

FEE REGULATORY COMMITTEE FOR MEDICAL EDUCATION IN KERALA

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FRC 50/21/MBBS/KMCT

MBBS Admission 2021-22- Regulation of tuition fee, special fee and other fees in respect of KMCT Medical College, Calicut- Order issued on 25.12.2021

PRESENT

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

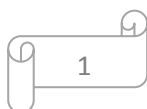
READ

1. Lr.No. 300/KMCTMC/12/2020/3 dated 14.11.2020 from the Director, KMCT Medical College, Calicut, received in this office on 23.11.2020.
2. Communication No. FRC 50/21/PG/UG/MEDICAL/DENTAL/SFMDCK dated 16.09.2021 issued by the FRC.
3. Lr.No. 300/KMCTMC/12/2020/4 dated 22.09.2021 from the Director, KMCT Medical College, Calicut, received in this office on 28.09.2021.
4. Communication No. FRC 50/21/MBBS/AAMC dated 03.12.2021 issued by the FRC.
5. Hearing of the FRC with the representatives of the KMCT Medical College held on 15.12.2021
6. Lr.No. 300/KMCTMC/12/2020/4 dated 15.12.2021 from the Director, KMCT Medical College, Calicut,

ORDER

1. The Director, KMCT Medical College, Calicut, in short the Medical College, through communication dated 14.11.2020, has submitted Provisional Profit

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and Loss Account for the year 2019-20 along with the fee proposal before the Fee Regulatory Committee for Medical Education in Kerala, herein after referred as the Committee, for regulation of tuition fee for the academic year 2021-22, without any relevant documents as directed by the Hon'ble Court. The Director of the Medical College has proposed an amount of Rs. 16,00,000/- (Rupees Sixteen Lakh Only) for 85% seats and Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) for 15% NRI quota seats for the academic year 2021-22.

2. At the same time, the tuition fees fixed by this Committee in respect of the Medical College from the academic years 2016-17 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.
3. 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.”
4. 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.
5. The priority was 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.

6. In view of the above, the committee is constrained to decide to adopt the fee fixed for the academic year 2019-20 as the basis and to give an enhancement of 6.41% on the basis of the CPI, combined inflation rate for July 2020 as announced for the state of Kerala vide Government of India Ministry of Statistics and programme Implementation dated 13th August 2020 and to regulate the tuition fee for the academic year 2020-21 on the basis of the interim direction issued by the Hon'ble Apex Court and the consideration of wide spread of COVID-19 pandemic.
7. Accordingly, the Committee has passed a common order dated 04.11.2021 for regulating the tuition fee at Rs. 6,48,500/- in respect of the KMCT Medical College, Calicut, for the academic year 2020-21. The Committee has also made it specifically clear that the aforesaid order shall be subject to the final decision of the Hon'ble Supreme court in the pending cases viz. SLP (C) Nos.9659 of 2020 & Connected cases.
8. 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 proposals of the Private self-financing colleges for fee fixation from 2016-17 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.

9. The Hon'ble Supreme Court has given the guidelines also as to how the fee has to be fixed. The relevant portion of the judgment of the Hon'ble Supreme Court would read

It need not be reiterated that unaided professional institutions have the autonomy to decide on the fee to be charged, subject to the fee not resulting in profiteering or collection of capitation fee. Regulation of fee is within the domain of the Committee which shall ensure that the fee is non exploitative and reasonable. There is no need to repeat the judgments of this Court, especially P.A. Inamdar & Ors. (supra), which have been copiously referred to by the High Court in the 3 rounds of litigation to indicate the Principles to be followed for fixation of fee in private medical colleges. Suffice it to mention that the Committee shall reconsider the proposals of the managements for fee fixation 2017-18 onwards by taking into account the factors mentioned in Section 11 of the 2017 Act and the law laid down by this Court in Modern Dental College & Research Centre (supra).”

