

**FEE REGULATORY COMMITTEE(MEDICAL)
GUJARAT STATE**

Near 5 Bungalows, Opp.: National Park Society, Behind Polytechnic, Gulbai Tekra, Ahmedabad 380015
Phone No.079-26303990 Fax: 079-26303990
Website : www.frcmedical.org

No: FRC/ 943/2017

Date : 19/12/2017

Fee fixation order of Parul Institute of Medical Sciences and Research, Waghodia

(U.G.-MBBS Course)

1. Parul University is established and incorporated under Gujarat Private University (Second Amendment) Act, 2015 (Gujarat Act No.7 of 2015) (hereinafter referred to as 'the University'). In the year 2016 the University established Parul Institute of Medical Sciences and Research (hereinafter referred to as 'the Institution'). It is established to offer program of the MBBS with sanctioned intake of 150.
2. The Committee, in response to the fee proposal submitted by the institution, by its order dt.28.11.2017 determined the fee structure and conveyed it to the institution and also intimated the institution that the reasons for and on the grounds on which the fee structure was determined by the Committee will be communicated to it on/or before 20th December, 2017. In furtherance of the said order, the present order is made setting out the facts and specifying the reasons and grounds on which the fee structure of the institution is determined.
3. The Fee Regulatory Committee (Medical) (hereinafter referred to as "the Committee") has been constituted under section-9 of **the Gujarat Professional Medical Educational Colleges or Institutions (Regulation of Admission and Fixation of Fees) Act, 2007, Act 3 of 2008**(hereinafter referred to as "the Act")

enacted by the State Government to make special provision, inter-alia, for fixation of fees in professional medical education colleges or institutions and matters connected therewith or incidental thereto and also to regulate the admission of the students to such colleges or institutions.

4. The institution by its letter dt. 22/06/2016 requested the Committee to determine its fee structure for the MBBS program. Since it was the first year of the commencement of the MBBS program, in absence of the requisite fiscal data giving complete details of actual expenses for the last one year for Committee's consideration, the Committee, looking to the fee structure of similarly situated other institutions offering the said course, fixed the ad-hoc fee as deposit of Rs.5.75 lakh for the Government Quota and Rs.10.50 lakh for the Management Quota. The Committee directed the institution to collect the aforesaid ad-hoc fee from the students in accordance with the directions contained in Committee's ad-hoc fee order dt.24.08.2016.

5. The committee by its letter dt.6.4.2017 invited fee proposals together with audited accounts of 2016-17 and other relevant papers from all the institutions/colleges which are covered under the Act and which were established in the year 2016-17 with a view to determine their regular fee structure for the year 2016-17 and 2017-18. In pursuance of the said letter the institution submitted its fee proposal on 12.05.2017. On receipt of the proposal and data submitted by the institution the committee commenced the necessary scrutiny of the same along with the scrutiny of data submitted by other institutions also. The committee found that the institution had not furnished complete fiscal data and requisite information to enable the committee to determine just and proper fee structure of the institution. In the meanwhile, however, the term of the Committee Members

expired on 14th June, 2017. The Govt. of Gujarat by its Notification dt.14th July, 2017 renewed the term of the committee and also appointed two new members out of three. After the reconstitution of the committee its first meeting was held on 31st July, 2017. In the said meeting certain urgent matters including determination of the fee structure of all the institutions/colleges were discussed. Since the data provided by the institution was not adequate and also because the committee did not exist for almost one month and as there was urgency of admission it became necessary for the committee to declare provisional fee of the institution, In the said meeting decision to declare provisional fee was taken. After the meeting was over the committee by a common order giving details in tabular form declared the provisional fee for 35 institutions including the institution. It was very clearly stated in the said order that the fees declared were purely provisional, subject to the finalization of the fees by the committee. So far as the institution is concerned, the provisional fee was declared as under:-

<u>Year</u>	<u>Government Quota</u>	<u>Management Quota</u>
2016-17	5.75	10.50
2017-18	6.00	11.00

6. The institution was however already communicated telephonically that the accounts submitted by it were not only incomplete but some information was, though provided, it was not in the manner as required by the committee. The University, the parent body of the institution, however, challenged the provisional fee determined by the committee before Hon'ble High Court of Gujarat by filing Special Civil Application No.15223 of 2017. On 29.8.2017 learned single Judge of the Hon'ble High Court passed order and granted interim relief in terms of para-

20(B) of the petition. By virtue of the said order the University was permitted to collect fees from the students as under:-

<u>Year</u>	<u>Government Quota</u>	<u>Management Quota</u>
2016-17	10.80	22.00
2017-18	10.80	22.00

