

**Guidelines for furnishing fee proposals by Private Un-aided Professional Institutions
(Medical, Dental, Ayush, Nursing, Para medical, Agriculture and Horticulture) in the
State of A.P. for the block period 2020-21 to 2022-23.**

1. As per the dicta laid down in TMA Pai Foundation Vs State of Karnataka (2002) 8 SCC 481 and in P.A. Inamdar Vs State of Maharashtra (2005) 6 SCC 537, the unaided private professional colleges as per the rights guaranteed under Article 19 (1)(g) of Constitution of India is engaged in an occupation and as such, they are entitled to make surplus of not more than 15% per annum for the development of the institution. In another judgment of the Supreme Court of India i.e. Indian Medical Association Vs Union of India reported in (2011) 7 SCC at Paras 93 and 94 it is categorically culled out that these educational institutions should run for charity and not for earnings surplus.
2. As per the provisions of Prohibition of Capitation Fee Act, the collection of capitation fee by Private Unaided Professional Institutions by whatever name is illegal.
3. The Institutions shall submit final audited statements of income and expenditure, and balance sheets and indicate requirements for the developmental needs for the immediately preceding year, particulars of expenditure incurred on salaries and infrastructure and other particulars (with supporting bills, vouchers or receipts etc.).
4. Accordingly, any fee proposals in respect of Private Unaided Professional Institutions will be evaluated keeping in view the above noted cardinal principles.
5. It is therefore necessary that the fee proposals furnished by the Private Unaided Professional Institutions have to be evaluated based on the income and expenditure of the institutions as well as the Societies/Trusts under which umbrella the said institutions are established/functioning.
6. Further in order to evaluate the fee proposals the following principles will be considered for adoption keeping in view the interest of both the institutions as well as the student community.

- i) All the required financial information should be submitted as per the Mercantile (Accrual) System of Accounting. Financial information submitted in any other system of accounting will not be treated as the information provided by the institution and the same will not be considered for the purpose of evaluation.
 - ii) If an institution previously followed any other system of accounting and for the purpose of fee fixation has migrated to the Mercantile (Accrual) System of Accounting, all the expenditure which pertains to the previous financial years shall be excluded while preparing the financial statements/information to be submitted to the Andhra Pradesh Higher Education Regulatory and Monitoring Commission (APHER&MC).
 - iii) The fee shall be fixed based on the revenue expenditure including depreciation on the Assets of the institution.
7. In order to evaluate the total income of the institution the following heads are to be taken into consideration.
- i) Fee Receipts from the programme – **(Refer Schedule-1)**
 - ii) Fee receipts from other programmes run by the institution
(Refer Schedule-1).
 - iii) Other income like Collections/Fee from patients both in and out patients, investigation charges, Aarogyasri receipts and Other income like interest on investments, rents received, interest on fixed deposits etc **(Refer Schedule - 2).**
 - iv) Grants received from the Government and other sources
(Refer Schedule-14)
8. With regards to the expenditure it is broadly categorized as follows:
- A) Salary Expenditure:**
- i) Salary expenditure on teaching faculty who are fully qualified as per norms, including the age of retirement and within the required cadre strength as per the **Medical Council of India / Dental Council of India / Nursing Council of India/ State Government/NTRUHS** any other authorized body norms.

Note: 1. The salary expenditure of the teaching faculty for whom the Tax Deductions (TDS) are made only will be considered.

2. The proof of highest qualification of the teaching faculties concerned shall be uploaded.

(Refer Schedule - 3 for both 2018-19 & 2017-18).

- ii) Salary expenditure of teaching faculty who are not fully qualified regarding qualifications, age, and staff appointed beyond prescribed teacher student ratio etc. **(Refer Schedule - 4 for both 2018-19 & 2017-18).**
- iii) Salary expenditure of non-teaching staff, who are on regular scales and within the prescribed teaching and non-teaching ratio, including the age of retirement **(Refer Schedule - 5 for both 2018-19 & 2017-18).**
- iv) Salary expenditure of non-teaching staff, who are on consolidated / contract emoluments or reemployed beyond the age of retirement and staff engaged beyond the prescribed teaching and non-teaching ratio **(Refer Schedule - 6 for both 2018-19 & 2017-18).**
- v) The retirement age shall be **65** years for teaching faculty and **60** Years for non-teaching staff and **60** years for last grade servants.
- vi) Arrears of previous years' salary should not be included in the gross salary and should be shown separately.
- vii) In order to consider the expenditure on teaching and non-teaching staff, the cadre strength fixed by the respective competent authorities like **MCI /DCI/ NCI, State Government** etc., have to be adopted. Persons who are appointed over and above this strength shall be shown in the other related proforma.
- viii) Faculty norms shall be as per notification issued by respective competent authorities like MCI, DCI, NCI, State Government etc.
- ix) In case any of the employee service is utilized for more than one programme, such names shall be shown only in one programme.

