

**PROCEEDINGS OF THE TAMIL NADU PRIVATE SCHOOLS
FEE DETERMINATION COMMITTEE**

Dated: 01.06.2023

**The Namakkal Teachers Vidyashram Matric. Hr. Sec. School (36MC23015)
Kazhanipakkam,
Kandhaneri,
Anaicut Taluk,
Vellore Dist - 635 809**

ORDER

In the light of the Judgments of the Hon'ble High Court of Madras reported in 2012 WLR.489 Lakshmi school case and the unreported judgement dated 25.01.2018 in W.P.38383 of 2015 batch the present guidelines are formulated to be borne in mind in determining the fee structure for the school.

A. "Development Fund" and "Surplus Fund" serve the same purpose. Tamil Nadu Act states that a "Reasonable Surplus" only must be provided. Concept of "Development Fund" was dealt with by the Hon'ble Supreme Court of India in Modern schools case. 1973 Delhi Act concerning the schools in Delhi provides for generating "Development Fund". "Development Fund" and "Surplus Fund" serve the same purpose namely to meet expenses likely to be incurred in future for the development of the school. As both the funds serve the same purpose as indicated above, the Committee is of the view that there is no need to provide both the funds treating them as two components in determining the fee structure. It is all the more so because Tamil Nadu Act 22/2009 provides only a "Reasonable Surplus". In this context the Committee notes that in the Tamil Nadu Act 22/2009 there is no indication as to how the "Surplus Fund" is to be quantified. However in the Modern School case, Hon'ble Supreme Court of India fixed the "Development Fund" from 10% to 15%. The Committee carefully went through the Judgment of the Hon'ble Madras High Court reported in 2012 WLR 489. In Para 153 of that Judgment, the Hon'ble High Court of Madras, held that

in the light of the Judgment of Hon'ble Supreme Court of India in the "Modern School" case that "all the Unaided Non-Minority Educational Institutions shall be entitled to Surplus for Development i.e., Village and Town Panchayats at 10%, Municipalities and District Head Quarters at 12.5% and Corporation at 15%". Following the above decision the Committee has decided to give "Development Fund" only at the varying rates specified in the Judgement of the Madras High Court referred to above, treating "Development Fund" and "Surplus Fund" as overlapping concept.

B. Infrastructure fund to be considered in the percentage fixed by the Hon'ble High Court of Madras. In Para 154 of the Judgment reported in 2012 WLR 489 the Hon'ble High Court of Madras held that for "Infrastructure Grading", there shall be an increase in fee – 7 ½% to 10% depending upon on the availability of the infrastructure of the school. Initially the Committee then in office prior to 02.07.2020 were allowing 7% under this head. From the academic year 2020 onwards this Committee has been allowing 8%. Taking into account that there is expansion of the activities of all the schools the Committee is inclined to allow "Infrastructure Fund" at 9% commencing from the academic year 2022-2023.

C. Internet to be considered on production of relevant documentary proof.

D. Examination expenses:

This again depends upon the strength of the school. All the students do not take Board Examinations. It is common knowledge that students from 10th to 12th standard alone appear for Board Examinations. For appearing in Board Examinations, Examination fee is charged by the Government Examinations Department. However what every school has been doing in the past is to project such fee remitted by the school into the Government account as a component to be taken into account in determining the fee and such an expenditure was also accepted all along and taken as a component in determining the fee structure. However the Committee now realized that such expenditure cannot be at all taken into account as a component in determining the fee, because, if so done, the entire expenditure is put on the head of the entire students strength of the school irrespective of the fact that a substantial

number of strength do not appear for Board Examinations at all. Therefore if this practice is allowed to continue it would amount to burdening the students not taking Board Examinations with a heavy burden. Therefore from the academic year 2022-2023 onwards the fee determined by the Committee would not include the Board Examinations fee to be paid by those students who take the Board Examinations. In other words, the school is free to collect the Board Examination fee from each student and remit the same to the Government's account. Fee is also remitted by the school into the Government account under the head "Common Examinations". Such "Common Examinations" are conducted only for students from 6th to 9th standard. Taking note of the fact that the fee remitted by the school for such examination is comparatively very very low, when compared to "Board Examination" fee, the Committee decided to take into account the fee remitted for "Common Examinations" as a component in determining the fee structure. Therefore excluding the examination fee remitted into the Government account for Board Examinations, the remaining expenditure is examined on a case to case basis and the expenditure claimed under this head is arrived, at ,by examining all the records, on a reasonable basis.

