

SECRETARIAT

Admission and Fee Regulatory Committee

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

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No. Sectt/OSD/95/2017 /1579

Dated : 11.07.2017

To,

**Secretary/Director,
Sri Aurobindo Institute of Medical Sciences,
Indore Ujjain State Highway,
MR 10 Crossing,
Indore-453111.**

Sub- Order passed in appeal No. 95/2017 for M.B.B.S. Course.

Ref- This Secretariat Letter No. Sectt/OSD/95/2017/1494 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. 95/2017 by Appellate Authority.

Encl. As Above.



(Dr. Alok Chaube)
Officer on Special Duty

End. No. Sectt/OSD/95/2017
Copy to : Hon'ble Appellate Authority, AFRC, Bhopal
For kind information.

Dated : 11.07.2017



(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. 95/2017

Shri Aurobindo Instt. of Medical Science,
Indore.
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 fixed by AFRC 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vitiated for not determining the fees in accordance with the provisions of the Act and the Regulation and was therefore rescinded. Now, I proceed with fixation of appropriate fee as per provisions of the Act and the Regulation 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. 10.84 lakhs per year for academic sessions 2017-18 and 2018-19. Appellant pleaded 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 fixed appropriate fee for the appellant institution and there was no merit in appellant's pleading for further hike in fee.
4. 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.
5. The financial status of the appellant institution is briefly analysed hereunder on the basis of institution's audited accounts for financial year 2014-15 and 2015-16. Appellant has submitted separate income and expenditure accounts for MBBS course, PG course and Teaching Hospital for financial years 2014-15 and 2015-16 claiming that the institute had incurred deficit in MBBS course and PG Course whereas it had generated a surplus in the Teaching Hospital.

Online fee proposal submitted by the appellant to AFRC is based on the stand alone accounts of MBBS course. This is not acceptable since MBBS course, PG course and the Teaching Hospital together constitute an integrated unit. In fact, vide Appellate Authority's order dated 17.11.2016 Para 11 (4) it had been clearly mentioned that "Medical college and Teaching Hospital are not two separate units. Therefore, consolidated accounts of the medical college and teaching hospital will be considered for fee fixation." Therefore, the institute's integrated accounts comprising of MBBS course, PG course and the Teaching Hospital have been considered hereunder. As per audited



accounts submitted by the appellant institution, it had generated a net surplus of Rs. 21.99 crores in 2014-15 and a net surplus of Rs. 18.76 crores in 2015-16. The appellant had claimed debt repayment of Rs. 24.17 crores in 2014-15 and Rs.21.76 crores in 2015-16 which is corroborated by their audited accounts. Accumulated corpus/surplus of the Institute and the Society were Rs. 33.44 crores and Rs. 82.62 crores respectively as on 31.03.2016.

6. Appellant's fee proposal of Rs. 10.84 lakhs per year is not acceptable for the following reasons:

- (i) The proposal is based upon stand-alone account for MBBS course whereas the proposal should have considered the net surplus position after taking into account income from the Teaching Hospital;
- (ii) Recovery of 1/3 of the deficit of previous three years (i.e. financial year 2013-14, 2014-15 and 2015-16) has been built into estimation of fee.

As per audited accounts of the institute the medical college (MBBS+PG+Teaching Hospital) had a net surplus in 2014-15 and 2015-16. Surplus/deficit status of 2013-14 had not been submitted by the appellant. In any case, recovery of deficit of previous years, if any, is not a factor for fee fixation under Sec. 9 of the Act.

7. On the basis of scrutiny and evaluation of audited accounts of the appellant institute and after considering the factors mentioned in Sec. 9 of the Act, it is reasonable to fix a fee of Rs. **6.5 Lakhs** per year for academic session 2017-18.

8. It is necessary to confirm that the surplus, if any, generated from the Institute (MBBS course + PG course +Teaching Hospital) over the years have been utilised for the Institute only. Appellant is, therefore, directed to submit the following information along with audited accounts (Balance sheet and Income & Expenditure Account) for the Institute and the Society for the period 2004-05 to 2013-14 :-



1. Yearly surplus/deficit,
2. Yearly capital investment,
3. Yearly loan repayment (Principal).
4. Outstanding debt (Secured and unsecured) on 31st March.

The above mentioned information is to be submitted by the appellant latest by 17.07.2017.

Upon submission of fee proposal for academic session 2018-19 by the appellant alongwith audited accounts for 2016-17 and 2017-18 latest by 31.05.2018, appropriate fee order would be passed by Appellate Authority as per Act.

P.K. Dash
11.07.2017

(P.K.Dash)

Appellate Authority