
**JUSTICE ANIL DEV SINGH COMMITTEE
FOR REVIEW OF SCHOOL FEE**

**8th Interim report
Volume II**

May 26, 2015

**CA J.S. Kochar
Member**

**Justice Anil Dev Singh (Retd.)
Chairperson**

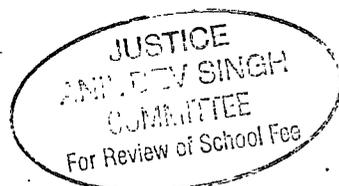
**Dr. R.K. Sharma
Member**

Sant Gyaneswar Public School, Khanpur, Delhi-36

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1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23-08-2013, required the school to appear on 11-09-

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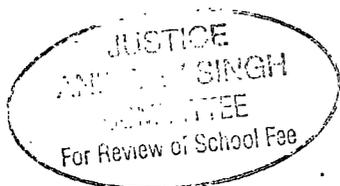
2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the questionnaire.

5. On 11-09-2013, Sh. Mukesh kaumar, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.09.2009.
- (ii) The school had hiked the fee w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not collect the development fee from the students.

6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.
- (ii) The school hiked tuition fee in 2009-10, in excess of the limit prescribed by the order of the Director of Education dated 11.02.2009. During 2010-11 the hike was by 10%.
- (iii) T.D.S. and P.F. was not deducted from the salary of the staff.



Sant Gyaneswar Public School, Khanpur, Delhi-36

7. By notice dated 15-01-2015, the school was asked to appear on 22-01-2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 22-01-2015, Sh. Mukesh Kumar Bharti, Manager of the school appeared before the Committee and produced the record. He affirmed the observations of the Audit Officer on 11-09-2013. On a query by the Committee, he conceded that in 2009-10, when the recommendations of the 6th Pay Commission were implemented, the salaries were paid either in cash or by bearer cheques.

9. We have gone through the record, submissions of the representative on behalf of the school and observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	350	500	150	550	50
IV-V	400	600	200	660	60
VI-VIII	500	700	200	770	70

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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10. From the above, it is manifest that the school had increased the fee during the year 2009-10 for all classes, in excess of the permissible limit prescribed by the order of the Director of Education dated 11.02.2009. During 2010-11 the fee was hiked by 10%.

11. The school claimed to have implemented the recommendations of the 6th Pay Commission, but salary was paid in cash or through bearer cheques without deducting TDS and PF. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

12. As per the available record, the school has not charged development fee.

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the fee in excess of the permissible limit of the order of the Director of Education dated 11.02.2009, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee



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recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 being a part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 18/02/2015



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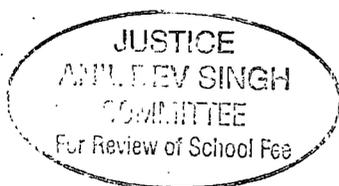
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Vasundhara Public School, Hastal Vihar, Uttam Nagar, New Delhi-59

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.

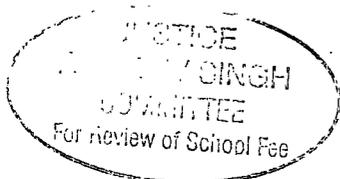


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Vasundhara Public School, Hastal Vihar, Uttam Nagar, New Delhi-59

4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.08.2013, required the school to appear on 13.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.
5. On 13.09.2013, Sh. Nishant Tyagi, representative of the school attended the office of the Committee and produced a letter of even date requesting for some more time to produce the record. At its request the school was directed to produce record on 07.10.2013.
6. On 07.10.2013, Ms. Vandana Asiwat, Vice Principal of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-
- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.12.2009.
- (ii) The school had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school had not collected development fee from the students.
7. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -



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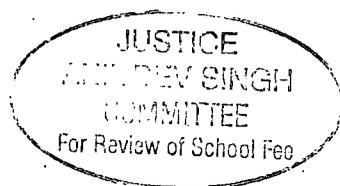
Vasundhara Public School, Hastal Vihar, Uttam Nagar, New Delhi-59

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA and HRA has not been paid as per the prescribed rates.
- (ii) T.D.S. and P.F has not been deducted from the salary of the staff.
- (iii) The school hiked tuition fee in 2009-10 by 09.2% to 10.4% for different classes. During 2010-11, the hike was by 12.6% to 44.4% for different classes.

8. By notice dated 01.01.2015, the school was asked to appear on 15.01.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

9. On 15.01.2015, Ms.Vandana Asiwal, Vice Principal and Sh. S.K. Sharma, P/T Accountant of the school appeared before the Committee along with the records. It was represented by the school that:-

- (i) The school has partially implemented the recommendations of the 6th Pay Commission, w.e.f. December 2009.
- (ii) The salary to the staff had been paid in cash without deducting TDS. The school did not have TAN till date.



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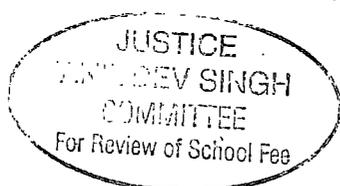
Vasundhara Public School, Hastal Vihar, Uttam Nagar, New Delhi-59

- (iii) The school hiked tuition fee in 2010-11, more than the prescribed norms of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not charge development fee.

10. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Nursery	----	450	-----	650	200
I	540	590	50	800	210
II	575	635	60	800	165
III	620	680	60	800	120
IV	650	710	60	800	90
V	690	760	70	900	140
VI	715	785	70	1000	215
VII	765	845	80	1100	255
VIII	790	870	80	1200	330

11. From the above, it is manifest that the school has increased the fee during the year 2009-10 by about 10%. During 2010-11, there was



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Vasundhara Public School, Hastal Vihar, Uttam Nagar, New Delhi-59

hike in excess of the norms prescribed by the order of the Director of Education dated 11.02.2009.

12. According to school it has implemented the recommendations of the 6th Pay Commission partially. The salary to the staff is claimed to have been paid in cash without deducting TDS.

The fact that the salary was not paid by account payee cheques and the TDS was not deducted, gives a lie to plea of the school that it had partially implemented the recommendations of the 6th Pay Commission.

13. As per the available record, the school has not charged development fee.

RECOMMENDATION**Re. Fee Hike**

Since the school has hiked the tuition fee in 2010-11, much more than the norms prescribed by the order of the Director of Education dated 11.02.2009, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was

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Vasundhara Public School, Hastal Vihar, Uttam Nagar, New Delhi-59

unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2010-11 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2010-11 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2010-11, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

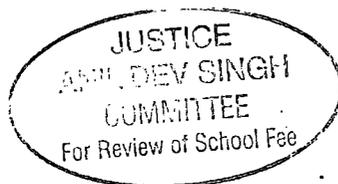
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—22-01-2015



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Vidya Memorial Public School, Uttam Nagar, N.Delhi-110059

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23-08-2013, required the school to appear on 13-09-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the questionnaire.



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Vidya Memorial Public School, Uttam Nagar, N.Delhi-110059

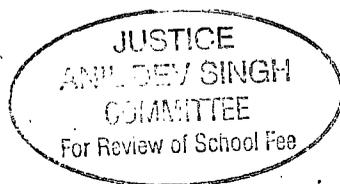
5. On 13-09-2013, Sh. S.K.Tyagi, Chairman of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) The school had hiked the fee w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not collect the development fee from the students.

6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has partially implemented the recommendations of the 6th Pay Commission.
- (ii) D.A. has not been paid as per the prescribed norms, whereas HRA and TA have not been paid at all.
- (iii) The school hiked tuition fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11 the hike was by 10%.

7. By notice dated 05-01-2015, the school was asked to appear on 21-01-2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.



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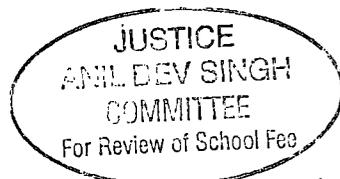
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Vidya Memorial Public School, Uttam Nagar, N.Delhi-110059

8. On 21-01-2015, Sh. Surinder Kumar Tyagi, Chairman, Sh. S.K. Sharma, P/T Accountant and Sh. Avtar Singh, Account Asstt. of the school appeared before the Committee. It was contended that the school neither recovered any arrear fee nor paid any arrear salary to the staff. It was further contended that the school did not charge development fee. With regard to hike in tuition fee in 2009-10, it was admitted that the school hiked the fee as per the order of the Director of Education dated 11-02-2009. With regard to the implementation of the recommendation of the 6th Pay Commission, it was submitted that the school revised only the basic salary, as the fee was not sufficient to implement even the recommendations of the 5th Pay Commission.

The Committee examined the books of accounts of the school and noticed that the salary was paid by bearer cheques and in cash. All the salary cheques were en-cashed together from the bank. The Chairman of the society conceded this position.

9. We have gone through the record, submissions of the representative on behalf of the school and observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -



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Vidya Memorial Public School, Uttam Nagar, N.Delhi-110059

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	580	780	200	850	70
VI-VIII	650	850	200	930	80

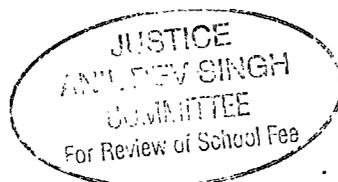
10. From the above, it is manifest that the school has increased the fee during the year 2009-10 for all classes, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11 the hike has been within 10%.

11. The school claimed to have implemented the recommendations of the 6th Pay Commission, but DA, HRA and TA have not been paid as per the prescribed norms. Further, salary has been paid in cash or through bearer cheques. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

12. As per the available record, the school has not charged development fee.

RECOMMENDATION**Re. Fee Hike**

Since the school has utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-



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Vidya Memorial Public School, Uttam Nagar, N.Delhi-110059

10, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 being a part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 18/02/2015



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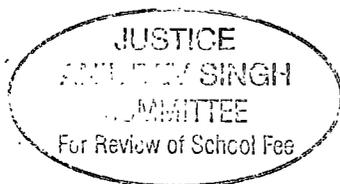
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Krishna Model Sec. School, Najafgarh, New Delhi-110043

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Krishna Model Sec. School, Najafgarh, New Delhi-110043

4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.08.2013, required the school to appear on 16.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 16.09.2013 Mrs. Navneet Kaur, Accountant and Sh. Parvesh Kumar, Librarian of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

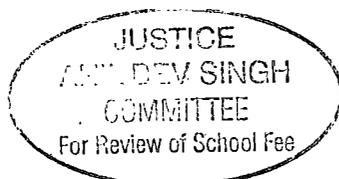
(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01.04.2009.

(iii) The school had collected development fee from the students.

6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA has not been paid as per the prescribed rates.



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Krishna Model Sec. School, Najafgarh, New Delhi-110043

- (ii) Five to six employees remained on leave without pay every month during 2010-11.
- (iii) Salary to the staff was paid in cash, though the school operates one bank account.
- (iv) TDS has been deducted for only one employee.
- (v) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

7. By notice dated 05.01.2015, the school was asked to appear on 21.01.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 21.01.2015, Mrs. Harsh Lata, Vice-Principal and Sh. S.K.Sharma, P/T Accountant of the school appeared before the Committee and produced records. It was contended by the representatives that the school hiked the fee w.e.f. 01-04-2009 for implementation of the recommendations of the 6th Pay Commission, which the school partially implemented, in as much as the basic salary was revised but DA, HRA and TA were only partially revised. It was further contended that the school did not pay



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Krishna Model Sec. School, Najafgarh, New Delhi-110043

any arrears of salary as it did not recover any arrear fee from the students. It was conceded that despite maintaining two bank accounts, the school continued to pay salary in cash even after the recommendations of the 6th Pay Commission were purportedly implemented by the school. It was also conceded that the school did not deduct any TDS in 2009-10 and 2010-11.

