

**(i) Constitution of India — Article 142 — Medical education — Transfer of students — Fee liability — Unjust enrichment** — Where students originally admitted in a private medical institution were compelled to be transferred to private transferee colleges pursuant to directions of the Court on account of withdrawal of recognition from the original institution, they cannot be permitted, after completion of their courses, to retain the benefit of Government-rate fees as a windfall or a bonanza merely by dint of interim directions passed to tide over an emergent situation — Students who had consciously contracted to pay the higher fee standards of a private medical college, and who on their own merit may not have qualified for Government medical colleges in the open admission process, are required to make good their outstanding fee obligations — The interim arrangement of Government-rate fees was devised to meet exigencies and does not constitute a permanent or final entitlement — Observations made in this order shall not prejudice claims/defences, if any, of the defaulting institution in appropriate proceedings. **[Paras 33, 35, 36, 50, 52]**

“This, in our opinion, would amount to unjust enrichment of these transferee students while being conscious of the fact that they had to face a chaotic situation of being transferred to different medical colleges mid-session. However, all interests of these students were duly protected by this Court ensuring that they cleared the medical course without losing a single academic year. Thus, neither the students can be given undue advantage or bonanza nor can the defaulting institution, i.e., the SRMCH/Selvam Trust, be permitted to take benefit of its own follies.” **[Para 36]**

**(ii) Medical education — Defaulting institution — Primary liability** — Apportionment of financial burden — *Commodum ex injuria sua nemo habere debet* — Where recognition of a private medical institution was not renewed owing to serious and fundamental deficiencies in infrastructure and teaching faculty as found by MCI/NMC inspections, and those deficiencies caused the relocation of students to transferee colleges, the primary brunt of the resultant financial liability must be fastened upon such defaulting institution — The defaulting institution, having charged higher fees than those applicable to Government medical colleges and having failed to maintain the requisite standards, cannot be permitted to take benefit of its own default — The dismissal of the writ petition filed by the college against denial of renewal firmly affirmed the findings of deficiencies, lending the findings their full and confirmed weight. **[Paras 37, 38, 42]**

“The situation at hand is well defined by the latin maxim *Commodum ex injuria sua nemo habere debet* i.e., no one should derive a benefit from their own wrong... Owing to the deficiencies in SRMCH, its recognition was not renewed, resulting in the students being subjected to a very tumultuous and volatile situation, putting their future in grave risk.” **[Para 38]**

**(iii) Medical education — Admission process — Quota classification — Presumption** — Where there is no material on record to demonstrate that any of the transferee private medical colleges had vacant seats against the Government quota, the question of admitting transferred students against Government quota seats does not arise for consideration — In the absence of such material, all transferred students must be

presumed to have been accommodated against private/management quota seats, and the fee structure applicable to such seats is to be applied for deciding questions of liability and entitlement. **[Para 26]**

“We are of the view that the issue regarding classification of the transferred students against Government/private/management quota does not arise for consideration because there is no material on record to show that any of the three transferee colleges had any vacant seats against the Government quota... Hence, it is to be presumed that all the students were accommodated against private/management quota seats and the fee structure applicable to such seats would have to be applied for deciding the issues of liability and entitlement.” **[Para 26]**

**(iv) Medical education — Transfer of students — Bank guarantees and court deposits — Distribution** — Amounts furnished by the defaulting institution by way of bank guarantees with the regulatory authority (MCI/NMC) as well as amounts deposited before the Court, together with accrued interest, are directed to be distributed equally amongst the three transferee colleges — The regulatory authority has not demonstrated any overriding charge or exclusive lien over such bank guarantee amounts — The regulatory authority remains at liberty to take appropriate steps in accordance with law to recover any applicable levies from the defaulting institution — The directions so issued are equitable in view of the fact that the transferee colleges undertook the burden of accommodating transferred students pursuant to court directions without demur, providing infrastructure, education, and stipends at considerable financial cost. **[Paras 43, 44, 45, 46, 47]**

“It has not been demonstrated before this Court that the MCI/NMC has an overriding charge or exclusive lien over the amount of Rs. 10 crores secured by way of bank guarantee furnished by the Selvam Trust. Even otherwise, assuming that any such claim exists, the MCI/NMC, being a statutory regulatory authority vested with powers relating to recognition and de-recognition of medical institutions, would be at liberty to take appropriate steps in accordance with law to recover applicable levies, if any, from the defaulting institution.” **[Para 43]**

**(v) Medical education — Passed-out students — Recovery of shortfall fees — Undertakings** — Where transferred students had, at the time of issuance of course-completion documents by the transferee colleges, given undertakings acknowledging that the issue of fee liability was pending before the Court and that they would abide by the final directions passed therein, they cannot thereafter resist fee recovery — Transferee colleges are entitled to make representations to MCI/NMC furnishing details of the exact shortfall of fee due from each student (applying the fee rates of the original institution) for recovery of remaining dues — Students who comply with the fee liability so determined are entitled to forthwith receive academic and course-completion documents/certificates issued upon completion of course. **[Paras 52, 53, 54]**

“Thus, the passed-out students cannot be allowed the benefit of a windfall or a bonanza merely by dint of the interim orders passed by this Court, which was in form of an emergent

measure in order to tide over the situation where the students faced imminent risk of losing their entire careers. Now that, by virtue of the orders passed by this Court, the students have completed the medical courses, it is the right time when they should be asked to make good their outstanding fee obligations.” **[Para 52]**

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