- x) The teaching faculty should be qualified. Non-qualified teaching faculty will not be counted /considered for the purpose of expenditure.
- xi) **PAN number for teaching faculty is a must.** In respect of non- teaching and other staff also, PAN data shall be furnished, where monthly salary/emoluments/ honorarium/remuneration is Rs. 25,000 or more. If no PAN/wrong PAN data of them is given, the **expenditure to that extent will be ignored for the purpose of calculation of fee.**
- xii) Aadhar Card Number **MUST** be indicated both for teaching faculty/non-teaching faculty. If wrong data is furnished, the expenditure of such persons will be ignored.
- xiii) Payment of **salaries through cheque / bank will only be considered** for expenditure purpose in respect of teaching faculty.
- xiv) In case of non-teaching staff, the monthly honorarium / salary / remuneration, as the case may be, is more than Rs.5,000/- shall be made through cheque / bank. Cash payments shall be subject to production of evidence and scrutiny.
- xv) Audited financial statements for the financial year **2018-19** will be the basis for calculating the expenditure of the Institution.
- xvi) Audited financial statements for the financial years **2017-18** shall also be furnished along with the fee proposals.
- xvii) Acknowledgement of Returns of income filed with the **Income Tax Department for the asst. Years 2017-18 & 2018-19** pertaining to the **financial years 2017-18 & 2018-19 together with Form-10B/10BB** Audit Report shall be submitted along with the fee proposal.
- xviii) Audit report shall contain the signature of the Auditor, his name, ICAI membership number along with the following information: -
- i) PAN Number of the Auditor.
 - ii) E-mail id of the Auditor.
 - iii) Cell No. of the Auditor.

If the Auditor is a partner of the firm; following additional details shall be given;

- a) Firm ICAI Registration Number
- b) PAN Number of the Firm.
- c) E-mail id of the Firm.

NOTE:-

(a) If the above said details are not furnished, auditor's report will not be considered and the fee proposal will be summarily rejected.

(b) The APHER&MC has a right to direct the presence of Auditor or seek confirmation from him/her and the corresponding costs, if any, shall be met by the Institution concerned. It is the responsibility of the Institution to secure the presence of the auditor whenever required.

B. Other Expenditure.

- i) Statement of Legal Expenses **(Refer Schedule - 7)**
- ii) Statement of Gardening Expenses **(Refer Schedule - 8)**
- iii) Statement of Expenditure on Seminars, Workshops, Student Related Expenditure, Fests **(Refer Schedule - 9)**

NOTE: - Against the Items (i), (ii) and (iii), only student related expenditure will be considered.

- iv) Statement of Expenditure on Scholarships, Merit Awards etc., Spent by the Institution. **(Refer Schedule- 10)**
- v) Administrative and other expenditure **(Refer Schedule – 11)**
- vi) Finance costs. **(Refer Schedule - 12)**
- vii) Fixed Assets and Depreciation **(Refer Schedule - 13)**
9. Salaries of eligible Teaching Staff who were appointed after 01.04.2019 and before 30.09.2019 by the institution with all other details.
(Refer Schedule - 15)
10. Eligible Teaching Staff, who have resigned after 01.04.2019 and before 30.09.2019 **(Refer Schedule - 16)**
11. Statement of Performance Indicators. **(Refer Schedule - 17)**
12. Statement of Proposed Expenditure for the Block Period of 2020-2021 to 2022-2023 by the Institution. **(Refer Schedule -18)**
13. Statement of Fixed Deposits of the institution. **(Refer Schedule - 19)**
14. Statement of Loans Received from Societies, Banks/ Financial Institution

