminate the profiteering and exploitative elements in the proposal and to regulate a reasonable fee for the Colleges.
3. In view of the above directions of the Hon'ble Courts, the Committee regulated the tuition fee from the academic years 2017-18 to 2019-20 in respect of all the Self Financing Medical Colleges, including Azeezia Institute of Medical Sciences and Research also. The tuition fees fixed by this Committee in respect of the Medical College from the academic years 2017-18 to 2019-20 have been challenged before the Hon'ble High Court on various writ petitions and through common judgement dated 19.05.2020, the Hon'ble Court set aside the orders passed by the Committee and directed the Committee to regulate the tuition fee specifying certain fresh guidelines.
4. The above Court order was challenged by the State of Kerala before the Hon'ble Supreme Court in SLP (C) No. 9847- 9857/2020 & connected cases. In the petition seeking stay of the implementation of the above order

passed by the Hon'ble High Court, the Hon'ble Supreme Court passed the following interim order

“In the meantime, if the Fee Regulatory Committee submits any report after remand, the same shall not be implemented.”

5. In the meanwhile Lock-down was declared due to the COVID spread all over the country and the process of admission for the academic year 2020-21 was extended to January 2021 due to the pandemic situation and the priority was given to regulate the tuition fee for the academic year 2020-21, as the MBBS admission procedure was started at the end of the year. Hence, the committee primarily considered the regulation of tuition fee for the academic year 2020-21. Accordingly, the Committee through a common order dated 04.11.2021 has regulated the tuition fee in respect of all Self-financing medical colleges for the academic year 2020-21.
6. Thereafter, the Hon'ble Supreme Court by judgment dated 25.02.2021 in Civil Appeal No. 617 of 2021 has directed the Committee to expeditiously reconsider the fee proposals of the Private self-financing Medical colleges for fee fixation from 2017-18 onwards. The Hon'ble Court has also directed the managements to furnish any information that is required for the purpose of arriving at a decision that the fee proposed by the managements is neither excessive nor exploitative nature. The Hon'ble Court further directed the committee that a reasonable opportunity should be given to the managements of private self-financing colleges to substantiate their proposal for fee fixation and the entire exercise shall be completed within a period of three months from the date of the order.
7. In pursuance to the above direction, the Committee has reconsidered the fee proposal submitted by all the Medical Colleges in Kerala and the entire

process was completed by the Committee on 22.11.2021, within the extended time allowed by the Hon'ble Apex Court.

8. After completing the entire process of work relating to the reconsideration of fee proposal from the academic years 2017-18 to 2020-21, the Committee held a meeting on 08.09.2021 and decided to commence the process of fee regulation for the academic year 2021-22. The Committee has also observed that Medical College has failed to submit the fee proposal along with the supporting documents before the Committee, as per the Hon'ble High Court direction in **2017 (4) KLT 809**. Therefore, the Committee decided to call for the relevant documents along with the fee proposal from the Self Financing Medical Colleges to regulate the tuition fee for the academic year 2021-22.
9. Accordingly, the Committee through communication dated 16.09.2021 has directed the Medical College to submit two copies of the relevant documents, as mentioned in the communication, to submit before the Committee along with the fee proposal on or before 22.09.2021 for regulating the tuition fee for the academic year 2021-22.
10. In compliance of the above direction, the Principal of the Medical College through communication dated 22.09.2021, has submitted the documents as called for by the Committee for regulation of the tuition fee in respect of MBBS Course for the academic year 2021-22.
11. After preliminary scrutiny of the documents submitted by the Medical College, it is found that the Medical College proposed an amount of Rs. 15,00,000/- for 85% seats and Rs. 25,00,000/- for NRI quota seats for the academic year 2021-22. The Committee has also observed that the fee proposed by the Medical College was exorbitant when compared to previous year's fee fixed by Committee. Therefore, the Committee decided to give an

opportunity of hearing the Medical College in connection with the regulation of tuition fee for the academic year 2021-22. Accordingly, through communication dated 01.12.2021, the Principal of the Medical College was requested to depute a competent person to attend the hearing to be held on 07.12.2021 through Google Meet.

12. In compliance of the above direction, the following representatives of the Medical College were present on 07.12.2021.

