

FEE REGULATORY COMMITTEE FOR MEDICAL EDUCATION IN KERALA

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FRC 50/21/MBBS/DMWIMS

MBBS Admission 2021-22- Regulation of tuition fee, Special fee and other fees in respect of DM Wayanad Institute of Medial Sciences, Wayanad- Order issued on 29.01.2022

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]

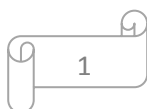
READ

1. Lr. No. FRC 50/21/PG/UG/Medical/Dental/SFMDCK dated 16.09.2021 issued by the FRC
2. Lr.No. 623/ACA/DMWIMS/2021 dated 23.09.2021 received from the Principal, DMWIMS Medical College, Wayanad
3. Lr. No. FRC 50/21/MBBS/SNIMS dated 03.12.2021 issued by the FRC
4. Lr.No. 802/ACA/DMWIMS/2021 dated 13.12.2021 received from the Principal, DMWIMS Medical College, Wayanad
5. Hearing of the representatives of DM Wayanad Institute of Medical Sciences, Wayanad, held by the FRC dated 15.12.2021

ORDER

1. The DM WIMS Medical College, Wayanad, in short the Medical College, run by the DM Education And Research Foundation, is having an intake strength of **150** candidates for the academic year 2021-22.

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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 said fee proposals and to regulate a reasonable fee structure in the Colleges after eliminating the profiteering and exploitative elements in the proposal.
3. In view of the above directions of the Hon'ble Courts, all the Medical Colleges had submitted the fee proposals and 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 DM WIMS Medical College 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. At the same time, 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, 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 23.09.2021, 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. Through the said communication management has submitted the audited financial statements for the last three financial years from 2018-19 to 2020-21, Copy of income tax return and Audit report as per income tax Act and such other relevant documents as called for by the Committee for the fee regulation. The dean of the Medical College as per the letter dated 23.09.2021 has requested the committee to verify the documents submitted and take a favourable steps to fix the tuition fee for the academic year 2021-22.
12. The Committee has gone through the documents submitted by the Medical College and decided to give an opportunity of hearing the Medical College in

connection with the regulation of tuition fee for the academic year 2021-22 on 15.12.2021. Accordingly, through communication dated 03.12.2021, the Principal of the Medical College was requested to attend a hearing on 15.12.2021 through Google Meet.

13. In compliance of the above direction, the following representatives of the Medical College were present.

| SL NO | NAME OF THE REPRESENTATIVE | DESIGNATION |
|--------------|-----------------------------------|-------------------------------|
| 1. | DR.K N GOPAKUMARAN KARTHA | DEAN |
| 2. | ADV.SALALUDEEN | LEGAL ADVISER |
| 3. | SRI. FANKLIN | SENIOR ADMINISTRATIVE MANAGER |
| 4. | SRI. USMMAN | HEAD OF FINANCE |

14. During the hearing, the representatives of the Medical College had submitted that the Medical College has proposed an amount of Rs. 9, 75,000/- for 85% Management seats and Rs. 20,00,000/- for 15% NRI seats for the academic year 2021-22.
15. The representatives of the Medical College have also submitted that they have already submitted all the documents and audited financial statement for the financial year 2020-2021 as per communication dated 23.09.202, wherein it was stated that the expenditure has been increased considerably due to the requirements prescribed by the NMC, such as construction of oxygen concentrator, appointment of doctors in the Emergency Medicine etc.
16. They have further submitted that for the academic year 2018-2019 they got 22 students transferred from Kerala medical college and 32 from SR Medical College as per the Honourable High Court Order. Hence, they request that the fee may be fixed at least at Rs.9, 75,000 per annum considering the increase in the expenditure as per the NMC requirements

also.

17. The representatives of the Medical College were informed that the committee will consider the fee proposal on the basis of the records and submission made during the hearing.
18. 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 profiteering, unreasonable, exploitative items and capitation fee and to fix a reasonable fee structure with the aid of necessary supporting documents/evidences.
19. The Medical college management has produced the audited Income & expenditure account & balance sheet of the immediate previous year relevant to the academic year 2021-22 along with the audited financial statements of 2018-19 & 2019-20.
20. The above financial documents submitted were verified by FRC and found that the loss of the medical college for the year 2020-21 is reduced to Rs.22.58 Cr from the previous years' level of Rs.45.11Cr in the year 2019-20 & of Rs.56.15 Cr in the year 2018-19.
21. From the above, it is clear that the loss of the year 2020-21 has been reduced by 49.94% from the previous year level, which indicates that the resource gap of the year 2020-21 to be considered in the fee regulation of the academic year 2021-22 has also come down substantially.
22. Moreover it could be identified that there are presence of expenditure of unreasonable/exploitative nature like Operations and management expenditure incurred through the sister company , in which Trustees are interested directors , of about Rs.1.53 crores and advertisement of Rs.35.30 lakhs still persist in the current period also. The said expenditures were

