



**ANDHRA PRADESH HIGHER EDUCATION
REGULATORY AND MONITORING COMMISSION**

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**PROCEEDINGS OF THE ANDHRA PRADESH HIGHER EDUCATION
REGULATORY AND MONITORING COMMISSION RELATING TO
REVIEW AND DETERMINATION OF FEE STRUCTURE FOR SUPER
SPECIALITY COURSES (MEDICAL) IN THE PRIVATE UN-AIDED
PROFESSIONAL HIGHER EDUCATIONAL INSTITUTIONS IN THE
STATE OF ANDHRA PRADESH FOR THE BLOCK PERIOD 2020-21
TO 2022-23**

The Commission met on **20.10.2020** to review and determine the fee structure for **Super Speciality Courses (Medical)** in the Private Un-aided Professional Higher Educational Institutions in the State of Andhra Pradesh for the Block period 2020-21 to 2022-23 in the Office of the Commission.

The meeting is attended by the following Members:

Sl.No.	Name	Designation
1	Justice V. Eswaraiah	Chairperson
2.	Prof. N. Bhargava Rama Mohan Rao	Vice-Chairperson
3.	Shri Asutosh Mishra IAS., (Rtd.)	Member Administration
4.	CA Kaliki Vijayulu Reddy	Member Finance
5.	Prof. D. Usha Rani	Member Academic
6.	Dr. G. Santa Rao	Member Academic
7.	Prof. P. Vijaya Prakash	Member Academic
8.	Shri A. Sambasiva Reddy	Nominee Member from Higher Educational Institutions
9.	Dr. N. Rajasekhar Reddy	Secretary & CEO

MINUTES

1. The Andhra Pradesh Higher Education Regulatory and Monitoring Commission Act, 2019 (Act 20 of 2019) was first published on 16.08.2019 which came in to force with effect from 19.08.2019 vide G.O.Ms.No.41, Higher Education (U.E.) Department. The Andhra Pradesh Higher Education Regulatory and Monitoring Commission

(herein after referred as 'APHERMC' or the 'Commission') is constituted under Act 20 of 2019. The APHERMC Rules, 2019 (hereinafter referred as 'Rules') are issued in G.O.Ms.No.49, Higher Education (U.E.) Department dated 11.10.2019 and the APHERMC Regulations, 2020 (hereinafter referred as 'Regulations') are issued in G.O.Ms.No.12, Higher Education (U.E.) Department dated 04.03.2020. The Act 20 of 2019, APHERMC Rules, 2019 and APHERMC Regulations, 2020 have been further amended.

Under Section 9(b) of the Act 20 of 2019, as amended, the Commission have the power to monitor and regulate Fee in Higher Educational Institutions in accordance with the Rules, Regulations, Guidelines and Procedures, prescribed for the purpose. The APHERMC Regulations and Rules have been prescribed in accordance with Section 2(7), 2(9), 2(10A), 22(1) and Section 23 of the Act. Rule 8 of the APHERMC Rules, 2019 deals with Fee Regulation and Regulation 5 deals with detailed procedure with regard to the review and determination of fee. The Commission also made Guidelines in accordance with the Act, Rules and Regulations streamlining the procedure.

2. The Commission issued a notification dated 09.01.2020 requiring the managements of the UG, PG and Super Specialities in medical programs, UG & PG Dental Courses etc., in the unaided professional institutions in the State of Andhra Pradesh, proposing to review and determine the fee structure for the block period 2020-21 to 2022-23. The managements of the said colleges were required to submit the



relevant data together with their audited financial statements for the year 2017-18 and 2018-19 in the prescribed Schedules No.1 to 31, online before 29.02.2020. On the request of the A.P. Medical and Dental Colleges Management's Association, the last date was extended from time to time 29.02.2020, 14.03.2020, 23.03.2020, 27.03.2020 and ultimately extended upto 06.05.2020. Wherever the entire required information in the prescribed schedules and the financial statements etc., could not be uploaded online they were able to furnish the same via e-mail.

3. The Fee proposals were submitted online and by e-mail by entering the required data in the 31 schedules relating to the fee receipts for all programmes, income like interest on investments, rents, grants received from the Government, salary expenditure of teaching and non-teaching staff, those with qualifications and without qualifications. TDS returns filed in form 24Q and 26Q under the Income Tax Act for both years i.e., 2017-18 and 2018-19, cadre strength, faculty strength, evidence of payment of salaries through cheques, audited financial statements for the financial year 2018-19 and 2017-18, income tax returns together with form 10B/10BB/3CB-3CD audit reports, legal expenditure, gardening expenditure, expenditure on seminar/workshops, students related expenditures, fests, scholarships, merit awards, administrative and other expenditures, hostel charges, hospital income & expenditure, transport charges, depreciation, finance costs, statement of performance indicators, statement of proposed



expenditure for the block period 2020-21 to 2022-23, statement of fixed deposits of the institutions, statement of loan received, independent income and expenditure of the society/trust and balance sheet, expenditure bifurcated and reflected programme-wise data/figures certified by the Chartered Accountants.

