

**PRIVATE SCHOOLS FEE DETERMINATION COMMITTEE**  
DPI CAMPUS, CHENNAI-600 006.

**Dated: 18.02.2015**

**Coram:**

**HONOURABLE MR.JUSTICE S.R. SINGHARAVELU, CHAIRMAN**

**MR.S.VEDARATHINAM, MEMBER SECRETARY and**

**MR. R. PITCHAI, MEMBER**



**New Creation Bilingual School (CBSE) (2515013 )**  
**Kuyilapalayam,**  
**Bommiyarpalayam Panchayat,**  
**Auroville - 605 101.**  
**Villupuram Dist.**

-----School

Represented by : Mr. S.Venkadesan  
Authorised Representative

Enquiry was taken on 18.02.2015 on service of notice dated 20.07.2014 to the authorities concerned, who on appearance before me were heard and the records produced were perused and upon consideration of both oral representation and documentary evidence and on hearing them in person, upon giving wider opportunity, this Committee makes the following

**ORDER**

1. The Committee, based on the additional particulars furnished by the School in the new Questionnaire, is to determine the fee to be collected by the School, by taking into consideration of the factors provided under section 6(1) of the Tamil Nadu Schools (Regulation of Collection of Fee) Act, 2009, which herein after referred as Act 22/2009.

*S. Venkadesan*

2. Mr. S.Venkadesan, Authorised Representative of the school appeared in person.

3. By information provided by the school and as mentioned above the total strength of the school is 259 from classes LKG - VIIIstd.

The details are as follows:

| Classes      | Student's strength |
|--------------|--------------------|
| LKG & UKG    | 73                 |
| I - V        | 122                |
| VI - VIII    | 64                 |
| IX - X       | 0                  |
| XI - XII     | 0                  |
| <b>Total</b> | <b>259</b>         |

4. The school is affiliated to CBSE upto 31.03.16 for the classes from LKG - VIIIstd.

5. **Strength of Teaching Staff(with regulation):**

As per the rules of the CBSE 20 students shall consist of one section and there will be the ratio of 1:20 per section is adhered.

6. **Strength of Teaching staff for Co-curricular activities(with regulation):**

The strength of teaching staff for co-curricular activities also will be decided as per norms provided in para 5 (supra) and subject to those found in the syllabi mentioned in the Code of regulation and matters found in such other guidelines issued by the Government. This is ofcourse, relaxable when the interest of the parents/wards is found so high as to necessitate such of the subjects, where there is admission of considerable strength of students. However, expense on this subject will be allowed commensurate with the facilities offered. Sundry expenses could be enhanced if there are exemplary subject of co-curricular activities as mentioned in para 112 of the jdgt. dt.3.5.2012.

**7. Non-Teaching Staff and its strength:**

At the end of para 97 of the jdgt. dt.3.5.2012, it is observed as follows:-

'The number of non-teaching staff to be employed is fixed in accordance with the **Government Order**. The Writ Petitioners cannot have any valid objection regarding strength of non-teaching staff, which is to be correlated with that of the **total students**'.

In Para 95 of the jdgt. dt.3.5.2012, it was mentioned that the committee had chosen to fix the ratio of non teaching staff as well as Ayahs and acceptance for the same was given by the Hon'ble High Court. So, we may have to follow our **tabular column** which fixes the ratio of non teaching staff in relation to number of students. The security and sanitary staff will be included in non-teaching staff.

**8. (a) Payment of salary for Teaching Staff (except co-curricular)(vide para 99: also vide the last three lines in para 133 and the last two lines in para 139 (for minority schools) of the Jdgt. dt.3.5.2012):**

(i) Salary and allowances (Basic+Grade Pay+DA+HRA+CCA + Med.allow)  
Earned Leave, yearly increment, arrears based on shifts in slabs

(ii)EPF Contribution

(iii) ESI

(iv)Pension

(v)Gratuity

**(subject to a maximum pay as recommended in VI Pay Commission. Payment shall be by ECS method).**

**(b)** While fixing the salary of teaching staff, this Committee has onerous duty to check the reasonability of payment even though it is made under ECS, as there are oral complaints from the Parents' Association that in some schools unnecessary burdening of the students/parents happens due to payment of salary more than that suggested under 6th Pay Commission by Government of Tamilnadu; especially, the Government has proclaimed a considerate salary structure for teaching staff in commensurate with the Central Government. Therefore to avoid unhealthy competition among the cluster of schools under the guise of having qualified teachers and to prevent excess payment more than what is suggested in VI Pay Commission, an endeavour was made to check the same.

**(c) (i)** The basic salary for Secondary Grade, B.T, and P.G Assistants are respectively Rs.14,000/-, 28,000/- and Rs.30,000/-. The average of which comes to Rs.24,000/- per month. The Committee may permit the salary up to a maximum of time scale of pay prescribed in the Sixth Pay Commission which is as follows :

PG Assistant - 9300 - 34800+4800 (Scale of Pay + Grade Pay)

BT Assistant - 9300 - 34800+4600 (Scale of Pay + Grade Pay)

Sec. Gr.Teacher - 5200-20200+2800 (Scale of Pay + Grade Pay)+750(PP)

**(ii)** When the total salary of a particular school is divided by number of teaching staff, if it is found marginally exceeding the above said average then we need not disturb. But when it exceeds abnormally and shockingly, then the Committee would verify the basic, DA, HRA, CCA plus increment, according to

the number of years of service rendered by the teachers and as per VI Pay Commission suggested, which had culminated into Government Order by which we are bound.

**(d) Salary for Non-teaching Staff:** At the end of Para 97 of jdgt. dt.3.5.2012, it was observed that the salary payable to non-teaching staff can be considered, subject to proof as per the statutory norms of appointment and that it was further observed that in such restriction regarding strength of teaching and non-teaching staff (also in minority schools) is subject only to Government orders.(vide para 139 of the jdgt dt.3.5.2012) A balancing approach both in favour of parents (vide para 114) and also in favour of the schools ( vide para 115) was observed(the expense on salary for Security and Sanitary staff were included in non-teaching staff salary).