already not considered & allowed in the fee regulation of previous academic years. When these exploitative factors are also considered, committee found that there is no scope for any increase in tuition fee on the basis of accounts submitted.

23. The Dean of the medical college has also explained during the hearing that the management has to incurring additional capital expenditure & recurring revenue expenditure from the academic years 2022-23 onwards ,as per the NMC guidelines , but the committee observed that the said capital and revenue expenditure will reflect in the books of the college from the next academic year onwards and hence the committee is of the opinion that it would not be feasible to allow any increase in tuition fee on that basis in the academic year 2021-22.
24. The Dean of the medical college also submitted during the hearing that the management has been incurring additional revenue expenditure on salary and day to day operating expenses of the medical college under the impact of COVID -19 Pandemic and general recession in economy prevailing in the country due to the pandemic situation. The price spiral in product and services has affected the expenditure of the medical college, largely. In view of the above, the Dean submitted that a reasonable hike in tuition fee may be allowed in the fee regulation.
25. The reconsideration of tuition fee in the medical college from the academic year 2017-18 onwards was done by the committee on 22.11.2021. Accordingly, the tuition fee of the previous academic year was regulated and fixed at Rs.7,27,000/- per student per year as per order issued on 22.11.2021. On the basis of the accounts submitted as per Hon'ble SC judgment dated 25.02.2021, the tuition fee in the medical college was reconsidered allowing increase in tuition fee in the academic years 2019-20 & 2020-21.

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 22.11.2021, 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, On the basis of the submission of the representatives of the College and the records submitted, 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.7,27,000/- 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 in the fee regulation:
- (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 revenue expenditure 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 into 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 is situated in a remote tribal district and located in a hill station at Meppady in Wayanad ,the expenditure incurring will be high when compared to other colleges.
30. After considering all the above factors, the Committee have unanimously decided to allow an increase of 3.86% p.a which is the specific consumer price index applicable to Kerala as per Government of India Ministry of statistics and programme Implementation, National statistical office as per press release dated 13th September 2021.
31. The 3.86 % increase, thus, allowed by FRC will suffice the demand for increase in fee by the medical college by ensuring social justice , as per the calculation below;

| SL NO | PARTICULARS | AMOUNT |
|--------------|---|---------------|
| 1 | Tuition For The Academic Year 20-21 | 7,27,000 |
| 2 | Add 3.86% increase a discussed above | 28,062 |
| 3 | Total Tuition Fee For the Academic Year 2021-22 | 7,55,062 |

32. In view of the above, the Committee here by fix the tuition fee at an amount of Rs. 7,55,062/- in respect of DM Wayanad Institute of Medical Sciences, Wayanad, 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.

| ANNEXURE VI | | |
|---|--|--------------------|
| DM WIMS MEDICAL COLLEGE AND HOSPITAL | | |
| TUITION FEE & OTHER FEES DETAILS FOR THE ACADEMIC YEAR 2021-22 | | |
| SL NO | PARTICULARS | AMOUNT (Rs) |
| 1 | TUITION FEE | 7,55,062 |
| 2 | SPECIAL FEE FOR THE 1 ST YEAR | 87,468 |
| 3. | SPECIAL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH] | 51,700 |
| 4. | HOSTEL FEE FOR 1 ST YEAR | 1,11,500 |
| 5. | HOSTEL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH] | 1,01,000 |

33. The Principal of the DM Wayanad Institute of Medical Sciences, Wayanad, is hereby permitted to collect the aforesaid amount only from the MBBS candidates for the academic year 2021-22.

34. Email this copy of the order to the Government of Kerala and the Principal of the DM Wayanad Institute of Medical Sciences, Wayanad. The Government of Kerala shall notify the fee structure in respect of DM Wayanad Institute of Medical Sciences, Wayanad for the academic year 2021-22, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 29th day of January 2022

Sd/-
CHAIRMAN