

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

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No. JRJS/ 221 /2008

Date : 9 / 5 / 2008

To,  
The Dean,  
Municipal Medical Institute of Medical Education and Research,  
[Post Graduate]  
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.

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**MEMBER**

HON. JUSTICE R.J.SHAH MEDICAL COMMITTEE  
AHMEDABAD

**COLLEGE : SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH, (P.G.), 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 fair and rational. **The Committee will be at liberty to approve the submitted fee structure or to propose an alternate fee structure to be changed 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 for the under graduate courses run by 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 which has now been notified.
- However for the PG Courses, the Committee had not fixed the fees for the said years. Thus the fee for structure for PG Courses has been submitted to the Committee for its approval for the first time.

**Approach and Methodology:**

The Committee has requested all the Medical colleges running all types of courses 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 institute in December, 2005.

- 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 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, occupancy of beds in the hospital etc. The committee also visited the hospitals to check for the quality of service and care provided to the patients.
- The committee also gave a public hearing to the students, parents association as well as the management of the colleges on 11<sup>th</sup> and 12<sup>th</sup> May 2006.

In discharging its functions, the committee has kept in mind the observations contained in the said judgement 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.

#### **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 provide 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:

- (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.
- 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 which is directly related 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 the entire duration 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.

**(b) Treatment of Hospital Cost**

- In the matter of treatment of hospital cost, the Committee has appreciated the need to have a teaching hospital as prescribed by MCI as a precondition to set up a Medical college. However, in the views of the Committee, it is unfair to recover the deficits of running the hospital from the students only. In the earlier exercise also, the Committee has suggested sharing of hospital cost between medical care and medical education.
- This year one of the private colleges has undertaken a costing exercise from a reputed firm, namely S.B. Billimoria & Company, in support of their proposal for the revision in the fee structure. The said report contains analysis of total cost of medical education which has been overseen by Shri Y. H. Malegam, one of the most respected and experienced Chartered Accountants in the country today.

- The Committee has studied the said Billimoria report in detail and found merit in the treatment of some of the costs related to education in general and treatment of hospital cost in particular. As such the Committee has followed the same rationale for all the medical colleges so far as treatment of hospital cost is concerned, which is summarized as under :
  - Excluding the cost of medicine, the expenses related to treatment and blood bank expenses which can be considered as variable expenses specific to patients, the remaining items can be considered as fixed expenses arising from the maintenance of the teaching hospital.
  - For the purposes of this exercise, we have assumed that this fixed cost may fairly be allocated in equal proportion between the cost of medical care and the cost of medical education.
  - Since on an average students spend almost 50% of their time in the hospital, only 50% of hospital expenditure is allocated to medical education.
  - Like wise, teaching staff spend almost 50% time in the hospital, therefrom 50% of the cost of manpower (teaching) has been treated as part of cost of medical care.
  - The cost of medical education may therefore be considered as the direct cost of medical education (as reduced by manpower (teaching) cost allocated to medical care) plus the share of medical care allocated to medical education.
  - The sharing of hospital cost does not arise where the educational institution has a tie up with any other hospital to take their services at a fixed price per student. In such case, the committee has allowed actual amount paid per student to such hospital in determination of the fee structure.

**(c) 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.
- Though the initial investments are made through donations, 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 some 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. However instead of accepting the projections for next 3 years immediately for the purpose of fee fixation, the Committee has thought it wise to allow revision in the fee structure on annual basis for the year 2007-08 and 2008-09.

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

The Committee addressed letter dated 27<sup>th</sup> June, 2007 to the college asking college 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 SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH (P.G.), SURAT 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:

- a. SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH (P.G.), SURAT has proposed a steep rise based merely on the projections for next three years. The college has started Post Graduation Course for the first time from 2006-07 with seventeen 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.
- b. 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.
- c. The College has proposed fee as per Resolution of SMC separately for each course. The Committee has gone to actual costing exercise together with the projection of inflation and development surplus.
- d. 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. Fees for non-clinical course is taken at Rs.1,25,000/- for all the three years.
- e. 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.
- f. In fixing the fees for the period of three years as indicated above, the Committee has considered moderate increase for 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,

For Clinical:

i)	Year 2006-08	Rs. 4,05,000/-
ii)	Year 2007-08	Rs. 4,35,000/-
iii)	Year 2008-09	Rs. 4,68,000/-

For Non-Clinical :

i)	Year 2006-08	Rs. 1,25,000/-
ii)	Year 2007-08	Rs. 1,25,000/-
iii)	Year 2008-09	Rs. 1,25,000/-

