



**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 UG
MEDICAL AND DENTAL COURSES 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 **Under Graduate Medical and Dental Courses** 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 all 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 of equipment purchased, books & periodicals, printing & stationery, 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 related to 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.

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.



8. In P.A. Inamdar Vs. State of Maharashtra (2005) 6 SCC 537 at Para 131 relating to 15% allocation of NRI Seats, the Supreme Court held that: -

131.

To prevent misutilization of such quota or any malpractice referable to NRI quota seats, suitable legislation or regulation needs to be framed. So long as the State does not do it, it will be for the Committees constituted pursuant to the direction in Islamic Academy to regulate.

The Supreme Court further held that with regard to NRI seats not exceeding 15% the higher amount of money (fee) collected from such NRIs should be utilized for benefiting the students of economically weaker sections of the society who are admitted on subsidized payment of their fee by way of a suitable legislation or regulation. No capitation fee can be charged and there cannot be any profiteering. To check the prohibition of capitation fee and profiteering, admissions and fee structure have to be regulated.

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. As per the Regulation No.5(36) of APHERMC Regulations, 2020 there can be differential fee structure for the benefit of more meritorious sections of the students admitted under the Convener Quota from that



of the students admitted under the Management and NRI Quota. The institution shall be at liberty to collect the fee for the Management quota seats up to a limit specified by the Commission and notified by the Government. There can be higher fee for the NRI and the Institution Quota, up to a limit specified by the Commission and notified by the Government, which shall be utilized for the development of the college, infrastructure and instructional facilities.

13. There has been a practice of recommending the fee structure for the UG medical and dental courses course-wise 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.161 dated 20.07.2010 for the block period 2010-11 to 2012-13 for 50% competent authority seats and remaining 50% seats are further divided as 10% B-Category Management seats, 40% as C-Category Management Seats for the **UG Medical and Dental courses** in the non-minority institutions was as follows:

Course	A-Category Competent Authority Seats	B-Category Management Seats	C-Category Management Seats
MBBS	Rs.60,000 /-	Rs.2,40,000/-	Rs.5,50,000/-
DENTAL	Rs.45,000/-	Rs.1,30,000/-	Rs.2,50,000/-

The Fee that existed for the block period 2010-11 to 2012-13 for 50% competent authority seats and for the remaining 50% management quota seats for **UG Medical and Dental Courses** as per G.O.Ms.No.92, dated 1.7.2013 was retained as per existing tuition fee for the academic

year 2013-14 as per the request of Association of colleges and resolved by the AFRC as under.

“...resolved to postpone the fixation of tuition fee for Private Un-Aided UG&PG Medical & Dental Courses till the next academic year i.e., 2014-15. The existing tuition fee structure of the Private Un-Aided UG & PG Medical & Dental Courses be retained for this academic year i.e., 2013-14”.

14. The same fee was continued for the academic year 2014-15 for the UG Medical and Dental courses as per the orders of the Government in G.O.Rt.No.744 HM & FW (C.1 Depart.) dated 26.08.2014 for the following reason extracted hereunder.

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2. Before bifurcation of the State the AFRC (Admission and Fee Regulatory Committee) has fixed uniform fee for Medical and Dental UG and PG course in unaided private colleges for the block period 2014-15, 2015-16, 2016-17 and communicated to Government by 08.05.2014. Due to bifurcation of the State, the recommendations of the AFRC could not be examined in detail, in consultation with stakeholders. As the deadline of 1st September for commencement of classes as pronounced by the Hon'ble Supreme Court of India in various Judgments is fast approaching, Government have decided to go ahead with the existing admission procedure for both minority and non-minority colleges in respect of MBBS and BDS courses in the State of Andhra Pradesh.

15. The Andhra Pradesh Private Medical and Dental Colleges Management Association requested the Government for revision of tuition fee for MBBS/BDS courses and as per the Consensual Agreement arrived for fixing the fee structure for competent authority seats, management authority seats and NRI seats in Un-Aided Non-Minority and Minority Medical/Dental Colleges in the State of A.P, the Government issued



orders in G.O.Ms.No.30 & 31, Health, Medical & Family Welfare (C1) Department, dated 17.04.2015 notifying the tuition fee for Medical and Dental courses for the academic year 2015-16 onwards increasing 5% increment per each year till 2019-20.

