

FEE REGULATORY COMMITTEE FOR MEDICAL EDUCATION IN KERALA

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FRC 50/21/MBBS/PKDIMS

MBBS Admission 2021-22- Regulation of tuition fee, Special fee and other fees in respect of PK DAS Institute of Medical Sciences, Vaniyamkulam, Palakkad- Order issued on 07.02.2022

PRESENT

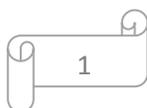
1. Hon'ble Justice Mr R Rajendra Babu (Retd) ➤ Chairman
2. Dr. Asha Thomas I A S ➤ Member Secretary
[Additional Chief Secretary, H&FWD]
3. Sri. S Suresh Babu ➤ Member
[Chartered Accountant]
4. Sri. P P Gopi ➤ Member
[Subject Expert]

READ

1. Lr. No. FRC 50/21/PG/UG/Medical/Dental/SFMDCK dated 16.09.2021 issued by the FRC
2. Lr.No. PKDIMS/MBBS/UG/2021-22 dated 30.09.2021 received from the Principal, PK DAS Institute of Medical Sciences, Vaniyamkulam, Palakkad
3. Lr. No. FRC 50/21/MBBS/PKDas dated 03.12.2021 issued by the FRC
4. Email dated 15.12.2021 received from the Principal, PK DAS Institute of Medical Sciences, Vaniyamkulam, Palakkad
5. Hearing of the representatives of PK DAS Institute of Medical Sciences, Vaniyamkulam, Palakkad, held by the FRC dated 16.12.2021
6. Lr. No. PKDIMS/Finance/FRC/2021-22 dated 17.12.2021 from the Principal, PK DAS Institute of Medical Sciences, Vaniyamkulam, Palakkad

ORDER

RR



1. The PK DAS Institute of Medical Sciences, Vaniyamkulam, Palakkad, in short the Medical College, run by the Nehru College of Educational and Charitable 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 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 PK DAS 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. The Committee held a meeting on 08.09.2021 and decided to commence the process of fee regulation for the academic year 2021-22 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 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 30.09.2021, 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. The Medical College has proposed an amount of Rs. 15,00,000/- for 85% Seats and Rs. 25,00,000/- for 15% seats for the academic year 2021-22.
12. The Committee has gone through the documents submitted by the Medical College and found that the documents submitted were not sufficient to regulate and fix the tuition fee. The committee has to regulate the fee proposal and fix the tuition fee on the basis of the audited financial

statements and related documents of 2020-21 financial year, but the same was not produced by the management. Instead they produced only a provisional financial statement, based on which a final fee regulation is not possible. Therefore, the committee has decided to give an opportunity of hearing to 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 16.12.2021 through Google Meet.

13. In the meanwhile the Principal of the Medical College through email dated 15.12.2021 has submitted the softcopy of audited financial statement for the financial year 2020-21 before the Committee. But in the audit report, significant accounting policies & explanatory notes were not produced which is highly inevitable for the committee to formulate decision on the accounts submitted. The Income tax returns and audit report under income tax Act for the assessment year 2021-22 was also not produced. It is true that the due date of filing income tax return has been extended by the Government from time to time, but the management is always aware of the fact that the audited financial statements and IT related documents are inevitable for the fee regulation also, therefore, the management could have prepared and submitted the said documents in advance.

14. The following representatives of the Medical College were present for hearing on 16.12.2021, as per the direction of ASC.

SL NO	NAME OF THE REPRESENTATIVE	DESIGNATION
1.	ADV. P. KRISHNADAS	CHAIRMAN
2.	DR. R.C KRISHNAKUMAR	DIRECTOR
3.	DR. M. A. ANDREWS	PRINCIPAL
4.	SRI. UNNI KRISHNAN	DEPUTY FINANCE MANAGER
5.	SRI. RAVEENDRAN	OFFICE SUPERINTENDENT
6.	SRI. SURESH KUMAR	CHARTERED ACCOUNTANT

15. During the hearing, the representatives of the Medical College had 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.
16. 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 15.12.2021 for regulating the tuition fee for the academic year 2021-22.
17. The representatives of the Medical College have also submitted that present requirements prescribed by the National Medical Council are an additional financial commitment to the management. The representatives have further submitted that the Medical College is not in a position to meet day to day expenditure with the fee fixed by the Committee.
18. The Committee informed that it has to evaluate the proposals of other medical colleges submitted before FRC in regard to the additional expenditure due to new NMC guidelines also, before taking a decision. The Committee also opined to the representatives that the requirements as put forward in the hearing verbally, the actual effect of which will be reflected only in the next years' account and the College will get the benefit of such expenditure in the subsequent year's fees fixation.
19. The Committee also directed the representatives to submit the written statement on the above points expeditiously as possible so as to take a final decision for regulating the tuition fee for the academic year 2021-22 since the committee has to finalise the work within a short span of time.
20. Accordingly, the Principal of the Medical College through communication dated 17.12.2021 has submitted the written statement before the

Committee for regulating the tuition fee.