**(e).**Salary for Teaching staff of Co-curricular activities, for a realistic Salary, commensurate with the periods of time devoted, strength of students, actuality of the Salary paid in ECS, the nature of Full time (or) Part time, and the qualification and experience may all be considered.

**(f). Salary through ECS:**

Payment of the salary to staff hereinafter to be made only through ECS.

Any time on information or on inspection, if it is found that payment is not made under ECS in future, suitable action in accordance with law will be taken against the institution.

9. "28% to 35% **on tuition fee**" was ordered in the judgement of the Division Bench of the Honourable High Court dated 3.5.2012 and the same can be described in the manner mentioned below:

- i) **Development fund** for purchase, up-gradation = 10%  
Replacement of furniture, fixture and equipment  
Virtually amounting to maintenance.
- ii) **Surplus for Location** 10%-15%  
Village/ Town Panchayat Corporation = 10%  
Municipality or District Head Quarters = 12%  
Corporation = 15%  
(All minority schools are to have 15% blanket as per order of Honourable High Court).
- iii) **Infrastructure Grading** = 8% - 10%

Of course in order to enhance and expand the expense on the head of Salary, representation was made that instead of 28%-35% on tuition fee, it may be 28%-35% not only on tuition fee but also on EPF, ESI, Pension and Gratuity.

The argument advanced in support thereof is that the above mentioned four items are part and parcel of salary.

This is unacceptable because salary is that which is paid every month for the purpose of teaching; whereas the above items are the privileges and perquisites attached to the services of the teaching and cannot be taken as salary. The tuition fee is something that should be equivalent to salary alone. No other perquisites of the service can be added as salary as the same is not tuition fee. Because of such difference the four items above mentioned become payable only when the staff goes out of tenure of office. They cannot be contended as taken out from salary. They are calculated in proportion to the salary. They are not been paid for the coaching or the course of study. Therefore they loose the character of salary or tuition fee. They cannot be included as tuition fee. Therefore 28%- 35% can be given only on the tuition fee.

## 10. Security Expenses:

### Prospective Regulation:

Only with prospective effect because the Committee does not want to unsettle the earlier settled decisions.

Frequent occurrences endangering security of ward are felt especially during the time when students started going home and similar situations. To avoid such things schools may have to strengthen their security staff. In that line the following system may be adopted.

- |   |   |  |
|---|---|--|
| a) For a student strength of 750 and below  | : | 1 Night Watchman &<br>1 Day Security<br>(Shift System) |
| b) For a student strength of 751 - 1500     | : | 1 Night Watchman &<br>2 Day Security<br>(Shift System) |
| c) For a student strength of 1501-2250      | : | 1 Night Watchman &<br>3 Day Security<br>(Shift System) |
| d) For a student strength of 2251 and above | : | 1 Night Watchman &<br>4 Day Security<br>(Shift System) |

|                          |   |              |   |            |
|--------------------------|---|--------------|---|------------|
| Salary to Security Staff | : | Corporation  | : | Rs.7500 PM |
|                          |   | Municipality | : | Rs.7000 PM |
|                          |   | & Dist HQ    |   |            |
|                          |   | Village      | : | Rs.6000 PM |

**Actual or the above formula whichever is less**

*Shanmugam*

**11. Insurance:**

It is felt that expense on insurance coverage for students of all ages and all classes including the teaching staff is necessary and is to be considered as an expense based upon which fee structure shall be made. While doing so, as the premium of the nationalised insurance companies are found lesser and safer compared with other private insurance companies, in exercise of regulation we may restrict expense to the premium of Nationalised Insurance Companies only. As a matter of example the following rate of premium in the modelled Nationalised insurance companies (Government of India Undertaking) are given below and claim will be restricted to the undermentioned premium or that of any other Nationalised Insurance Companies.

**(A) Life Insurance Corporation of India:  
Group Insurance Scheme for Students:**

- i. Students from age 8 (last birthday) and upto the age 15years (nearer birthday) are eligible for the scheme.
- ii. Maximum cover will be 5 Lacs.
- iii. The premium rate will be Re.1.00 / 1000 Sum Assured plus Service Tax
- iv. The minimum membership required is 100 per institution.

**(B) The New India Assurance Company:**

1. Students Safety insurance: Premium for all the 5 covers as mentioned below will be Rs.30 per student plus service tax.

| S.NO | Name of the Cover                                       | Sum Insured   |
|------|---|---|
| 1    | Personal Accident cover to students                     | Rs.1,00,000/-   |
| 2    | Medical Expenses due to accident (inpatient)            | Rs.25,000/- actual  |
| 3    | Medical Expenses due to accident (outpatient)           | Rs.5,000/- actual   |
| 4    | P.A. cover to one earning parent / guardian Death cover | Rs.1,00,000/- or Balance Tuition Fee for the year whichever less. |
| 5    | Loss of Books and Bags due to accident                  | Rs.2,000/- actual   |

(as culled out from the offer letter No. NIA /711000/SS/2014 dated 28.11.2014 of New India Assurance Company and letter dated 29.11.2014 from Pension & Gratuity Scheme Unit, LIC Building, Anna Salai Chennai-2).

**12. Educational Tour:**

CBSE has recently asked the Principals of CBSE schools to ensure that the tours are organized on a need only basis and only if it is relevant to the current curriculum. There were tragic incidences and in one case 24 engineering students from Hyderabad were washed away after authorities released water from a reservoir without knowing that students were visiting that place.

The subtle discrimination arises in foreign trips, which enables only the affluent students and also no safety measures for infectious diseases are made. The schools are at liberty to charge them with a reasonable fee and that reasonable fee is to be fixed by the Committee by the exercise of regulatory authority.

