

# **FEE REGULATORY COMMITTEE FOR MEDICAL EDUCATION IN KERALA**

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## **FRC 50/21/MBBS/SGMCRF**

MBBS Admission 2021-22- Regulation of tuition fee, Special fee and other fees in respect of Sree Gokulam Medical College and Research Foundation- Order issued on 12.01.2022

### **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. SGMCRF/C1/AFRC/2018 dated 29.09.2021 from the Principal, Sree Gokulam Medical College and Research Foundation, Thiruvananthapuram
3. Lr. No. FRC 50/21/MBBS/SGMCRF dated 01.12.2021 issued by the FRC
4. Hearing of the representatives of Sree Gokulam Medical College and Research Foundation, Thiruvananthapuram, held by the FRC dated 08.12.2021
5. Email dated 09.12.2021 from the Principal, Sree Gokulam Medical College, Thiruvananthapuram

### **ORDER**

1. The Sree Gokulam Medical College and Research Foundation, Thiruvananthapuram, in short the Medical College, run by the unit of Foundation of Non Resident Indians, is having an intake strength of 150

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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 has to 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 Sree Gokulam Medical College and Research Foundation 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 management 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 in its meeting held 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 29.09.2021, 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 verification of the documents submitted by the Medical College, it is found that the Medical College proposed an amount of Rs. 8,20,000/- for 85% seats and Rs. 25,00,000/- for NRI quota seats for the academic year 2021-22. Therefore, the Committee decided to give an opportunity of hearing the Medical College to substantiate the fee proposal 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 held on 08.12.2021 through Google Meet.

- 12.** In compliance of the above direction, Sri. C. Dharmapalan, Administrative Officer was present on behalf of the Medical College.
- 13.** During the hearing, representative of the medical college has submitted that they proposed Rs.8.25 lakhs for 85% seats and Rs 25 lakhs for NRI quota. He has also submitted that they may be allowed 25 % hike from the exiting fee. The representative submitted that it is very difficult to cope up with the present fee and present fee is not enough to go ahead with the development activities. It was also submitted that Rs.12 cores has to be received from the SC-ST department as tuition fee. He also submitted that after 2017 no increase was allowed for the NRI candidates'. The committee has directed the representative of the medical college to submit the detailed statement for substantiating their claim. The representative submitted that the detailed statement will be submitted on 09.12.2021.
- 14.** Accordingly, the Administrative officer of the Medical College has submitted a representation before the Committee on 08.12.2021, stating various reasons for demanding a 25% hike in tuition fee from the previous years mentioned below:
1. The disparity in the percentage of increase over previous years from 2017-18 onwards.
  2. The tuition fee fixed for a batch is static for the course period whereas the cost of commodities and services is increasing year after year.
  3. Delay in payment of fee by the students causes indirect loss to the institution.
  4. Delay in getting various fee of SC/ST/OEC students from Government.
  5. The BPL scholarship to students of 2019 batches not yet released etc;
- In view of the above reasons and the indirect loss being sustained by the institution every year, the administrative officer has requested that

the fee proposal for 2021-22 batch students may be approved.

- 15.** The above reasons put forth by the medical college have been thoroughly examined by the committee on the basis of the hearing and the documents submitted.
- 16.** On a scrutiny of the financial documents submitted by the medical college ,it has been found that the management is not facing any financial loss directly or indirectly as projected by the management in its letter dated 08.12.2021. Whereas the audited accounts submitted by the management shows only operating surplus as detailed below:

<b>YEAR</b>	<b>OPERATING SURPLUS IN RS.</b>
2017-18	28.82 Cr
2018-19	30.19 Cr
2019-20	37.81 Cr

- 17.** On a perusal of the back records with the committee, it could also be seen that there was operating surplus to the management of the medical college, prior to 2017-18. The pattern of operating surplus reveals that the surplus of the medical college has been increasing progressively every year.
- 18.** The various reasons projected before the committee by the management for a hike in tuition fee of 2021 -22 can be viewed only as a temporary phenomenon only, hence cannot be viewed as a sustainable cause to put the medical college in to a permanent financial difficulty. The above progressive actual financial surplus clearly indicates that the reasons projected by the administrative officer for an exorbitant rate of hike in fee @25% anticipating indirect loss as stated in the letter is not an adequate ground for allowing such an unreasonable increase. Committee observe that the financial results are highly favourable to the management for its developmental activities & for absorbing any temporary indirect loss as

submitted by the administrative officer.