E. Claims under "Christmas gift", "staff pension", "incentive for good results", "retirement purse", "ex-gratia", "workers uniform", "staff uniform", "staff welfare" and "staff insurance" will not be considered, based on the Division Bench Judgment of the Hon'ble High Court Of Madras dated 25.01.2018 in WP 38383 of 2015 batch, as it was held in that Judgment that the Committee can reject those claims by giving reasons. It has been held in the Judgment reported in 2012 WLR 489 and in the unreported Judgment 25.01.2018 in Wp.No.38383/2015 batch the expenses should have an utility value to the development of the child. In the opinion of the Committee the expenses shown to have been incurred in the above claims have no nexus at all for the development of the child. Expenses claimed under the head of "Hospitality", and in payment of "Property tax", in the opinion of the Committee is also to be treated on par with the heads of expenditure mentioned above. In other words the development of the student has nothing to do with the expenditure incurred for "Hospitality" and "Property Tax". Therefore the claim made under "Hospitality" and "Property Tax" will also not be considered. In the unreported Judgment of the year 2018, the Hon'ble High Court specifically permitted that

the Committee can reject the claims referred to above (except hospitality) by giving reasons. Both in Lakshmi School case Judgment and in the above Judgment it was held that the expenditures incurred by the school must have relevance and utility value to the development of the child. After careful consideration the Committee has no doubt at all that the expenditures covered under this paragraph have neither utility value nor any relevance to the development of the child. Consequently the Committee is not considering all the claims referred to in this paragraph.

F. The claims under "Printing charges", "Stationery Charges", " Books and Periodicals", "Teaching Aids", "Sports and Games", " Group Activities", "Seminar", "Teaching Through Technology" and "Functions and Celebrations" will be considered on merit on a case to case basis having the students strength of the school, subject to relevancy and proof and also taking into account whether the amount determined is reasonable or not.

G. Extra – Curricular Activities:

Generally this claim will not be considered because these activities are only optional. It is common knowledge that all the students do not take part in "Extra Curricular Activities". Therefore expenses incurred under the above head in respect of those students who joined these activities cannot be fastened on the heads of other students who do not participate at all in such activities. Extra Curricular Activities are outside the curriculum. This means that the expenses towards Extra Curricular Activities is an additional expenditure. If a parent is informed that the expenses incurred (Extra Curricular Teaching staff salary) in conducting Extra Curricular Activities would be taken as component in determining the fee structure the parent/s may decide to join or opt out. Therefore it is made clear that the fee structure determined by the Committee had not taken into account the expenses incurred by the school in conducting "Extra Curricular Activities". It is open to the school to collect fee charges from willing students who wished to join these activities.

H. Functions and Celebrations:

Any claim made under this head will be decided on a case to case basis. The amounts claimed shall be supported by reliable documents. It is seen that the expenditures shown to have been incurred vary from school to school and there

is no cap fixed for the expenditures to be incurred. The amount determined includes, among other things the expenses incurred for conducting annual day celebrations. Expenses incurred for conducting founders day are excluded. Therefore the Committee has decided to determine the amount the school is entitled to only on a reasonable basis.

I. Educational Tour:

For conducting a local tour which may be once in a year the expenses may be negligible and therefore the school can bear it. For outstation tour the school always collects in advance a fixed sum from each student to meet the expenses likely to be incurred in conducting such tours. Therefore the claim will not be considered.

2. The amount quantified and determined under the heads of "Development Fund", "Infrastructure Fund" and "Sundry Expenses" if taken as a whole would be more than sufficient, in the opinion of the Committee to meet all the other expenses which are not taken into account by this Order.

3. Drivers and conductors salary:

Almost every school treats the above category of person as Non-teaching staff and claims that the salary paid to them should be taken into account in determining the fee structure. Several years before, then Committee in office decided and permitted every school providing transport facility to the students from their residence to school and back, to charge a fee from each student per kilometer of travel indicated therein and collect it from them. It was meant that such collection of amount it would be able to meet the salary commitment of drivers and conductors. In other words collection of such amount is outside the fee structure determined by the Committee. It is open to every school to fix their terms with the students who want to avail bus facility and collect it.

4. Text Books and Note books:

All the schools include the expenses in the purchase of text books and note books to be taken into account as a component in determining the fee structure. The reason given by them is that the expenses in purchasing the above is met by the school from the fee determined only and they do not separately collect any money towards the above from any students. This claim has been all along allowed prior to the academic year 2020-2021. On a second thought the present Committee started examining the issue. The cost of text books to be provided to the students in the school will not be uniform. The higher the class the cost would be correspondingly high and such cost would be in a descending order down to standard 1. It is noted that to allow the entire cost in purchasing all the text books and note books to be shared by all the students irrespective of the class in which they are studying would amount to causing unnecessary burden to those students in lower classes. Therefore the Committee has decided not to consider this expenditure claim under that head, giving the liberty to each school to collect the actual cost of text books and note books from each student. This will definitely lessen the burden of the students in lower class. Therefore it is made clear that the fee structure determined will not include the cost of text books and note books to be given to the students.