**13. Depreciation:**

We cannot accept depreciation value of the building, because we are of the opinion that depreciation is a concession found in the Income Tax Act, intended for the benefit of the tax payer. Educational institutions being exempted category under the Income Tax Act, may not be entitled to that concession of depreciation because they were exempted to pay the tax. Although the building may get depreciated, the site value gets appreciated every year making the net asset to grow manifold. For these reasons, we do not allow the same. Further the object of T.N. Act 22/2009 and the principles in the case laws are only to regulate the fee in such manner not only commensurate with the expenses involved by the school, but also not to the extent of affecting the purse of the parents. This is not the cause for the above rejection of depreciation, but when this results as a consequence, that consequence could only be appreciable as it falls in tune with the object of the Act and mandate of the Apex Court. It is only to make good and set right the adverse effect of the depreciation, the concept of Development fund as mentioned in para 109 of the Division Bench Judgement dated 3.5.2012 was evolved to an extent of 10-15% on the tuition fees.

**14. Rent:**

a. The Apex Court has repeatedly mentioned that regulation by way of State Government order shall apply while fixing the fee. The whole impediment in our endeavour to accept the rent is the clause found in the lease deed that it is enforceable for nine years with an option for the lessor to renew the same at the tenth year; thus vividly making it clear that the lease deed is not a document as required by G.O.Ms.No.48 School Education (X2) Department dated 21.7.2004 which is a regulation to be necessarily and strictly followed by the Committee.

b. G.O.(2D) No.48 School Education(X2) Department dated 21.7.2004 reads as follows:-

"School Buildings should be planned suitably and adequately. They should be owned or secured on a rent-free basis or taken on a long lease of atleast 30 years".

c. The management of the school may put forth a contention that before ever recognition was given it has never been said that no recognition would be granted unless the school or the trust that runs the school owns a site with building. In fact, recognition was given for those who run the school with their own land or with land taken for rent. When that is admitted how then rent could be denied.

d. The answer is, that according to the concept enunciated by Dr.S.V.Chittibabu Committee which was the basis for passing G.O.Ms.No.48 dated 21.7.2004, it is preferable that the school owns the land; because there may be permanency for the school if it owns the land which contains the

structure and infrastructure which may be available for a sufficiently longer period; otherwise the continuous study of children would be at stake.

e. Dr.S.V.Chittibabu Committee alternatively formulated the principle of rent deed for atleast 30 years in order to achieve this permanent nature of holding the land for school continuously for three decades, which has a bearing on the minimum life span of the structure thereon and infrastructure thereto, which are sine quo now for running a school without disruption or interruption, thus vouchsafing the perpetuity of the institution and avoiding wasteful mushroom growth of schools

The observation regarding rent found in para 106 of the judgement dated 3.5.2012 was made in the context of dealing with the impugned order of the earlier committee, and while dealing with it the guidelines framed by that committee, was observed to be reasonable and on expiry of the period of that committee the guidelines framed by such Committee lost its force and new such, were formulated by us and given herein; and our above view was ventilated in our counter . filed in W.P. 8489/2012 which was also considered by the Hon'ble High Court as reproduced in para 106 of jdgt. Dt.3.5.2012. Further, there is also no mandate contained in para 106 of the judgement.

#### **15. Expense on Administration/Miscellaneous:**

At the end of para 101 of jdgt. dated 3.5.2012, reasonable level of expense on this head so as not to burden the fee structure was directed to be given. So, we may consider the following:-

a) Taxes : Taxes for water, Building, Property, Professional  
etc... claimed legally with proof

b) Water : for School only. @ Rs.20 per can of 20 Litres water. Bulk purchase may have still reduced rate. This works out to Rs.1/- per student as he consume one litre per day of 8 hours. Reverse Osmosis plant is found burdensome as it may involve comparitively large expenditure. Regulatory exercise may allow the former.

**c) Electricity Charges :**

It may appear that, why should there be a regulation when obviously the EB expense have shown to have been paid to the credit of TNEB run by the Government. Anything when it is found expensive is to be regulated, despite the truthfulness underneath it. In other words however true the demand may be, while exercising the power of regulation to curb the profiteering or in other words, unnecessary burden upon students, verification upon channelization of the consumption is vital. We can allow only such consumption of energy channelized to the benefit of the learner namely students or in other words we can allow only such of the consumption charges necessary for learning process. Electricity utilized for other purpose like building construction and similar nature may not have relevance for learning process so the same borne by the management. Looking in that angle we have devised a uniform formula:

***Electricity Charges for ordinary rooms:***

No.of rooms X Rs.7.50/- per unit X 3 units per day X 220 working days

***Electricity Charges for A/c Rooms:***

No. of A.C. machines X No.of tons X Rs.7.50 per unit X 4 units per day X 220 working days

***EB charges For Toilets:***

No.of Toilets/3 (1 tubelight for 3 toilets) x 74 units (220 days/0.34 (units per day)) xRs.7.50 per unit

**d) Printing and Stationery:**

Printing of Cash book, ledgers, fee receipts, school magazines, prospectus, application form, report cards, circulars and purchase of office stationery items

etc. will be considered.

**e) Postage and Telephone, Internet and SMS services:**

-will be considered (excluding for hostel)

**f) Examination Expenses:**

Printing of question papers, answer scripts, handwork material for students, projects will be considered.

**g) Books & Periodicals:**

Value of new arrival found in catalogue in the concerned year with the bill of purchase. Vide value of original stock available in the proceedings for recognition. Expense of newly created library may be fully accepted. For old schools already possessing a library, expense on additions alone will be accepted as per yardstick of fairness.

**h) Laboratory Expenses/Administrative charges/Audit and Legal fees / Hospitality:**

Will be considered to a reasonable level in the interest of the school and also not to burden the fee structure. The principle is that necessity will prevail.

**i) Teaching through Technology :**

i) 1/5th of value of investment on installation of Hardware and the utility services including contents of the CDs & DVDS and the expenses on the demonstrators per annum will be considered. It is so because the services of hardware once installed is expected to be utilized for 5 years; regarding the maintenance of which is contained in the maintenance charges separately granted. The expense on the software and learning process shall be fully admitted.

ii) Excepting software, expense on other teaching aids, if any, will be considered.

