

SECRETARIAT

Admission and Fee Regulatory Committee

(A statutory body established through an Act of Government of Madhya Pradesh)

Office: Tagore Hostel No. T-2, Ground Floor-Left Wing, Shyamla Hills,

Bhopal – 462002 Phone and Fax No. (0755) – 2660461

email:osdjcbpl@yahoo.co.in, web site: www.afrcmp.org

No. Sectt/OSD/91/2017 / 1517

Dated : 11.07.2017

To,

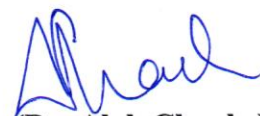
Secretary/Director,
R.D.Gardi Medical College,
Sursa, Ujjain
M.P.

Sub- Order passed in appeal No. 91/2017 for M.B.B.S. Course.

Ref- This Secretariat Letter No. Sectt/OSD/91/2017/ 1488 dated 08.07.2017.

With reference to above cited subject and order dated 07.07.2017, I am directed by Appellate Authority to send you a copy of the order passed dated 11.07.2017 on your appeal No. 91/2017 by Appellate Authority.

Encl. As Above.



(Dr. Alok Chaube)
Officer on Special Duty

End. No. Sectt/OSD/91/2017

Dated : 11.07.2017

Copy to : Hon'ble Appellate Authority, AFRC, Bhopal
For kind information.

sd/-

(Dr. Alok Chaube)
Officer on Special Duty

BEFORE THE APPELLATE AUTHORITY CONSTITUTED UNDER THE MADHYA
PRADESH NIJI VYAVSAYIK SHIKSHAN SANSTHA (PRAVESH KA VINIYAMAN
AVAM SHULK KA NIRDHARAN) ADHINIYAM, 2007, AS AMENDED IN 2013.

Appeal No. 91/2017
R.D.Gardi Medical College,
Ujjain.
M.P.

Appellant

VERSUS

The Admission and Fee Regulatory
Committee, Bhopal.

Respondent

ORDER

(Date 11.07.2017)

1. Vide common order dated 07.07.2017, the fee fixation for MBBS course by the Committee vide its chart dated 03.04.2017 was held vitiated for not determining the fees in accordance with the provisions of the Act and the Regulations and was therefore rescinded. Now, I proceed with fixation of appropriate fee as per provisions of the Act and the Regulations on the basis of scrutiny and analysis of accounts and fee proposal of each appellant institution. Since each appellate institution has submitted fee proposal for academic session 2017-18 and 2018-19 on the basis of its own financial situation, I proceed to pass fee fixation order for each appellant institution separately.
2. The appellant had submitted to AFRC a proposal for fixation of fee of Rs. 9,63,990.00 per year for academic session 2017-18 and Rs. 10,60,389.00 for 2018-19. Appellant submitted that the fee proposal submitted to AFRC was based on realistic projection for expenditure and the higher fee was essential



to meet the need of appellant institute for revenue as well as capital expenditure.

3. Respondent submitted that AFRC in its meeting dated 03.04.2017 had already fixed appropriate fee for the appellant institution and there was no merit in appellant's pleading for further hike in fee.
4. The financial status of the appellant institution is briefly analysed hereunder on the basis of the institution's latest audited accounts. Appellant institution has not submitted audited accounts for financial year 2016-17 in spite of opportunity given by Appellate Authority to present the audited accounts for 2016-17 during the appeal stage. Therefore, provisional account for 2016-17 submitted by appellant institution has not been reckoned for the purpose of assessment of merit of fee proposal for academic session 2017-18. Since audited accounts for financial year 2016-17 have not yet been submitted by the appellant institution, appropriate fee for academic session 2017-18 would be fixed on the basis of audited accounts for 2014-15 and 2015-16.

It is noted from audited accounts that R.D.Gardi Medical college which include MBBS course, PG course and Teaching Hospital incurred deficit of Rs. 6.62 crores in 2014-15 and Rs. 1.33 crores in 2015-16.

5. Appellant has submitted that the appellant institute has incurred substantial loss since commencement of MBBS course in 2004-05 and commencement of PG course since 2009-10. During 2004-05 to 2015-16 the institute had incurred a huge loss of Rs. 57.11 crores out of which Rs. 44.07 crores deficit had been incurred for running MBBS course. The appellant has submitted copies of Balance Sheet and Income and Expenditure Account for R.D.Gardi Medical college for period from 31.03.2005 to 31.03.2016. Appellant have submitted copies of Income and Expenditure Account and Balance Sheet for RD Gardi Medical College for financial year 2004-05 to 2015-16 in support of his claim. Respondent has not rebutted the appellant's claim of accumulated



loss for the medical college. Hence, appellants claim as corroborated by the audited accounts is accepted.

6. It is evident from the above mentioned discussion that the appellant institute had not earned any profit by running MBBS course and PG course since its inception in 2004-05. Instead it has incurred substantial loss.
7. Appellant institute had submitted to AFRC a fee proposal of Rs. 9,63,990.00 per year for academic session 2017-18 and Rs. 10,60,389.00 per year for academic session 2018-19. During the appeal hearings, the appellant institute submitted a revised fee proposal for Rs. 9.55 lakhs for 2017-18 and 10.50 lakhs for 2018-19. Subsequently, the appellant institute submitted during the appeal hearing a further revised fee proposal of Rs. 11.00 lakhs for 2017-18 and 2018-19. Fee proposal of Rs. 9,63,990.00 for 2017-18 as submitted by the appellant college to AFRC has been considered for evaluation.

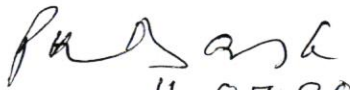
In their fee proposal, appellant had included the following:-

- i) Proposed salary hike of Rs 9.62 crores subsequent to approval of appellant's fee proposal,
 - ii) Depreciation of Rs. 4.65 crores owing to revaluation of capital assets and additional depreciation of Rs. 5.27 crores by calculation of WDV basis. Thus, a total depreciation of Rs. 9.92 crores was claimed for 2016-17 (Provisional for 9 months + estimate for 3 months) vis-a-vis depreciation of Rs. 4.48 crores as per audited accounts for 2015-16.
8. Appellant's proposal to factor in proposed salary hike in fee is not justified and hence not accepted. Appellant had claimed higher depreciation in 2015-16 on the basis of revaluation of capital assets. This is not as per Straight Line Method applied by AFRC for calculating depreciation of assets for all institutions. Therefore, exception cannot be made only for the appellant institution and depreciation is therefore, to be calculated as per SLM. Claim for additional depreciation on WDV basis is also not acceptable.



On the basis of analysis of the financial status of the appellant institute, as evident from audited accounts for financial year 2015-16 and after considering the factors mentioned in Sec. 9 of the Act, it is reasonable to fix fee of Rs. **7.00 lakhs** per year for academic session 2017-18. Such a fee would enable the appellant institute to meet required operational expenditure and also to generate a reasonable surplus to take care of its new capital expenditure as well as replacement of capital assets etc.

Upon submission of fee proposal for academic session 2018-19 by the appellant institute along with its audited accounts for financial year 2016-17 and financial year 2017-18 latest by 31.03.2018, the Appellate Authority would pass appropriate orders under the Act.


(P.K.Dash) 11.07.2017

Appellate Authority