**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.

May 8<sup>th</sup>, 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

**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH, (P.G), SURAT**

**Fees: Existing** Rs. 2,00,000/- (Deposit)  
**Proposed:** As per Resolution of SMC

**COST OF MEDICAL EDUCATION**

Sr. No.	Particulars	2006-07	2007-08	2008-09
		Rs. In lacs	Rs. In lacs	Rs. In lacs
		Amount	Amount	Amount
1	10% Salary to teaching staff(Allocated from UG)	24.24	25.60	28.00
2	50% of Stipend	2.10	6.00	10.00
3	10% of Direct Education cost(Allocated from UG)	10.69	13.76	15.82
4	Depreciation on Books	3.22	12.97	18.47
5	<b>Total Education Cost</b>	<b>40.24</b>	<b>58.33</b>	<b>72.29</b>
6	2.5% of Hospital cost	33.02	36.25	39.07
7	10% of Adj. Common cost	23.98	24.70	26.47
8	<b>Total cost of education</b>	<b>97.24</b>	<b>119.27</b>	<b>137.84</b>
9	<b>Average Cost per student for clinical subject for three years</b>	<b>3.77</b>	<b>3.77</b>	<b>3.77</b>
10	<b>Add: 7.5% Development Allowance (From year 2007-08 onward)</b>	<b>0.28</b>	<b>0.30</b>	<b>0.32</b>
11	<b>Cost per student for clinical subject</b>	<b>4.05</b>	<b>4.35</b>	<b>4.67</b>
12	<b>Average Cost per student for non-clinical subject</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>

**Note: 1**

Total cost for 3 years 2006-07, 2007-08 and 2008-09  
 Total students for 3 years 2006-07, 2007-08 and 2008-09  
 Average cost per student for 2006-07, 2007-08 and 2008-09

	Cilical	Non Clinical	Total
	339.35	15.00	354.35
	90	12	102
	<u>3.77</u>	<u>1.25</u>	



**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH(U.G. & P.G.), SURAT  
MEDICAL CARE COST**

Sr. No.	Particulars	2006-07(Actual)		2007-08		2008-09	
		Amount	Amount	Amount	Amount	Amount	Amount
	Direct exp. incurred in treatment of patients						
1	Materials exp. (Patients Diet)	35.30		30.00		34.00	
2	Medicine Exp.	180.55		180.00		203.00	
	<b>Total</b>	<b>215.85</b>		<b>210.00</b>		<b>237.00</b>	
	Less : To be excluded from cost being directly incurred for the treatment of patients	0		0		0	
1	50% of recast salary exp. considered as Hospital exp.		242.36		256.00		280.00
2	50% of stipend		19.52		24.00		24.00
3	Salary of Hospital staff		524.66		600.00		664.00
4	Other Hospital (recast) cost		534.25		569.85		594.97
	<b>Total</b>		<b>1320.79</b>		<b>1449.85</b>		<b>1562.97</b>
5	Less: 2.5% hospital cost allocated to PG		33.02		36.25		39.07
6	<b>Adjusted Hospital Cost</b>		<b>1287.77</b>		<b>1413.60</b>		<b>1523.89</b>

**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH(U.G. & P.G.), SURAT**

<b>HOSPITAL COST</b>		<b>2006-07 Actual</b>	<b>2007-08 (Budgeted)</b>	<b>2008-09(Budgeted)</b>
<b>Sr. No.</b>	<b>Particulars</b>			
1	Power & Fuel	38.78	38.50	42.00
2	Post & Telephone	0.05	0.30	0.35
3	<b>Repairs &amp; Maintenance exp.</b>			
	Building Repairs	7.67	10.00	11.00
	Equipments Repairs	27.50	30.00	33.00
	Other Repairs	0.16	0.29	0.35
4	<b>Other Admn. Exps.</b>	7.03	6.65	7.50
	Entertainment exp.			
	Staff training exp.			
	Vehicle running exp			
	Misc. Admn. exp.			
	Sr. Labour exp.			
5	<b>Other Recurring exp.</b>	105.13	112.37	125.00
	Uniform & Apparels exp.			
	Other Stationery exp.			
	Other welfare exp.			
	Computer stationery exp.			
	Floopy, Diskettes & Tapes			
	Local conveyance exp.			
	Consumable stores exp.			
	R & M Vehicles exp.			
	S.R. Power & Fuel exp.			
	S.R. Overhead Exp.			
	Contracts(House keeping)			
6	Depreciation	347.93	371.74	375.77
	<b>Total exp.</b>	<b>534.25</b>	<b>569.85</b>	<b>594.97</b>