*Ramesh Chavan*

j) Uniform:

i) Annually two sets of uniform:  
for students Below Age 10- Rs.750/-  
Above Age 10-Rs.1000/-

ii) For Teaching Staff: Rs.800/-  
For Non-Teaching staff: Rs.600/-

Subject to perusal of  
register for delivery  
of goods with  
acknowledgement of  
beneficiaries

**k) Sports:**

For purchase of sports articles of utility subject to proof. For old schools already having sports articles expenses of new additions may alone be added. Expenses on NCC/NSS/JRC/Scouts with proof except Grant from the Government.

**l) Educational Tour:-** Expenses of proof except the sum collected from the students.

**m) Seminar:** - Necessary expenses with proof

**n) Functions:**

Reasonable expense for Independence Day, Republic Day, Sports Day, Parents Day, Children's Day, Annual Day and Religious Festival Day.

**o) Advertisement Expenses:**

Restricted to proof of recruitment of teachers and other expenses not culminating into appointment may not be allowed as it comes to advertisement against competition.

**p) Recognition Charges:**

It is the Privilege of the proprietor of the school to get recognition; and as it involves the school's obligation towards the State and not any expense of learning for the students. (vide last line of para 101 of Jdgt. dt. 3.5.2012) So not admitted.

**q) Bank/ Interest charges:**

In some of the cases, the Correspondent of the concerned school claimed to include the interest of Bank loans as Expenses to the borne by the students as fee. It is not acceptable, the loan which the interest relates itself, was for construction and other related purposes for the establishment of the school. This

aspect is to be borne only by the proprietor or the correspondent of the school, as the rules and regulations of the State anticipates only the head of the institution to come forward with necessary superstructure, even for getting recognition of the school. Therefore, it becomes prerogative of the correspondent, who seeks for recognition of the school, to bear the expenses of the construction or establishment of the building and infrastructure of the school. For the above reasons, the interest is the result of the borrowing made by the correspondent, which is to be borne only by the correspondent and not by the students.

**(r) (i) Sanitation: (Toilet facility & Sanitary staff salary)**

one urinal for 20 boys, one rest room for 20 girls and one toilet for 50 students. For a student strength of 500, two cleaning servants @ Rs.6000/- salary per month is allowed. For 1000 students, it is double the expense for 500 students etc. likewise.

**(ii) Sanitary Articles**

Purchase of Acid, Phenyl, brooms, bleaching powder, mops and brushes will be considered.

**s) Security Services: (vide Para 10 supra**

**t (i) Vehicle Maintenance:**

This will be decided in assessing the expenses on transportation.

**t(ii) Travelling and Conveyance: (Transportation)**

Expenses on Transport for students from Residence to School & back in Diesel or Petrol van (Unlike in other cases this quantification on transport charges is made in order to restrict occasions of exploitation regarding which recently some oral remarks were made by the parents side)

Cost of one litre diesel is Rs.57 which may make the van to run 10kms students within an average radius of 6km from school may travel.

For morning pick up (two trips as To & Fro)

For evening Return (two trips as To & Fro)

Thus for 4 trips per day, one van may travel 25 KM.

For 25 km the diesel required is 2 ½ litre. (Cost @ Rs.57 per litre is Rs.143 + oil) = Rs.150 per day . As one van may contain 15 students + 1 driver ; per student Rs.10/- per day fuel charges.

*Ady. Lamy*

For salary of one driver and one attendant (Rs.12000+6000(one van) Rs.18000 per month. = Rs.600/- per day.

This shall be borne by 15 students travelling in a van.

Therefore each student shall bear Rs.40/- per day as cost of driver salary.

Therefore each student shall bear Rs.10/- per day as fuel charges.

Therefore each student for one van shall bear Rs.50/- per day.

Annually this may come to Rs.50 X 220 = Rs.11000/- in case of Diesel Vehicle or Rs.12320 in case of Petrol Vehicle @ Rs.91 Per litre.

N.B1. The school may be permitted initially to extend this transport service to all the students and collect the Fees on this head as aforesaid: and in case, if such students, who are unwilling to avail this service and want refund of Rs.11000/-, p.a the same may be obliged by the school

2. In case any student wants transport facilities from a place, the distance of which is from the school is more than the average distance, which was taken as above (6 k.m.); after all, it is only the fuel charges that will be little more, for which suitable charges of such expenses alone may be collected after getting such approval from the Committee, by filing a statement or application in this regard, that may be treated as an objection and suitable order may be passed according to Law.

u) **Lunch / Milk & Snacks:** (Prospective and Optional)

Snacks:

|             |   |                   |                      |
|-------------|---|-------------------|----------------------|
| Banana      | : | Rs.1.00           | (Rs.3.00) *          |
| Milk (25ml) | : | Rs.3.00           | (Rs5.00)             |
| Grains      | : | Rs.3.00           | (Rs.5.00)            |
| Tea         | : | Rs.3.00           | (Rs.4.00)            |
|             |   | <u>Rs.10.00/-</u> | (snacks for 2 times) |

Lunch:

|             |   |         |           |
|-------------|---|---------|-----------|
| Egg (1)     | : | Rs.3.00 | (Rs.4.00) |
| Sambar Rice | : | Rs.5.00 |           |

Lunch or 2 times snacks (or) such other alternatives.

Lunch fee may be collected after displaying the rate and also the fact that it is only optional.

\* at present hike is made as found in bracket.