With regard to the development fee it was contended that the school started charging development fee in 2009-10. The same was treated as a revenue receipt and no separate development and depreciation reserve funds were maintained on account of the fact that it got exhausted in the year of receipt.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	400	500	100	550	50
VI to VIII	450	550	100	600	50
IX- X	600	800	200	880	80

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

Krishna Model Sec. School, Najafgarh, New Delhi-110043

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009. During 2010-11, there was hike by 10% for all classes.

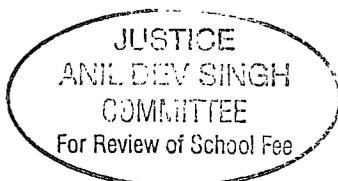
11. According to school it has implemented the recommendations of the 6th Pay Commission partially. The salary to the staff was paid in cash without deducting TDS. The fact that the salary was paid in cash without deducting TDS, gives a lie to the plea of the school that it had partially implemented the recommendations of the 6th Pay Commission.

12. The school has charged development fee. The same has been treated as revenue receipt in the accounts, without maintaining separate development and depreciation reserve fund.

RECOMMENDATION**Re. Fee Hike**

Since the school has hiked the tuition fee in 2009-10, in terms of the order of the Director of Education, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends

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Krishna Model Sec. School, Najafgarh, New Delhi-110043

that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, for above mentioned classes, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee;

The school has charged development fee in the following manner:-

Year	Development Fee Charged
2009-10	Rs.19,24,700.00
2010-11	Rs.22,21,660.00

The development fee had been treated as revenue receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed



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Krishna Model Sec. School, Najafgarh, New Delhi-110043

by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.41,46,360.00 during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—18/02/2015



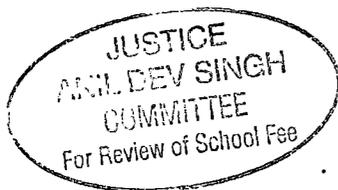
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Secretary

Navyug Convent School, Sainik Enclave, Jharoda Kalan, N.Delhi-72

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Navyug Convent School, Sainik Enclave, Jharoda Kalan, N.Delhi-72

4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.08.2013, required the school to appear on 16.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

On 16.09.2013, the Principal of the school attended the office of the Committee and requested for some more time to produce the record. At its request the school was directed to produce its records on 25.09.2013.

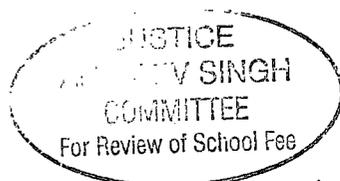
5. On 25.09.2013 Mrs. Rajesh, Principal of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.03.2009.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01.04.2009.

(iii) The school had collected development fee from the students.

6. The record, in the first instance, was examined by Shri N.S. Batra, Audit Officer of the Committee. He observed to the effect that: -



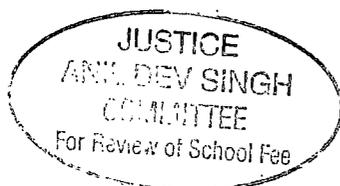
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Secretary

Navyug Convent School, Sainik Enclave, Jharoda Kalan, N.Delhi-72

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.
- (ii) TDS has not been deducted from the salary of the staff.
- (iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

7. The matter was heard on 02.02.2015, when Mrs. Rajesh, Principal and Sh. S.K. Sharma P/T Accountant appeared before the Committee. The Committee perused the observations of the Audit Officer of the Committee and records as well as the observations recorded on the salary sheet prepared by the Audit Officer and authenticated by the representatives of the school. As per the salary sheet summery prepared by the Audit Officer of the Committee, the salary paid by the school through bank transfer decreased from Rs. 32.82 lakhs in 2008-09 to Rs.30.86 lakhs in 2009-10 and to Rs.26.19 lakhs in 2010-11. On the other hand, the cash component of salary rose from Rs. 3.67 lakhs in 2008-09 to Rs. 12.68 lakhs in 2009-10 and to Rs. 23.30 lakhs in 2010-. The school also purportedly received unsecured loan in cash amounting to Rs. 10 lakh in 2009-10 from undisclosed resources. Such cash loan was squared off in the subsequent period by showing repayments in



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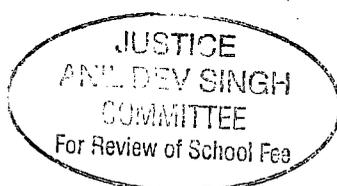
Navyug Convent School, Sainik Enclave, Jharoda Kalan, N.Delhi-72

cash. The representatives of the school contended that such loans were received for making arrear payment and were subsequently repaid out of accrual from fee.

8. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	450	550	100	600	50
II	500	600	100	650	50
III	530	700	170	750	50
IV	560	750	190	800	50
V	600	800	200	850	50
VI	630	830	200	900	70
VII	650	850	200	930	80
VIII	710	910	200	980	70
IX	740	940	200	1000	60
X	800	1000	200	1100	100

9. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of



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Secretary

Navyug Convent School, Sainik Enclave, Jharoda Kalan, N.Delhi-72

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Education dated 11.2.2009. During 2010-11, there was hike by 10% for all classes.

10. According to school it has implemented the recommendations of the 6th Pay Commission partially. The salary paid by the school through bank transfer progressively decreased from 2008-09 to 2010-11, whereas the cash component of salary claimed to have been paid progressively increased from 2008-09 to 2010-11. The salary to the staff was paid in cash without deducting TDS. In such circumstances there is sufficient reason to disbelieve the plea of the school that it had partially implemented the recommendations of the 6th Pay Commission.

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the tuition fee in 2009-10, in terms of the order of the Director of Education, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

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Secretary

Navyug Convent School, Sainik Enclave, Jharoda Kalan, N.Delhi-72

000469

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, for above mentioned classes, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee;

The school has charged development fee during 2007-08 and 2008-09 and has discontinued its collection thereafter, the Committee does not recommend any refund in this regard. The development fee collected during the aforesaid period does not fall within the purview of the Committee. It will be for the Director of Education to take view with regard to the development fee collected during the period mentioned above and pass such orders as it deems appropriate.

Sd/-

J.S. Kochar
Member

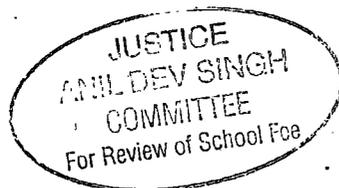
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—18/02/2015.



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[Signature]
Secretary

Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72

4. With a view to verify the returns, the Office of the Committee vide its notice dated 06-09-2013, required the school to appear on 23-10-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

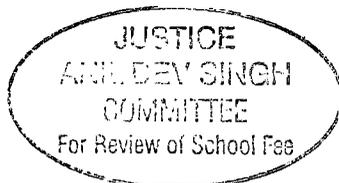
5. On 23-10-2013, Sh. Ramesh Singh, Manager and Sh. Brijesh Gupta, C.A. of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.

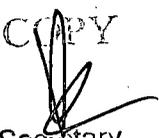
ii) The school had hiked the fee w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009.

(iii) The school has neither collected arrear fee from the students nor paid arrear salary to the staff.

(iv) The school has collected development fee from the students, but no separate development fund and depreciation reserve fund has been maintained.



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Secretary

Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72

6. The record, in the first instance, was examined by Mrs.Sunita Nautiyal, AAO of the Committee. She observed to the effect that: -

(i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. April 2009.

(ii) The school hiked tuition fee in 2009-10, for all classes, in terms of the order dated 11-02-2009 of the Director of Education. During 2010-11 there was by 03% to 13% for two sections of class XII only.

7. By notice dated 30-12-2014, the school was asked to appear on 06-01-2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 06-01-2015, Sh. Ramesh Singh, Manager and Sh. Brijesh Gupta, CA of the school appeared before us. On perusal of the salary statements and the books of accounts, the Committee observed that the school was paying most of the salary in cash. The representatives submitted that this was necessary as some of the teaching and non-teaching staff did

not have bank account.



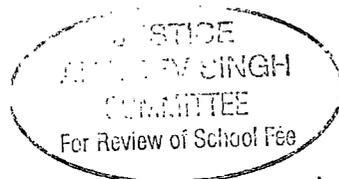
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Secretary

Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	330	400	70	400	NIL
II	355	400	45	400	NIL
III	385	500	115	500	NIL
IV	385	500	115	500	NIL
V	415	515	100	515	NIL
VI	415	515	100	515	NIL
VII	440	540	100	540	NIL
VIII	495	600	105	600	NIL
IX	550	700	150	700	NIL
X	575	775	200	775	NIL
XI (Arts)	660	860	200	860	NIL
XI (Comm.)	660	860	200	860	NIL
XI (Sc.)	660	860	200	960	100
XII (Arts)	770	970	200	970	NIL
XII (Comm.)	770	970	200	1000	30
XII (Sc.)	770	970	200	1100	130



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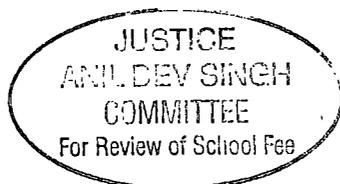
Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72

10. From the above, it is manifest that (except for classes I and II) the school has increased the tuition fee during the year 2009-10 for all the remaining classes, in terms of the order of the Director of Education dated 11.02.2009. For classes I and II the hike was in excess of 10%. During 2010-11 there was no hike in fee, except classes XI (Sc.), XII (Comm.) and XII (Sc.).

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff has been paid in cash. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

Discussions and Recommendations**Re. Fee Hike**

Since the school has utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee for 2009-10, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10, in excess of 10% for the aforesaid classes, ought



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Secretary

Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72
to be refunded along with interest @9% per annum from the date of
its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the
subsequent years, there would be a ripple effect in the subsequent
years and the fee of the subsequent years to the extent, it is
relatable to the fee hiked in 2009-10 for classes XI (Sc.), XII (Comm.)
and XII (Sc.), ought also to be refunded along with interest @9% per
annum from the date of its collection to the date of its refund.

Re; Development Fee

The school has charged development fee in the following manner:-

<u>Year</u>	<u>Development Fee Charged</u>
2009-10	Rs.4,46,977.00
2010-11	Rs.5,18,605.00

The development fee had been treated as revenue receipt and no
separate depreciation reserve fund and development fund had been
maintained.

In the circumstances, the Committee is of the view that the
school was not complying with any of the pre-conditions prescribed
by the Duggal Committee, which were affirmed by the Hon'ble



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Secretary

Nav Uday Convent Sr. Sec.School,Prem Nagar,Najafgarh, N.Delhi-72
Supreme Court in the case of Modern School Vs. Union of India &
Ors. Therefore, the Development Fee charged by the school to the
tune of Rs.9,65,582.00 during the years 2009-10 and 2010-11 in
the garb of the order of the Director of Education dated 11.02.2009
was not in accordance with law. This being so, the school ought to
refund the aforesaid development fee along with interest @ 9% per
annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

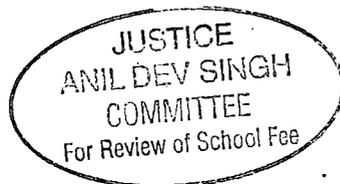
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 22-01-2015



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Secretary

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 20.09.2013, required the school to appear on 26.09.2013



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and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

The Manager of school vide letter dated 24.09.2013, requested for some more time to produce the record. At its request the school was directed to produce record on 08.10.2013.