- and others by the institution. **(Refer Schedule - 20)**
15. Independent Income & Expenditure of the Society/Trust. **(Refer Schedule - 21)**
 16. Independent Balance Sheet of the Society/Trust. **(Refer Schedule - 22)**
 17. Building Infrastructure for the year 2018-19 **(Refer Schedule - 27)**
 18. All Rooms for the year 2018-19 **(Refer Schedule - 28)**
 19. Lab Equipment for the year 2018-19 **(Refer Schedule - 29)**
 20. Other Areas for the year 2018-19 **(Refer Schedule - 30)**
 21. Bank Statements of ITR-7 (2018-2019) & (2017-2018) **(Refer Schedule - 31)**
 22. In case any institution runs more than one programme all the expenditure can be bifurcated and reflected in respective Schedules and the bifurcated expenditure shall be certified by Chartered Accountant. If clear bifurcation is not given the proposal shall be rejected.
 23. The entire particulars would be obtained online. However, the institution shall provide a hardcopy of uploaded information duly signed by the Secretary/Correspondent/ Director/ Principal. The prescribed programme-wise processing charges to be paid through **PAYMENT GATEWAY** is as follows;
 24. If a society/trust runs more than one institution, the data/information shall be furnished institution-wise.

1) Medical Colleges

S No	Name of the Programme	Processing charges in (Rs.)
a)	MBBS	Rs.72,000/-
b)	P G Programme	Rs.72,000/-
c)	Super specialty Programme	Rs.72,000/-

2) Dental Colleges

S No	Name of the Programme	Processing charges per Programme in (Rs.)
a)	BDS	Rs.72,000/-
b)	P G Programme (MDS)	Rs.72,000/-

3) Agriculture Colleges

S No	Name of the Programme	Processing charges
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		per Programme in (Rs.)
a)	B.Sc.(Hons.)Ag.	Rs.72,000/-

4) Horticulture Colleges

S No	Name of the Programme	Processing charges per Programme in (Rs.)
a)	B.Sc. (Hons.)Horti.	Rs.72,000/-
b)	M.Sc.(Horticulture)	Rs.72,000/-
c)	Ph.D.(Horticulture)	Rs.72,000/-

5) Nursing, Ayush, Para Medical and Physiotherapy Colleges

S No	Name of the Programme	Processing charges per Programme in (Rs.)
a)	B.Sc (Nursing), M.Sc (Nursing), Post Basic B.Sc(Nursing)	15,000/-
b)	BAMS / BHMS / BNYS	15,000/-
c)	Para Medical Programmes	15,000/-
d)	Physiotherapy Programmes	15,000/-

25. For the purpose of obtaining the relevant data, particulars are to be furnished institution-wise. If any institution runs more than one programme, the data relating to all the programmes is to be provided in one set of proformae. For this purpose the following -sets of proformae are evolved.

Appendix – I <i>(To be furnished by the institutions running Medical and other programmes, if any)</i>	MBBS, PG Medical, PG Super Speciality
Appendix – II <i>(To be furnished by the institutions running Dental and other programmes, if any)</i>	BDS, MDS
Appendix – III <i>(To be furnished by the institutions running Nursing and other programmes, if any)</i>	B.Sc (Nursing), M.Sc (Nursing), Post Basic B.Sc(Nursing)

Appendix – IV <i>(To be furnished by the institutions running Paramedical and other programmes, if any)</i>	DMLT, DOM, DMPHA(M)
Appendix – V <i>(To be furnished by the institutions running Physiotherapy and other programmes, if any)</i>	B P T, M P T
Appendix – VI <i>(To be furnished by the institutions running Ayush and other programmes)</i>	BAMS, BHMS, BNYS, BUMS, MD Homeo, MD Ayurveda, MD Naturopaty, MD UNANI
Appendix – VII <i>(To be furnished by the institutions running Agriculture, Horticulture and other programmes)</i>	B.Sc.(Hons.)Ag., B.Sc. (Hons.)Horti., M.Sc.(Horticulture), Ph.D.(Horticulture)

Note:

- a) If an institution runs only one programme for example MBBS, and does not run other programmes, the data has to be furnished in the Appendix–I and details relating to other programmes are to be shown as zero.

26. Other Directions

- i) Any expenditure that does not directly relate to the student's education shall not be considered.
- ii) Projected expenditure like advertisement of the institution in the ensuing block period, purchase of equipment, new recruitment to be made during the block period shall be met from the funds earmarked for the furtherance of the education.
- iii) Percentage of increase between financial year 2017-18 and 2018-19 will be taken into account to consider expenditure for the purpose of expenditure pertaining to the financial year 2019-20.
- iv) Schedules for salary payment for the teaching staff will be included for
 - (i) Those with qualifications
 - (ii) Those without qualifications.
- v) Interest on the loan given by the societies to the institutions in respect of internal funds will not be taken into consideration.
- vi) When an institution is running more than one course/programme, the income and expenditure statement and Balance sheet shall be

bifurcated and bifurcated statement certified by the Auditor shall be furnished along with the fee proposals. If it is not done, the proposals will be summarily rejected.