10. In compliance of the above court order, the Committee through communication dated 10.03.2021 has directed the Principal of the Medical College to submit certain specific documents to reconsider the fee proposal for the four academic years before the Committee on or before 19.03.2021 without fail.
11. The Committee meticulously scrutinized the documents submitted by the Medical College and Principal of the Medical College was directed to submit information/clarification/ documents/evidence for reconsidering the fee proposal as directed by the Hon'ble Apex Court. The Committee has also directed the Principal to depute an authorized person who is competent to provide the information sought for by the Committee.

12. In compliance of the above direction, During the hearing regarding the reconsideration of the fee proposal held on 15.09.2021 at 12.15 pm. Dr.Navas, Director of the Medical College and Mr Rupesh were present representing the Medical College. During the hearing, Dr Naves has submitted that the Medical college received the notice only on Saturday and got two days' time to prepare answers to the queries raised by the Committee. Dr Navas has also submitted that the Medical college is running at loss and the medical college is running with the income received from other institutions. The Committee informed Dr. Navas that the answers sent by the college on the quires pointed out by the Committee will be examined and the explanation will also be considered.
13. The Committee unanimously decided to reconsider the fee proposal on the basis of the available documents and the additional documents submitted so far. But the Medical College through communication dated 20.11.2021 has submitted a representation before the Committee, which would read as:

“The finalization of the fee structure of our students undergoing their MBBS, in our College for the year 2016-17 onwards, is under the reconsideration of the Hon'ble Committee.

Because of the financial difficulties faced by the people at large, we think that we may not be socially justified in claiming an enhanced fee from students already undergoing their studies.

In the circumstances, we are prepared to give up our claim for enhanced fee from students admitted in our college for MBBS course in the academic years 2016-17, 2017-18,

2018-19, 2019-20 & 2020-21 and accept which has already been fixed by the Hon'ble committee.”

14. Considering the request of the Medical College, the committee discussed the matter put forth by the medical college management, elaborately and decided to accept the request of the Medical College to confirm the tuition fee earlier regulated & fixed by the committee in respect of KMCT Medical College for the academic years from 2016-17 to 2020-21. Accordingly, the Committee issued an order dated 22.11.2021 confirming the tuition fee as already fixed by the Committee for the academic years 2016-17 to 2020-21.
15. The meeting of the Committee held on 08.09.2021 and discussed the matter relating to the fee regulation for the academic year 2021-22 and 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.
16. Accordingly, the Committee through communication dated 16.09.2021 has directed 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.
17. In compliance of the above direction, the Finance Manager of the Medical College through communication dated 22.09.2021, has submitted the relevant documents as called for by the Committee for regulation of the tuition fee in respect of MBBS Course for the academic year 2021-22.
18. After preliminary scrutiny of the documents submitted by the Medical College, the Committee decided to give an opportunity for hearing the Medical College in connection with the regulation of tuition fee for the

academic year 2021-22. Accordingly, through communication dated 3.12.2021 has requested the principal of the Medical College to attend the hearing on 15.12.2021 through Google Meet in connection with the regulation of tuition fee for MBBS Course for the academic year 2021-22.

19. In compliance of the above direction, Dr. Navas K M (Director) was present on behalf of the KMCT Medical College, Kozhikode.

20. The representative of the Medical College has submitted that the Medical College has proposed an amount of Rs. 15,00,000/- for 85% Management seats and Rs. 25,00,000/- for 15% NRI seats for the academic year 2021-22. He has submitted that the time limit for finalisation of audit has been extended till January 2022 and hence the audited financial statement could not be produced. The representative of medical college submitted their grievances to run the Medical college with the present fee. The expenditure has increased considerably due to the revised guidelines issued by the National Medical Council. It was also submitted that more doctors have been appointed in the emergency medicine; Dr Navas requested that they can run the Medical college only if the proposed amount is allowed by the committee. The committee has directed the Medical College to submit a working statement on the basis of the above mentioned facts at the earliest.

21. In pursuance of the above direction, the Director, KMCT Medical College through communication dated 15.12.2021 has submitted a representation before the Committee to consider their tuition fee regulation for the academic year 2021-22. On scrutiny of the documents/representation submitted by the Medical College, 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. In the said letter, though the medical college has claimed that it is expected to expend about Rs.3.60 Crores as revenue expenditure to provide salary for the emergency medicine department which is to be set up additionally and Rs.4,35 Crores as capital expenditure to make additional infrastructure and laboratories as per the above regulation, it could not submit any details of actual expenditure spent by the medical college so far, reliably. All these expenditure will be reflecting in the ensuing financial years only and the same will be reflected in the tuition fee regulation of academic year 2022-23 onwards.

22. However, the Committee consider the vehement argument of management that they have already incurred certain recurring expenditure following NMC guidelines, but the details of actual expenditure so far incurred by the Medical College is yet to be submitted by the Management before FRC, in this regard also.
23. In the letter, the medical college has claimed that about 10% of revenue of the medical college is retained as contingent fund for meeting the unexpected revenue expenses, as contemplated in the said letter is the obligation of the Trust only to maintain such a fund, as the 15% of the revenue of the Trust is permitted and available for such matters, as the Trust being a charitable institution, in accordance with law. For the renovation/modernization/replacement of existing building and infrastructure in future as claimed in the letter of the management, adequate depreciation fund has been creating by the Trust every year in the books which is @10% to 40% depending on the asset, in accordance with law.
24. Another argument of the medical college was that last year fee proposal about Rs.15,00,000/- and this year proposal is only Rs.16,00,000/-, therefore there is no exorbitant increase in fees proposal cannot be accepted. The management after considering all the aspects of costs and circumstances of fee regulation, has already accepted the tuition fee for

the previous academic year 2020-21 at Rs.6,48,500/- and the committee fixed the tuition fee of academic year at Rs.6,48,500/- per student per annum ,which is the actual tuition fee existing.

25. However, the committee have considered all the above aspects of cost as claimed by the management in the letter dated 15/12/2021, price variations and also the circumstances of adverse impact of Covid in the economy prevailing in the society which has been affecting the students & parents. The fact that the college has been collecting the special fee and hostel fee also is taken into consideration which also is part of fee.
26. In view of the above circumstances and considering the facts that the Medical College might have met recurring expenditure to an extent as per the amended NMC regulation, the Committee decided to give an enhancement of the tuition fee @ 6% on the tuition fee fixed for the academic year 2020-21, which includes the Consumer Price Index 3.86 % as applicable.
27. The 6 % increase allowed by the FRC will suffice the above demand made by the Medical College as worked out below

SL NO	PARTICULARS	AMOUNT (RS)
01	TUITION FEE FOR THE ACADEMIC YEAR 2020-21	6,48,500
02	ADD 6% INCREASE AS DISCUSSED ABOVE	38,910
03	TOTAL TUITION FEE FOR THE ACADEMIC YEAR 2021-22	6,87,410

28. In view of the above, the Committee here by fix the tuition fee at an amount of Rs. 6,87,410/- (Rupees Six Lakh Eighty Seven Thousand Four Hundred and Ten only) in respect of KMCT Medical College, Calicut 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.

KMCT MEDICAL COLLEGE, CALICUT		
TUITION FEE & OTHER FEES DETAILS FOR THE ACADEMIC YEAR 2021-22		
SL NO	PARTICULARS	AMOUNT (Rs)
1.	TUITION FEE FOR 85% SEATS	6,87,410
2.	TUITION FEE FOR 15% SEATS	20,00,000
3.	SPECIAL FEE FOR THE 1 ST YEAR	82,140
4.	SPECIAL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH]	58,347
5.	HOSTEL FEE FOR 1 ST YEAR	1,09,000
6.	HOSTEL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH]	1,04,000

29. The Principal of the KMCT Medical College 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 KMCT Medical College. The Government of Kerala shall notify the fee structure in respect of KMCT Medical College for the academic year, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 25th day of December 2021

Sd/-

CHAIRMAN