

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

STARRED QUESTION NO:141
ANSWERED ON:30.07.2003
FEES IN PRIVATE MEDICAL COLLEGES
SHIVAJI VITHALRAO KAMBLE;SHRINIVAS DADASAHEB PATIL

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the Government are aware that the fees of Private Medical Colleges have been enhanced in the country recently;
- (b) if so, the details and reasons therefor;
- (c) whether revised guidelines are being followed by the State Governments in the matter of fixing the ceiling on fee structure;
- (d) if so, the details thereof;
- (e) whether the Government have considered the effects of the enhanced fees on the studies of the students living below poverty line; and
- (f) if so, the steps taken by the Government to ensure that the private managements do not charge hefty fees?

Answer

MINISTER OF HEALTH AND FAMILY WELFARE AND PARLIAMENTARY AFFAIRS (SMT. SUSHMA SWARAJ)

(a)to(f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 141 FOR 30.7.2003

The upper limit of fee chargeable from the students in the Private Unaided Medical Colleges admitted against the 'free' and 'payment' category of seats was being determined by the Central Government as per the scheme evolved by the Hon'ble Supreme Court of India in the Unnikrishnan's case. A Constitution Bench of eleven judges of the Hon'ble Supreme Court, in its judgement delivered on 31st October, 2002 in the T.M.A. Pai Foundation & Ors. Vs. State of Karnataka & Ors., has held that its decision in Unni Krishnan's case, in so far as the scheme relating to the grant of admission and the fixing of the fee, was not correct, and to that extent, the said decision and the consequent directions given to the UGC, AICTE and Medical Council of India, Central and State Governments etc. would stand overruled. According to the judgement dated 31.10.2002, the unaided private institutions should adopt a rational fee structure and would not be entitled to charge capitation fee or indulge in profiteering. There can, however, be a reasonable revenue surplus, which may be generated by the educational institution for the purpose of development of education and expansion of the institution.

The judgement dated 31.10.2002 also provides for framing of regulations by the Government that will ensure excellence in education, and for forbidding the charging of capitation fee and profiteering by the institution. Accordingly, the Central Government have issued broad policy guidelines on 14.5.2003 to the State Governments and the Universities in the matter of admission and charging of fee by the private unaided medical and dental institutions in the light of the judgement of the Constitution Bench of the Hon'ble Supreme Court of India dated 31.10.2002. These guidelines, inter-alia, provide for constitution of a Standing Committee at the State level to determine the reasonableness of the fee proposed to be charged by each institution and to approve the same so as to prevent over-charging and profiteering. Further, it has been stipulated that the upper ceiling of fee determined as reasonable in respect of an institution shall remain valid for at least three years and any future revision of fee shall be only applicable to the new entrants.

In order to address the needs of the poorer and weaker sections of the society, the guidelines issued by the Central Government also provide for filling up of a certain percentage of seats in each private institution, as may be determined by each State Government keeping in view the local conditions and various other factors, by students belonging to poor and other economically backward classes, including the SC/ST and OBCs, who are eligible for reservation in admission as per the State Law/Policy. The State may require admission of these students by the private medical colleges at a concessional fee by granting them freeships or scholarships, if not granted by the State itself.

As per information available with the Government, some of the State Governments have already constituted Committees to regulate/approve the fees fixed by the private medical colleges in the light of the constitution bench judgement dated 31.10.2002 so as to prevent over-charging or charging of capitation fee by the Institutions.

The validity of the guidelines dated 14.5.2003 issued by the Central Government and also the regulations framed by some of the State Governments vis-à-vis the judgement dated 31.10.2002 of the Hon'ble Supreme Court have been challenged by various private medical colleges. All such matters have been clubbed together and are presently being heard by a five judge constitution bench of the

Hon'ble Supreme Court. Therefore, at present the matter is sub-judice.