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

No. JRJS/ 194 /2008

Date : / /2008

23 APR 2008

To,
The Principal,
S.B.B. College of Physiotherapy(M.P.T.).
Ahmedabad.

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

**SURESH BRAHMKUMAR BRAHMBHATT COLLEGE OF PHYSIOTHERAPY,
(M.P.T.), AHMEDABAD**

As per directions of the Hon'ble Supreme Court in the case of Islamic Academic Education & another v/s State of Karnataka & Others on 14th August 2003, the Government of Gujarat has set up a Committee vide GR No. SCF/2003/CC-59/S dated 26th 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 fair & reasonable. **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.

Guiding principles:

In discharging its functions, the Committee has kept in mind the following observations contained in the said judgment of Islamic Academy, which have been reaffirmed recently in the case of P.A. Inamdar & Others v/s State of Maharashtra & Others, on August 12, 2005.

- (a) So far as the question of fee fixation is concerned, the judgment has categorically emphasized that there can be no fixing of rigid fee structure by the Government.
- (b) Each institute will be entitled to have its own fee structure. The fee structure for each institute must be fixed keeping in mind the infrastructure and facilities available, investments made, salary paid to the teaching and other staff, future plans for expansion and/or betterment of the institute etc.
- (c) They must be able to generate surplus which must be used for the betterment and growth of the educational institution. Similar observations in the TMA Pai case provides for reasonable surplus for furtherance of education. (Para 69).
- (d) There can be no profiteering and capitation fee cannot be charged.

Issues arising and responses:

During the exercise for revision of the fees, two major issues came up for consideration before the committee:

- (a) Whether the proposed fee structure should be applicable to all the students on roll as of the applicable date or should be applicable to new batch of students to be enrolled from the year 2006-07 ?
- (b) Application of accepted accounting and costing principles and practices for treatment of cost of running a free bed hospital and provision for reasonable surplus for betterment and growth.

The Committee's views are as under:

(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 27th June, 2007 to all the colleges asking them to propose fee structure for the years 2007-08 and 2008-09 as directed by the High Court along with the information in the format provided together with the audited accounts and justification of the revision latest by 30th June, 2007. Accordingly, the information has been submitted by SURESH BRAHMKUMAR BRAHMBHATT COLLEGE OF PHYSIOTHERAPY, (M.P.T.), AHMEDABAD to the Fee Committee. The college has not asked for the hearing before the committee.

The Committee has reviewed all the papers submitted by the college. Based on the review and inter college comparison, the Committee has noted as under:

- Almost all the colleges in Physiotherapy have proposed a steep rise based merely on the projections for next three years. The college has started Physiotherapy–MPT Course for the first time from 2006-07 with twelve students only. It is evident from the individual analysis reported to the concerned college by a separate annexure that there is a wide difference between the latest audited numbers as recast and the cost estimates in support of the proposed fee scale.
- In the light of what is stated above, the Committee has felt it proper to continue to discount the projections made by the college that are not based on facts and ground realities. Some of the expenses claimed by the college have been scrutinized and moderated or deleted, as the case may be, for which reasons are given in a separate annexure referred to in paragraph (d) herein below.
- The College has proposed fee of Rs.2,25,000/-. The Committee has gone to actual costing exercise together with the projection of inflation and development surplus.
- After the review, the Committee finds it necessary to provide full analysis of the accounts, other relevant information and rationale for not accepting the proposed fee structure. The detailed reasoning for the college for working out the base fees has been given in **Annexure A**. As stated above, the year 2006-07 is the first year of College, fee is worked out by averaging total cost of 2006-07, 2007-08 and 2008-09 on the total number of students during these years.
- 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.
- 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.

g. In final analysis, the Committee recommends following fee structure,

i)	Year 2007-08	Rs. 1,45,000/-
ii)	Year 2007-08	Rs. 1,45,000/-
iii)	Year 2008-09	Rs. 1,45,000/-