SL NO	NAME OF THE REPRESENTATIVE	DESIGNATION
1.	DR. RIYAS	VICE PRINCIPAL
2.	SRI.SREE HARI	CHIEF FINANCE OFFICER

13. During the hearing, the Committee pointed out the representatives of the Medical Colleges that the Medical College has demanded more than 100% increase from the existing fee structure. The Medical College representatives submitted that the management is struggling to meet the expenditure to run the institution with the existing fee structure. Now the management is also, anticipating additional expenditure due to the present additional requirements prescribed by the NMC as per its guidelines issued, hence the fee proposed by the management may be allowed.
14. On the above submission by the management, committee informed the representatives that the documents submitted by the management are deficient for the fee regulation and further informed that the high increase in tuition fee demanded is not justified by the management with the support of actual facts & figures and proper scientific workings. Even the detailed flow of item-wise additional expenditure incurred /investment done so far as per NMC guidelines are not included along with the documents submitted to FRC. Even a financial investment scheme /plan on additional expenditure explaining how and when it is going to be implemented has not

been provided to FRC for its consideration .Therefore, the committee cannot take a decision at this stage of hearing, for want of the above relevant details.

15. The Committee informed the representatives that it has to evaluate the proposals of other medical colleges also, on this count before taking a decision. The Committee also opined to the representatives that the requirements as put forward in the hearing verbally, the actual effect of which will be reflected only in the next years' account and the College will get the benefit of such expenditure in the subsequent year's fees fixation.
16. The Committee also directed the representatives to submit the written statement expeditiously as possible so as to take a final decision for regulating the tuition fee for the academic year 2021-22 since the committee has to finalise the work within a short span of time.
17. In pursuance of the above submission, the Principal of the Medical College has submitted a representation before the Committee on 13.12.202; the medical college has submitted that they have applied (Invested) Rs.5.56 Crores in the year 20-21 in the required developments and Rs.4.22 Cr up to 30th November 2021 in the current financial year. They have also given another estimate of Rs.3.65 Cr, thus the management claimed that total development will be Rs.13.45 Cr. They also added that it will require anotherRs. 10.65 Crores for the emergency department and skill labs in the year 2021-22.
18. The Committee has gone through the above submission made by the Medical College meticulously. It is found that the statement of accounts produced by the Medical College did not disclose any additional expenditure as contemplated by the amended regulations of the National Medical Council as claimed by the management before the Committee during the

hearing. Even after the expiry of 9 months from the end of financial year 2020-21, management has not attempted to complete the audit and submit the audited financial statements and books for the year 2020-21.

19. Due to the non- production of actual books and audited financial statements for the year 2020-21 before FRC, it could not verify & confirm the veracity of the extent of additional expenditure of Rs.5.56 Cr claimed in the letter. The management, though it is stated in the letter that it is anticipating a total financial expenditure of Rs. 23.95 Crores towards the additionally prescribed as per NMC norms, the management ought to have submitted a detailed plan of investment supported by technical report on the basis of the NMC guidelines issued. Moreover, the committee observe that the medical college has submitted their claim on additional investment, differently, without any standardised programme of investment.
20. In view of the above submission, it appears that it will take about three to four years from 2020-21 to complete the entire investment as per NMC guidelines. Therefore the beneficiary of the additional investment is not the students admitted in 2021-22 batch alone, but it is for the students admitted in future years also. Hence the whole expenditure cannot be recouped from a single batch student of 2021-22 but can be recovered only in a phased manner after verifying the actual investment in the support of audited books and records. Therefore, the committee is of the considered opinion that the exorbitant hike in tuition fee demanded by the management for the academic year 2021-22, on the basis of additional investment due to NMC guidelines is highly unreasonable & exploitative.
21. The endeavour before the Committee is to regulate & fix the tuition fee of the academic year 2021-22, on the basis of the audited accounts of 2020-21 by deleting the probable & profiteering, unreasonable, exploitative items and capitation fee and to fix a reasonable fee structure with the aid of necessary

supporting documents/evidences. Therefore, the medical college is duty bound to submit the audited financial statement with proper classification and presentation of income, expenditure, assets& liabilities by disclosing its nature, identity and absolute expenditure /investment incurred for arriving at a reasonable fee structure, but the same was not submitted by the medical college within a reasonable time enabling the committee to regulate the tuition fee.

22. The committee also, observe that the medical college has not submitted all the required actual financial and accounting data of the relevant period for the fee regulation. But the representatives submitted that it will be made available soon.
23. As the MBBS admission procedures for the academic year 2021-22 has already been commenced, the committee cannot wait for more time, other than to regulate the tuition fee on the basis of the material and information available before it.
24. Accordingly, committee has decided to proceed and complete the fee regulation basing on the tuition fee for the preceding academic year 2020-21 which comes to Rs.6,55,500/- per student per annum , which was fixed by FRC , after considering all the relevant financial, accounting, other economic indicators and explanation given by the management on various occasions.
25. Thus, the committee had fixed the tuition fee for the immediate previous academic year 2020-21 on 20.11.2021 at Rs.6,55,500/-and special fee Rs.47,420/- for five years, aggregating to Rs.7,02,920/- per student and also the hostel fee.
26. While fixing the above fee, the committee had already given emphasis to all

the financial and accounting factors, economic indicators and all such other relevant arguments of the medical college on the basis of records , the various factors to be considered as per the Sec 11 of Act 15 of 2017 and the directions and guidelines issued by Hon'ble Apex Court through various judgments, and also on the basis of the documents related to the period up to 31-03-2020 submitted by the medical college before the Committee.