5. On 08.10.2013, Sh. Jatin Tiwari, TGT of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01.04.2010.
- (iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA and HRA have not been paid as per the prescribed rates.



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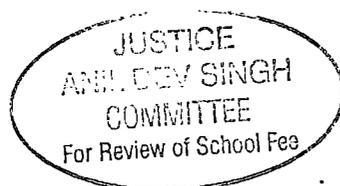
Mt. St. Garjiya School, Najafgarh, Delhi-110043

- (ii) The school hiked tuition fee in 2009-10 by Rs.50/- p.m. for all classes. During 2010-11, the hike was by Rs.100/- to Rs.125/- for different classes.

The Audit Officer after examination of the record produced by the school returned the same to him.

7. By notice dated 02.03.2015, the school was asked to appear on 17.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 17.03.2015, Sh. S.K.Sharma, P/T Accountant and Sh. Jatin Tiwari, TGT of the school appeared before the Committee and produced the records. They contended that the recommendations of the 6th Pay Commission were partially implemented w.e.f. 01-04-2009 under compulsions by the Education Department. However, the fee was hiked w.e.f. 01-04-2010. It was further submitted that the salary was paid through bearer cheques and TDS was deducted from the salary of only two staff members. It was stated that the development fee was not charged by the school.



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Secretary

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	450	500	50	600	100
IV to V	500	550	50	650	100
VI to VIII	575	625	50	750	125

10. From the above, it is manifest that the school had increased the fee during the year 2009-10 by 10%. During 2010-11, the hike was though, not in terms of the order of the Director of Education dated 11/02/2009 for all classes, but the hike was more than the permissible limit of 10%.

11. According to school it had implemented the recommendations of the 6th Pay Commission partially, under the compulsion of the Education Deptt. Salary to the staff has been paid through bearer cheques and TDS was deducted from the salary of only two staff members. We find the

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had partially implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per records the school has not charged development fee from the students.

RECOMMENDATION

Re. Fee Hike

The school, has not utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee for all classes, but since the hike in 2010-11, was in excess of the permissible limit of 10% without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2010-11 in excess of 10%,



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Mt. St. Garjiya School, Najafgarh, Delhi-110043

000482

ought to be refunded along with interest 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—24-03-2015

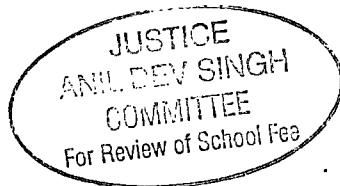


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Secretary

Sona Modern Public School, Devli Road, Khanpur Extn. New Delhi

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 06.09.2013, required the school to appear on 27.09.2013



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Sona Modern Public School, Devli Road, Khanpur Extn. New Delhi

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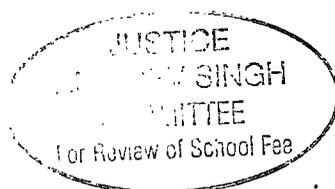
and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 27.09.2013, Mrs. Anjana Chhibber, Manager attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.03.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01 02.2009.
- (iii) The school had not collected development fee from the students.

6 The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA and TA have not been paid as per the prescribed rates.
- (ii) Salary to the staff was paid in cash.



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Sona Modern Public School, Devli Road, Khanpur Extn. New Delhi

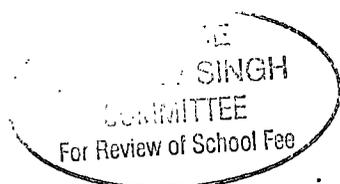
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- (iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the record produced by the school returned the same to him.

7. By notice dated 02.03.2015; the school was asked to appear on 17.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8 On 17.03.2015, Ms. Anjana Chhibber, Manager, Sh. Rajinder Saini, Member M.C., Sh. Gopal Bali, Member Society and Ms. Santosh, LDC of the school appeared before the Committee and produced the records. It was contended that the school collected arrear fee as well as incremental fee as per the order dated 11-02-2009 of the Director of Education. It was also stated that the school implemented the recommendations of the 6th Pay Commission w.e.f. March, 2009. On query by the Committee, the representatives conceded that the arrear of salary as well as the regular salary was paid to the staff in cash. The



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Sona Modern Public School, Devli Road, Khanpur Extn. New Delhi

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school deducted nominal amount of TDS of only nine staff members. It was submitted that the school did not charge development fee.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Nurs. & K.G.	400	500	100	550	50
I & II	475	530	55	580	50
III & IV	475	575	100	630	55
V to VIII	600	700	100	770	70

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11/02/2009, for classes Nursery and KG only. In case of other classes, the hike was not in terms of the aforesaid order, but the same was in excess of the permissible limit of 10%. During 2010-11, the hike was within 10% for all classes.

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

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Sona Modern Public School, Devli Road, Khanpur Extn. New Delhi

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11. According to school it has implemented the recommendations of the 6th Pay Commission, but salary and arrears of salary to the staff have been paid in cash. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary and/or arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per the record the school has not charged development from the students.

RECOMMENDATION**Re. Fee Hike**

The school has not utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee in 2009-10 for all classes but since the hike was in excess of the permissible limit of 10%, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the

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Secretary

Sona Modern Public School, Devli Road, Khanpur Extn. New Delhi

000488

Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated—24-03-2015



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Secretary

Amrita Public School, Sangam Vihar, New Delhi-110062

000489

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013, required the school to appear on 01.07.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.



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Secretary

Amrita Public School, Sangam Vihar, New Delhi-110062

000490

5. On 01.07.2013 Ms. Meenu Verma, Principal of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

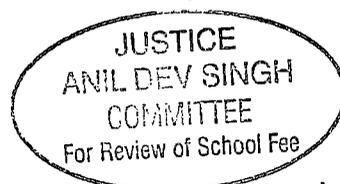
- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.03.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.03.2009.
- (iii) The school had collected development fee from the students.

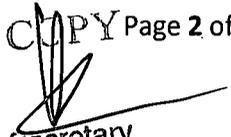
6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but TA has not paid to the staff.
- (ii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 8.6% to 12.5% for different classes.

The Audit Officer after examination of the record produced by the school returned the same to them.

7. By notice dated 02.03.2015, the school was asked to appear on 18.03.2015 along with entire accounting, fee and salary records for the



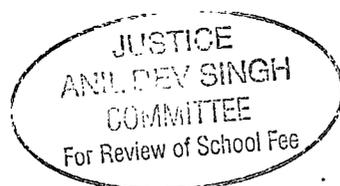
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Secretary

Amrita Public School, Sangam Vihar, New Delhi-110062

000491

years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 18.03.2015, Sh. Joginder Singh, Manager, Ms. Taruna Trehan, Principal, Sh. Ravinder Saini, Member M.C. and Sh. Mukesh Kumar, Accountant of the school appeared before the Committee and produced the records. They contended that the school recovered arrear fee from the students and also paid arrear salary to the staff. On query by the Committee, they conceded that the arrears were paid in cash. However, the school did not produce its books of accounts to show the availability of cash. Further, they submitted that the monthly tuition fee was also revised as per the order dated 11-02-2009 of the Director of Education and the salaries were paid as per the recommendations of the 6th Pay Commission w.e.f. 01-04-2009. They submitted that the regular salary was paid through bearer cheques. The school deducted TDS of only two employees in 2009-10. On examination of the bank statement, the Committee observed that all the salary cheques were not issued or encashed on one date. A few cheques were encashed first, which were followed by cash deposit and subsequently further cheques were encashed again followed by cash deposits.



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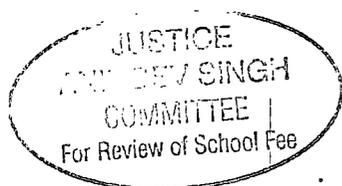
Amrita Public School, Sangam Vihar, New Delhi-110062

000492

With regard to development fee, the representatives contended that the same was charged only in 2010-11. Though, it was treated as a capital receipt but no earmarked accounts were maintained for development and depreciation reserve fund.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
K.G.	300	400	100	450	50
I	380	480	100	525	45
II	385	480	95	525	45
III	410	510	100	560	50
IV	415	510	95	560	50
V	430	530	100	580	50
VI	450	550	100	600	50
VII	475	570	95	630	60
VIII	480	580	100	640	60
IX	825	1000	175	1100	100
X	990	1150	160	1250	100



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Secretary

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009. During 2010-11, there was hike by 10% for all classes.

11. According to school it has implemented the recommendations of the 6th Pay Commission. The salary has been paid through bearer Cheques, whereas the payment of arrears of salary has been made in cash. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. The school has charged development fee. The same though, has been treated as capital receipt in the accounts, but no separate development and depreciation reserve fund have been maintained.

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the tuition fee in 2009-10, in terms of the order of the Director of Education, without

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Amrita Public School, Sangam Vihar, New Delhi-110062

000494

implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, for above mentioned classes, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee;

The school has charged development fee in the following manner:-

<u>Year</u>	<u>Development Fee Charged</u>
2010-11	Rs. 18,91,903.00

The development fee though, had been treated as capital receipt but no separate depreciation reserve fund and development fund had been maintained.

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

Amrita Public School, Sangam Vihar, New Delhi-110062

000495

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.18,91,903.00 during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated— 24-03-2015



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Secretary

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 06.09.2013 and 24.09.2013, required the school to appear on 22.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.



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5. On 22.10.2013 Sh. Raghuvir Singh and Sh. S.K.Sharma Accountant of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2009.

(iii) The school had collected development fee from the students.

6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA has not been paid as per the prescribed rates.

(ii) The salary has been paid in cash or through bearer cheques.

(iii) It has been noticed that during 2007-08 to 2009-10, nearly 3 to 4 teachers were shown to be on leave without pay. Similarly, during April 2010, 15 teachers and during May 2010 and June 2010, 34 out of 65 teachers were shown to be on leave without pay.



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Secretary

- (iv) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the record produced by the school returned the same to them.

7. By notice dated 02.03.2015, the school was asked to appear on 18.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 18.03.2015, Sh. S.K. Sharma, P/T Accountant and Sh. Raghuvir Singh, Accountant of the school appeared before the Committee and produced the records. It was contended that the school neither recovered arrear fee nor paid arrear salary. The school implemented the recommendations of the 6th Pay Commission w.e.f. April, 2009. The representatives were confronted with the observations recorded on 22-10-2013 by the Audit Officer of the Committee, particularly with regard to the leave without pay to teachers for three to four months in a year. They conceded that it was indeed true. The school furnished details of development fee and conceded that the same was treated as a revenue receipt and no earmarked accounts were maintained for development and depreciation reserve fund.



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Secretary

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	470	570	100	625	55
VI to VIII	630	800	170	875	75
IX	790	990	200	1080	90
X	950	1050	100	1150	100
XI Arts	1000	1100	100	1210	110
XI Comm	1100	1200	100	1320	120
XI Sci	1100	1200	100	1320	120
XII Arts	1100	1400	300	1540	140
XII Comm	1200	1400	200	1540	140
XII Sci	1200	1500	300	1650	150

10. From the above, it is manifest that the school for several classes did not increase the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009 but the hike was more than the permissible limit of 10%. During 2010-11, there was hike by 10% for all classes.

