

HIGH COURT OF ANDHRA PRADESH AT AMARAVATHI

**MAIN CASE No.W.P.Nos.1370, 1372, 1374, 1376, 1378, 1380,
1382, 1385 and 1401 of 2022**

PROCEEDING SHEET

Sl.No	DATE	ORDER	Office Note
1.	25.01.2022	<p><u>RRR, J</u></p> <p>The present batch of writ petitions relate to the quantum of fees that the petitioners, who are private medical colleges, in these cases can collect from the students of the Post Graduate course conducted by them for the block period 2017-2018 to 2019-2020.</p> <p>Initially the fee was fixed between the State of Andhra Pradesh and the private medical colleges by way of Consensual Agreement. This Consensual Agreement was challenged before this Court by way of W.P.(PIL).No.131 & 132 of 2017 & batch, which came to be disposed of on 20.01.2021. The Division Bench struck down the Consensual Arrangement and directed fixation of fees by the 2nd respondent for this block period in accordance with the guidelines set out in G.O.Ms.No.6, dated 08.01.2007 and AFRC guidelines issued on 08.12.2016. The said fees was to be fixed by taking into account the actual expenditures incurred by the private medical colleges for the year 2017-2018.</p> <p>The 2nd respondent had recommended certain fee structure for the medical colleges which was accepted by the Government and G.O.Ms.No.42, dated 15.04.2021 was issued notifying the said fee structure for each of the private medical colleges. The private medical colleges aggrieved by the said G.O.Ms.No.42, dated 15.04.2021 had approached this Court by way of various writ petitions. This Court</p>	

	<p>passed Common Order dated 05.10.2021 in W.P.No.9602 of 2021 and batch, giving certain directions.</p> <p>Thereafter, the 2nd respondent had undertaken the exercise of considering the proposal made by the private medical colleges and fixed the fee structure by an order dated 01.11.2021. Thereafter, the Government of Andhra Pradesh had issued G.O.Ms.No.155, dated 23.12.2021 notifying the fees structure approved by the 2nd respondent.</p> <p>The private medical colleges, who are petitioners in the present batch of cases have challenged the speaking order dated 01.11.2021 issued by 2nd respondent and G.O.Ms.No.155, dated 23.12.2021 passed by the Government of Andhra Pradesh (the 1st respondent). The above facts are being taken from W.P.No.1370 of 2022 and there are minor variations in the dates on which the speaking orders have been issued by the 2nd respondent and different G.Os have been given for each of the petitioners. The details of which will be given at the bottom of this order.</p> <p>The petitioners have raised various grounds of challenge. However, for the purpose of the present order, two grounds may be taken into account. They are – (1) the 2nd respondent while fixing total expenditure of the institution, had disallowed the expenditure incurred on payment of stipend to the post-graduate students, on the ground that the said amount has already been taken into account under the head “salaries”. It is the contention of the petitioners that the stipend paid to the students is not included in the expenditure shown under the head ‘salaries’; and (2) the 2nd respondent had deducted the gross income received from the hospital attached</p>	
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	<p>to the medical college of the petitioners on the ground that the said amount was used for running the hospital, which is under a statutory requirement, and that the said expenditure need to be deducted.</p> <p>The petitioners object to this disallowance on the ground that the said disallowance is violative of Guideline No.21 of the AFRC Guidelines notified on 08.12.2016. The 2nd respondent had also disallowed the expenditure incurred towards pharmacy and hostel expenditure on similar grounds and the petitioners object to the said disallowance on the ground that it is violative of Guideline No.21 of the AFRC guidelines.</p> <p>Other objections are not being taken into account at this stage.</p> <p>When the matter came up on 20.01.2022, the learned Standing Counsel appearing for the 2nd respondent was called upon to obtain instructions as to whether the stipend paid by the petitioners to the post graduate students had been included under the head 'salaries' or not. The learned Standing Counsel was also called upon to obtain instructions in relation to the other two grounds of challenge mentioned above.</p> <p>When the matter came up today, further time is sought to ascertain these facts.</p> <p>Sri C. Sudhesh Anand, learned Standing Counsel appearing for the 2nd respondent would submit that the petitioners themselves have admitted in the affidavit filed in support of the writ petitions that payment of stipend was included under the head 'salaries'. This has been explained by Sri D. Prakash Reddy, learned Senior Counsel appearing for the petitioner in W.P.No.1370 of 2022 that inclusion of</p>	
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	<p>payment of stipend under the head 'salaries' was done for the subsequent block period of 2021, in view of certain infirmities in the format given by the 2nd respondent.</p> <p>In view of the fact that the basic information as to whether the payment of stipend was included in the expenditure shown towards salaries has not been placed before this Court, it is difficult for this Court to accept the contention of the 2nd respondent that the expenditure towards payment of stipend has been included under the head 'salaries'.</p> <p>Further time is sought for filing a comprehensive counter setting out all these facts and for production of statements given by the petitioners to the 2nd respondent at the time of scrutiny of the accounts of the petitioners.</p> <p>In these circumstances, there is a need to balance the interests of the petitioners and the interests of the students who would be called upon to pay the differential amount of fees. It would be appropriate to direct status quo to be maintained by both the parties till a counter is filed by the 2nd respondent.</p> <p>The respondents 1 and 2 are directed to maintain status quo in relation to the proceedings that are to be initiated under the G.Os mentioned below, till the 2nd respondent files a counter.</p> <p>The G.Os in relation to which status quo shall be maintained are:-</p> <table><tr><td>Writ petition No.</td><td>G.O.Ms.No. and date</td></tr><tr><td>W.P.No.1370/2022</td><td>G.O.Ms.No.155, 23.12.2021</td></tr><tr><td>W.P.No.1372/2022</td><td>G.O.Ms.No.159, 23.12.2021</td></tr><tr><td>W.P.No.1374/2022</td><td>G.O.Ms.No.158, 23.12.2021</td></tr></table>	Writ petition No.	G.O.Ms.No. and date	W.P.No.1370/2022	G.O.Ms.No.155, 23.12.2021	W.P.No.1372/2022	G.O.Ms.No.159, 23.12.2021	W.P.No.1374/2022	G.O.Ms.No.158, 23.12.2021	
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		<p>Post on 22.02.2022 for counter of respondents 1 and 2.</p> <p>Js.</p> <p>RRR, J</p>													