**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH(U.G. & P.G.), SURAT  
COMMON COST(U.G. & P.G.)**

Sr no.	Particulars	2006-07(Actual)			2007-08(Budgeted)			2008-09(Budgeted)		
		UG 90%	PG 10%	Total 100%	UG 90%	PG 10%	Total 100%	UG 90%	PG 10%	Total 100%
Rs. In lacs										
1	Power & Fuel	11.88	1.32	13.20	13.50	1.50	15.00	18.00	2.00	20.00
2	Post & telephone	0.06	0.01	0.07	0.18	0.02	0.20	0.23	0.03	0.25
3	<b>Repairs &amp; Maintenance exp.</b>									
	Building	6.12	2.28	8.40	6.75	0.75	7.50	8.55	0.95	9.50
	Equipments	4.16	0.46	4.62	7.20	0.80	8.00	8.10	0.90	9.00
	Other Repairs	12.43	1.38	13.81	13.50	1.50	15.00	15.30	1.70	17.00
4	<b>Other Admn. Exps.</b>	17.93	1.99	19.92	12.88	1.43	14.31	14.40	1.60	16.00
	Legal exp.									
	Consultancy fees									
	Subscription/membership									
	Registration charge									
	Entertainment exp.									
	Vehicle Running Exp.									
	Misc. Admn. Exp.									
	Sr. Labour exp.									
5	<b>Other Recurring exps.</b>	25.96	2.88	28.84	35.08	3.90	38.98	37.80	4.20	42.00
	Uniform & Apparels									
	Other Welfare exp.									
	Printing									
	Computer stationery									
	Other sattionery									
	Floopy, Diskettes & Tapes									
	Local conveyance									
	Consumable stores									
	R & M Vehicles									
	S.R. Power & Fuel exp.									
	S.R. Overhead Exp.									
	Contracts(House keeping)									
	Festivals/Ceremonies/functions									
	Bank charges & Commission									
	Processing charges									
6	Rent & Taxes(Vehicle rent)	2.91	0.32	3.23	2.70	0.30	3.00	3.15	0.35	3.50
7	Depreciation	119.96	13.33	133.29	130.48	14.50	144.97	132.74	14.75	147.49
	<b>Total exp.</b>	<b>201.40</b>	<b>23.98</b>	<b>225.38</b>	<b>222.27</b>	<b>24.70</b>	<b>246.96</b>	<b>238.26</b>	<b>26.47</b>	<b>264.74</b>

**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH(U.G. & P.G.), SURAT**

**DEPRECIATION WORKING**

RS. IN LACS

A	BUILDINGS (5%)		WDV As on 31-03-2007	College	Hospital	Common	Hostel/staff Quarters	Total
	Code	Particulars						
	5613	Staff Quarters	4016.31	30%	1606.52	401.63	803.26	100%
	5616	Hospital Buildings						
	5623	Sports Complex						
	5628	Public Library/Reading Rooms						
	5654	Hostel Buildings						
	5661	Public Roads, Streets, Pavilion						
	5662	Public lights, cables						
	5691	Water/drainage system						
		<b>Depreciation @ 5% for 2006-07</b>		<b>60.24</b>	<b>80.33</b>	<b>20.08</b>	<b>40.16</b>	<b>200.82</b>
		Addition during 2007-08	295.82					
		<b>Depreciation @ 5% for 2007-08</b>	<b>4312.13</b>	<b>1293.64</b>	<b>1724.85</b>	<b>431.21</b>	<b>862.43</b>	<b>4312.13</b>
		Addition during 2008-09	60.00					
		<b>Depreciation @ 5% for 2008-09</b>	<b>4372.13</b>	<b>1311.64</b>	<b>1748.85</b>	<b>437.21</b>	<b>874.43</b>	<b>4372.13</b>
		<b>EQUIPMENTS &amp; FURNITURE (15%)</b>		<b>10%</b>	<b>60%</b>	<b>10%</b>	<b>20%</b>	
	5715	College, Hospital, Dispensary, Others	2555.92	255.59	1533.55	255.59	511.18	2555.92
	5771	Furniture						
		<b>Depreciation @ 15% for 2006-07</b>		<b>38.34</b>	<b>230.03</b>	<b>38.34</b>	<b>76.68</b>	<b>383.39</b>
		Addition during 2007-08	139.00					
		<b>Depreciation @ 15% for 2007-08</b>	<b>2694.92</b>	<b>269.49</b>	<b>1616.95</b>	<b>269.49</b>	<b>538.98</b>	<b>2694.92</b>
		Addition during 2008-09	15.00					
		<b>Depreciation @ 15% for 2008-09</b>	<b>2709.92</b>	<b>270.99</b>	<b>1625.95</b>	<b>270.99</b>	<b>541.98</b>	<b>2709.92</b>
				<b>40.65</b>	<b>243.89</b>	<b>40.65</b>	<b>81.30</b>	<b>406.49</b>

SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH(U.G. & P.G.), SURAT

DEPRECIATION WORKING

C	Code	COMPUTERS (25%)		WDV As on 31-03-2007	College	Hospital	Common	Hostel/staff Quarters	Total
		Particulars							
		I.S.D. Department		12.94	6.47	6.47			12.94
		Depreciation @ 25% for 2006-07			1.62	1.62			3.24
		Addition during 2007-08		23.75					
		Depreciation @ 25% for 2007-08		36.69	18.35	18.35			36.69
		Addition during 2008-09		7.00					
		Depreciation @ 25% for 2008-09		43.69	21.85	21.85			43.69
					5.46	5.46			10.92
D		OTHERS (10%)		WDV As on 31-03-2007	College	Hospital	Common	Hostel/staff Quarters	Total
	5752	Electronic Equipments		190.62	30%	40%	10%	20%	100%
	5772	Furniture & Fittings			57.19	76.25	19.06	38.12	190.62
		Depreciation @ 15% for 2006-07			8.58	11.44	2.86	5.72	28.59
		Addition during 2007-08		15.00					
		Depreciation @ 15% for 2007-08		205.62	61.69	82.25	20.56	41.12	205.62
		Addition during 2008-09		6.00	9.25	12.34	3.08	6.17	30.84
		Depreciation @ 15% for 2008-09		211.62	63.49	84.65	21.16	42.32	211.62
					9.52	12.70	3.17	6.35	31.74

**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH(U.G. & P.G.), SURAT**

	2006-07		2007-08		2008-09	
	College	Hospital	College	Hospital	College	Hospital
<b>A</b>						
Buildings	60.24	80.33	64.68	86.24	65.58	87.44
80% of depreciation on Common assets transferred to College & Hospital(50:50)	8.03	8.03	8.62	8.62	8.74	8.74
(20% of depreciation is considered for Hostel & staff quarters)						
<b>Total {A}</b>	<b>68.28</b>	<b>88.36</b>	<b>73.31</b>	<b>94.87</b>	<b>74.33</b>	<b>96.19</b>
<b>B</b>						
Equipments & Furniture	38.34	230.03	40.42	242.54	40.65	243.89
80% of depreciation on Common assets transferred to College & Hospital(50:50)	15.34	15.34	16.17	16.17	16.26	16.26
(20% of depreciation is considered for Hostel & staff quarters)						
<b>Total {B}</b>	<b>53.67</b>	<b>245.37</b>	<b>56.59</b>	<b>258.71</b>	<b>56.91</b>	<b>260.15</b>
<b>C</b>						
Computers	1.62	1.62	4.59	4.59	5.46	5.46
<b>Total {C}</b>	<b>1.62</b>	<b>1.62</b>	<b>4.59</b>	<b>4.59</b>	<b>5.46</b>	<b>5.46</b>
<b>D</b>						
Others	8.58	11.44	9.25	12.34	9.52	12.70
80% of depreciation on Common assets transferred to College & Hospital(50:50)	1.14	1.14	1.23	1.23	1.27	1.27
(20% of depreciation is considered for Hostel & staff quarters)						
<b>Total {D}</b>	<b>9.72</b>	<b>12.58</b>	<b>10.49</b>	<b>13.57</b>	<b>10.79</b>	<b>13.97</b>
<b>Grand Total[A+B+C+D]</b>	<b>133.29</b>	<b>347.93</b>	<b>144.97</b>	<b>371.74</b>	<b>147.49</b>	<b>375.77</b>
90% of depreciation for U.G.	119.96	313.13	130.48	334.56	132.74	338.19
10% of depreciation for P.G.	13.33	34.79	14.50	37.17	14.75	37.58
<b>Total</b>	<b>133.29</b>	<b>347.93</b>	<b>144.97</b>	<b>371.74</b>	<b>147.49</b>	<b>375.77</b>