**v) Incentives for Good Result:**

Incentives for Good result shall only be a token of encouragement and mark of respect for teachers and may not have bearing with the amount of salary. Normally if achievement of any high order is obtained by the school the achieving student is entitled for a reward like a Dictionary, a Book of Great Author or Momento and the same may be given for the teachers also of that subject alone. ***Those incentives shall not normally exceed Rs.1000/- per achieving student and similar amount for the teachers of the concerned subject.***

**w) Maintenance of Campus (Land) & Garden:**

As mentioned in para 141 of the judgement dated 03.05.2012 - expenses on maintenance of land may be allowed in proportion to the extent of land owned/possessed by the school, excluding taxes paid therefor, since that is allowed in separate category in para 10. Another factor is expense on number of Gardeners required.

The management of the school may have a shed for the stay of the parents to avoid crowding themselves in front of the gate, which may create an opinion adverse to the administration of the school. The expenses incurred for the shed may be included under the head of building maintenance.

**16. Development Fund (Maintenance of Building, Laboratory and Equipment):**

In this connection, the observation of the Honourable High Court in the Modern School case was that the development charges of 10-15% on the tuition fees may be given for purchase, upgradation and replacement of furniture, fixtures and equipments and the same was observed in para 108 of jdgt. dated 3.5.2012.

In fact that concept was based upon the observation made by the Apex Court in Modern School case in its judgement in para 25 "..... Development fee shall be

*Adnan Khan*

treated as capital receipt and shall be collected **only if the school maintains a Depreciation Reserve Fund....**"; that itself was based upon the recommendation of the Duggle Committee before the Apex Court. While mentioning of depreciation reserve fund as a condition precedent for allotment of development fund of 10-15%, we have to take into consideration the Governing provision about the depreciation fund as found in the Income Tax which enables to spread over that fund for 5 years. (i.e. this 10-15% fund may have to be used for 5 years and will have a yield of 3%) . But however under the umbrella of regulation we are applying renovative measure of coming to the rescue of the schools in granting a minimum of 10% uniformly to all the schools on the head of development fund for supplementing the resources for purchase, up-gradation and replacement of furniture, fixtures and equipments and the same was observed in para 108 of Division Bench jdgt. dated 3.5.2012; which incidentally is silent in manner of distribution of 10 to 15% and necessarily lies on the school in showing their justifiability to get the maximum of 15%.

#### **17. Surplus Fund:**

As observed in para 109, a reasonable surplus of 10-15% was held to be permissible (In para 110 it is fixed as follows)

Village and Town Panchayats : 10%

Municipalities and District Head Quarters : 12%

Corporations : 15%

Instead of the above unit of percentage, said to be dependent on location for all schools, there is an exception for **minority schools run by Catholic Diocese to have a total of 25% of surplus irrespective of location and that 25% includes 10% corporate development fund**(vide para 149 of jdgt.

**18. Grading on Infra Structure Facilities:**

Depending on location, we are also allowing increase in fees as per infrastructure grading(vide para 111 of the judgement)and the same is applicable for minority schools other than catholic as observed in para 154 of jdgt.3.5.2012).

What applies to minority schools run by Catholic Diocese was dealt in para 155(vi) i.e. they would be entitled to the same without dependent upon location.

***The system for measuring the allowance of facility for infrastructure of the schools may be graded in the following manner:-***

Requirement as per the norms 'D' : 7%

Available more than the requirement 'C' : 8%

Available more than adequate 'B' : 9%

Available Modern Facilities 'A' : 10%

As there is workable difficulty in having break up figure upon similar facility depending upon location, we will give for all 8% within the prescribed 7% - 10% irrespective of location; this system will not cause prejudice to the minority schools run by catholic or any other.

There is a separate format available in the file in assessing the grading of infrastructure facilities that will tell the details of process of derivation of the amount. In that format, we have taken into consideration the following ten aspects for grading:

1. Teacher Pupil Ratio, 2.Class Room pupil ratio, 3. Qualified teacher rating, 4.Teachers pay rating 5. Per capita availability of playground area 6.Co-curricular activities and Extra curricular activities, 7.Library books 8.Green environment and sophistication, 9.Inclusive education, 10. Transparency in the functioning of the school.

**19. Modified percentage:**

It is further to be mentioned that according to the following dictum found in Para 108 which is Re-produced hereinafter of the Judgement date 03.05.2012 of the Division Bench of the Hon'ble High Court, it is only upon the **annual tuition fee**, Percentage for infrastructure grading, development charges and surplus for location were ordered to be given. Therefore we have to take the **annual tuition fee** which is given as fee in the Judgement for working out the percentage for maintenance, surplus and infrastructure.

"In modern School case, {(2004) 5 SCC 583} the Hon'ble Supreme Court upheld the collection of development fees by the schools for supplementing resources for purchase, up gradation and replacement of furniture, fixtures and equipments. It permitted the management, of unaided School to charge development fees not exceeding 15% of the **total annual tuition fee**. In the modern school case, The Supreme Court considered the concept of the reasonable surplus. The accounts of the Schools as Non-Profit organisation, development fee at the rate not exceeding 10 - 15% was held to be appropriate".

In the earlier case, we might have missed to follow the above observation, but it neither caused any prejudice to the institution nor be a basis for the derivation that there was non application of mind discrimination as it was only a clerical mistake; and as soon as we perceived this aspect from the Judgement, we become to strictly follow the same hereinafter.

**20. Sundry Expenses:**

As observed in Para 112 a sum of Rs.600/- per student up to Middle School and Rs.750/- per student up to Higher Secondary School per annum is allowed. It was further observed that increase in sundry expense could be given depending on the location and availability of extra-curricular activities in the school.

**21. Doctrine of Necessity:**

The working sheet depicting the fulcrum of methodology emanates from the mind of the committee on its application and scrutiny of various data, facts, records reports, statistics etc... of the school; although the staff of the committee, on usage of calculator, has assisted in arriving at the mathematical figures, such process simultaneously underwent the overseeing of the committee.

As per the doctrine of necessity alone, there was synchronization of the device of mechanized calculation managed by experienced staff on the given data and figures which were checked and verified from the records of the school by the committee in a systematic manner as adopted by the concepts and policies applied already by the committee, with the accounting system readily found in the guidelines of precedence of Judgement of Honourable Supreme Court and Honourable High court. It is with this above mentioned directive principles, on enquirv. by personal discussion and on perusal of the records. we do come to

*Prakash Sharma*

the following details of expenses.

