

**HON'BLE JUSTICE R.J.SHAH [RETD.] FEE/ADMISSION (MEDICAL)  
COMMITTEE, BEHIND POLYTECHNIC, NR. FIVE BUNGALOWS,  
GULBAI TEKARA, AHMEDABAD**

---

No. JRJS/ 192 /2008

Date : / /2008

**23 APR 2008**

To,  
The Principal,  
Jaideep Sharda Memorial Nursing Academy  
Surat.

**Sub :- Fee Fixation for the years 2006-07, 2007-08 and 2008-09.**

The order passed by the Committee regarding fee structure for the years 2006-07, 2007-08 and 2008-09 is enclosed herewith, along with detailed working in support of the same.



**MEMBER**

HON. JUSTICE R.J.SHAH MEDICAL COMMITTEE  
AHMEDABAD

## JAIDEEP SHARDA MEMORIAL NURSING ACADEMY, SURAT

As per directions of the Hon'ble Supreme Court in the case of Islamic Academic Education & another v/s State of Karnataka & Others on 14<sup>th</sup> August 2003, the Government of Gujarat has set up a Committee vide GR No. SCF/2003/CC-59/S dated 26<sup>th</sup> December 2003, under the Chairmanship of Justice (Retd.) Shri R.J. Shah (hereinafter called "The Committee") to give effect of the judgement in TMA Pai's case.

### Background:

- As per the directions in the said judgment, each educational institution must place before this Committee well in advance of the academic year its proposed fee structure. Along with the proposed fee structure, all documents and Books of Accounts must also be produced before the Committee for their scrutiny. The Committee shall then decide whether the fees proposed by the institute are not profiteering or charging capitation fee. **The Committee will be at liberty to approve the submitted fee structure or to propose some other which can be charged by the institute.** The fee fixed by the Committee shall be binding for a period of 3 years, at the end of which the institute would be at liberty to apply for a revision.
- Accordingly the Committee had approved for the first time in June 2004, the fee structure of all the Medical Colleges within the State of Gujarat for the academic years 2003-04, 2004-05 and 2005-06. As per the directions in the said judgment, a revision in the fee structure was due for a further period of 3 years from 2006-07 to 2008-09.

### Approach and Methodology:

In the month of December 2005, the Committee has requested all the unaided institutions imparting professional education in medical and allied sciences in the State of Gujarat to submit their proposed fee structure for scrutiny of the Committee, along with the details as per the detailed questionnaire submitted to each of the institutes.

- The data was then analyzed to arrive at the broad view of the facilities, infra-structure, capital investments made by the college in last 3 years, plans for development on hand and for future, compliance of the requirements concerning the staff etc.
- This was followed by personal visit to all the colleges by the Committee consisting of the member of the fee committee, an eminent Doctor and a member of the team of Chartered Accountants, to verify the facilities and infra-structure, adequacy of staff and to have clarifications and further information on some of the issues arising out of the analysis of the data.
- During the visit, the Committee held discussions with a few of the students and staff in private to get their feedback on specific issues concerning fees, facilities, quality of education etc. The committee also visited the affiliated hospitals where ever they



(a) **Application of revision in the fee structure.**

- Since the judgment in Islamic Academy provides for revision of fee every 3 years, it implies that the fees can be revised based on the cost escalation and provision of additional facilities and infrastructure at regular interval of course not earlier than 3 years, if the concerned institution has applied for a revision.
- In any exercise of price fixation which is based on cost, the revision is applicable to all the beneficiaries, for whom the cost is being incurred. In the case of Medical colleges, for instance the fees are fixed based on normal recurring cost of revenue nature to education. Since this cost is subject to inflation, a periodic revision becomes necessary, and when the cost is revised, it should be applicable to all the beneficiaries on a given date.
- In case a contrary view is taken to apply the revised fee structure only to the new batch, the fee structure would be enormously high as only one batch of the students will be subjected to bear the additional cost that is being incurred for all the batches at any given point of time. This will put the new students in a disadvantageous position.
- As such the Committee thought it just and fair to apply the proposed fee structure to all the students on roll during the period of 3 years from 2006-07 to 2008-09 irrespective of the year in which they were enrolled. In addition, the Committee has also borne in mind the directive of the Supreme Court in T.M.A. Pai's case that there cannot be any cross subsidization of fee in any institution.

**(b) Reasonable Surplus:**

- So far as the provision for development and reasonable surplus is concerned, the Committee has appreciated the need for the same. The committee has allowed the same through depreciation allowance and development allowance.
- Whatever may be the source of initial investments, the committee is seized of the fact that the replacement of the facilities over a period need to happen through collection of fees. As such the committee has considered economic depreciation as part of education cost even though it is a non cash item.
- In addition, the Committee has allowed reasonable allowance for growth and betterment in the form of development allowance based on the history of capital investments made by the institute during past 3 years and definite investment plans for growth and development projected by it for next 3 years.