7. On the basis of the order of the learned Single Judge the institution immediately intimated the students who had secured admission in the institution and paid provisional fee, to pay the balance fee forthwith failing which the admission would be cancelled. As a result of it, the agitated parents of the students rushed to some of the committee members at Ahmedabad to express their inability to pay the difference within the short time limit given by the institution. The Committee was therefore, required to challenge the order of the learned Single Judge by filing Letters Patent Appeal no.1411 of 2017 together with Civil Application No.11337 of 2017 on 29.08.2017 to obtain urgent orders for staying the operation of the order of the learned Single Judge. Some of the aggrieved students also appeared in the proceedings as interveners. The Hon'ble Division Bench by order dt.30.08.2017 quashed and set aside order of the learned Single Judge dt.29.08.2017 passed in Special Civil Application NO.15223 of 2017 and permitted the University to collect only the fees for the years 2016-17 and 2017-18 as per the provisional fee structure notified by the Fee Committee. The committee was directed by the Hon'ble Court to finalize the fee structure of the institution for the academic year 2016-17 and 2017-18 as expeditiously as possible preferably within a period of six weeks from the date of the order. The University was directed to produce necessary material before the fee committee if any further particulars were called

for. The Hon'ble Court also disposed of the Special Civil Application No.15223 of 2017 with the same directions.

8. The committee, in accordance with the direction of the Hon'ble High Court of Gujarat recommenced the exercise of determination of the fee structure of the institution. It wrote letter dt.9.9.2017 calling for further information in accordance with the year-wise requirement as decided by Medical Council of India (MCI), New Delhi as well as asked the information for other para-medical courses run by the University and Trust of the University. The committee, unfortunately found that the institution did not provide the information in accordance with the requirement of the committee and therefore, time and again the committee not only had to write letters but even telephonically impress upon the institution to furnish the data and information of the nature and in the manner it was called for to enable the committee to determine just and proper fee structure. The committee also by its letter dt.23.9.2017 intimated the institution that it may remain present before the Committee on 26.9.2017 at 12.00 noon for personal hearing together with their Auditor and Accountant. The representatives of the institution remained present on that day and had detailed discussion with the committee members with regard to the facts and figures reflected from its Account Books. As a part of hearing the institution made visual presentation of its campus, college building, hospital, laboratory, library etc. for about 40 minutes and also made power point presentation about the medical college. During the hearing the committee insisted upon the representatives of the institution to properly provide the information demanded by the committee without delay and not to provide inadequate information as the committee was required to determine the fee structure within the time limit given by the Hon'ble High Court. On the same day the committee

reiterated its demand specifying in detail the information which it had already called for but not provided by the institution in the manner required by the committee. The institution requested for some more time to comply with the demand. It also assured the Committee that it would seek appropriate extension of time from the Hon'ble High Court. The institution failed to comply with the demand in time. It also backed out from its assurance and refused to file application for extension of time. This required the committee to file MCA No.2875 of 2017 before the Hon'ble High Court of Gujarat praying for extension of the time limit by another six weeks. The said application was granted by the Hon'ble High Court and time was extended. The committee after detail scrutiny of the accounts and other relevant record submitted by the institution determined the tentative fee for the year 2016-17 and 2017-18 as under:-

<u>Year</u>	<u>Government Quota</u>	<u>Management Quota</u>
2016-17	5.75	10.50
2017-18	6.00	11.00

9. This fee was determined against the fee proposed by the institution as under.

<u>Year</u>	<u>Government Quota</u>	<u>Management Quota</u>
2016-17	10.80	22.00
2017-18	10.80	22.00

10. The institution was communicated the tentative fee figures worked out by the committee on 22.11.2017 and also intimated the institution that it may remain present before the committee for personal hearing to represent its case if it had any objection to the tentative fee fixed by the committee. In response to it, the representatives of the institution together with the Chartered Accountant and other consultants remained present and discussed in detail the tentative figures arrived

at by the committee. During course of hearing Vice President of the University led the oral representation on behalf of the institution. They were also permitted to produce any other documents or information to support their proposal even during the hearing which can be taken into consideration by the committee. The committee also suggested them to sit separately and have inter-se discussion and represent their case further either by oral submissions or producing documents. In pursuance thereof, the institution submitted letter dt.27.11.2017 to the committee making their comments on the exercise carried out by the committee for the determination of its fee. The committee took into consideration the said letter also.