**22.** While fixing fee by this Committee, after lapse of three years by efflux of time, for which we have already fixed fee, some schools may get a lesser percentage of increase while other schools may get comparatively a little more percentage. But, this comparison is not to be made; because not only that incomparables cannot be compared; but also as a general rule, the fee structure of each of the individual schools depends on its own expenses on common heads.

***Thus, expenses are variable depending upon so many elements including infrastructure etc.,*** and also the strength of the students.

Therefore, one school cannot compare itself with the other in getting the range of hike. i.e., arrived at by virtue of calculation of expenses.

**23.** One more note before beginning the working sheet is answering the doubts of many schools as to how could the Committee take the expense of previous year (eg. 2014-15) for fixation of fees for succeeding year (eg. 2015-16). What we do is first to take the proven fact of the expenses which could only be of the past year so as to compare the correctness of the proposed fee of the following year by assessing, whether the proposed expenses of the later year is in consonance with the former one. In assessing the reasonable hike of proposed expenses of the later year, we consider that with the proven expenses of the past year.

24. Thus the annual expenditure is as follows: (For **259** students)

| HEAD OF EXPENDITURE  |     | Expenditure incurred as per school statement for the year 2014-2015 (Rs) | Expenses (Rs.) 2015-16 | Reasons |
|--|-----|--|------------------------|---------|
| <b>Account (PART - I)</b>  |     |  |                        |         |
| <b>A. Salary and Allowances</b>  |     |  |                        |         |
| Teaching Staff   | 10  | 677347   |                        |         |
| <b>Reasons:</b><br>Fully accepted. Salary is paid through ECS. Bank statement and individual ECS account numbers verified.   |     |  |                        |         |
| ADD: 10% on the sum arrived at Total (A) is granted as one increment @ 3% on Basic pay and Grade pay and two spells of DA usually given in 1st of January and July of a particular year. If those actuals of DA exceeds 10% schools are at liberty to file application for review only in that regard. | 0   | 0  | 67735                  |         |
| <b>Total (A)<br/>Total Salary</b>  |     | 677347   | 745082                 |         |
| <b>ACCOUNT (PART -II)</b>  |     |  |                        |         |
| a. <b>Development Fund:</b><br>(10%-15%) for Purchase, upgradation replacement of furniture, fixture and equipments virtually amounting to Maintenance.  | 10% | 67735  | 74508                  |         |
| b. <b>Surplus Fund:</b><br>Location of school (Total Expenses x 10/12/15%) (Panchayat (Village /Town (10%) / Municipality or District Head Quarter (12%) / Corporation (15%))<br><b>(OR)</b> Minority School run by Catholic Diocese (25%) including Minority Corporate Development Fund of 10%        | 10% | 67735  | 74508                  |         |

| HEAD OF EXPENDITURE  |     | Expenditure 2014-2015 (Rs) | Reasons       |                   |
|--|-----|----------------------------|---------------|-------------------|
| <b>Infrastructure (7-10%)</b><br>If special features as found in our concept, were shown <b>9% or 10%</b> on tuition fee; and if no such is shown, a minimum of <b>8%</b> is granted.  | 8%  | 54188                      | 59607         |                   |
| Sundry Expenses per student (Rs.750/- for High School and Higher Secondary or Rs.600/- for Nursery and Primary & Middle School.  | 750 | 155400                     | 155400        |                   |
| <b>Total (Part II)</b>   |     | 345058                     | 364023        |                   |
| <b>Account (PART - III)</b>  |     |                            |               |                   |
| Non-teaching Staff   | 5   | 290280                     |               |                   |
| <b>Reasons:</b><br>Management claims Rs.3,89,376/- for 10 non teaching staff per annum. But the school is eligible for 5 non teaching staff only vide para (7) supra. Hence we have admitted Rs.2,90,280/- for 5 non teaching staff. Salary is paid though ECS. Bank statement and individual ECS A/C number verified. |     |                            |               |                   |
| E.P.F. Contribution  | 0   | 99450                      |               | Fully accepted.   |
| E.S.I  | 0   | 0                          |               | Not claimed       |
| <b>ADD: 10%</b>  |     |                            | 38973         |                   |
| <b>Total (Part III)</b>  |     | <b>389730</b>              | <b>428703</b> |                   |
| <b>Account (PART - IV)</b>   |     |                            |               |                   |
| <b>B. Administration And Maintenance</b>   |     |                            |               |                   |
| Electricity Charges  |     | 0                          |               | Not claimed       |
| Generator for Fuel   |     | 0                          |               | Not claimed       |
| Water Charges  |     | 0                          |               | Bill not produced |
| Taxes (Property & Water )  |     | 0                          |               | Not claimed       |
| Telephone & Mobile phone   |     | 0                          |               | Bill not produced |
| Internet and SMS Services  |     | 0                          |               | Not claimed       |

| HEAD OF EXPENDITURE   |  | Expenditure 2014-2015 (Rs) | Reasons           |
|---|--|----------------------------|-------------------|
| Postage   |  | 0                          | Bill not produced |
| Printing (Printing of Cash book, Ledgers, Fee-Receipts, School Magazines, Circulars Etc.)         |  | 0                          | Bill not produced |
| Stationary Items  |  | 0                          | Bill not produced |
| Examination Expenses  |  | 0                          | Not claimed       |
| Teaching Aids   |  | 0                          | Not claimed       |
| Sports and Games  |  | 0                          | Bill not produced |
| Staff Uniform   |  | 0                          | Not claimed       |
| Staff Welfare   |  | 0                          | Bill not produced |
| Staff- Insurance  |  | 0                          | Bill not produced |
| Bank and interest Charges   |  | 0                          | Not claimed       |
| *Laboratory Maintenance<br>(The expense on the above head is given in <b>Account Part II(a)</b> ) |  | 0                          |                   |
| Professional Fee (Legal & Audit)<br>Administrative charges  |  | 0                          | Not claimed       |
| Hospitality   |  | 0                          | Not claimed       |
| Advertisement for Recruitment only<br>Teachers  |  | 0                          | Not claimed       |
| (Salary to the workers & Gardeners and expenses on material) Gardening                            |  | 0                          | Bill not produced |
| *Building Maintenance<br>(The expense on the above head is given in <b>Account Part II(a)</b> )   |  | 0                          |                   |