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.
- 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

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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

SURESH BRAHMKUMAR BRAHMBHATT COLLEGE OF PHYSIOTHERAPY, (M.P.T.), AHMEDABAD

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

Existing Fees Rs. 60,000/- (Ad hoc)

Fees Proposed:

Rs. 2,25,000/-

		(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							
1A Sub Total	12.96	16.56	22.52	15.95	29.49	21.57	
2 Power & Electricity			2.50	0.50	3.75	0.55	
3 Post, Telephones, faxes			0.48	0.25	0.55	0.25	
4 Repairs & Maintenance							
Building							
Equipments							
Others			0.75	0.25	1.25	0.30	
4A Sub Total	0.00	0.00	0.75	0.25	1.25	0.30	
5 Administrative Expenses			2.15	1.14	3.00	1.25	
6 Rent and Taxes to outsider							
7 Other Expenses	2.00	2.00	16.00	4.12	17.00	4.50	
8 Depreciation on SLM basis							
Building							
Furniture & Fixtures	0.45	0.30	0.50	0.50	0.50	0.50	
Equipments	0.15	0.15	3.00	3.00	3.00	3.00	
Computers			1.00	1.00	1.00	1.00	
Other (Specify) (Books)				1.21		1.21	
8A Sub Total	0.60	0.45	4.50	5.71	4.50	5.71	
9 Grand Total	15.56	19.01	48.90	27.92	59.54	34.13	
7.5% for Development allowance		1.43		2.09		2.56	
Total Cost including Development Allowance	15.56	20.44	48.90	30.01	59.54	36.69	

	Rs. In laes
Total cost for 2006-07, 2007-08 & 2008-09	87.14
Total students in 2006-07, 2007-08 & 2008-09	60
Cost per student for 2006-07, 2007-08 & 2008-09	<u>1.45</u>

SURESH BRAHMKUMAR BHATT COLLEGE OF PHYSIOTHERAPY, (M.P.T.) AHMEDABAD

2006-07

(Actual/Audited)

- 1 The college is required to pay stipend to the students to the tune of Rs. 7.20 lacs as informed and mentioned in the separate details provided in the Information Memorandum. However, since the fees is yet not fixed, the college has yet not paid stipend to the students but we have considered 50% of same while recast the total cost and remaining 50% is considered as hospital cost.
- 2 As per the revised projections of cost for 2006-07, the college has claimed following expenses, though incurred but not shown in the books of the college, consequently not in the audited accounts. Since the same are not shown in the books of the college, we have not considered the same.

Particulars	Rs. in lacs
Power & Electricity	1.5
Post, telephone, faxes	0.25
Repairs to others	0.25
Administrative exp.	1.29
Exp. on student activities remuneration	4.8
Other exp.	3.84
Total	<u>11.93</u>

2007-08 & 2008-09 Projections

- 1 Projections of Power & electricity exp., Telephone exp., Other repairs , Administrative exp. and Other expenses of 2007-08 and 2008-09 are moderated/recast on the basis of the actual exp. of 2006-07 after allowing a reasonable for inflation. Other expenses include Remuneration on students activities at Rs. 9 lacs each in 2007-08 & 2008-09 which is not considered in absence of details.
- 2 Purchase of books Rs. 1.97 lacs(2006-07) and Rs. 2.88 lacs(2007-08) is claimed as revenue exp. We have considered depreciation @ 25 on the same for the projected years.
- 3 Abnormal rise in Other expenses projected by the college during 2007-08 and 2008-09 is on account of Teaching projects of Rs. 3.20 lacs in both years planned by the college. Hence, we have considered the same.
- 4 We have considered 7.5% rise for Development allowance.

Note: Since intake is only 12 students and 2006-07 is the 1st year of the college, the fees proposed by the college is very high. Therefore the fee is worked out by averaging total cost of 2006-07, 2007-08 and 2008-09 on total no. of students during these years.