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

K.S.K.Academy,Sangam Vihar,New Delhi-110062

000500

11. According to school it has implemented the recommendations of the 6th Pay Commission, partially as DA has not been paid as per the prescribed norms. The salary has been paid in cash/through bearer cheques. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash. Such a plea gives a lie to the stand of the school that it had partially implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. The school has charged development fee. The same has been treated as revenue receipt in the accounts, without maintaining separate development and depreciation reserve fund.

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the tuition fee in 2009-10 in excess of the permissible limit of 10%, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee



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Secretary

hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, for above mentioned classes, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee;

The school has charged development fee in the following manner:-

<u>Year</u>	<u>Development Fee Charged</u>
2009-10	Rs. 29,86,639.00
2010-11	Rs. 35,03,075.00

The development fee had been treated as revenue receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed



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K.S.K.Academy,Sangam Vihar,New Delhi-110062

000502

by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.64,89,714.00 during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—24-03-2015



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Secretary

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 06.09.2013, required the school to appear on 23.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.



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A handwritten signature in black ink, appearing to be "S. Singh", written over the word "Secretary".
Secretary

Sai Nath Public School, Tigri Extn. New Delhi-110062 000504

On 23.09.2013, representative of the school attended the office of the Committee and requested for some more time to produce record. As per his request the school was directed to produce its records on 08.10.2013.

5. On 08.10.2013, Sh. Harender Sharma, representative of the school attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01. 04. 2009.

6 The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.

(iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, there was no hike in fee.

The Audit Officer after examination of the original record produced by the school returned the same to him.



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Secretary

7. By notice dated 02.03.2015, the school was asked to appear on 20.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8 On 20.03.2015, Harender Sharma and Sh. Zaffar Ahmed, Accountant of the school appeared before the Committee and produced the records. They contended that :-

- (i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009.
- (ii) It paid arrear salary to the staff and
- (iii) The school hiked the fee @ Rs.200/- p.m. for all classes w.e.f. 01-04-2009, but, no hike was effected in the year 2010-11.

On query by the Committee, the representatives conceded that even today salary was being paid in cash. Even the arrears of salary were paid in cash. On examination of the books of accounts, the Committee found that the exact amount of salary was first withdrawn from the bank and then disbursed to the staff in cash.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the



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Secretary

Page 3 of 5

record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	700	900	200	900	NIL
VI to VIII	790	990	200	990	NIL

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11/02/2009. During 2010-11, there was no hike in fee.

11. According to school it has implemented the recommendations of the 6th Pay Commission, but salary and arrears of salary to the staff have been paid in cash. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary and/or arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary Page 4 of 5

12. As per the record the school has not charged development from the students.

RECOMMENDATION

Re. Fee Hike

Since the school has utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

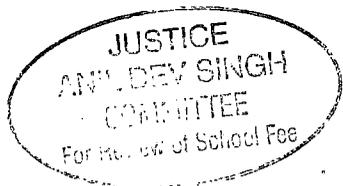
Dated— 09-04-2015



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Secretary

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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4. With a view to verify the returns, the Office of the Committee vide its notice dated 06.09.2013, required the school to appear on 30.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 30.09.2013, Sh. Sanjeev Kumar, President of the Society attended the office of the Committee and requested for some more time to produce the record. At its request the school was directed to produce record on 23.10.2013.

On 23.10.2013, Sh. Sanjeev Kumar, President of the Society attended the office of the Committee but again did not produce the record and requested for further time to produce the record. The school was provided further opportunities to produce its record on 31.10.2013 and 25.11.2013.

6. On 25.11.2013, Sh. Sanjeev Kumar, President of the Society attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.



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Secretary

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01 04 2009.

(iii) The school had not collected development fee from the students.

7. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA, TA and HRA have not been paid as per the prescribed rates.

(ii) Salary to the staff was paid in cash without deducting TDS and PF.

(iii) The school hiked tuition fee in 2009-10 by Rs.200/- p.m. for all classes. During 2010-11, the hike was by Rs.300/- for all classes.

The Audit Officer after examination of the record produced by the school returned the same to him.

8. By notice dated 21.01.2015, the school was asked to appear on 18.02.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.



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Secretary

9. On 18.02.2015, Sh. Sanjeev Kumar, President of the society appeared before the Committee and produced the records. He contended that the school hiked the tuition fee w.e.f. 01/04/2009, as per the order of the Director of Education dated 11/02/2009 and the school, neither charged arrear fee nor arrear salary was paid to the staff. He further contended that the school partially implemented the recommendations of the Sixth Pay Commission w.e.f. 01/04/2009. On query by the Committee, he conceded that the salary to the staff was paid in cash without deduction of TDS of PF. The school even did not have TAN and was also not registered with PF authorities. The representative also contended that the school did not charge any development fee.

10. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representative on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

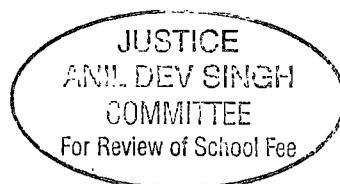
Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to VIII	700	900	200	1200	300



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Secretary

11. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11/02/2009. During 2010-11, there was hike by more than 10% for all classes.
12. According to school it has implemented the recommendations of the 6th Pay Commission partially. Salary to the staff has been paid in cash without deducting TDS and PF. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had partially implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.
13. As per the record the school has not charged development from the students.



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Secretary

RECOMMENDATION**Re. Fee Hike**

Since the school has utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—17.03.2015



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Secretary

S.G.N. Public School, Kunwar Singh Nagar, Nangloi, Delhi-41 000514

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'
4. With a view to verify the returns, the Office of the Committee vide its notice dated 24-10-2013, required the school to appear on 28-11-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the questionnaire.



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Secretary

5. On 28-11-2013, Sh. A.K. Singh, Manager and Sh. S.K. Sharma, P/T Accountant of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.09.2009.
- (ii) The school had hiked the fee w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not collect the development fee from the students.

6. The record, in the first instance, was examined by Mrs. Sunita Nautiyal, AAO of the Committee. She observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.
- (ii) Salary to the staff has been paid in cash without deducting TDS and PF.
- (ii) The school hiked tuition fee in 2009-10, in between 71.4% to 125% and during 2010-11, the hike was by 22% to 40% for different classes.

The Audit Officer after examination of the record produced by the school returned the same to them.



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Secretary

S.G.N. Public School, Kunwar Singh Nagar, Nangloi, Delhi-41

7. By notice dated 23-01-2015, the school was asked to appear on 20-02-2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 20-02-2015. Sh. A.K. Singh, Manager and Sh. S.K. Sharma, P/T Accountant of the school appeared before the Committee and produced the record. They submitted new fee structure of the school before the Committee and other than the one filed earlier claimed that the same be considered as correct one. The Audit Officer of the Committee was directed to examine the records and put up a note. The Audit Officer of the Committee examined the fee record and reported that the fee hike in 2009-10 was by 20% to 125% and during 2010-11 it was by 22.2% to 40% for different classes.

9. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	200	450	250	550	100



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S.G.N. Public School, Kunwar Singh Nagar, Nangloi, Delhi-41

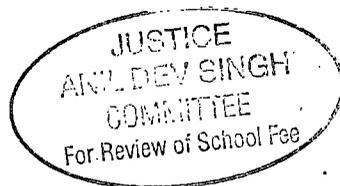
000517

IV-V	300	500	200	700	200
VI	450	550	100	750	200
VII-VIII	500	600	100	800	200

10. From the above, it is manifest that the school has increased the fee during the year 2009-10 for all classes, in excess of the permissible limit of the order of the Director of Education dated 11.02.2009. During 2010-11 the hike has been more than 10%.

11. The school claimed to have implemented the recommendations of the 6th Pay Commission, but salary has been paid in cash without deducting TDS and PF. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per the available record, the school has not charged development fee.

RECOMMENDATION**Re. Fee Hike**

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Secretary

Page 4 of 5

The school has increased the tuition fee in 2009-10, in excess of the permissible limit of the order of the Director of Education dated 11.02.2009. The school has also not implemented the recommendations of 6th Pay Commission. In such circumstances, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 being a part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-17.03.2015



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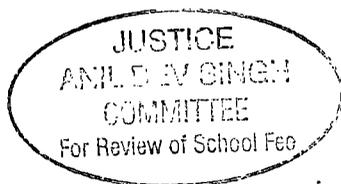
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Secretary

Green Valley International Public School, Deepak Vihar,Najafgarh, New Delhi-110043

000519

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Secretary

Green Valley International Public School, Deepak Vihar,

000520

Najafgarh, New Delhi-110043

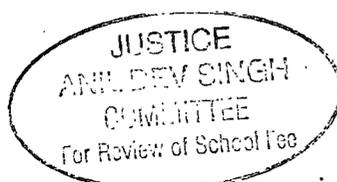
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.10.2013, required the school to appear on 08.11.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 08.11.2013, Sh. Amit Gautam, M.D. of the school attended the Office of the Committee and requested for some more time to produce the record. At its request the school was directed to produce its records on 28.11.2013.

On 28.11.2013 Shri Om Prakash, Manager of the school attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. April, 2010.
- (ii) The school did not hike the fee in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -



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Green Valley International Public School, Deepak Vihar, 000521

Najafgarh, New Delhi-110043

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but D.A. has not been paid as per the prescribed rates.

(ii) No TDS has been deducted from the salary of the staff.

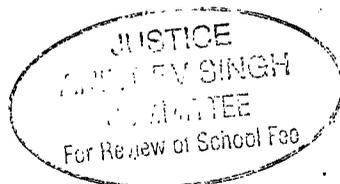
(iii) The school hiked tuition fee in 2009-10 by 21.86% to 25.42%.

During 2010-11, the hike was by 13.88% to 14.49%.

The Audit Officer after examination of the record produced by the school returned the same to him.

7. By notice dated 23.01.2015, the school was asked to appear on 25.02.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 25.02.2015, Sh. Om Prakash, Manager, Sh. Vinod Jain, Office Staff and Ms. Seema, Clerk of the school appeared before the Committee. They contended that the school hiked tuition fee w.e.f. 01-04-2009 as per the order dated 11-02-2009 of the Director of Education, without charging any arrear of fee. However, they claimed that the recommendations of the 6th. Pay Commission were implemented w.e.f. 01-04-2010, but no arrear of salary were paid. On examination of the



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Green Valley International Public School, Deepak Vihar, 000522

Najafgarh, New Delhi-110043

books of accounts, the Committee observed that the entire salary in 2010-11 was paid either through bearer cheques or in cash. The representatives also conceded to this position. They further conceded that no TDS was deducted from the salaries. The representatives also submitted that the school did not charge any development fee.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	330	430	100	480	50
II	350	450	100	500	50
III	370	470	100	520	50
IV	400	500	100	550	50
V	420	520	100	580	60
VI	440	540	100	600	60
VII	460	560	100	620	60
VIII	480	580	100	640	60
IX	550	750	200	825	75
X	550	750	200	825	75

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Green Valley International Public School, Deepak Vihar, 000523
Najafgarh, New Delhi-110043

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

11. According to school, it has implemented the recommendations of the 6th Pay Commission but salary to the staff was paid through bearer cheques/cash and no TDS was deducted. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per the record the school has not charged development fee.