- vii) Annual TDS Returns filed in Forms 24Q and 26Q under Income Tax Act shall be submitted along with the proposal. **(Refer Schedule 25 and Schedule 26 for both years i.e 2018-19 & 2017-18).**
- viii) Depreciation only will be allowed on the buildings.
- ix) Any expenditure with corresponding income shall be disallowed if corresponding income is not shown.
- x) Filling up of the column relating to **fee proposed** (Programme wise) for the block period of 2020-21 to 2022-23 in the general information schedule is mandatory.
- xi) Upload the proof and purpose of the borrowings from Financial Institutions/Banks duly specifying the source of borrowings.
- xii) In the case of expenditure other than salaries wherever TDS provisions as per IT Act are applicable exceeding Rs. 30,000/- as single payment or Rs. 1,00,000/- in multiple payments to a single person shall upload TDS payment details.
- xiii) Expenditure incurred from college account shall only be considered.
- xiv) All the Colleges should maintain Websites with up to date information. The data submitted to the APHER&MC shall also be hosted on the College Website. Further the Colleges to host a link (URL) of the APHER&MC on its website, by clicking which the data submitted to the APHER&MC will be displayed on the APHER&MC Website.

27. Procedure to be adopted for filling the proformae:

- i) The Codes allotted by the respective conveners to the institution shall be used, for example NEET code for Medical Colleges.
- ii) Financial details shall be furnished in Rupees only.

- iii) The per student fee proposed should be programme-wise and for the block period 2020-21 to 2022–23 to be shown in the General Information schedule.
- iv) Audited financial statements for the year 2018-19 and 2017-18 of the Society/Trust shall also to be furnished along with the information relating to the institution together with the fee proposals. Scanned copy of the statements shall be furnished online along with the relevant data.
- v) If the institution furnishes incomplete data or fails to remit the processing charges as prescribed through **PAYMENT GATEWAY**, such proposals will not be considered and ignored.

28. The institute has to submit the following documents along with the fee proposals:

- i) Formats duly filled in and signed by the Secretary/ Correspondent/ Director/ Principal of the Institution;
- ii) Final audited Statements for the period from 01-04-2017 to 31-03- 2018 of the Institution as well as Society/Trust;
- iii) Final audited Statements for the period from 01-04-2018 to 31-03- 2019 of the Institution as well as Society/Trust;
- iv) Form 24Q and 26Q of IT Act for both financial year 2018-19 & 2017- 18.
- v) Statement of amounts paid for both financial year i.e. 2018-19 & 2017- 18 towards affiliation, university development fee, examination fee etc.
- vi) Income Tax filed acknowledgement with computation of income and audit report in prescribed form 10B/10BB as applicable for both financial year 2019-20 & 2018-19.
- vii) Documents relating to gratuity fund and payment of gratuity settled by gratuity fund manager.

- viii) Letter of confirmation of conducting audit and certified statements prepared based on the accrual system of accounting issued by the statutory auditor along with auditor details like name, mobile number, e-mail etc.
- ix) Details of sanctioned intake approved by the competent authority Programme wise to be submitted.
- x) Other information/documents, if any (specify).

29. The following directions of Hon'ble High court of A.P., in the D.B. Judgment dt.29.10.2011 in WP's No.16547/2010 and batch reported in 2012 (3) ALT 686 (D.B.) is brought to the notice of the Institutions: -

“.....an institution which is unresponsive or does not submit statements of income and expenditure, audited balance sheets, and requirements for developmental needs for the immediately preceding year; particulars of expenditure incurred on salaries and infrastructure and other particulars as may be specified (with supporting bills, vouchers or receipts, etc.,) shall not be permitted to collect any fee....”

Accordingly, in case of failure to furnish specified data as mentioned above or submission of proposal with incomplete data the institution/college will not be entitled for determination fee and will not be allowed to collect any fee from the students for the block period 2020- 21 to 2022-23 in terms of the said judgment.

MEMBR SECRETARY

**Andhra Pradesh Higher Education Regulatory and
Monitoring Commission (APHER&MC)**