For MBBS Course:

Academic Year	A Category (Rupees)	B Category (Rupees)	C Category (NRI) (Rupees)
2015-16	10,000	11,00,000	Not exceeding five times of "B" category fee p.a as per G.O
2016-17	10,500	11,55,000	
2017-18	11,025	12,12,750	
2018-19	11,576	12,73,388	
2019-20	12,155	13,37,057	

For BDS Course:

Academic Year	A Category (Rupees)	B Category (Rupees)	C Category (NRI) (Rupees)
2015-16	10,000	4,50,000	Not exceeding five times of "B" category fee p.a as per G.O
2016-17	10,500	4,72,500	
2017-18	11,025	4,96,125	
2018-19	11,576	5,20,931	
2019-20	12,155	5,46,978	

16. The MBBS course under medical stream is for a period of 4½ years as prescribed by Medical Council of India. The Regulation 7(1) of "Medical Council of India Regulations on Graduate Medical Education, 1997" which was framed by Medical Council of India is extracted hereunder:

"(1) Every student shall undergo a period of certified study extending over 4 ½ academic years divided into 9 semesters, (i.e., of 6 months each) from the date of commencement of his study for the subjects comprising the medical curriculum to the date of completion of the examination and followed by one year compulsory rotating internship. Each semester will consist of

approximately 120 teaching days of 8 hours each college working time, including one hour of lunch.”

That apart a Division Bench of Hon'ble High Court of Telangana in W.P.No.23908 of 2018 dated 08.01.2020 in a Judgment of Dundigalla Padmateja categorically held that the Un-aided Private Medical Colleges were collecting fee for 5 years as recommended by TAFRC and notified by the Government of Telangana by way of G.Os No.120, HM & FW (C1) Department dated 20.01.2017 which was questioned and was held to be illegal and arbitrary. Further the Division Bench made it clear that private colleges should collect year-wise fee for four years. For the remaining six months period, half the yearly fee only should be collected. Further the Division Bench directed to initiate action against Private Medical Colleges for collecting fee for five years for MBBS course in accordance with provisions of AP. Educational Institutions (Regulation of Admission and Prohibition of Capitation Fee) Act, 1983. Therefore, the Commission is mandatorily implementing the prescription laid down in Regulation 7(1) of "Medical Council of India Regulations on Graduate Medical Education, 1997" notified by the MCI for MBBS Course and recommending fee for a duration of 4 and half years only for MBBS course for the block period 2020-21 to 2022-23.

17. As per the consensus arrived between the Andhra Pradesh Private Medical and Dental Colleges Management's Association and the Government of A.P, the existing seat sharing in un-aided private non-minority and minority medical and dental colleges for the Competent Authority seats (Convenor Quota), Management Quota seats and



NRI/Institutional Quota seats is continued for the block period of 2020-21 to 2022-23 as under:

Allocation of Seats:

50% of total intake of seats in MBBS and Dental courses shall be made available to the Government UG Admission cell (convenor quota) by APPMDCMA and remaining 50% seats shall remain with the management as 35% Management quota seats and 15% NRI Quota seats.

18. Considering all the facts and circumstances of the case and the representations made by the concerned managements of the said UG Medical and Dental 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 **UG Medical courses** for all specialities in private un-aided non-minority and minority colleges mentioned in **ANNEXURE-I** for the block period 2020-21 to 2022-23.

The Commission have determined the fee structure per annum for the **UG Dental courses** in private un-aided non-minority colleges mentioned in **ANNEXURE-II** for the block period 2020-21 to 2022-23.

19. 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:



- a. 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.
- b. The aforesaid fee determined for all the UG Medical courses and UG Dental courses for the colleges mentioned in **ANNEXURES I & II** does not include hostel, transport, mess charges, registration and admission fee and refundable laboratory and library fee.
- c. The above fee structure for all the UG Medical courses and UG Dental courses as mentioned in **ANNEXURES I & II**, 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 4½ 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 Medical and Dental students on par with the students in the Government UG Medical and Dental Colleges during the period of compulsory rotating internship.
- 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
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