5. Laboratory expenses:

Again it is seen that students from 10th to 12th standards alone use laboratories. The cost of materials to be used in laboratory is very high. These expenses in the opinion of the Committee cannot be taken as a component in determining the fee structure on broad principles stated earlier. Under these circumstances the school is permitted to collect the laboratory expenses from the students using the laboratory by dividing the total expenditure by the number of students. However the total expenditures incurred under this head must be supported by a certificate to be issued by the Principal of the school that the expenses incurred as laboratory expenses are reasonable.

6. In Para 21 in the unreported judgement dated 25.01.2018 in WP.No.38383/2015 batch, the Hon'ble High Court of Madras had indicated various heads of expenditure that could be claimed by any school while submitting application proposing a new fee structure. They are divided into several accounts namely Account I, Account II, Account III, Account IV, Account V, Account VI and Account VII. Account V is with the caption "Infrastructure". Account VII is with the caption "Futuristic Development". Under Account VII the Court provided for infrastructure grading. Account V consists of 6 heads of expenditure and they are "purchasing a furniture, equipment, land, new construction, modernization and any other". These heads of expenditure are exhaustive. Further at the foot of Account VII the Hon'ble High Court held as follows:

"If infrastructure grading, 7% to 10% is allowed as mentioned in Account VII (futuristic development) Account V on infrastructure will become redundant. If not allowed as mentioned in the Account VII, Account V has to be considered. Both are on the same heads. Heads V and VII will be applied in the alternative".

The Committee noted that every school claims an expenditure incurred by them under any one of the heads Account V to be treated as a component in determining the fee structure. In view of the Law laid down as referred to above the claim falling under Account V is rejected.

7. Any other claim not covered under any of the claims mentioned above will be considered on merits subject to proof, relevancy and reasonableness.

8. Consequently, in the light of the facts noted above, the Committee determine the fee structure for the school as hereunder;

Account (PART-I)
Salary, Allowances, Welfare Scheme and other Welfare Activities

HEAD OF EXPENDITURE	Expenditure of the previous Academic Year	Allowed	If not allowed/reduced-Reason
A. Salary and Allowances			
Principal	223933	223933	Fully accepted as per documents
Teaching staff	4136890	4136890	Fully accepted as per documents
Non-teaching staff	1889149	1086783	Salary paid to 11 drivers and 5 conductors are not taken into account for the reasons mentioned in Para 3.
E.P.F. Contribution	1260619	1260619	Fully accepted as per documents
E.S.I	0	0	Not claimed
Earned Leave	0	0	Not claimed
Gratuity	0	0	Not claimed
Pension	0	0	Not claimed
Retirement Purse	0	0	Not claimed
Total	7510591	6708225	
B. Other Schemes and Benefits for the Staff			
Management Contribution to LIC/(Medical Insurance)	0	0	Not claimed
Staff Uniform	69462	0	Not considered for the reasons stated in Para E
Incentive for Good Results	29600	0	Not considered for the reasons stated in Para E
Occasional Festival Gifts	17000	17000	Fully accepted as per documents
Total	116062	17000	

Account II - Administration			
Electricity Charges	633965	633965	Fully accepted as per documents
Fuel for Generator	9565	9565	Fully accepted as per documents
Water Taxes and Water Charges	0	0	Not claimed
Property Taxes	27500	0	Not considered for the reasons stated in Para E
Telephone & Mobile Phone (Administrative Purpose)	19966	19966	Fully accepted as per documents
Internet and SMS Services (Administrative Purpose)	68860	68860	Fully accepted as per documents
Postage	2290	1000	Reasonable amount given
Printing (Printing of Cash Book, Ledgers, Fee Receipts, School Magazines and Circulars etc.	3300	3300	Fully accepted as per documents
Stationery Items (Administrative Purpose)	47461	47461	Fully accepted as per documents
Examination Expenses	79795	27075	The disallowed amount is for the reasons mentioned in para D
Books and periodicals (Library)	0	0	Not claimed
Teaching Aids	0	0	Not claimed
Sports and Games	5190	5190	Fully accepted as per documents
Staff Welfare	24850	0	Not considered for the reasons stated in Para E
Special Training and Wrokshop for the skill development of the Staff	0	0	Not claimed
Recognition Expenses and any other Statutory Payments	38850	0	These expenses have to be met by the school itself since it is their responsibility to get recognition at their cost. See point P in para 101 in the Judgement reported in 2012 WLR 489.

Administrative Travel and Vehicle Expenses	498233	0	Documents perused. Those expenditures have no relevancy for the development for the child. The school has to bear those expenses. Hence rejected.
Professional Fee (legal, Audit and Accounting)	180500	125000	Amount determined alone is supported by documents.
Hospitality	0	0	Not claimed
Functions and Celebrations	47928	11849	Expenses incurred for conducting Functions and celebrations having national importance alone are considered. The remaining expenditures is for celebrating various religious functions and therefore not considered.
Advertisement for Recruitment of Teachers	0	0	Not claimed
Total	1688253	953231	
Account III - Expenses on Specific Purposes			
Educational Tour only for students	0	0	Not claimed
Seminar or orientation programme for students	0	0	Not claimed
Group Activities (NCC/NSS/Scouts /JRC/RS) and camps	0	0	Not claimed
Medical Expenses	5785	5785	Fully accepted as per documents
Teaching through Technology (Smart class or any other modern technology)	144000	144000	Fully accepted as per documents
Co-Curricular Activities connected with curriculum for all	0	0	Not claimed
Extra-Curricular Activities for all	0	0	Not claimed
Total	149785	149785	

Account IV - Maintenance			
a) Campus Maintenance			
Gardening	14100	14100	Fully accepted as per documents
Sweeping and Cleaning	6605	6605	Fully accepted as per documents
Sanitation	56634	56634	Fully accepted as per documents
Security Services	395524	395524	Fully accepted as per documents
Total	472863	472863	
b) Laboratory Maintenance			
Science Lab	5800	5800	Fully accepted as per documents
Language Lab	0	0	Not claimed
Computer Lab	0	0	Not claimed
Digital Library Lab	0	0	Not claimed
Total	5800	5800	
c) Equipment Maintenance			
AMC of Xerox, Printers, CCTV Cameras, LCD Projectors and other modern equipments	166680	49320	The disallowed amount expenditure incurred for purchase of camera and not taken into account for the reasons stated in Para 6.
Total	166680	49320	
d) Maintenance Expenditures Electrical and other Machines			
Electric Lines	41350	41350	Fully accepted as per documents
Generator	1600	1600	Fully accepted as per documents
Fire Extinguisher	7500	7500	Fully accepted as per documents
Air-Conditioner Maintenance	0	0	Not claimed
Total	50450	50450	
e) Building Maintenance			
Colour Wash	0	0	Not claimed

Repairs and Renovation	0	0	Not claimed
Lease or Rent (if the land owner is 3rd party)	0	0	Not claimed
Depreciation	0	0	Not claimed
Total	0	0	
Maintenance Grand Total	695793	578433	
Account V - Infrastructure			
Purchasing of Furniture	0	0	Not claimed
Equipment	0	0	Not claimed
Land	0	0	Not claimed
New Construction	0	0	Not claimed
Modernization	0	0	Not claimed
Total	0	0	
Grand Total	10160484	8406674	
Account VI- Futuristic Development			
Development fund (10% to 15%) Panchayat 10% Municipality 12.5% Corporation 15% (For Christian Catholic minority school irrespective of location 15%)	10.0%	840667	0

Minority Catholic school - Corporate school Development Fund (10%)	0	0	0
Infrastructure Grading (7% to 10%) Additional income	9%	756601	0
Sundry Expenses: Unexpected expenditures, which cannot be included in any of the above heads. (If a fixed amount Rs.750/- or Rs.1000/-) is not allowed already	327*1000	327000	
Total		1924268	
Grand Total Account I -VI		10330942	
Student Strength		327	
Average Annual Expenditure per student		31593	

Fee structure for the year 2023-24

Class	Annual Fee (Rs.)
Pre KG if available/ LKG & UKG	19000
I - V	26000
VI - VIII	31500
IX & X	35000
XI & XII	39000

Fee Structure for 2024-25 & 2025-26

Class	Student strength	2024-25 Fees (Rs.)	2025-26 Fees (Rs.)
Pre KG if available/ LKG & UKG	31	20900	22990
I - V	91	28600	31460
VI - VIII	42	34650	38115
IX & X	75	38500	42350
XI & XII	88	42900	47190

8. The School in question is directed to have this order affixed on the notice board of the school for the information of the students and parents etc.,

sd/-

Chairman

sd/-

**Deputy Secretary to Government,
School Education Department
Member - Secretary**

sd/-

**Director of Matriculation Schools
Member**

sd/-

**Director of Elementary Education
Member**

sd/-

**Joint Chief Engineer (Buildings)
Public Works Department
Member**

\True Copy\


**Special Officer
Private Schools Fee
Determination Committee**