

**BHARAT HEAVY ELECTRICALS LIMITED  
TIRUCHIRAPPALLI – 620 014**

No.AGM:HR:

Date: 12.01.2006

**C I R C U L A R**

Sub: Matters relating to R.S.K. School

\*\*\*\*\*

The Montfort Brothers of St Gabriel, Trichy Province, have given three months' notice for termination of their contract agreement with BHEL for the management of the RSK Schools. In this connection, the BHEL Management feels that the facts behind the notice should be made clear to all.

In response to a specific request from the Principal for an appointment to discuss the quantum of annual subsidy paid by BHEL, a meeting was arranged on September 19, 2005, between the Principal, ED, GM/HR and AGM/HR.

During the discussions on the quantum of subsidy to be paid by BHEL, it was pointed out that fees paid by students towards computer education had not been included in the income-expenditure projections submitted by the school for claiming subsidy from BHEL. It was suggested that in the interest of bringing in greater transparency, it would be appropriate to include income from computer fees and school bus fees also to arrive at the correct quantum of subsidy.

It was also mentioned, during the discussions, that there were reports that land had been purchased by the management of RSK Schools for construction of a new school. To this the Principal replied that the Montfort Brothers had every right to buy land or construct buildings anywhere and BHEL had no business to talk about it. From our side, the view was expressed that construction of a school near BHEL' premises i.e. near Kattur, could result in a conflict of interest for the school management which was the only concern for BHEL.

Three days after this meeting, a strongly worded letter was sent to us by the Provincial Superior, apparently quoting the RSK Principal's report on the above meeting, claiming that BHEL had made 'serious allegations' against the Montfort Brothers and had labeled them as 'cheats' on account of which he would be approaching their Council to take a final decision regarding continuing their mission at RSK.

A polite response was sent from our side denying that BHEL had made any such 'allegations' and expressing our surprise at the concocted version of the meeting apparently conveyed by the Principal. Our letter also pointed out the support extended by BHEL to the management and staff of RSK Schools and reiterated that points such as computer education fees were discussed only in line with the contract between BHEL and the Montfort Brothers and also to address the growing concern of parents in this regard.

Following this denial from us, the Provincial sought an appointment for himself with our ED during a specific one-week period. As our ED was not available on those dates, alternate dates were suggested by us in a letter which also conveyed that the points raised by BHEL with regard to computer education fees and purchase of land near Kattur still needed to be addressed.

However, a mutually suitable date could not be found during December in view of ED's commitments and the Provincial's month long trip abroad from December 14. The standing option given to the school management to meet our GM/HR on any convenient date was also not taken up.

On the event of his departure abroad, the Provincial has sent us a letter conveying his decision to hand over the management of RSK Schools to BHEL apparently in view of his feeling that the BHEL management 'is not able to recognize the good services rendered by the Montfort Brothers'.

The letter dt. 14.12.2005 giving us three months' notice as required by contract, was received by us on December 27, 2005.

As things stand at present, the BHEL management has approached the managements of several leading schools to consider taking over RSK Schools as and when they are handed over by the Montfort Brothers, in view of the notice given by them.

The BHEL management is fully aware of the concerns of employees, students and staff of the school and is committed to ensuring that a good alternative management is provided for the smooth functioning and for maintaining the standard of education of the RSK schools.

In view of the above, employees are advised to ignore any rumours or negative propaganda circulated with malicious intent in this connection.

Further developments and regular updates on this issue will be made available on our HR intranet website (<http://pershome>).



(T ANANDAN)  
Addl General Manager/HR

Distribution:  
All Notice Boards  
All HODs/HOSs through E-mail  
All H.R Executives