- 19.** The Committee has also noted that the medical college has not submitted the audited financial statements of the financial year 2020-21, which is the financial document relevant for regulating the fee for the academic year 2021-22, however, the management informed in the hearing that the audit was not completed.
- 20.** The representative of the medical college further submitted before the committee that they have been incurring additional investment and operating expenditure as contemplated by the amended regulations of the National Medical Council from the academic year 2020-21. But the medical college has not submitted any documentary evidence on the actual amount incurred to them so far. Even, the management has not produced any specific plan and requirements containing the program of operation & implementation of the amended regulation of NMC covering the cost and period of implementation, other than verbal submission. The committee observe and explained to the representative that such expenditure can be considered by FRC in the fee regulation as and when even though reflected in the books of accounts of the college.
- 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 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. Even the medical college has not submitted a provisional financial statements in lieu of audited statements which reflects the true and fair financial position as on 31-03-2021 as near to as the actuals with reasonableness.

- 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 representative submitted that the audit of the relevant period, which is the financial year 2020-21, audit is yet to be completed.
- 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. The committee had fixed the tuition fee for the immediate previous academic year 2020-21 on 07.10.2021 at Rs.6,55,500/-and special fee Rs.81,137/- for five years, aggregating to Rs.7,36,137/- per student.
- 25.** Since the committee had already regulated and fixed the tuition fee of the previous academic year 2020-21 on 07.10.2021, 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. 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.



**26.** 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 has 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 21 years of establishment.

**27.** 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.

<b>SL NO</b>	<b>PARTICULARS</b>	<b>AMOUNT (IN RS)</b>
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

**28.** In view of the above, the Committee here by fix the tuition fee at an amount of Rs. 6,94,830/- in respect of Sree Gokulam Medical College and Research Foundation, 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.

<b>SREE GOKULAM MEDICAL COLLEGE AND RESEARCH FOUNDATION, THIRUVANANTHAPURAM</b>		
<b>TUITION FEE &amp; OTHER FEES DETAILS FOR THE ACADEMIC YEAR 2021-22</b>		
<b>SL NO</b>	<b>PARTICULARS</b>	<b>AMOUNT (IN RS)</b>
1.	TUITION FEE FOR 85% SEATS	6,94.830
2.	TUITION FEE FOR 15% SEATS	20,00,000

3.	SPECIAL FEE FOR THE 1 <sup>ST</sup> YEAR	52,122
4.	SPECIAL FEE FOR THE REMAINING YEARS [2 <sup>ND</sup> , 3 <sup>RD</sup> , 4 <sup>TH</sup> & 5 <sup>TH</sup> ]	29,015
5.	HOSTEL FEE FOR 1 <sup>ST</sup> YEAR	1,09,500
6.	HOSTEL FEE FOR THE REMAINING YEARS [2 <sup>ND</sup> , 3 <sup>RD</sup> , 4 <sup>TH</sup> & 5 <sup>TH</sup> ]	1,04,000

- 29.** The Principal of the Sree Gokulam Medical College and Research Foundation, Thiruvananthapuram, is hereby permitted to collect the aforesaid amount only from the MBBS candidates for the academic year 2021-22.
- 30.** Email this copy of the order to the Government of Kerala and the Principal of the Sree Gokulam Medical College and Research Foundation, Thiruvananthapuram. The Government of Kerala shall notify the fee structure in respect of Sree Gokulam Medical College and Research Foundation, Thiruvananthapuram for the academic year 2021-22, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 12<sup>th</sup> day of January 2022

**Sd/-  
CHAIRMAN**