RECOMMENDATION

Re. Fee Hike

Since the school has utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee, without implementing the recommendations of 6th Pay Commission, we are

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Green Valley International Public School, Deepak Vihar, 000524

Najafgarh, New Delhi-110043

of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

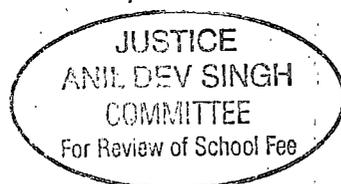
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated— 17-03-2015



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Secretary

Modern Gyan Deep Public School, Tigri Extn. New Delhi 000525

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 15.07.2013, required the school to appear on 06.08.2013



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Modern Gyan Deep Public School, Tigri Extn. New Delhi

and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 06.08.2013, Mrs. Geeta Roy, Chairperson and Sh. R. K. Gupta, Manager attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.03.2009.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01 04 2009.

(iii) The school had not collected development fee from the students.

6 The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA has not been paid as per the prescribed rates.

(ii) Salary to the staff was paid in cash.



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Secretary

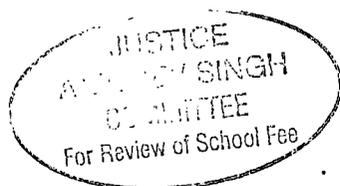
Modern Gyan Deep Public School, Tigri Extn. New Delhi

(iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the record produced by the school returned the same to him.

7. By notice dated 02.03.2015, the school was asked to appear on 16.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8 On 16.03.2015, Ms. Geeta Roy, Chairperson and Sh. R.K.Gupta, Manager of the school appeared before the Committee and produced the records. It was contended by the representatives that the school did not recover any arrear fee from the students but paid arrear salary out of its own funds. The school hiked the fee w.e.f. 01-04-2009, as per the order dated 11-02-2009 of the Director of Education. On examination of the records by the Committee, it emerged that the regular salary as well as the arrears of salary were paid in cash. On query by the Committee, the representatives conceded that even now, salary was being paid in cash. However, representatives submitted that the school deducted TDS



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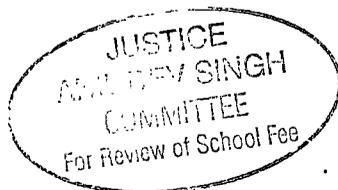
from salaries, wherever, it was applicable. It was also stated by the school representatives that the school did not charge any development fee.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	475	635	160	675	40
IV to V	475	710	235	750	40
VI to VIII	500	710	210	750	40

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in excess of the limit prescribed by the order of the Director of Education dated 11/02/2009. During 2010-11, the hike was within 10% for all classes.

11. According to school it has implemented the recommendations of the 6th Pay Commission, but salary and arrears of salary to the staff have been paid in cash. We find the many schools have taken this plea that



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Secretary

they had implemented the recommendations of the 6th Pay Commission by paying the salary and/or arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per the record the school has not charged development from the students.

RECOMMENDATION

Re. Fee Hike

Since the school has utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee, in excess of the limit prescribed by the aforesaid order without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Modern Gyan Deep Public School, Tigri Extn. New Delhi

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

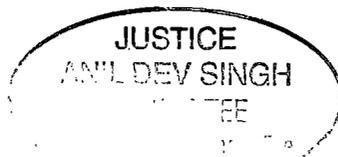
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—24-03-2015

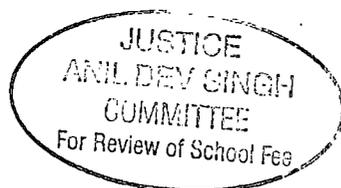


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Secretary

New Age Public School, Vikas Nagar, New Delhi-110059 000530

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.07.2013, required the school to appear on 10.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire



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Secretary

5. On 10.10.2013, Sh. Gaurav Tyagi, Chairman of the school attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

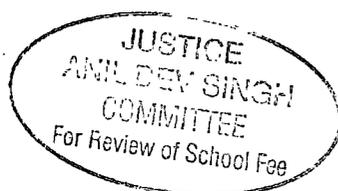
- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. July 2010.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. April 2010.
- (iii) The school had not collected development fee from the students.

6 The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, partially, as DA, HRA and TA have not been paid.
- (ii) The school hiked tuition fee in 2009-10 by 10.5 % to 12.5%. During 2010-11, the hike was by 63.8% to 76.9%.
- (iii) TDS and PF have not been deducted for the salary of the staff.

The Audit Officer after examination of the record produced by the school returned the same to him.

7. By notice dated 02.03.2015, the school was asked to appear on 16.03.2015 along with entire accounting, fee and salary records for the



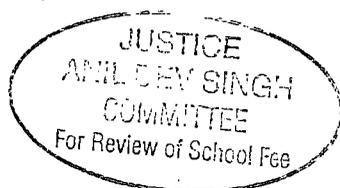
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Secretary

years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8 On 16.03.2015, Sh. Gaurav Tyagi, Chairman and Sh. B.R. Rai, PTA Member of the school appeared before the Committee. They neither furnished the requisite information and reply to the notice of the Committee dated 02.03.2015, nor produced any record of accounts of the school for examination by the Committee. However, they conceded that the fee was hiked by Rs.300/- per month in 2010-11, as noticed by the Audit Officer of the Committee, could have been increased by Rs.100/- per month as per the order dated 11-02-2009 of the Director of Education. They also admitted that the school, only nominally implemented the recommendations of the 6th Pay Commission w.e.f. 01-07-2010. The representatives contended that the school did not charge any development fee till 31-03-2011.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -



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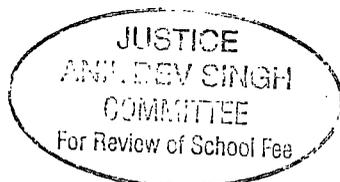
A handwritten signature in black ink, appearing to be "V. V. V.", written over the word "Secretary".
Secretary

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	350	390	40	690	300
II	370	410	40	710	300
III to V	400	450	50	750	300
VI to VIII	425	470	45	770	300

10. From the above, it is manifest that the school has increased the fee during 2009-10 by 10% but, during the year 2010-11, the hike was in excess of the prescribed limit of the order of the Director of Education dated 11.2.2009.

11. According to school it has partially implemented the recommendations of the 6th Pay Commission without deducting TDS and PF. The salary has been paid in cash/through bearer Cheques. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per the record the school has not charged development fee.



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SECRETARY

New Age Public School, Vikas Nagar, New Delhi-110059

000534

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the tuition fee in 20010-11, in excess of the prescribed limit of the order of the Director of Education, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2010-11 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—24-03-2015

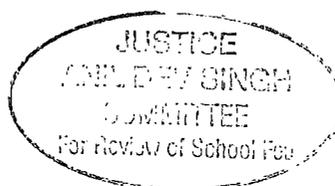


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Secretary

Seth Bhagwan Dass Sr. Sec. School, Maujpur. Delhi-110053 000535

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.10.2013, required the school to appear on 08.11.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

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Seth Bhagwan Dass Sr. Sec. School, Maujpur, Delhi-110053 000536

5. On 08.11.2013 Sh. Pramod Goel, Manager and Sh. Arun Kumar Singh, Vice Principal of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2008.

(ii) The school had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

(iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.

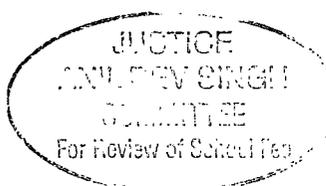
(ii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the record produced for scrutiny by the school returned the same to its representatives.

7. By notice dated 03.03.2015, the school was asked to appear on 23.03.2015 along with entire accounting, fee and salary records for the

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Seth Bhagwan Dass Sr. Sec. School, Maujpur, Delhi-110053 000537

years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

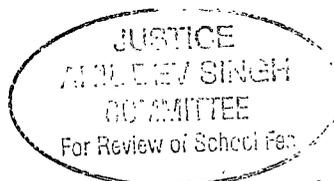
8. On 23.03.2015, Sh. Pramod Goyal, Manager, Sh. Arun Kumar Singh, Vice Principal, Sh. Rama Kant, Accountant and Sh. Anuj Agarwal, Asstt Accountant of the school appeared before the Committee and produced the records. They contended that the school implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009 and has also paid arrears of salary for the period 01-04-2008 to 28-02-2009 to the staff. The school hiked the fee w.e.f. 01-04-2009 as per the order of the Director of Education dated 11-02-2009. They stated that the school has never charged development fee. On query by the Committee, the representatives submitted that the salary and arrears of salary were paid by cheques. However, on examination of the bank statement of the school, it has emerged that almost all the salary cheques including those for the arrears, were bearer cheques, encashed together from the bank.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

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Seth Bhagwan Dass Sr. Sec. School, Maujpur, Delhi-110053

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	425	525	100	575	50
VI to VIII	475	575	100	625	50
IX to X	750	950	200	1050	100
XI to XII	800	1000	200	1100	100

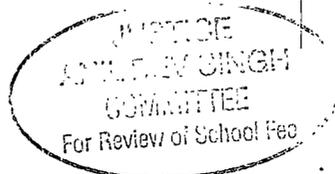
10. From the above, it is manifest that the school hiked the tuition fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009. During 2010-11, there was hike by 10% for all classes.

11. According to school it has implemented the recommendations of the 6th Pay Commission. It is not worthy that the salary and arrears of salary have been paid through bearer cheques. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per record the school has not charged development fee.

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Seth Bhagwan Dass Sr. Sec. School, Maujpur, Delhi-110053

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated— 15-04-2015

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.09.2013, required the school to appear on 10.10.2013



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and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 10.10.2013 Sh. Vikas Negi, Head Clerk of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.03.2009.

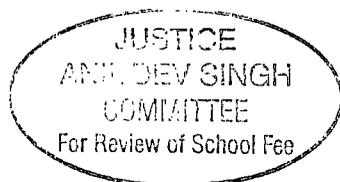
(ii) The school had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

(iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.

(ii) The salary has been paid in cash or through bearer cheques.



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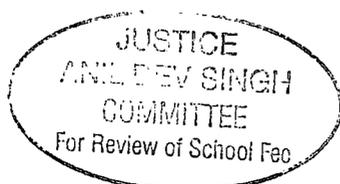
Secretary

- (iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the original record produced by the school returned the same to them.

7. By notice dated 03.03.2015, the school was asked to appear on 23.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 23.03.2015, Sh. Ramesh, Representative of the CA and Ms. Nishi Bharti, LDC of the school appeared before the Committee and produced the records. They contended that the school implemented the recommendations of the 6th Pay Commission w.e.f. 01-03-2009 and also paid arrears of salary. However, the arrears were paid in 2011-12. They conceded that the regular salary and arrears were paid by bearer cheques/cash. The Committee also observed that no TDS was deducted from the salary but was collected in cash in the month of March 2010 and deposited with the Income Tax Department. The representatives



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Savitri Public School, Sangam Vihar. New Delhi-110062 000543

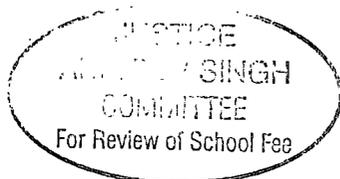
stated that the school had hiked the fee in 2009-10 as per the order dated 11-02-2009 of the Director of Education. They further stated that the school started charging development fee only in 2013-14.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	555	755	200	830	75
VI to VIII	640	840	200	925	85
IX to X	970	1170	200	1290	120

10. From the above, it is manifest that the school hiked the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009. During 2010-11, there was hike by 10% for all classes.

11. According to school it has implemented the recommendations of the 6th Pay Commission. The salary has been paid in cash/through



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bearer cheques. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash. Such a plea gives a lie to the stand of the school that it had partially implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. The school has started charging development fee in 2013-14. The period of 2013-14 does not fall within the preview of the Committee; therefore no recommendations are called for regarding refund of development fee.