*Shanmugam*

| HEAD OF EXPENDITURE   |  | Expenditure 2014-2015 (Rs) | Reasons           |
|---|--|----------------------------|-------------------|
| Postage   |  | 0                          | Bill not produced |
| Printing (Printing of Cash book, Ledgers, Fee-Receipts, School Magazines, Circulars Etc.)         |  | 0                          | Bill not produced |
| Stationary Items  |  | 0                          | Bill not produced |
| Examination Expenses  |  | 0                          | Not claimed       |
| Teaching Aids   |  | 0                          | Not claimed       |
| Sports and Games  |  | 0                          | Bill not produced |
| Staff Uniform   |  | 0                          | Not claimed       |
| Staff Welfare   |  | 0                          | Bill not produced |
| Staff- Insurance  |  | 0                          | Bill not produced |
| Bank and interest Charges   |  | 0                          | Not claimed       |
| *Laboratory Maintenance<br>(The expense on the above head is given in <b>Account Part II(a)</b> ) |  | 0                          |                   |
| Professional Fee (Legal & Audit)<br>Administrative charges  |  | 0                          | Not claimed       |
| Hospitality   |  | 0                          | Not claimed       |
| Advertisement for Recruitment only<br>Teachers  |  | 0                          | Not claimed       |
| (Salary to the workers & Gardeners and expenses on material)Gardening                             |  | 0                          | Bill not produced |
| *Building Maintenance<br>(The expense on the above head is given in <b>Account Part II(a)</b> )   |  | 0                          |                   |

*Admission*

| HEAD OF EXPENDITURE  |  | Expenditure 2014-2015 (Rs) | Reasons           |         |         |
|--|--|----------------------------|-------------------|---------|---------|
| *Equipment Maintenance<br>(The expense on the above head is given in <b>Account Part II(a)</b> )                     |  | 0                          |                   |         |         |
| Security services  |  | 0                          | Not claimed       |         |         |
| Sanitation (Salary to the workers and expenses on materials)   |  | 0                          | Bill not produced |         |         |
| Educational Tour   |  | 0                          | Bill not produced |         |         |
| Seminar  |  | 0                          | Not claimed       |         |         |
| Group Activities (NCCC/NSSS/ Scouts/JPC/RS)  |  | 0                          | Not claimed       |         |         |
| Medical Expenses   |  | 0                          | Bill not produced |         |         |
| Teaching through Technology (Smart Class or any other modern technology)   |  | 0                          | Not claimed       |         |         |
| Function and Celebrations  |  | 0                          | Bill not produced |         |         |
| Rent   |  | 0                          | Not claimed       |         |         |
| Extra- Curricular Activities with in the curriculam  |  | 0                          | Not claimed       |         |         |
| Gratuity   |  | 0                          | Not claimed       |         |         |
| Incentives for Good Result   |  | 0                          | Not claimed       |         |         |
| On Occasions festival Gift   |  | 0                          | Not claimed       |         |         |
| Retirement purse   |  | 0                          | Not claimed       |         |         |
| Books and Periodicals (Library)  |  | 0                          | Bill not produced |         |         |
| <b>TOTAL PART IV</b>   |  | 0                          | 0                 | 0       | 0       |
| <b>Total Expenditure<br/>Acc. Part I +II+III+IV</b>  |  | 1412135                    | 1537808           | 1676048 | 1828114 |
| Student Strength   |  | 259                        | 259               | 259     | 259     |
| Average annual expenditure per student <b>(after deducting grant/charity amount from the annual expenses if any)</b> |  | 5452                       | 5937              | 6471    | 7058    |

\*At present there is no Smart Class facility available in this school.

25. In this case among the **35 items of claim**, the following are the position of acceptance or restriction or other cases with details herein after mentioned.

|                          |   |           |
|--------------------------|---|-----------|
| <b>Bill not produced</b> | : | <b>14</b> |
| <b>Not Claimed</b>       | : | <b>21</b> |

26. The total annual expense (Y) after cushion is :Rs. 1537808

Income as per their proposed fee (X1) structure is: Rs. 466200

(i/d) Present Fee (X2) Structure is : Rs. 155400

The condition for approval is  $X1 < Y$  (OR)  $X2 < Y$

X2 is applicable only in the absence of X1

As income is less than the expenses there is no question of profiteering and therefore it is a case of approval.

**Fee proposed** is approved for the year 2015-16 and the same is as follows:

27. The Correspondent has submitted the following as the Proposed fee pattern.

| Classes      | Proposed fee | student Strength | Income        |
|--------------|--------------|------------------|---------------|
| LKG          | 1800         | 49               | 88200         |
| UKG          | 1800         | 24               | 43200         |
| I            | 1800         | 25               | 45000         |
| II           | 1800         | 25               | 45000         |
| III          | 1800         | 25               | 45000         |
| IV           | 1800         | 25               | 45000         |
| V            | 1800         | 22               | 39600         |
| VI           | 1800         | 22               | 39600         |
| VII          | 1800         | 19               | 34200         |
| VIII         | 1800         | 23               | 41400         |
| IX           | 0            | 0                | 0             |
| X            | 0            | 0                | 0             |
| XI           | 0            | 0                | 0             |
| XII          | 0            | 0                | 0             |
| <b>TOTAL</b> |              |                  | <b>466200</b> |