**Action for Fixation of Fees for 2006-07, 2007-08 and 2008-09**

The Committee addressed letters dated 27<sup>th</sup> June, 2007 asking colleges to propose fee structure for the years 2006-07, 2007-08 and 2008-09 along with the information in the format provided together with the audited accounts and justification of the revision latest by 30<sup>th</sup> June, 2007. Accordingly, the information has been submitted by JAIDEEP SHARDA MEMORIAL

NURSING ACADEMY, SURAT to the Fee Committee. The college has not asked for the hearing before the committee.

The Committee has reviewed all the papers, documents, cost estimates, past performance and future projections submitted by the college. Based on the review and inter college comparison, the Committee has noted as under:

- a. The College has proposed fee of Rs.36,000/- for 2006-07, 2007-08 and for 2008-09. The Committee has gone to actual costing exercise together with the projection of inflation and development surplus.
- b. After the review, the Committee finds it necessary to provide full analysis of the accounts, other relevant information and rationale for the proposed fee structure. The detailed reasoning for the college for working out the base fees has been given in **Annexure A.**
- c. The Committee recommends fee structure that is valid for the years 2006-07, 2007-08 and 2008-09. The college is now not expected to approach the Committee on year to year basis. The students would also know the amount of fees they have to pay for all the three years.
- d. In fixing the fees for the period of three years as indicated above, the Committee has considered moderate increase for inflation as well as development based on norms framed in light of past history of the college, compliance with statutory requirements as to staff and other infrastructure, growth plans on hand etc. Accordingly, the Committee has worked out the fees for each year separately instead of a common fee for all the years. As the fees for 2008-09 exceed the proposed fee for the same year by the college, the same is moderated to Rs. 36,000/-.
- e. In final analysis, the Committee recommends following fee structure,

i)	Year 2006-07	Rs. 36,000/-
ii)	Year 2007-08	Rs. 36,000/-
iii)	Year 2008-09	Rs. 36,000/-

**Other conditions to apply:**

- The college will not take fees for the full course at the time of admission. The fees should be collected per semester.
- The college will not ask for any bank guarantee or security of any kind from students or their parents.
- The college will not take any other fee, deposit, charge or advance in the name of gymkhana, computer center, internet facility laboratory, library, sports, recreation, self development etc.



## JAIDEEP SHARDA MEMORIAL NURSING ACADEMY, SURAT

As per directions of the Hon'ble Supreme Court in the case of Islamic Academic Education & another v/s State of Karnataka & Others on 14<sup>th</sup> August 2003, the Government of Gujarat has set up a Committee vide GR No. SCF/2003/CC-59/S dated 26<sup>th</sup> December 2003, under the Chairmanship of Justice (Retd.) Shri R.J. Shah (hereinafter called "The Committee") to give effect of the judgement in TMA Pai's case.

### Background:

- As per the directions in the said judgment, each educational institution must place before this Committee well in advance of the academic year its proposed fee structure. Along with the proposed fee structure, all documents and Books of Accounts must also be produced before the Committee for their scrutiny. The Committee shall then decide whether the fees proposed by the institute are not profiteering or charging capitation fee. **The Committee will be at liberty to approve the submitted fee structure or to propose some other which can be charged by the institute.** The fee fixed by the Committee shall be binding for a period of 3 years, at the end of which the institute would be at liberty to apply for a revision.
- Accordingly the Committee had approved for the first time in June 2004, the fee structure of all the Medical Colleges within the State of Gujarat for the academic years 2003-04, 2004-05 and 2005-06. As per the directions in the said judgment, a revision in the fee structure was due for a further period of 3 years from 2006-07 to 2008-09.

### Approach and Methodology:

In the month of December 2005, the Committee has requested all the unaided institutions imparting professional education in medical and allied sciences in the State of Gujarat to submit their proposed fee structure for scrutiny of the Committee, along with the details as per the detailed questionnaire submitted to each of the institutes.

- The data was then analyzed to arrive at the broad view of the facilities, infra-structure, capital investments made by the college in last 3 years, plans for development on hand and for future, compliance of the requirements concerning the staff etc.
- This was followed by personal visit to all the colleges by the Committee consisting of the member of the fee committee, an eminent Doctor and a member of the team of Chartered Accountants, to verify the facilities and infra-structure, adequacy of staff and to have clarifications and further information on some of the issues arising out of the analysis of the data.
- During the visit, the Committee held discussions with a few of the students and staff in private to get their feedback on specific issues concerning fees, facilities, quality of education etc. The committee also visited the affiliated hospitals where ever they

- The college will be free to fix fees for NRI students up to 15% of the intake capacity subject to intimation of the same to the Fee Committee. All additional fees from NRI students in whatever form will be utilized for the benefit of students such as from economically weaker section of the society as per the directions given by the Supreme Court in its judgment in the case of P. A. Inamdar and Others v/s State of Maharashtra and Others.

April , 2008

22 APR 2008



Hon'ble Justice R. J. Shah (Retd)  
Chairman



Smt. Rita Teatota, IAS  
Member Secretary,



Manubhai G. Patel,  
Member



Dr. Nitin Vora,  
Member.



Suresh Soni  
Member

**JAIDEEP SHARDA MEMORIAL NURSING ACADEMY, SURAT**

Cost Statement prepared by the college and recast by us as per the Guiding Principles prescribed for determination of cost & fee structure of SFIs.

Fees Proposed Rs. 36,000/-

		(Rs. In lac)					
	Particulars	2006-07	2006-07	2007-08	2007-08	2008-09	2008-09
	Expenses	Actual/ Audited	Recast/ Audited	Projected	Recast	Projected	Recast
1	Salary including retiral benefits						
	Teaching Staff						
	Non-teaching Staff						
<b>1A</b>	<b>Sub Total</b>	<b>3.10</b>	<b>3.10</b>	<b>12.66</b>	<b>11.46</b>		<b>18.00</b>
2	Power & Electricity			1.20	1.20		1.70
3	Post, Telephones, faxes	0.08	0.08	0.39	0.39		0.60
4	Repairs & Maintenance						
	Building	0.01	0.01	0.20	0.20		0.30
	Equipments						
	Others			0.80	0.40		0.60
<b>4A</b>	<b>Sub Total</b>	<b>0.01</b>	<b>0.01</b>	<b>1.00</b>	<b>0.60</b>	<b>0.00</b>	<b>0.90</b>
5	Administrative Expenses	0.27	0.22	1.09	0.89		1.50
6	Rent and Taxes to outsider	1.00	1.00				
7	Other Expenses (Specify)	1.20	3.95	4.83	2.39		3.50
8	Depreciation on SLM basis						
	Building						
	Furniture & Fixtures			0.27	0.27		0.40
	Equipments						1.00
	Computers			1.50	0.50		1.00
	Other (Specify)			1.05			
<b>8A</b>	<b>Sub Total</b>	<b>0.00</b>	<b>0.00</b>	<b>2.82</b>	<b>0.77</b>	<b>0.00</b>	<b>2.40</b>
<b>9</b>	<b>Grand Total</b>	<b>5.66</b>	<b>8.36</b>	<b>23.99</b>	<b>17.70</b>	<b>0.00</b>	<b>28.60</b>
A	Number of students on roll on date on	23	23	53	53	83	83
B	Salary cost per student p.a (1A/A)	0.13	0.13	0.24	0.22	0.00	0.22
C	Average Cost per student p.a. (9/A)	0.25	0.36	0.45	0.33	0.00	0.34
D	7.5% for Development allowance per student				0.03		0.03
E	Average Cost per student p.a.	0.25	0.36	0.45	0.36	0.00	0.37



**Jaideep Sharda Memorial Nursing Academy, Surat**

**2006-07**

**(Actual/Audited)**

1 The institution is started in 2006-07 and the audited numbers do not provide clear picture of actual expenses incurred. For example, the salary is only Rs. 3.10 lacs. There are no expenses like, electricity exp, hospital affiliation fees for clinical training to students, and many other administrative expenses. As informed by the college in subsequent communication, these administrative expenses are born by the trust. Therefore, the cost per student is Rs. 0.24 lacs only. However, we have considered Rs. 2.75 lacs towards Administrative and Other recurring cost and added the same in total cost to arrive at the fee structure of 2006-07.

**2007-08 & 2008-09 Projections**

- 1 Projections for 2007-08 and 2008-09 are not submitted in proper form and with required details. However, we have considered projections given on separate sheet for 2007-08 by the college and recast as under :
- a Salary to administrator Rs. 1.20 lacs is not considered.
  - b Repairs to Bus(Rs. 0.20 lacs) is not considered as the separate fees collected for transportation charges.
  - c Similarly electricals repairs Rs. 0.60 lacs is excessive hence moderated to Rs. 0.30 lacs which includes repairs to equipments etc.
  - d Insurance on bus Rs. 0.20 lacs is also not considered for the reason mentioned in point no. 3 as above.
  - e Diesel exp. Rs. 1 lac, Interest on loan Rs. 0.60 lacs and Bus Instalment Rs. 1.84 lacs included in Other exp. are not considered for the reason mentioned herein above.
  - f Working of Depreciation on computer (Rs. 1.50 lacs) is not given. Hence moderated to Rs. 0.50 lacs.
  - g Depreciation on bus Rs. 1.05 lacs is also not considered on account of above reason.
  - h Charges for clinical training to the students are not claimed by the college. Hence we have considered an ad hoc Rs. 1 lac for the same and added in the cost.
- 2 Projections for 2008-09 are not submitted hence we have worked out the cost for 2008-09 on the basis of actual exp. of 2006-07 considering appropriate rise for inflation, development allowance and addition of one more batch of students. Recast cost for 2008-09 works out to Rs.37,000/-. However, as the college has proposed fees at Rs.36,000/-, the same is accepted and adopted at Rs.36,000/-.