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in



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Savitri Public School, Sangam Vihar. New Delhi-110062

excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee

The school started charging development fee in 2013-14. Since, this period does not fall within the preview of the Committee; therefore no recommendations are called for regarding refund of development fee. In such circumstances, it is for the Director of Education to take a view in the matter in accordance with the law.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated— 09-04-2015



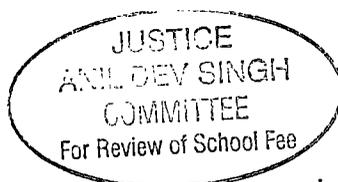
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Secretary

Bal Vaishali Model Public School, Molarband Extn. New Delhi-110044

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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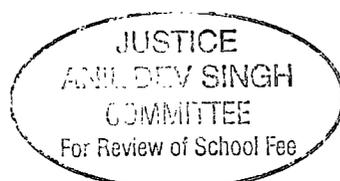
Bal Vaishali Model Public School, Molarband Extn. New Delhi-110044

4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.09.2013, required the school to appear on 09.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 09.10.2013 Sh. T.P. Sharma, Manager and Sh. S.K. Sharma P/T Accountant of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.08.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not collect development fee from the students.

6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -



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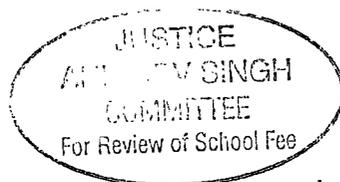
Bal Vaishali Model Public School, Molarband Extn. New Delhi-110044

- (i) The school has partially implemented the recommendations of the 6th Pay Commission as DA, TA and HRA have not been paid as per the prescribed norms.
- (ii) Salary was paid in cash without deducting TDS and PF.
- (iii) During 2010-11, 2 to 3 teachers have been shown on leave without pay every month.
- (iv) The school hiked tuition fee in 2009-10, in terms of the order of the Director of Education dated 11.2.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the record brought by the school for scrutiny returned the same to its representatives.

7. By notice dated 03.03.2015, the school was asked to appear on 24.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 24.03.2015, Sh. T.P. Sharma, Manager and Sh. S.K. Sharma, P/T Accountant of the school appeared before the Committee and produced the records. They were confronted with the observations of



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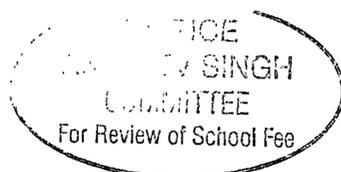
Bal Vaishali Model Public School, Molarband Extn. New Delhi-110044

the Audit Officer of the Committee, recorded on 09-10-2013, particularly payment of salary in cash, without deducting TDS and PF. They conceded that the observations were correct. They stated that the TAN was obtained in F.Y. 2013-14. It was conceded by them the school was not registered with EPFO till date. They submitted that the school did not charge development fee.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	490	590	100	640	50
VI to VIII	590	790	200	865	75

10. From the above, it is manifest that the school hiked the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009. During 2010-11, there was hike by 10% for all classes.



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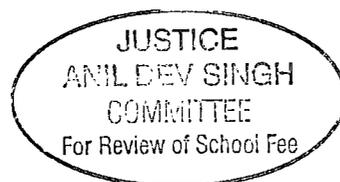
Bal Vaishali Model Public School, Molarband Extn. New Delhi-110044

11. According to school it has implemented the recommendations of the 6th Pay Commission. The salary has been paid in cash. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

12. As per record the school has not charged development fee.

RECOMMENDATION**Re. Fee Hike**

Since the school has hiked the tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit

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Bal Vaishali Model Public School, Molarband Extn. New Delhi-110044

of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

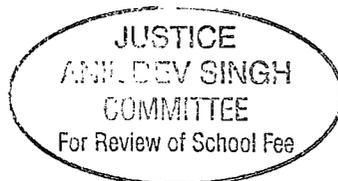
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—10.04.2015



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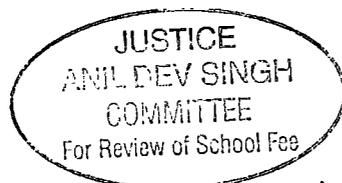

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Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.09.2013 and 09.10.2013 required the school to appear on 08.11.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 08.11.2013, Sh. P. S. Sapehia, Manager of the school attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply:-

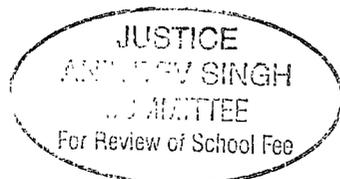
(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.07.2009.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01.04.2010.

(iii) The school had collected development fee.

6 The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.



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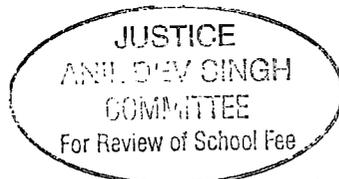
Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

(ii) The school hiked tuition fee in 2009-10 by 10%. During 2010-11, hike in fee was by Rs. 85/- to 135/-p.m. for different classes.

The Audit Officer after examination of the original record produced by the school returned the same to him.

7. By notice dated 03.03.2015, the school was asked to appear on 25.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8 On 25.03.2015, Ms. Uma Balasubramaniam, Principal and Sh. Mushtaq Ahamad, LDC of the school appeared and contended that the school implemented the recommendations of the 6th Pay Commission w.e.f. 01-07-2009, that it hiked the fee w.e.f. 01-04-2010 as per the order dated 11-02-2009 of Director of Education, during 2009-10 the hike in fee was within 10%, and that the school neither collected arrear fee nor arrear salary were paid. During the course of hearing, the representatives of the school were confronted with the observations of the Audit Officer recorded on 08-11-2013, particularly regarding payment of salaries by



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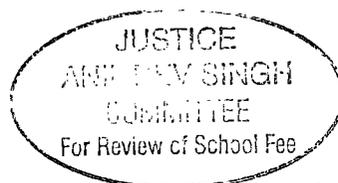
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Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

bearer cheques. The representatives conceded that the observations of the Audit Officer were correct. The Committee had also verified this from the copies of bank statement and records. It transpired that all the salary cheques for each month were being encashed together on the same date from the bank.

In reply to the questionnaire regarding development fee, the school furnished the details of development fee charged from 2008-09 to 2010-11. It was stated that the development fee was treated as a capital receipt and earmarked accounts were maintained for development and deprecation reserved fund. However, on perusal of the Audited Financials, the Committee found that this was **untrue**.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -



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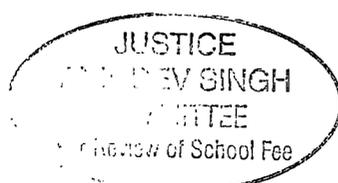

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Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Pre Sch. to I	250	275	25	360	85
II to III	305	335	30	435	100
IV -V	360	395	35	510	115
VI-VIII	415	455	40	590	135

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, within 10%. During 2010-11, the hike was in terms of the order of the Director of Education dated 11/02/2009 for classes Pre School to III but for classes IV to VIII the hike was in excess of the aforesaid order.

11. According to school it has implemented the recommendations of the 6th Pay Commission, but salary to the staff have been paid through bearer cheques. We find the many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary and or arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is



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Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

RECOMMENDATION

Re. Fee Hike

Since the school has utilised the order of the Director of Education dated 11.02.2009, for enhancing tuition fee, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2010-11 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.



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Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

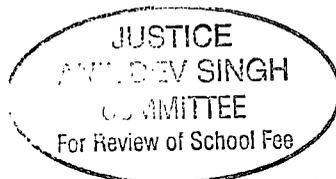
Re. Development Fee.

The school has charged development from the students in the following manners;

<u>Year</u>	<u>Development Fee Charged</u>
2008-09	@ Rs. 35/- to Rs.60/- for different classes.
2009-10	@ Rs. 40/- to Rs.65/- for different classes.
2010-11	@ Rs. 50/- to Rs.180/- for different classes.

The development fee had been treated as revenue receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India&



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[Signature]
Secretary

Raj Modern Sr. Sec. Public School, Hari Nagar Extn. Part II,
Badarpur New Delhi-110044

Ors. Therefore, the Development Fee charged by the school during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-
J.S. Kochhar
Member

Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-
Dr. R.K. Sharma
Member

Dated— 09-04-2015



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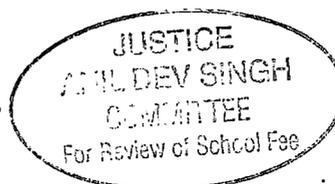
Secretary

National Victor Public School, West Gorakhpark, Shahdara, Delhi

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.09.2013 required the school to appear on 09.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

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5. On 09.10.2013, Sh. Deepak Kumar, Accountant and Sh. Rahul Jain, C.A. of the school attended the office of the Committee and produced record. Reply to the questionnaire was also filed. As per the reply:-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.07.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01.04.2009.
- (iii) The school had collected development fee.

6 The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.07.2009, but DA has not been paid as per the prescribed norms.
- (ii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, hike in fee was by Rs. 100/- to 110/-p.m. for different classes.
- (iii) The school had collected development fee from the students.
- (iv) TDS and PF had been deducted from the salary of the staff.

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JUSTICE
ANIL KUMAR SINGH
COMMITTEE
For Review of School Fee

National Victor Public School, West Gorakhpark, Shahdara, Delhi

- (v) The school had not collected arrear fee from the students but had claimed payment of arrear salary to the staff.

The Audit Officer after examination of the original record produced by the school returned the same to the representatives of the school.

7. By notice dated 27.04.2015, the school was asked to appear on 08.05.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

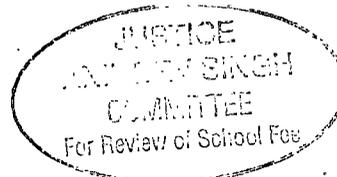
8 On 08.05.2015, Sh. Rahul Jain, C.A., Sh. Deepak Kumar, Accountant of the school appeared before the Committee and produced record.

It was contended by the representatives that the school implemented the recommendations of the Sixth Pay Commission w.e.f. 01.04.2009 and the fee was also hiked as per the order of the Director of Education dated 11.02.2009. However, no arrear fee was recovered nor arrear salary was paid. Development fee was charged for the first time in 2010-11.

On perusal of reply to the questionnaire, the Committee observes that the school had paid arrear salary amounting to Rs. 7,40,800.00. When confronted, the school stated that the arrear pertained to the

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National Victor Public School, West Gorakhpark, Shahdara, Delhi

period 01/04/2009 to 03.06.2009 as the school started paying increased salary from 01/07/2009.

On examination of the salary payment sheets and the bank statements of the school, it has come to light that all salary cheques were encashed withdrawn from the bank on a single date. The representatives concede that the salary was paid by bearer cheques.

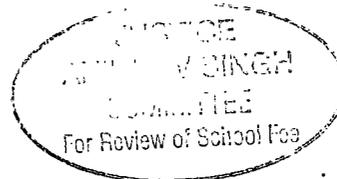
With regard to the development fee, the school has stated that earmarked development fund and depreciation reserve fund were maintained. On perusal of the audited financials up to 31.03.2011, it is manifest that no such earmarked accounts were maintained. Development fee of Rs. 8,83,110.00 was recovered in 2010-11 and the same was treated as a revenue receipt.

