

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

**HEAD OFFICE:**  
T.C. 15/1553-4, PRASANTHI BUILDINGS,  
M.P. APPAN ROAD,  
VAZHUTHACAUD,  
THIRUVANANTHAPURAM - 695 014.  
PHONE: 0471-2335133

**CHAIRMAN**  
JUSTICE R. RAJENDRABABU

MOBILE (OFFICE): +91 8547255133

**ERNAKULAM OFFICE:**  
RAM MOHAN PALACE  
OLD HIGH COURT BUILDING  
ERNAKULAM - 682 031  
PHONE/FAX : 0484 2394311.

FAX:0471-2335134

**E-MAIL:**[justicerajendrababucommittee@gmail.com](mailto:justicerajendrababucommittee@gmail.com)

## **FRC 50/21/MBBS/MMC**

MBBS Admission 2021-22- Regulation of tuition fee, Special fee and other fees in respect of Malabar Medical College, Calicut- Order issued on 20.01.2022.

### **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. Nil dated 30.10.2021 from the Principal, Malabar Medical College, Calicut.
3. Lr. No. FRC 50/21/MBBS/MMC dated 06.12.2021 issued by the FRC
4. Hearing of the representatives of Malabar Medical College, Calicut, held by the FRC dated 13.12.2021
5. Lr.No. MMC&RC/FRC/MBBS/012/2021 dated 13.12.2021 from the Principal, Malabar Medical College, Calicut
6. Lr. No. Nil Dated 18.12.2021 from the Principal, Malabar Medical College, Calicut.

### **ORDER**

1. The Malabar Medical College and Research Centre, Calicut, in short the Medical College, run by the Sree Anjaneya Medical Trust, is having an intake strength of 150 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 to regulate a reasonable fee structure for the Colleges after eliminating the profiteering and exploitative elements in the proposal.
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 Malabar Medical College and Research Centre 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. But the Principal of the Medical College through communication dated 22.09.2021, has requested the Committee to allow ten more days' time to produce the documents, as directed by the Committee for regulation of the tuition fee in respect of MBBS Course for the academic year 2021-22.
11. Thereafter, the Principal of Medical had submitted documents with the proposal before the Committee for the fee regulation as per email communication dated 11.12.2021. In the said letter, The Principal has mentioned that there was delay in submission of documents which was due to non -completion of audit for the financial year 2020-21 ,the audit is still under processing. So they have based their calculations on the provisional financials of the financial year 2020-21.
12. Therefore, the Committee ,on the basis of the documents made available to the committee so far, has 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 06.12.2021, the Principal of the Medical College was requested to depute a competent person to attend the hearing held on 13.12.2021 through Google Meet.

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

SL NO	NAME OF THE REPRESENTATIVES	DESIGNATION
1.	DR. P. V NARAYANAN	PRINCIPAL
2.	SRI. ABHILASH ASHOK	CHIEF FINANCE OFFICER

14. During the hearing, the representatives submitted that they have proposed 13,70,000/- for 85% seats and Rs. 25,00,000/- for NRI seats. The representatives submitted that the Medical College could submit only the unaudited balance sheet for the financial year 2020-21, as the process of auditing is still going on. They have also submitted that with the present fee structure they are not in a position to retain the staff and to meet the administrative cost.
15. During the hearing, the Committee referred to the Principal about the delay on the submission of documents along with the proposal, which ought to have been submitted before the Committee on or before 22.09.2021.
16. As the fee proposal submitted was not self-explanatory, The Committee has directed the representatives to submit a detailed statement justifying the proposal at the earliest so as to take a final decision for regulating the tuition fee for the academic year 2021-22. The committee has also cautioned the management that FRC has to finalise the regulation within a short span of time.

17. In continuation of the hearing, The Principal of the Medical College vide letter dated 18.12.2021 submitted before the committee the following:

*“We humbly request your good office to take in to account the new norms set forth by National Medical Commission while fixing the fees of MBBS course for the academic year 2021-22. The requirements set forth by the NMC demands huge capital investment and running & maintenance expenses increases multiple folds.”*

18. The principal has also submitted a statement showing additional cost per student to meet the new NMC requirements. As per this statement, the medical college has worked out an average cost per student of Rs.3,07,099/- as per the details given below:

STAFF COST FOR SETTING UP EMERGENCY DEPARTMENT	RS.21,600,000
STAFF COST FOR SETTING UP PHYSICAL MEDICINE DEPARTMENT	RS. 9,480,000
DEPRECIATION ON ADDITIONAL CAPITAL INVESTMENT	RS.14,984,900
TOTAL ADDITIONAL COST TO RECOVER	RS.46,064,900
NO OF STUDENTS(YEAR 1 TO 5)	150
AVERAGE COST PER STUDENT	RS.307,099/-

19. The committee has examined the above proposal on the basis of the draft regulations of NMC appended to the above proposal. The committee has observed that the above average cost per student worked out and claimed by the management is unreasonable, exploitative and profiteering for the following reasons:

1. As per clause B.5 (A) of the draft guidelines, the department of emergency medicine shall be mandatory for all medical colleges with effect from academic year 2022-23 onwards. The medical college has not submitted any proof of investment, if any spent by the, medical college in the year 2020-21 and 2021-22.

2. In the foot note attached to the statement of additional cost per student and annexures, also it has been clearly mentioned by the college that additional investment in emergency medicine & physical medicine department is applicable from the academic year 2022-23. Therefore it is crystal clear that the additional investment as claimed as per NMC draft guidelines is anticipatory only and applicable from the academic year 2022-23. The medical college has not produced any piece of evidence to prove that the management has spent any amount in the year 2020-21 and 2021-22 towards this item.
3. The additional capital investment to recover from the student worked out includes "Depreciation on additional capital investment" about Rs.1.49 Cr. As per mandatory accounting standard, depreciation shall be considered from the time when a depreciable asset is first put into use by the entity. So depreciation claimed of Rs.1.49 Cr on additional capital investment is absolutely on the assets which are not in existence in the use of the medical college. Therefore, depreciation shown as additional investment is not in accordance with the mandatory accounting standards.
4. The medical college claim to recover the whole anticipated additional cost of Rs.4.60 Cr from the 150 MBBS students of new admission of 2021-22 batch @Rs.3,07,099/-per student is highly exploitative and unreasonable. Moreover, the benefit of such additional investment is not to the student of any particular single batch of admission, but to the admissions in the future batches also. Therefore, the whole investment can be recovered in a phased manner only over a period of years.
5. Under the above circumstances, committee is of the considered view that allowing such a very huge additional cost in the form of tuition fee

in the current academic year 2021-22 will tantamount to exploitation .

20. 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.
21. 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.
22. Accordingly, the 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.
23. Thus, the committee had fixed the tuition fee for the immediate previous academic year 2020-21 on 22.11.2021 at Rs.6,55,500/-and special fee Rs.9,69,64/- for five years, aggregating to Rs.7,52,464/- per student and also the hostel fee.
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.6,55,500/- 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 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 13 years of establishment.

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	6,55,500
02	ADD 6% INCREASE AS DISCUSSED ABOVE	39,330
03	TOTAL TUITION FEE FOR THE ACADEMIC YEAR 2021-22	6,94,830

29. In view of the above, the Committee hereby fix the tuition fee at an amount of Rs. 6,94,830/- in respect of Malabar Medical College and Hospital, 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.

<b>MALABAR MEDICAL COLLEGE HOSPITAL AND RESEARCH CENTRE CALICUT</b>		
<b>TUITION FEE &amp; OTHER FEES DETAILS FOR THE ACADEMIC YEAR 2021-22</b>		
<b>SL NO</b>	<b>PARTICULARS</b>	<b>AMOUNT (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	96,964
4.	SPECIAL FEE FOR THE REMAINING YEARS [2 <sup>ND</sup> , 3 <sup>RD</sup> , 4 <sup>TH</sup> & 5 <sup>TH</sup> ]	60,141
5.	HOSTEL FEE FOR 1 <sup>ST</sup> YEAR	1,07,500
6.	HOSTEL FEE FOR THE REMAINING YEARS [2 <sup>ND</sup> , 3 <sup>RD</sup> , 4 <sup>TH</sup> & 5 <sup>TH</sup> ]	97,500

- 30 The Principal of the Malabar Medical College Hospital and Research Centre, Calicut, 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 Malabar Medical College Hospital and Research Centre, Calicut. The Government of Kerala is requested to notify the fee structure in respect of Malabar Medical College Hospital and Research Centre, Calicut for the academic year 2021-22, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 20<sup>th</sup> day of January 2022

**Sd/-  
CHAIRMAN**