21. Through the above communication, the medical college has explained the general requirements to be complied by the medical college as per the new guidelines of NMC about additional expenditure. But the medical college has not submitted any financial documents before FRC in the form of a detailed financial report showing the flow of year wise technical & financial requirements, the amount so far spent, when it will be completed etc, in a verifiable form. It is also not clear and verifiable from the audited financial statement & other documents submitted for 2020-21 & 2021-22 that whether any amount was already spent in these years. Hence the committee find it difficult to assess the investment so far made from the records submitted.
22. Now the endeavour of the committee is to regulate the fee proposal of the academic year 2021-22 on the basis of the previous audited financial statements of 2020-21, though it was not adequately supported with audit report, accounting policies, notes, IT returns and evidentiary documents of relevant ledgers & vouchers etc. The committee is in difficulty to reach a final fee regulation of the medical college.

23. As per certain judgments, Hon'ble court have repeatedly observed that the fee fixed should be final and any delay in the fee regulation is neither beneficial to the management nor to the students. So, a fee regulation, if done on the basis of a provisional financial statement / in adequacy of documents will also be provisional only.

24. The management in the letter dated 17/12/2021, has proposed an additional expenditure estimate of Rs.3.17 Cr for emergency medicine department and additional capital expenditure of Rs.3Cr for skill lab

requirements etc, as per the NMC guidelines. But the committee have noted that as per the draft guidelines of NMC the said expenditure & investment will be applicable from the next academic year 2022-23 only. The committee further noted that the medical college has not submitted any proof of expenditure / investment so far done in the medical college in this regard. It appears from the proposal of the management that, the managements attempt is to recover the whole anticipated cost of additional expenditure and investment in advance from the students admitted in the academic year 2021-22, rather than a systematic recovery plan. If such practice is allowed the same will lead to exploitation and profiteering.

25. Hence the proposed additional investment and expenditure can be considered and allowed when such expenditure is brought in the books of accounts of the college and the same can be allowed in phased manner over a period of years. Therefore, the tuition fee increase demanded by the medical college for the academic year 2021-22 is unreasonably projected one.
26. As the MBBS admission procedures for the academic year 2021-22 has already 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.
27. Accordingly, after considering all the representations and hearing, committee decided to proceed and complete the fee regulation in all the medical colleges basing on the tuition fee for the preceding academic year 2020-21 which was fixed by FRC, after considering all the relevant financial, accounting, other economic indicators and explanation given by the management on various occasions.
28. The Committee has reconsidered and regulated the tuition fee in respect of

all the Medical Colleges from the academic year 2017-18 onwards, as per the direction of Hon'ble Apex Court judgment dated 25.02.2021. Accordingly, the PK Das institute of Medical Sciences, Vaniyamkulam was reconsidered and regulated as follows:

ACADEMIC YEAR	TUITION FEE (IN RS)
2017-18	5,23,700
2018-19	NO ADMISSION
2019-20	5,24,100
2020-21	5,95,300

29. Whereas the medical college has challenged the fee fixed in the academic year 2019-20 & 2020-21 by filing W.P (C) Nos. 27019 & 27022 of 2021 and the fee fixed is not in operation as per the interim order Hon'ble Court dated 30.11.2021. In view of it, the Committee is not in a position to follow the tuition fee of academic year 2020-21 and adopt it as the base fee for the regulation of tuition fee of academic year 2021-22 as adopted in the case of other medical colleges other than Believers Church Medical college. Since the Hon'ble apex court was already set aside the tuition fee structure of all the medical colleges from 2017-18 onwards as per judgment dated 25.02.2021, the committee cannot adopt the tuition fee prevailed prior to the reconsideration of tuition fee as per judgment dated 25-02-2021.
30. Whereas the Fee Regulatory Committee has filed a Special Leave Petition (Diary No:1071/2022) before the Hon'ble Supreme Court of India against the Hon'ble HC Order dated 21.12.2021 which is now pending before the Hon'ble Apex Court. Since the admission procedures of MBBS course 2021-22 is in progress, the statute (Act of 2017) demands the regulation and fixation of tuition fee for the academic year 2021-22 in the PKDIMS also along with other medical colleges as expeditiously as possible enabling the on- going UG counselling procedure.