Surat Municipal Institute of Medical Education & Resaerch,(U.G.), Surat

Sr. no.	Particulars	2006-07 Actual/Audited	2007-08 Projected	2008-09 Projected
	<b>Expenses</b>			
	<b>1 Salary inculding retired benefits</b>			
	Teaching Staff			
	Non-teaching staff			
1A	<b>Sub Total</b>	<b>1143.45</b>	<b>1240.11</b>	<b>1364.12</b>
	2 Power & electricity	65.25	90.00	103.00
	3 Post, Telephone, Faxes	0.12	0.50	0.60
	<b>4 Repairs &amp; Maintenance</b>			
	Building	22.80	30.00	35.00
	Equipments	32.12	45.00	51.00
	Others	13.97	22.75	25.30
	<b>Sub Total</b>	<b>68.89</b>	<b>97.75</b>	<b>111.30</b>
	5 Administrative exp.	27.11	45.60	50.95
	6 Rent & taxes	44.20	6.50	7.45
7(1)	Other Expenses (Specify)	437.24	538.50	606.65
	<b>8 Depreciation on SLM basis</b>			
	Building	192.24	193.33	195.22
	Medical Instrument			
	Furniture & Equipments	334.39	333.73	336.55
	Furniture			
	Dead stock			
	Air Conditioner			
	Fixtures & Accessories			
	Computer	2.73	4.55	5.91
	<b>Others (Specify) @ 15%</b>	24.62	23.18	22.14
	Medical books			
	<b>Sub Total</b>	<b>553.98</b>	<b>554.79</b>	<b>559.82</b>
9	<b>Grand Total</b>	<b>2,340.24</b>	<b>2,573.75</b>	<b>2,803.89</b>
	<b>Less : Income</b>			
	<b>Total cost</b>	<b>2,340.24</b>	<b>2,573.75</b>	<b>2,803.89</b>
A	<b>No. of Students on roll on date</b>	<b>454</b>	<b>456</b>	<b>558</b>
B	<b>Salary cost per student per annum (1A/A)</b>	<b>2.52</b>	<b>2.72</b>	<b>2.44</b>
C	<b>Toral cost per student (9/A)</b>	<b>5.15</b>	<b>5.64</b>	<b>5.02</b>

**SURAT MUNICIPAL INSTITUTE OF MEDICAL EDUCATION & RESEARCH  
SURAT**

**NOTES: POST GRADUATE (P.G.)**

**1. SALARY COST**

Therefore, 50% of Salary Cost including stipend is allocated towards medical care exp.

**2. MEDICAL CARE COST**

**2.1** Considering very few number of students as compared to U. G. students only 10% of Hospital cost is considered while computing total cost of P.G. course.

**3. DEPRECIATION**

**3.1** There is no separate infrastructure for P.G. course. The college has ascertained 10% of total infrastructure attributable for P.G. in addition to specific equipments bought for P.G. It is appreciated that SMC has setup large scale infrastructure i.e. College Building, Hospital Building Sports Complex, Public Library, Reading Room, Staff Quarters, Hostel Building, Roads, Lights, Water Drainage system and furnished the same with equipments furniture etc. However, in our opinion depreciation on certain infrastructures like hostel, staff quarters & common utilities has to be considered separately.

Therefore, we have apportioned the cost of building, equipments & furniture and other assets in the ratio of 30:40:10:20 for college, hospital, common & staff quarters respectively. Depreciation on equipments and furniture is allocated in the ratio of 10:60:10:20 on college, hospital, common utilities and staff quarters. Computers are apportioned between college & hospital at 50:50. Accordingly, the depreciation is considered on apportioned cost as explained above.

80% of depreciation on common utilities is loaded on college & hospital in the ratio of 50:50 and remaining 20% of depreciation on common



utilities is considered for hostel & staff quarters.

For P.G. we have considered 10% of the depreciation calculated as above in addition to depreciation on books specific to P.G.

**3.2** Depreciation on hostel and staff quarters including equipments, furniture & other assets thereof are not considered as Cost.

#### **4. GENERAL**

**4.1.** The college has claimed the entire cost of books as recurring expense at Rs. 12.88 lacs (2006-07), Rs. 28.00 lacs (2007-08), Rs. 22.00 lacs (2008-09). However, as per the provisional figures of 2007-08, the actual purchase of books is very less than the projected. Therefore, we have moderated the figure of books and considered depreciation @ 25% on the moderated amount.

**4.2** Rent & Taxes for student & staff quarters is excluded from cost since the same has to be recovered from the students/staff. Also the college has not proposed to incur such rent in the projected years and therefore this exp. is considered as an abnormal item for 2006-07.

**4.3** As per the separate details submitted for fee proposal of PG course 10 % of following expenses are considered as incurred for PG course:-

- Power & Electricity
- Post & Telegram
- Repairs & Maintenance
- Other administrative & other recurring exp.

**4.4** Entire building repairs is claimed for college building by the college. However, we have allocated the same for College building and hospital building on the same basis as adopted for calculation of depreciation on building.

**4.6** We have moderated the projections of 2007-08 and 2008-09 on the basis of expenses actually incurred in 2006-07, actual expenses incurred till 15-01-2008 as provided by the college.