**(Rs.4.6 Lakhs)**

28. We have to mention the fee for the succeeding two years with 10% increment on the basis of the approved fees. (i.e) with 10% increment on the existing annual income; that 10% indicates increment @ 3% on Basic Pay and Grade Pay and 2 spells of D.A. given during January and July of particular year (if those actual of DA exceeds 10% that school is at liberty to file application for review in that regard only)

Now the fee for succeeding two years are as follows:

**Fee Structure for 2016-17 & 2017-18**

29(a)

| <b>2016-17</b> |                         |                     |                     |                                 |
|----------------|-------------------------|---------------------|---------------------|---------------------------------|
| <b>Classes</b> | <b>Student Strength</b> | <b>Fees 2015-16</b> | <b>10% increase</b> | <b>Annual Fee (Rs.) 2016-17</b> |
| LKG            | 49                      | 1800                | 180                 | 1980                            |
| UKG            | 24                      | 1800                | 180                 | 1980                            |
| I              | 25                      | 1800                | 180                 | 1980                            |
| II             | 25                      | 1800                | 180                 | 1980                            |
| III            | 25                      | 1800                | 180                 | 1980                            |
| IV             | 25                      | 1800                | 180                 | 1980                            |
| V              | 22                      | 1800                | 180                 | 1980                            |
| VI             | 22                      | 1800                | 180                 | 1980                            |
| VII            | 19                      | 1800                | 180                 | 1980                            |
| VIII           | 23                      | 1800                | 180                 | 1980                            |
| IX             | 0                       | 0                   | 0                   | 0                               |
| X              | 0                       | 0                   | 0                   | 0                               |
| XI             | 0                       | 0                   | 0                   | 0                               |
| XII            | 0                       | 0                   | 0                   | 0                               |

29(b).

| <b>2017-18</b> |                         |                     |                     |                                 |
|----------------|-------------------------|---------------------|---------------------|---------------------------------|
| <b>Classes</b> | <b>Student Strength</b> | <b>Fees 2016-17</b> | <b>10% increase</b> | <b>Annual Fee (Rs.) 2017-18</b> |
| LKG            | 49                      | 1980                | 198                 | 2178                            |
| UKG            | 24                      | 1980                | 198                 | 2178                            |
| I              | 25                      | 1980                | 198                 | 2178                            |
| II             | 25                      | 1980                | 198                 | 2178                            |
| III            | 25                      | 1980                | 198                 | 2178                            |
| IV             | 25                      | 1980                | 198                 | 2178                            |
| V              | 22                      | 1980                | 198                 | 2178                            |
| VI             | 22                      | 1980                | 198                 | 2178                            |
| VII            | 19                      | 1980                | 198                 | 2178                            |
| VIII           | 23                      | 1980                | 198                 | 2178                            |
| IX             | 0                       | 0                   | 0                   | 0                               |
| X              | 0                       | 0                   | 0                   | 0                               |
| XI             | 0                       | 0                   | 0                   | 0                               |
| XII            | 0                       | 0                   | 0                   | 0                               |

### **30 (a) Balancing approach in the Fee- Fixation:**

Although regulatory checks are allowed by the Honourable Apex Court exclusively for avoidance of profiteering, after perceiving the fiscal needs involved in the course of study in the school, we felt it necessary to strike a balance, so as to have rennovative measures under the regulatory umbrella in order to satisfy the utmost need of the administration of the school without compromising with the quality of the yield of education. At the same time to avoid any misuse of fund we experiment the earlier proven expense in the proposed fee structure of the school in order to approve the later by

appreciating the truthful expenditure and discouraging any endeavour of enrichment or profiteering. Thus the Committee strives hard to see to impose quality education in a fair acceptance and reasonable expenditure. While the welfare of the students is protected by the regulatory scheme, a fiscal welfare of the administration of the school is taken care of by rennovative measures and that lies in the equitable approach in striking a balance between the two.

(b) Further the principle underlying the regulation of fee is only on the concept that the resources of the country shall be distributed equally among the future citizens in order to achieve the object of socialistic pattern of society that is enshrined in the constitution. This is more importantly applicable for education because education is considered to be an investment on the future and such an investment of the younger generation in the budding stage shall be equally spread over even as per Article 14 and part IV of the Constitution. It is therefore, not our endeavour to make Cambridge schools as Corporation schools but the vice versa.

(c) While this is appreciated by the school, what is expected from them is to imbibe utmost care not only on the apparent field of education, but also on the undercurrent of patriotism, morale, clean habits, health both mental, physical as well as higher ideals in their mind by way of moulding them as the architect of younger generation and in upbringing the Army discipline in the thresholds of the school.

(d) As observed by the Division Bench of the Honourable High Court as Judge made law in W.P.Nos. 2724/2014 dated 8.10.2014, 6084/2014 dt. 15.10.2014, 24077/2014 dt. 17.10.2014 and 2503/2014 dt.27.10.2014 the Committee is at liberty to inspect any school on any issue relating to fee fixation. Of course, it is supplemental to the required legislation in pursuance of the verdict of the

31. Again coming to fixation of Fee for the books and note books offered, the actual cost of the same shall be collected, after being displayed in the said text books or note books.

32. The Said fee shall remain in force for the academic years as above mentioned or until the expiry of recognition and subject to ECS payment to the Teaching and Non-Teaching staff.

33. This fee shall be collected only if recognition gets continued from the Competent Authority within the above mentioned period of three academic years.

34. It is directed that the tuition fee may be collected term wise instead of per annum(subject to a maximum fixed by the Committee) whereby the fiscal load to the parents may be reduced. The option is of the parents.

35. More than the above said fee no amount shall be, collected under any other guise, and if so collected, it will be considered as violation of the provisions of the Act.

36. The copy of this order shall be put on the Notice-Board of the school, by its Management, for the view of students, parents etc.



/BY ORDER/

A handwritten signature in black ink, appearing to read "M. Manohar", with a long horizontal line extending to the right.

**Special Officer**  
**Private School Fee Determination**  
**committee, Chennai-600 006.**