31. As aforesaid, the WP(C) filed against the tuition fee fixed by the committee for the academic years 2019-20& 2020-21 by the medical college and the order of Hon'ble HC dated 21st December 2021 was challenged by FRC before Hon'ble SC of India, both are pending before the respective courts, the committee, with due respect to Hon'ble Courts orders has decided to adopt the tuition fee of 2020-21 fixed by the committee as base fees for the very limited purpose of regulating the tuition fee for the academic year 2021-22 .
32. Thus, the committee had fixed the tuition fee for the academic year 2020-21 at Rs.5,95,300/- and special fee for the first year at Rs.93700/-. Hostel fee is also fixed at Rs.129,500/- for the first year.
33. 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 2019-20 submitted by the medical college before the Committee.
34. Now, 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.
35. 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.5,95,300 /- per student per annum.
36. 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 the 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 a period of 13 years of establishment.
- (i) The cases pending before the Hon'ble HC filed by the medical college and before Hon'ble SC filed by FRC.

37. 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 is provisionally and subject to the final decision by the Hon'ble HC in WP© related to the academic year 2019-20& 2020-21.

SL NO	PARTICULARS	AMOUNT (IN RS)
01	TUITION FEE FOR THE ACADEMIC YEAR 2020-21	5,95,300
02	ADD 6% INCREASE AS DISCUSSED ABOVE	35,718
03	TUITION FEE FOR THE ACADEMIC YEAR 2021-22 (SUBJECT TO FINAL ORDERS OF HON BLE COURT)	6,31,018

38. In view of the above, the Committee here by fix the tuition fee provisionally at an amount of Rs. 6,31,018/- in respect of PK Das Institute of Medical Sciences, Vaniyamkulam, for the 85% seats during the academic year 2021-22, subject to the final result of Writ Petition pending before the Hon'ble Court. 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.

TUITION FEE & SPECIAL FEE COLLECTABLE FROM THE 2021-22 BATCH CANDIDATES		
PK DAS INSTITUTE OF MEDICAL SCIENCES, VANIYAMKULAM		
ACADEMIC YEAR 2021-22		
SL NO	PARTICULARS	AMOUNT (IN RS)
1.	TUITION FEE	6,31,018
2.	TUITION FEE FOR 15% SEATS	20,00,000
3.	SPECIAL FEE FOR THE 1 ST YEAR	93,007
4.	SPECIAL FEE FOR THE SUBSEQUENT YEARS (2 ND , 3 RD , 4 TH & 5 TH)	34,555
5.	HOSTEL AND MESS FEE FOR THE 1 ST YEAR [ORDINARY ROOM]	1,29,500
6.	HOSTEL AND MESS FEE FOR SUBSEQUENT YEARS (2 ND , 3 RD , 4 TH & 5 TH) [ORDINARY ROOM]	1,19,000
7.	HOSTEL AND MESS FEE FOR THE 1 ST YEAR [AC SINGLE ROOM]	2,05,000

8.	HOSTEL AND MESS FEE FOR SUBSEQUENT YEARS (2 ND , 3 RD , 4 TH & 5 TH) [AC SINGLE ROOM]	1,79,000
9.	HOSTEL AND MESS FEE FOR THE 1 ST YEAR [AC DOUBLE ROOM]	1,78,000
10.	HOSTEL AND MESS FEE FOR SUBSEQUENT YEARS (2 ND , 3 RD , 4 TH & 5 TH) [AC DOUBLE ROOM]	1,52,000

39. The Principal of the PK Das Institute of Medical Sciences, Vaniyamkulam, is hereby permitted to collect the aforesaid amount only from the MBBS candidates for the academic year 2021-22.
40. Email this copy of the order to the Government of Kerala and the Principal of the PK Das Institute of Medical Sciences, Vaniyamkulam. The Government of Kerala shall notify the fee structure in respect of PK Das Institute of Medical Sciences, Vaniyamkulam for the academic year 2021-22, as per the section 9 (2) of Act 15 of 2017.

Dated on this the 7th day of February 2022

Sd/-
CHAIRMAN