4. The above referred data relating to the fee proposals has been evaluated by the Commission based on faculty available (teaching & non-teaching staff), infrastructural, instructional, laboratory and other facilities. The financial aspects have been evaluated by the appointed Auditors M/S. G.K Rao & Co., and M/S. Ramanatham & Rao, Chartered Accountants. The Auditors have taken note of the expenditure statements of all the relevant heads relating to the Salaries including Provident Fund of teaching & non-teaching staff, administration and welfare expenses, telephone charges, postage & internet, expenditure on equipment purchased, books & periodicals, printing & stationary, consumables, research & development, university affiliation fee & inspection charges, examination fee, sports, games, meetings and functions, awards, merit scholarships, travelling and conveyance, repairs and maintenance, depreciation, interest, advertisement and miscellaneous expenditure etc. The Chartered Accountants have carried out the necessary exercise by following the standard accounting practices. A detailed report was made covering all these aspects in accordance with the Regulations and Guidelines issued by the Commission which was analysed by the Members of the Commission.



5. The Commission issued notices dated 20.09.2020 to the management of the said institutions indicating the items of expenditure which are liable to be disallowed as per the Guidelines of the Commission such as cash payments over and above Rs.5,000/-, faculty salaries relating to duplicate or wrong PAN or repeated in more than one Course/Institution, the salaries of ineligible staff etc. The expenditure incurred on hostel and transport charges, charity, donations, legal expenses, scholarships, merit awards, guest house maintenance, expenditures made over and above the prescribed limit on workshops, advertisements, gardening, student related expenditure, miscellaneous expenditure without any specifications, finance costs etc., have been disallowed. The said college managements were called upon to appear in person and submit their representations, if any, along with the hard copies of various documents and soft copies in PDF Format of Cash/Day Book, Ledger Book for the financial year 2018-19, list of all kinds of staff with their names, designation, salary, acquittance register for the year 2018-19 and proof of payment of the salary through banks, details of expenses incurred in the earlier years towards furtherance/development of the institution during the last 3 years i.e., 2017-18 to 2019-20, copies of financial statement submitted to the bank duly attested by the concerned bank, audited financial statements, particulars of proof of payment for contracts, outsourcing staff from the manpower agencies etc.



6. The Commission provided reasonable opportunity of personal hearing to all the institutions on 27.09.2020. The Commission worked out the cost per student on the basis of the financial data re-cast by the Chartered Accountants. The Commission has determined the cost per student based on the sanctioned intake. The Commission has taken into account the expenditures which is directly relating to the imparting education. The Commission has also taken into account the element of general inflation for successive years and considered appropriate allowances like furtherance for future development, depreciation, quality parameters submitted in the Schedule 17 while determining the fee structure.
7. The Andhra Pradesh Educational Institutions (Regulation of Admissions and Prohibition of Capitation Fee) Act, 1983 (Act No.5 of 1983) was enacted to provide for regulation of admissions into educational institutions and to prohibit the collection of capitation fee.
- Section 4A of the said Act provides for the admission of foreign country students and Non-Resident Indian students on payment of higher fee in accordance with the guidelines for the improvement of the college and development of facilities and other related purposes. Section 5 prohibits the collection of any capitation fee by any educational institution or by any person who is in-charge of or is responsible for the management of the institution. The voluntary donations by the institution shall be deposited in the account of the institution in any scheduled Bank and spent for improvement of the



institution i.e., on the development of educational facilities and for such other related purposes. Under Section 7 of the Act the State Government shall issue a notification regulating tuition fee or any other fee that may be levied and collected by any educational institution in respect of each class of student. No educational institution shall collect any fee in excess of the fee notified.

8. As per the judgments of Supreme Court in T.M.A. Pai Foundation Vs State of Karnataka (2002) 8 SCC 481, Islamic Academy case (2003) 6 SCC 697 and Fee Regulatory Committee Vs Kallol Institute of Management (2011) 10 SCC 592, the fee structure for each institute must be regulated keeping in mind the infrastructure and other facilities available, investments made, salaries paid to the staff, future plans for expansion and/or betterment of the institution, etc., but there cannot be any profiteering or collection of capitation fee. Education is essentially charitable and non-profiteering in nature. There can be a differential fee structure for the meritorious students admitted under the Convenor Quota for whom the Government is extending scholarships, grants, fee concessions, etc., and in some cases by the Institutions themselves from that of the fee of the Management and NRI Quota.

9. The Supreme Court, right from the Modern School Vs. Union of India & others dated 27.04.2004 in Appeal (Civil) No.2699 of 2001 to Inamdar & others Vs. State of Maharashtra (2005) 6 SCC 537, held that education is a charitable service. This implies that education



institutions are run for philanthropic purposes and accounting principles to be applied to them are that of not for profit or non-business organizations.

10. Article 38 R/w Article 41, 45 & 46 of the Constitution of India proclaims about education of the people, naturally subject to availability of the funds by the State. It is the duty of the States to provide free education. But if the State is not in a position to provide equal opportunities of education to all sections of the society, it may liberate the opportunities through private educational institutions, obviously without collecting capitation fee or indulging in profiteering. The Hon'ble Supreme Court has further observed that unfortunately education has become a business and for this reason in the recent past the private unaided educational institutions are mushrooming without any quality and standards. Therefore, in view of the afore said judgements of the Supreme Court, State has been taking effective steps to improve the standards and impart quality of education by enacting Act No.20 of 2019, Rules and Regulations are made thereunder.
11. The APHERMC Rules, 2019 and APHERMC Regulations, 2020 have been made under the Act by adopting some of the previous guidelines issued by the Government in various G.Os, guidelines of the erstwhile AFRC, the Regulations and Guidelines of various other State Committees. The fee proposals have been considered by the Commission as per the Rules and Regulations and in the light of the judgments of the Supreme Court.



12. There has been a practice of recommending the fee structure for the Super Speciality courses and the same was notified by the Government. The fee that was notified based on the recommendations of the AFRC by the Government vide G.O.Ms.162, HM & FW (E2) Dept dated 28.07.2009 for the academic year 2009-10 and 2010-11 for 50% competent authority seats and remaining 50% Management seats for the **Super Speciality Courses** in the non-minority institutions was as follows:

Course	A-Category Competent Authority Seats	B-Category Management Seats
Super Speciality	Rs.3,50,000/-	Rs.7,00,000/-

13. For the block period 2011-12 to 2013-14 as per G.O.Ms.No.167, HM & FW (E1) Department dated 18.06.2011 notified by the Government in accordance with the recommendations made by the AFRC, the tuition fee for Super Speciality courses in the Private Un-Aided Non-Minority and Minority Medical Colleges was notified as per resolution of AFRC dated 04.05.2011. Thereafter the very same fee notified for the said block period has been extended by the Government for the next block period i.e., from 2014-15 to 2016-17.

Super Speciality Courses:

S.NO.	ACADEMIC YEAR	TUITION FEE	
		CQ (50%)	MQ (50%)
1	2011-12, 2012-13, 2013-14	3,70,000/-	7,50,000/-
2	2014-15, 2015-16, 2016-17	3,70,000/-	7,50,000/-



For the block period 2017-18 to 2019-20 the Government notified the following tuition fee for super speciality courses in G.O.Ms.No.149, HM & FW (E1) Department dated 06.09.2017.

ACADEMIC YEAR	TUITION FEE
2017-18, 2018-19, 2019-20	24,00,000/-

14. Considering all the facts and circumstances of the case and the representations made by the concerned managements of the said Super Speciality colleges during the Course of personal hearing, the representation of the A.P. Junior Doctors Association and evaluation Reports/Worksheets of the Auditors and keeping in view of the Regulations of the Commission, the Commission have resolved to recommend to the Government the fee structure per annum for the **Super Speciality Courses** in private un-aided non-minority and minority colleges mentioned in **ANNEXURE** for the block period 2020-21 to 2022-23.
15. The said fee structure may be considered and notified by the Government U/s. 7 of Act 5 of 1983 for the Academic years 2020-21 to 2022-23 subject to the following directions:
- The fee is an all-inclusive annual fee including various fees like tuition fee, special fee, laboratory/library fee, computer/internet fee, maintenance and amenities fee, extracurricular activities fee, development fee and other recurring expenditure.
 - The aforesaid fee determined for the Super Speciality Courses for the colleges mentioned in **ANNEXURE** does not include



hostel, transport, mess charges, registration and admission fee and refundable laboratory and library fee.

- c. The above fee structure for the Super Speciality Courses for the colleges mentioned in **ANNEXURE**, shall be applicable for the new Courses/Colleges sanctioned during the block period 2020-21 to 2022-23.
- d. The total fee shall be collected for a period of 3 years only as per Regulations of MCI and annual fee shall be collected in the beginning of each year.
- e. The same fee shall continue for the students admitted during the block period of 2020-21 to 2022-23 till they complete the course.
- f. The institution shall not charge either directly or indirectly any other amount over and above the fee fixed in the Annexures. If any other amount is charged under any other head or guise i.e., donations, the same would amount to charging of capitation fee and are liable to be prosecuted under Section 9 of Act 5 of 1983 apart from imposing appropriate penalty under the APHERMC Rules, 2019.
- g. Stipend shall be paid to the UG students on par with the students in the Government UG Medical and Dental Colleges.
- h. In case of any deviation from these directions, the Commission will initiate serious penal consequences as per the Act and Rules made there under.

Justice V.Eswaraiah
Chairperson

Prof. N. Bhargava Rama Mohan Rao
Vice-Chairperson

Dr. N.Rajasekhar Reddy
Member Secretary & CEO



Shri. Asutosh Mishra IAS.,(Rtd)
Member (Administration)


CA Kaliki Vijayulu Reddy
Member (Finance)

Prof D.Usha Rani
Member (Academic)

Dr. G.Santa Rao
Member (Academic)

Prof. P.Vijaya Prakash
Member (Academic)

Shri. A. Sambasiva Reddy
Nominee Member from
Higher Educational Institutions


MEMBER SECRETARY & CEO
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