

FEE REGULATORY COMMITTEE FOR MEDICAL EDUCATION IN KERALA

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FRC 50/21/MBBS/KARUNA

MBBS Admission 2021-22- Regulation of tuition fee, Special fee and other fees in respect of Karuna Medical College, Vilayodi, Palakkad- Order issued on 19.01.2022

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. KMC/FRC/2021/07 date Nil. From the Principal, Karuna Medical College, Vilayodi, Palakkad, received in this office on 05.11.2021.
3. Lr. No. FRC 50/21/MBBS/KMC dated 02.12.2021 issued by the FRC
4. Hearing of the representatives of Karuna Medical College, Vilayodi, Palakkad, held by the FRC dated 10.12.2021

ORDER

1. The Karuna Medical College, Vilayodi, Palakkad, in short the Medical College, run by the Safe Development Alms 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

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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 Karuna 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. 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 decided to commence the process of fee regulation for the academic year 2021-22. In its meeting on 08.09.2021 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. But the Principal of the Medical College through communication dated 05.11.2021, 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. 16,00,000/- 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 02.12.2021, the Principal of the Medical College was requested to depute a competent person to attend the hearing held on 10.12.2021 through Google Meet.
12. In compliance of the above direction, the following representatives of the

Medical College were present on behalf of the Medical College.

SL NO	NAME OF THE REPRESENTATIVE	DESIGNATION
1.	DR. SAMEER	CEO
2.	SRI. NEELAKANDAN	CHARTERED ACCOUNTANT
3.	SRI. SHAMSUDHEEN	FINANCE SECRETARY

13. During the hearing, the representatives of the Karuna Medical College have reiterated their demand to confirm the fee proposal of Rs. 16,00,000/- (Rupees Sixteen Lakhs only) for 85% seats and Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) for NRI seats. In support of which, the representatives have submitted their grievances about the difficulty for running the Medical College ,especially due to the present regulatory norms prescribed by the National Medical Council in regard to the additional investment & expenditure on labs , faculties& staffs.
14. The representatives of the Medical College have submitted that they could not produce the audited financial statement for the financial year 2020-21,which is the relevant financial document needed for the fee regulation of academic year 2021-22, since the same is under process.
15. At the time of hearing, the representatives have also submitted that their medical College was converted in to COVID-19 hospital, as per the Government directions; therefore, their hospital income is very low compared to previous financial years. They further submitted that they have already produced their approved building plans to develop their Medical College before the Committee for consideration of the fee proposal. Therefore, they requested to allow the proposed fee in order to meet the requirements.
16. The Committee informed the representatives of the Medical College that it is difficult to regulate & finalize the tuition fee for the academic year 2021-22

for want of the audited financial statement for the financial year 2020-21.

17. The Committee also, observed that though the Medical College have submitted their development plans as per the new guidelines of NMC before the Committee, the financial requirements/workings needed for the development was not submitted.
18. The Committee has directed the representatives of the Medical College to submit the detailed report justifying the fee proposal for the academic year 2021-22 considering the requirements of the National Medical Council etc. Though the representatives of the Medical College have agreed to submit the same, it was not produced. Since the admission procedure has already been commenced, committee do not want to further delay the fee regulation of academic year 2021-22. Therefore, the committee has decided to proceed with the fee regulation on the basis of the hearing & information available with it.
19. The committee has examined the entire documents and written submission filed before the committee, so far as it relates to the fee regulation of the academic year 2021-22.
20. The committee have observed that the tuition fee for the previous five academic years 2016-17to 2020-21 was already reconsidered & fixed by the committee as per the Hon'ble apex court judgment dated 25.02.2021 ,on the basis of the audited financial statements and other relevant documents of the respective immediate previous financial years. Thus the committee has regulated and fixed the tuition fee for the academic year 2020-21 on 22.11.2021, on the basis of the audited financial statements of 2019-20.
21. Now, 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 ,even after nine months has been lapsed from the end of the financial year.

22 In the above circumstances, committee has decided to proceed and complete the fee regulation of 2021-22 based on the tuition fee for the preceding academic year 2020-21 which comes to Rs.6,32,800/- 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.

23 Thus, the committee had fixed the tuition fee for the immediate previous academic year 2020-21 on 20.11.2021 at Rs.6,32,800/-and special fee Rs.84,550/- for five years, aggregating to Rs.7,17,350/- per student. The Committee has fixed the hostel fee also.

24 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.

25 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.

26 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.6,32,800/- per student per annum.

27 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 new 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 period of 17 years.

28 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 ,as per the calculation below:

SL NO	PARTICULARS	AMOUNT (RS)
01	TUITION FEE FOR THE ACADEMIC YEAR 2020-21	6,32,800
02	ADD 6% INCREASE AS DISCUSSED ABOVE	39,330
03	TOTAL TUITION FEE FOR THE ACADEMIC YEAR 2021-22	6,70,768

29. In view of the above, the Committee here by fix the tuition fee at an amount of Rs. 6,70,768/- in respect of Karuna Medical College, Vilayodi, Palakkad, 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.

KARUNA MEDICAL COLLEGE, VILAYODI, PALAKKAD		
TUITION FEE & OTHER FEES DETAILS FOR THE ACADEMIC YEAR 2021-22		
SL NO	PARTICULARS	AMOUNT (Rs)
1	TUITION FEE FOR 85% SEATS	6,70,768
2	TUITION FEE FOR 15% NRI SEATS	20,00,000

3	SPECIAL FEE FOR THE 1 ST YEAR	84,550
4	SPECIAL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH]	56,907
5	HOSTEL FEE FOR 1 ST YEAR (OPTIONAL)	7,000(PER MONTH)
6	HOSTEL FEE FOR THE REMAINING YEARS [2 ND , 3 RD , 4 TH & 5 TH] (OPTIONAL)	7,000(PER MONTH)

30 The Principal of the Karuna Medical College, Vilayodi, Palakkad, is hereby permitted to collect the aforesaid amount only from the MBBS candidates for the academic year 2021-22.

31 Email this copy of the order to the Government of Kerala and the Principal of the Karuna Medical College, Vilayodi, Palakkad. The Government of Kerala is requested to notify the fee structure in respect of Karuna Medical College, Vilayodi, Palakkad for the academic year 2021-22, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 19th day of January 2022

**Sd/-
CHAIRMAN**