27. Since the committee had already regulated and fixed the tuition fee of the previous academic year 2020-21 on 20.11.2021, what is before the committee is to examine and consider how much increase that can be given from the existing level of tuition fee, after considering the various financial, accounting and other aspects submitted by the medical college.
28. Accordingly, committee has decided to proceed and complete the fee regulation basing on the tuition fee for the preceding academic year 2020-21 which comes to Rs.6,55,500/- per student per annum.
29. The consideration before the committee was how much increase in tuition fee can be allowed to the medical college for the academic year -2021-22. The committee has considered the following factors for allowing a reasonable increase, in the absence of actual audited figures, specific plans & evidences on additional actual expenditure incurred, so far, to the medical college, due to amended regulations of NMC.
 - (a) The economic crisis being faced by the medical college management in the circumstances of adverse impact of COVID 19 pandemic.
 - (b) The uncertainty and anticipated price variations prevailing in the current economy, generally.
 - (c) The argument of the medical college that it has been incurring

additional expenditure on capital and revenue due to the amended provisions by NMC.

- (d) Even though the medical college have not submitted any actual figures of investment in capital expenditure and operating expenditure, due to NMC amendments, the committee reached to a conclusion that the management of the medical college might have incurred certain amount of operating expenditure for the academic year 2021-22, as the amendments have come in to existence from the academic year 2021-22.
- (e) Adverse impact of Covid19 in the economy prevailing in the society, at large which has been affecting the students & parents.
- (f) The fact that the college has been allowed to collect the special fee and hostel fee, separately which is also taken into consideration as part of fee.
- (g) The latest available specific combined inflation rate as applicable to the state of Kerala which is 3.86%.
- (h) The medical college has already attained saturation over a period of 15 years of establishment.

30. After considering all the above factors, the Committee have unanimously decided to give an overall enhancement of the tuition fee @ 6% on the tuition fee fixed for the academic year 2020-21. The 6 % increase, thus, allowed by FRC will suffice the demand for increase in fee by the medical college by ensuring social justice. The fee calculation after allowing 6 % increase is worked out below:

SL NO	PARTICULARS	AMOUNT (RS)
01	TUITION FEE FOR THE ACADEMIC YEAR 2020-21	6,55,500
02	ADD 6% INCREASE AS DISCUSSED ABOVE	39,330
03	TOTAL TUITION FEE FOR THE ACADEMIC YEAR 2021-22	6,94,830

31. In view of the above, the Committee here by fix the tuition fee at an amount of Rs. 6,94,830/- in respect of Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam, for the 85% seats during the academic year 2021-22. The Committee also decide that no increase of special fee, hostel fee and NRI fee need be allowed during this academic year 2021-22. The details of tuition fee and other fees are given hereunder.

AZEEZIA INSTITUTE OF MEDICAL SCIENCES AND RESEARCH, MEEYANNOOR, KOLLAM		
TUITION FEE & OTHER FEES DETAILS FOR THE ACADEMIC YEAR 2021-22		
SL NO	PARTICULARS	AMOUNT (Rs)
1.	TUITION FEE FOR 85% SEATS	6,94,830
2.	TUITION FEE FOR 15% NRI SEATS	20,00,000
3.	SPECIAL FEE FOR THE 1 ST YEAR	47,480
4.	SPECIAL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH]	29,015
5.	CONSOLIDATED PAY OF HOSTEL FEE FOR THE ENTIRE COURSE PERIOD	40,000
6.	CONSOLIDATED PAY OF MESS FEE FOR THE ENTIRE COURSE PERIOD	45,000

32. The Principal of the Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam, is hereby permitted to collect the aforesaid amount only from the MBBS candidates for the academic year 2021-22.

33. Email this copy of the order to the Government of Kerala and the Principal of the Azeezia Institute of Medical Sciences and Research, Meeyannoor,

Kollam. The Government of Kerala shall notify the fee structure in respect of Azeezia Institute of Medical Sciences and Research, Meeyannoor, Kollam, for the academic year 2021-22, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 14th day of January 2021

**Sd/-
CHAIRMAN**