11. It is the case of the institution that the 8% rise considered by the Committee for different heads was not proper and it ought to have taken into consideration the addition in number of staff, hospital beds, other facilities as per MCI norms and corresponding cost that would be incurred due to the same. In support of this submission, attention of the Committee was also drawn to the details regarding the staff and facilities prescribed by the MCI. The institution submitted that Committee has not considered its claim of depreciation as per its audited books of accounts. They have 5 categories of buildings, viz. college building and library, hospital building, teaching staff quarters, non-teaching staff quarters and nursing hostel. It was contended that depreciation should be fully granted for all these buildings as they were established as per norms prescribed by the MCI. The institution also submitted that University is not charging any amount from the staff for providing facility of quarters and nursing hostels and that staff demands the same for serving in rural area. It is the common experience of the Committee that the institutions providing facility of accommodation to its staff including the nurses charge rent for the accommodation. However, even assuming that the institution is not charging

any amount from its staff for the accommodation, the students cannot be made to bear any amount even by way of depreciation on such building as these facilities are not directly connected with the education of the students. It also emphasized that the future liability of 7th Pay Commission should be considered by the committee. The Committee is of the opinion that as and when the recommendations of the 7th Pay Commission are implemented and proper proof thereof is produced before the Committee by the institution, the same can be taken into consideration at appropriate time and appropriate action can be taken thereafter.

12. Lastly replying to the Committee's question as to availability of excess of income over expenditure in respect of other constituent colleges in para-medical courses, it was claimed that such excess of other courses should not be considered by the committee at all while deciding the fee of medical college. No other submission was advanced by her.

13. The Committee carefully considered the submissions as well as the documents relied on by the institution in support of the submissions. It may be noted here that at present the Committee is required to determine the fee structure for the years 2016-17 and 2017-18 only, however, while examining the proposal and determining the fee structure the committee has considered the data and requirements for the first 3 years i.e. 2016-17, 2017-18 and 2018-19 based on the fact that by and large all facilities like laboratories, class rooms etc. in medical college building for students are to be completed within first 3 years and accordingly the Committee has examined the fee proposal of the institution. It is also pertinent to note here that while examining the fee proposal the Committee has also kept in view the norms prescribed by the Medical Council of India for the establishment of new medical college. As such committee has decided the fee on

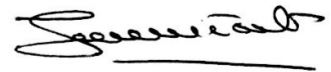
actual audited accounts and data as on 31st March, 2017 provided by the institution. The committee also noted that the claims of various expenditure made by the institution in its submission and in its letter dt.27.11.2017 are not only excessive and unreasonable but are not according to the norms of MCI. The Committee now deals with its basis of allowing and considering major expenditure vis-a-vis incorrect/excessive claims made by the institution.

Particular	Institution Claimed	FRC Considered as per the prescribed norms of MCI		
		2016-17	2017-18	2018-19
No. of Teaching Staff	124-161	111	143	149
College Building including Library in Sq. Mt. for Depreciation	17206 (Sq. Mt.)	9282	11162	12237
Hospital Building in Sq. Mt. for Depreciation	35508 (Sq. Mt.)	18598	18598	19468

14. Thus, apparently the claim of the depreciation on building as also claim of expenditure on non-teaching and teaching staff is in far excess than allowable as per norms and guidelines laid down by MCI. The main reason for claiming such fee appears to be the expenditure which is required to be spread over subsequent years has been claimed in initial years itself, thus loading the students with excess cost right from day one. It was argued by the institution that since it is in the formative years, the cost of infrastructure, faculty and other staff is bound to be high. It is understandable that such cost in the initial years can be high per student, may be due to first and second year of the students only, instead of entire 5 years full on roll students. But then it will be absolutely unfair to load such entire cost upon the limited number of students who are admitted during initial years of the

commencement of medical study as it will cause them grave injustice. Not only that but such fee structure will serve as basis for the fee structure that may be determined for the subsequent years and that obviously will result into profiteering by the institution, which is not permissible. Such higher/additional cost can be recovered over a period of time and not in the initial couple of years. The Committee has also found from the record it has called for that the University runs several other para medical and Ayurvedic courses in its complex at Waghodia. It is also found that expenditure regarding some of the non-teaching services during the relevant years has gone down as compared to previous year. As against that expenditure for such services has correspondingly gone up for the MBBS program. No explanation has been offered by the institution for this discrepancy. It therefore, clearly appears that the institution has allocated the cost in such a way that average cost of medical student works out much higher. Before concluding the order, it is necessary to state that while carrying out the exercise of determining the present fee structure the committee has followed the standard accountancy practice and its consistent policy and methodology adopted and applied while fixing the fees of other medical colleges of Gujarat State.

Member



To,
The President, Parul Institute of Medical Sciences and Research, Parul University, Waghodia.

Copy Submitted To:

- 1. The Principal Secretary, Health & Family Welfare Department, Gandhinagar.**
- 2. The Additional Director, Medical Education & Research, Gandhinagar.**
- 3. The Chairman, Admission Committee for Professional Medical Educational Courses, GMERS Medical College, Gandhingar.**