Discussions and findings

9. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

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National Victor Public School, West Gorakhpark, Shahdara, Delhi

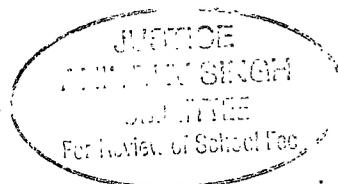
Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Pre Primary	800	1000	200	1100	100
I to V	840	1040	200	1150	110
VI to VIII	900	1100	200	1200	100

10. From the above, it is obvious that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11/02/2009. However, during 2010-11, the hike was by 10%.

11. According to school it has implemented the recommendations of the 6th Pay Commission, but salary to the staff has been paid through bearer cheques. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by showing payment of salary and/or arrears of salary to the teachers in cash or through bearer cheques. The stand of the school that it had implemented the recommendations of the 6th Pay Commission does not inspire confidence as there is no plausible and convincing reason, why the payments were not made by bank transfer or by account payee cheques. In the circumstances the stand of the school that it has

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National Victor Public School, West Gorakhpark, Shahdara, Delhi

implemented the recommendations of the 6th Pay Commission is a ruse and cannot be accepted.

RECOMMENDATION

Re. Fee Hike

Since the school has hiked the fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

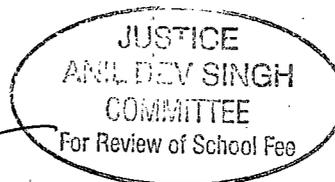
Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10, ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee.

The school has charged development fee from the students in the following manner;

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National Victor Public School, West Gorakhpark, Shahdara, Delhi

<u>Year</u>	<u>Development Fee Charged</u>
2010-11	Rs. 8,83,110.00

The development fee has been treated as a revenue receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs. 8,83,110.00 during the year ~~2010-11~~ 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated— 13-05-2015

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Secretary

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

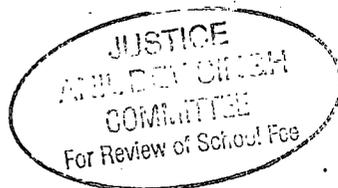
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The school had not replied to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. On a requisition made by the Committee through the concerned Dy. Director of Education, copies of annual returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11 were received in the office of the Committee through the concerned Dy. Director of Education. On prima facie examination of such returns, it appeared that the school had hiked the fee as per order dated 11/02/2009 issued by the Director of Education and had also implemented the VI Pay Commission report. Accordingly, it was placed in category 'B' for the purpose of verification.

As the school had not furnished its reply to the questionnaire issued by the Committee, the Committee, vide letter dated 06/05/2013, required the school to furnish the same. Besides the queries raised in the original questionnaire, the school was also required to give specific replies to the queries with regard to collection and utilisation of development fee, the manner of its treatment in the accounts and maintenance of earmarked development fund and depreciation reserve fund.

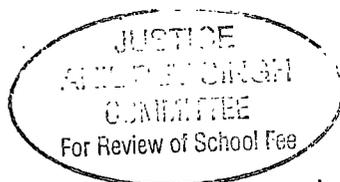
The school furnished its reply under cover of its letter dated 27/05/2013, vide which it contended as follows:

- (a) The school had implemented the VI Pay Commission report w.e.f. 01/04/2009. The salary paid by it to the staff for the month of March 2009 was Rs. 12,93,046 which rose to Rs. 20,33,432 for the month of April 2009.



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- (b) The school paid arrears amounting to Rs. 48,90,805 for the period 01/09/2008 to 31/03/2009.
- (c) The school hiked its fee in accordance with order dated 11/02/2009 of the Director of Education w.e.f. 01/04/2009.
- (d) The school collected a sum of Rs. 42,61,935 as arrear fee for the period 01/09/2008 to 31/03/2009.
- (e) The school did not charge any development fee prior to 01/04/2009. However, in the year 2009-10, it recovered a sum of Rs. 32,04,900 as development fee. Further in the year 2010-11, it recovered a sum of Rs. 21,76,920 as development fee.
- (f) The development fee in 2009-10, was utilised to the extent of Rs. 16,82,189 for purchase of fixed assets and repayment of principal amount of loan for purchase of fixed assets and Rs. 15,22,711 was utilised to make up the shortfall in salary on implementation of VI Pay Commission report. The development fee in 2010-11 was utilised to the extent of Rs. 67,174 for purchase of fixed assets, Rs. 5,80,312 for meeting shortfall in salary on account of VI Pay Commission report for the year 2009-10 and Rs. 16,34,929 for the year 2010-11.
- (g) With regard to the treatment of development fee in the accounts, the school gave a vague answer to the effect that it can be treated as revenue receipt to the extent it was utilised for payment of salaries and as capital receipt, to the extent it was utilised for purchase of fixed assets.
- (h) The school was maintaining separate depreciation reserve fund account for depreciation on assets acquired out of development



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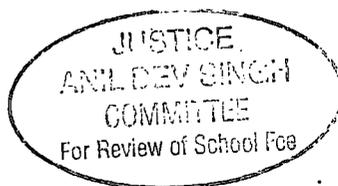
fee. However, since there was no surplus in the development fee at the end of the year, no separate account was opened for parking unspent development fee. A separate account has been opened from the session 2013-14.

In order to verify the contentions of the school, the Committee issued a letter dated 23/10/2013, requiring the school to produce in its office the fee records, salary records, books of accounts, bank statements, copies of provident fund returns and TDS returns for the years 2008-09 to 2010-11.

On the scheduled date i.e. 06/11/2013, Sh. Rajeev Jain, Vice Principal of the school and Sh. Parvesh Gupta, Chartered Accountant appeared and produced the required records which were verified by Sh. A.D. Bhateja, audit officer of the Committee.

On examination of the records produced by the school, Sh. A.D. Bhateja, audit officer of the Committee observed as follows:

- (a) The school had implemented the VI Pay Commission report w.e.f. 01/04/2009. However, the Dearness allowance was paid @ 16% as against 22% prevailing at that time. The representatives of the school had stated that the arrears of the DA upto March 2011 were paid subsequently.
- (b) The school paid arrears of salary amounting to Rs. 48,95,118 for the period 01/09/2008 to 31/03/2009.
- (c) The salary was paid **in cash/account payee cheques**.
- (d) The school filed fee structures for the years 2008-09, 2009-10 and 2010-11 along with its reply to the questionnaire, which were



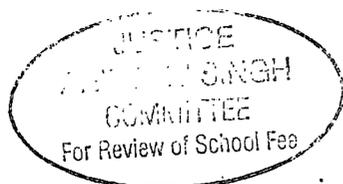
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different from those filed along with the annual returns under Rule 180 of Delhi School Education Rules. The representatives of the school explained that only the consolidated amount of fee was shown in the fee structures filed with the Directorate of Education while in the statements filed along with the reply to the questionnaire, the school had given break up of fee charged under different heads like tuition fee and development fee.

- (e) The receipts issued by the school as well as the audited financials of the school showed only tuition fee. There was no reference to development fee in either the fee receipts or in the audited financials.
- (f) The school does not maintain any receipt and payment account.

The Committee issued a notice dated 16/07/2014 to the school for hearing on 01/08/2014. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school, besides requiring the school to furnish the figures of arrear fee and regular fee, arrear salary and regular salary, year wise and to produce its bank statements in support of payment of arrear salary, which the school claimed to have paid. The school was also required to keep its books of accounts and fee and salary records handy for examination by the Committee.

In response to the notice, Sh. Rajeev Jain, Vice Principal appeared with Sh. Parvesh Gupta, Chartered Accountant and Sh. Tarun Sharma, Accountant of the school. They sought some more time to furnish the information as required by the Committee's Notice dated 16/07/2014.



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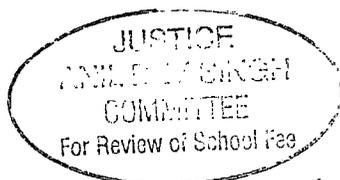
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Accordingly the matter was directed to be relisted on 27/08/2014. However, the Committee could not assemble on this date on account of certain exigencies. A fresh notice dated 25/09/2014 was issued to the school for hearing on 10/10/2014. On this date, the aforesaid representatives of the school again appeared and furnished the following year wise figures:

Fee	2008-09	2009-10	2010-11
Arrear fee for the period from 01.01.2006 to 31.08.2008	Nil	Nil	Nil
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	Nil	42,61,935	Nil
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	Nil	Nil	Nil
Regular/ Normal Tuition Fee	1,76,29,613	2,03,33,613	2,01,87,655
Regular/ Normal Development Fee	Nil	30,50,042	22,53,950
Total as per Income & Expenditure Account	1,76,29,613	2,76,45,590	2,24,41,605
Salary			
Arrear Salary for 01.01.2006 to 31.08.2008	Nil	Nil	Nil
Arrear Salary for 01.09.2008 to 31.03.2009	48,90,805	Nil	Nil
Regular/ Normal Salary	1,43,97,836	2,54,86,678	2,40,76,534
Total as per Income & Expenditure Account	1,92,88,641	2,54,86,678	2,40,76,534

The school also filed written submissions to state that **there was no transfer of funds from the school to the Society or from the Society to the school. Further, no gratuity was applicable upto 2010-11 as the school got recognition on 14/10/2005. There was no staff member in the school whose leave encashment was due.**

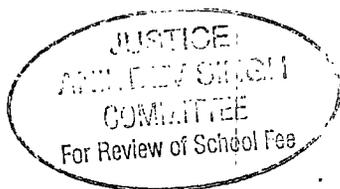
The school, despite clear directions in the notice, did not produce its bank statements showing payment of salary arrears. The school also did not produce its books of accounts and salary registers. Another opportunity was



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given to the school to produce its books of accounts, salary registers and bank statements for the years 2008-09 to 2010-11. On 16/10/2014, the school produced its books of accounts which showed payment of arrear salary amounting to **Rs. 48,90,805, in cash, in the month of March 2009 itself.** As would be noticed from the year wise information furnished by the school, the school collected the arrear fee from the students amounting to Rs. 42,61,935 in 2009-10 only. Further, on perusal of the details of arrears purportedly paid by the school, the Committee observed that very heavy amounts of arrears were shown to have been paid to individual staff members. The amounts were in the vicinity of Rs. 60,000 to Rs. 80,000 and in two cases, they even exceeded Rs. 1,00,000. There was no justification to pay such heavy amounts of arrears **in cash.** The Committee also noticed that the order dated 11/02/2009 issued by the Director of Education permitted payment of 40% of arrear salary by 30/04/2009 and 60% by 31/10/2009. When, the school was given an option to pay arrears in staggered manner by October 2009, it did not stand to reason as to why the school would pay the arrears in March 2009 itself, particularly when it recovered the arrear fee from the students in the year 2009-10. Hence, the Committee felt that the school has taken liberty with truth while preparing the records produced by it, showing **payment of arrear salary in March 2009 itself, in cash.** The school was therefore asked to produce its TDS returns (Form 24 Q) for all the quarters of 2008-09, 2009-10 and 2010-11 as also the proof of their filing and TDS challans. The matter was relisted for 03/11/2014. On this date, the aforesaid representatives of the school again appeared but did not produce copies of Form 24 Q, despite clear directions given on the previous date. The school was given a last opportunity to file the



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aforesaid Forms within two days. These were filed by the school on 05/11/2014.

On perusal of the TDS returns (Form-24 Q), particularly for the IV quarter of 2008-09 when the school claimed to have paid the arrears, along with the challans of deposit of TDS and the proof of their filing, the Committee observed as follows:

- (a) The total TDS on salaries deducted for the month of March 2009 was Rs. 3,32,169, which ought to have been deposited by 07/04/2009, was actually deposited in instalments and that too in odd amounts as follows:

Date of deposit	Amount (Rs.)
02/05/2009	42,909
25/07/2009	89,933
29/07/2009	26,106
30/07/2009	31,431
31/07/2009	79,600
12/03/2010	68,040
Total	3,38,019

- (b) The return of TDS which was required to be filed by 15/06/2009, was actually filed on 11/05/2011, although the last instalment of TDS was deposited more than a year back i.e. on 12/03/2010.
- (c) While the TDS for the IV quarter of 2008-09 was not fully deposited, the school deposited TDS for the Ist quarter of 2009-10 which amounted to Rs. 2,34,300 on 21/07/2009. Similarly the TDS for IInd Quarter of 2009-10 was deposited on 14/12/2009 and this amounted to Rs. 1,67,250. Likewise, TDS for the IIIrd quarter of 2009-10 was deposited on 31/12/2009 and this amounted to Rs. 23,400. Even the TDS for IV quarter of 2009-10

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(upto Feb. 2010) was deposited on 06/03/2010 and this amounted to Rs. 57,800. The returns of TDS for all the four quarters of 2009-10 were filed on 15/07/2010. However, the return for the fourth quarter of 2008-09, was filed on 11/05/2011, as noticed supra.

While going through the bank statements of the school, the Committee observed that the Income Tax Department had attached the bank account of the school and withdrawn a sum of Rs. 10,98,727, leaving a balance of only 02 (two) paise in the account. The school was asked to furnish the details of the demand raised by the Income Tax Department against which the attachment had been effected. The school, vide its letter dated 29/12/2014 furnished a copy of the attachment order issued by the Income Tax Department as per which, a demand of Rs. 4,15,82,473 was created against "All India Digamber Jain Society", which is the Parent Society of the school. the attachment had been effected to recover this amount from the bank account of the school. It would be noteworthy that the school in its written submissions dated 10/10/2014 had categorically stated "There is no transfer of funds from the school to the Society or from the Society to the school during the aforesaid period".

Discussion:

The Committee is of the view that the school has put up a cock and bull story so far as payment of arrears of salary to the staff is concerned and has modulated its books of accounts to show such payment. In arriving at this view, the Committee is guided by the following facts:

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- (a) The entire payment of Rs. 48,90,805 is purportedly made in cash. The payments to individual staff members are very heavy and there is no justification for its payment in cash, particularly when the school claims to be making payment of regular salary by cheques.
- (b) The school recovered the arrear fee for making such payment in 2009-10 and that too in a staggered manner while the payment was shown to have been made in 2008-09 itself.
- (c) The school could have made the payments by 31/10/2009 as per the order of the Director of Education and there was no necessity of making the payments in March 2009 itself.
- (d) The TDS for the quarter ending March 2009 during which the school purportedly made such payments was deposited in a staggered manner upto 12/03/2010 while its recovery had been made from the staff in March 2009 itself. The TDS deposits for all the quarters of 2009-10 were made before the last payment of TDS for the IV quarter of 2008-09.
- (e) The TDS return for the IV quarter of 2008-09 was filed on 11/05/2011 while those for all the four quarters of 2009-10 were filed on 15/07/2010.

It is apparent that the school introduced a cash entry showing payment of arrears in the month of March 2009, as an afterthought and apparently adjusted the amount of payments of regular salary for 2008-09 to that extent. In fact the school did not pay any arrear salary. **Therefore, the Committee is of the view that the school ought to refund the arrear fee**



Vanasthali Public School, Mayur Vihar, Phase-III, Delhi-110096

recovered from the students amounting to Rs. 42,61,935 along with interest @ 9% per annum from the date of collection to the date of refund.

With regard to development fee which the school claims to have recovered as part of the tuition fee (the school stated that inadvertently the development fee was not shown separately in the fee schedules filed with the Director of Education, receipts issued to the students and in its books of accounts and audited financials, on account of a mistake committed by its Accountant, the Committee notes that in the accounts of the school as well as in its audited financials, the entire tuition fee (which includes development fee) is shown as a revenue receipt. Further as per the reply to the questionnaire issued by the Committee, the school itself admits that largely development fee was utilised for meeting the shortfall in payment of salaries. The school also admits that no separate development fund was opened till the year 2013-14. Although the school states that depreciation reserve fund was maintained by the school, perusal of the audited balance sheets shows that no earmarked fund was maintained for depreciation. In fact, the cash at bank shown by the school as on 31/03/2010 was Nil and as on 31/03/2011, it was a meager amount of Rs. 17,296. No investments or FDRs, either against depreciation reserve fund or against school fund, are reflected in the financials of the school. Thus the school was not following any of the pre conditions prescribed by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. The Committee is therefore of the view that the school ought to refund the development fee of **Rs. 30,50,042**



Vanasthali Public School, Mayur Vihar, Phase-III, Delhi-110096

charged in 2009-10 and Rs. 22,53,950 charged in 2010-11 along with interest @ 9% per annum.

So far as prospective implementation of the VI Pay Commission report w.e.f. 01/04/2009 is concerned, the Committee is not inclined to accept the contention of the school in view of its finding that the school had modulated its books of accounts. The Director of Education, ought to conduct a special inspection into the affairs of the school to examine whether the school has actually implemented the VI Pay Commission report, as claimed by it.

Recommendations:

In view of the foregoing discussion, the Committee recommends that :

- (1) the school ought to refund the arrear fee amounting to Rs. 42,61,935 charged by it in pursuance of order dated 11/02/2009 issued by the Director of Education, along with interest @ 9% per annum from the date of collection to the date of refund.
- (2) The school ought to refund development fee amounting to Rs. 30,50,042 charged in 2009-10 and Rs. 22,53,950 charged in 2010-11 along with interest @ 9% per annum from the date of collection to the date of refund.
- (3) The Director of Education ought to conduct special inspection into the affairs of the school particularly to examine whether the school has in actual fact implemented the VI Pay Commission report prospectively w.e.f. 01/04/2009. In case,

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

Vanasthali Public School, Mayur Vihar, Phase-III, Delhi-110096

it is found that the school has not done so, the regular fee hiked by the school w.e.f. 01/04/2009 over and above the tolerance limit of 10%, also ought to be ordered to be refunded along with interest @ 9% per annum from the date of collection to the date of refund.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 06/02/2015



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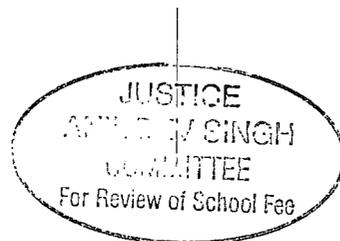

Secretary

Raja Ram Mohan Roy Public School, Sect-8, Rohini, New Delhi

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Secretary

Raja Ram Mohan Roy Public School, Sect-8, Rohini. New Delhi

4. With a view to verify the returns, the Office of the Committee vide its notice dated 06.09.2013 required the school to appear on 20.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 20.09.2013, Sh. Chhabi Sharma, Admn. Incharge of the school attended the office of the Committee but did not produce any record and requested for some more time to produce the same. At his request the school was directed to produce its record on 08.10.2013 for verification.

6. On 08.10.2013, no one attended the office of the Committee. However, the office of the Committee received a letter dated 08.10.2013 from the school requesting more time to produce its record.

The Committee vide its notice dated 17.10.2013 provided final opportunity to the school to produce its records on 30.10.2013.

7. On 30.10.2013, Sh.M.M.Bajaj and Sh. Ramesh, Accountant of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

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Raja Ram Mohan Roy Public School, Sect-8, Rohini, New Delhi

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.07.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2009.
- (iii) The school had collected development fee from the students.

8 The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA was not paid as per the prescribed norms.
- (ii) Salary to the staff had been paid in cash, in spite of the school operating a bank account.
- (ii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the original record produced by the school returned the same to the representatives of the school.



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Secretary

Raja Ram Mohan Roy Public School, Sect-8, Rohini, New Delhi

9. By notice dated 02.03.2015 the school was asked to appear on 20.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

10. On 20.03.2015, no one on behalf of the school appeared before the Committee, though the notice of hearing dated 02-03-2015 was delivered to the school on 04-03-2015, as confirmed through India Post Tracking System. Hearing was closed. The Committee decided to finalise its recommendations on the basis of documents made available to the Committee.

11. We have gone through the record, observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	800	1000	200	1100	100
VI-VIII	920	1120	200	1230	110
IX-X	1290	1590	300	1650	160

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

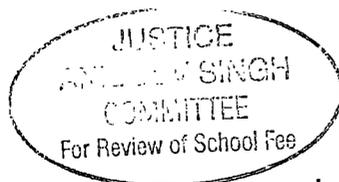
Raja Ram Mohan Roy Public School, Sect-8, Rohini, New Delhi

XI-XII	1500	1800	300	1980	180
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12. From the above, it is manifest that the school has increased the fee during the year 2009-10 for all classes, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11 the hike has been by 10%.

13. The school claimed to have implemented the recommendations of the 6th Pay Commission. The salary has been paid in cash. We find that many schools have taken this plea that they had implemented the recommendations of the 6th Pay Commission by paying the salary/arrears of salary to the teachers in cash/bearer cheques. Such a plea gives a lie to the stand of the school that it had implemented the recommendations of the 6th Pay Commission as there is no plausible and convincing reason, why the payment was not made by bank transfer or by account payee cheques.

14. As per the available record, the school has charged development fee.

Discussion and Recommendations**Re. Fee Hike**

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Raja Ram Mohan Roy Public School, Sect-8, Rohini. New Delhi

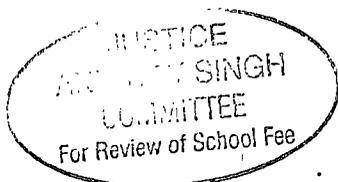
Since the school has utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 being a part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee

The school has charged development fee in the following manner;-

<u>Year</u>	<u>Development fee charged</u>
2009-10	Rs. 7,47,660.00
2010-11	Rs.11,92,425.00



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Raja Ram Mohan Roy Public School, Sect-8, Rohini. New Delhi

As per record the development fee had been treated as capital receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs. 19,40,085.00 during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Special Inspection

The school failed to produce its original record on the dated fixed for hearing, viz. 20.03.2015 and wilfully avoided examination of the same by the Committee during the course of hearing therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.



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Secretary

Raja Ram Mohan Roy Public School, Sect-8, Rohini. New Delhi

In case on inspection it is found by the Director of Education that the school is liable to return amounts in excess of what has been recommended by the Committee, it will be for the Director of Education to take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 08-04-2015



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1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Secretary

Sanjay Bal Vidyalaya, R.K.Puram New Delhi

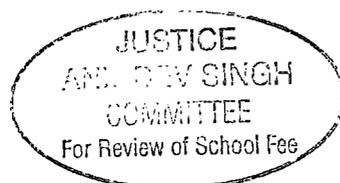
4. With a view to verify the returns, the Office of the Committee vide its notice dated 07.08.2012 required the school to appear on 24.08.2012 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

No one attended the office of the Committee on the scheduled date. The school vide notice dated 01.10.2013 was provided another opportunity to produce its records on 24.10.2013.

The Manager of the school vide its letter 18.10.2013 requested for some more time to produce the records. At its request the school was provided **final opportunity** to produce record on 18.11.2013.

5. On 18.11.2013, