



FEE REGULATORY COMMITTEE (SELF FINANCED SCHOOL)
AHMEDABAD ZONE, AHMEDABAD
OFFICE ADDRESS:-

DISTRICT INSTITUTE OF EDUCATION AND TRAINING,
GOTA – OGNAJ ROAD, GOTA, AHMEDABAD.
E-mail: frcahmedabad@gmail.com

NO. FRC/A'BAD ZONE/A'BAD RURAL-504/18-19 /15046-48

DATE: 26/12/2018

Dispatch date: 31/1/19

READ:-

1. Proposal submitted by Sattva Vikas School, near Sindhu Bhavan, S. G. Highway, Thaltej, Ahmedabad 380059 for academic year 2017-18 and 2018-19 for Primary, Upper-Primary, Secondary and Higher Secondary (CBSE English Medium), along with documents.
2. Provisional order passed by the Fee Regulatory Committee on 12/09/2018.
3. Objections raised by the School vide its letter dated 28th September 2018.
4. Notice of hearing was issued on 30/11/2018 fixing the date of hearing on 30/11/2018.
5. Details of various expenditure were filed on 30/11/2018

FINAL ORDER

DATE: 26/12/2018

1. SattvaVikas School, near Sindhu Bhavan, S. G. Highway, Thaltej, Ahmedabad 380059, has submitted its proposal for the academic year 2017-18 and 2018-19 for Primary, Upper-Primary, Secondary and Higher Secondary (CBSE English Medium) along with relevant documents. After considering the said proposal as well as the documents attached therewith, the Committee has passed the provisional order on 12/09/2018 determining the provisional fees for academic year 2017-18 and 2018-19.
2. On receipt of provisional order, the School has raised its objection vide its letter dated 28th September 2018, stating therein that SattvaVikas School is not just a school but a learning environment and one of India's finest shrine for students 'with no bags, no homework, no tuitions pedagogy. SattvaVikas School is the pride of Gujarat. The School truly believes that each child has the potential, it just needs to be tapped with personal attention and care. The mission of the School is to nurture each child, make the School a teacher incentive school. In normal circumstances learning in school is not enough and parents are expected to teach at home but the Sattva teachers do oral drilling, spelling test, in-depth revision in the School itself. The slow, average and fast learners all get due attention with tailor made instructions and assessment design. The School's techno aided efforts were recognised even by the Government of India in the form of best IT



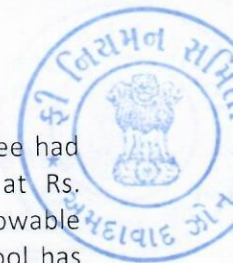
enabled School Award. It is further stated that the Committee while passing the provisional order, had drawn certain assumption that certain expenses are disallowable in nature and hence, reduction was made in the order determining the provisional fees by the Committee. Being aggrieved and dissatisfied by the said order, the School has dealt with certain aspects which were highlighted by the Committee in its provisional order.

3. As far as the rent and salary payment made to the Trustees/ relative of the Trustees are concerned, it is submitted that the valuation report is self-explanatory. The value of land and building situated in the heart of city and most developing area of Ahmedabad is indicative of the fact that subsidized rent charged to the School empowers it to have centrally located building with requisite maintenance and play-ground that foster a sense of openness, connecting with nature and an environment to explore the possibilities to a young mind. Thus, considering the amount in isolation bereft all these facts result into narrow reasoning. It is further submitted that even if the rent is considered on the basis of the value of property at Jantri value, only for the open land, then also it would not be more than 3% per annum. Thus, reasonableness of rent is beyond any doubt. As far as the salary paid to Smt. Shobha Pathak being director of the School is concerned, it is submitted that she is a renowned educationist with experience of more than 40 years in public and private school. The amount of salary paid to her is miniscule compared to the expertise she brings to the development of Trust. Her good-will to the School cannot be measured in terms of money. It is, therefore, submitted that amount of salary paid to her is reasonable and comparable to salary even otherwise, payable to any person with requisite qualifications and experience.
4. The School has also given details of various expenses and requested to consider the expenses as reasonable, genuine and the same cannot be disallowed on any account. As far as the food and Transportation expenses are concerned, it is submitted that Food and Transportation activities are considered to be optional activities as per the directions of the Hon'ble Supreme Court in the month of July 2018. Since the provisional and/or final fees are being fixed retrospectively for the academic year 2017-18, the request was made to consider the optional fees separately and the expenses incurred for these activities should be allowed.
5. It is further submitted that the School has satisfactorily explained the cost structure with the details of all the expenses debited to income and expenditure account. The School will submit the audited books of account with necessary vouchers with documents in the course of personal hearing.
6. As far as the proposal of the School for the academic year 2018-19 is concerned it is submitted that considering the track record of the School, the cost structure of the previous year, reasonableness of the fees and the meager hike in the fees proposed by the School, while passing the final order, the fees as proposed by the School for the academic year 2018-19 should also be approved. With regard to 5% increase in the fees determined by the committee for the academic year



2017-18, it is submitted that its neither germane to the cost structure/ student's strength of the School nor it is in the spirit of the Acts and Rules made thereunder. Since the School has proposed the modest increase of 10% in the fees chargeable to the academic year 2018-19, the same may be approved.

7. On receipt of the above objections, the Committee has issued the notice on 30/11/2018 fixing the date of hearing on 30/11/2018 and also calling for certain details as mentioned in the said notice. Pursuant to the said notice, the learned representatives appeared before the Committee on 30/11/2018 and filed certain details of expenditure on transportation, maintenance, Annapurna scheme, building and play-ground rent, taxes of building/depreciation etc. The learned representatives have more or less reiterated the submissions made in the form of justification given along with the proposal as well as the objections raised vide its letter dated 28th September 2018. The Committee has duly considered all these submissions. It is worthwhile to mention here that while passing the provisional order, the Committee has observed in its order that the School has claimed building and play-ground rent of Rs. 1,80,00,000/- taxes of building at Rs. 41,17,836/-, expenditure for maintenance of Rs. 45,30,211/-, expenditure on Annapurna at Rs. 59,66,885/-, expenditure on transportation at Rs. 37,12,694/- and depreciation of Rs. 14,19,805/-. While going through the details of expenses furnished by the School, it appears that the rent of Rs.1,80,00,000/- is paid to Mr. R. C. Pathak, who is himself the main force behind the growth and development of the School. He is himself one of the Trustees of the Trust namely Swastik Education Trust. It is true that the School has entered into a rent agreement with Shree R. S. Pathak, who is owner of land and building of the School and such rent agreement was formalized in the year 2008. This rent agreement is not placed on record and for the purposes of determination of fair rental valuation, the School has obtained rental valuation certificate from the registered valuer Mr. Pankaj U. Dave, who has given his valuation certificate in this report. The valuer has shown the market valuation approximately at Rs.1,44,00,017/-. The rent charged is only 1.25% to the market value of the property. As such the market rate is around 6 to 8% and thus, it was claimed that the rent charged was much below the market rate. It appears from the comparative figures of the last 4 years that the rent was charged at Rs. 84,00,000/- in the academic year 2014-15 and 2015-16. It was straightway increased to Rs. 1,35,00,000/- in the academic year 2016-17. Thus, the increase in rent is more than 50% in 2016-17. The rent was further increased to Rs. 1,80,00,000/- in the academic year 2017-18. Thus, the increase in rent in the one year is about Rs. 45,00,000/-. This sort of increase within very short period cannot be justified on any account, more particularly when the owner of the land and building is having complete control on the management and administration of the School. Had this rent been paid to the Trust and the Trust has been the owner of the land and building, the considerations may be quite different as ultimately the amount laying with the Trust would be ploughed back, in the growth and development of the School. However, if any individual person derives any such benefit by charging such excessive and unreasonable rent and that too from a school which is established for a noble cause of education, in that case, the criteria of chargeability of rent in proportion to the market value of the



land and building would not impress upon the Committee. The Committee had considered the rent chargeable for the year 2014-15 and 2015-16 at Rs. 84,00,000/- and any excess made in the said rent is considered to be disallowable in nature. As far as, details of taxes of building are concerned, the School has given bifurcation of Rs. 41,17,836/-, which consist of Municipal Tax of Rs. 10,12,836/- and GST on rent of Rs. 31,05,000/-. As such these are the liabilities to be discharged by the owner of the land and building and the same cannot be fastened on the School and thereby causing extra burden to the students. The School has given the details of expenditure on transportation of Rs. 37,12,694/- and details of expenditure of Annapurna scheme at Rs. 59,66,885/- and since this expenses were incurred on the optional activities, the School has submitted that optional fees should be considered separately and their expenses incurred ought to be allowed. However, the School has not shown as to how much fees are collected by the School for these two activities and in any case, while determining the fees, the Committee looks at the expenses and determines the cost structure per student. Hence, the expenses incurred by the School for such optional activities are to be totally excluded from the total expenses incurred by the School.

8. It is also relevant to mention here that as per the statement of income and expenditure for the last 4 years filed by the School, the total income per students in 2017-18 was Rs. 1,93,476/- in Primary to Secondary standard and Rs. 1,51,464/- in Higher Secondary standard. The School has, however, proposed the fees at Rs. 2,05,000/- per student for Primary to Secondary standard and Rs. 1,62,000/- for Higher Secondary standard. As per the audited income and expenditure account for the year ended on 31/03/2018, the total income of the trust inter alia includes the fees of Rs. 6,26,89,625/-, bank interest of Rs. 1,17,954/- and fixed deposit interest of Rs. 7,734/-. The total expenses incurred by the School are Rs. 6,41,59,500/-. Thus, there is excess of expenses over the income to the extent of Rs. 13,45,187/-, however, it was only due to the excessive expenses claimed by the School.
9. Considering all the above aspects of the matter, the Committee is of the view that the fees proposed by the School cannot be approved. At the same time, considering the objections, submissions and further details filed by the School, the Committee is of the view that there is some scope for increase in the provisional fees and accordingly for Primary, Upper-Primary and Secondary Standard, instead of Rs. 1,25,000/- per student as provisionally determined, the Committee finally determines the said fees at Rs. 1,45,000/- and for higher Secondary standard instead of Rs. 1,10,000/-, the Committee finally determines the said fees at Rs. 1,25,000 per student.
10. As far as academic year 2018-19 is concerned, the figures submitted by the School are still on estimate basis and as per the uniform policy adopted by the Committee, 5% rise is given in the final fees determined by the Committee for the academic year 2017-18. In the above view of the matter, the Committee

hereby determines the final fees for the academic year 2017-18 and 2018-19 as under:



Section	Fees actually collected /proposed for academic year 2017-18	Fees Provisionally determined by the Committee for academic year 2017-18	Fee finally determined by the Committee for academic year 2017-18	Fees proposed by the School for academic year 2018-19	Fees provisionally determined by the Committee for academic year 2018-19	Fees finally determined by the Committee for academic year 2018-19
Primary	2,00,500/-	1,25,000/-	1,45,000/-	2,20,000/-	1,31,250/-	1,52,250/-
Upper Primary	2,00,500/-	1,25,000/-	1,45,000/-	2,20,000/-	1,31,250/-	1,52,250/-
Secondary	2,00,500/-	1,25,000/-	1,45,000/-	2,20,000/-	1,31,250/-	1,52,250/-
Higher Secondary	1,62,000/-	1,10,000/-	1,25,000/-	1,74,500/-	1,15,500/-	1,31,250/-

Terms and conditions:

1. The School is not permitted to collect fees more than the fees determined for the year 2018-19.
2. The School is permitted to charge fees for the academic year 2019-20 by giving rise of 5% in the final fees determined by the Committee for 2018-19.
3. It is further made clear that the School is not permitted to collect under any head than under the head of tuition fees, term fees as permitted and admission fees of 1 month only in case of new admission and thereby causing any extra burden on the students. However, total of all these fees should not exceed the final fees determined by the committee.
4. It is also made clear that the School either return the excess fees collected by the School for the year 2017-18 and 2018-19 or given adjustment thereof, in the remaining quarters of 2018-19.
5. Any violation of this order shall be dealt with by the Committee in accordance with law, on being brought to the notice of the Committee by any aggrieved party.
6. If the School management has any grievance against the final fees determined by the Committee, it shall have a right to file revision application before the Fee Regulatory Committee along with Challan of Rs. 10,000/- by way of filing fees.
7. The School is directed to place the order determining the final fees on its notice board as well as its website.
8. The School is directed to place the order determining the final fees on its notice board as well as its website.

SD/-
(JUSTICE K. A. PUJ)
Chairman

SD/-
(D. V. Buch)
Member

SD/-
(R. C. Raval)
Member



To,
The Principal,
SattvaVikas School,
Near Sindhu Bhavan,
S. G. Highway, Thaltej,
Ahmedabad-380059.

Copy to:

1. District Education Officer, Ahmedabad Rural.
2. District Primary Education Officer, Ahmedabad Rural.

ચોફર કો-ઓર્ડિનેટર
ગુજરાત સાહિત્ય અકાદમી
અમદાવાદ જીન અને
જિલ્લા શિક્ષણાધિકારી
અમદાવાદ શહેર,
અમદાવાદ.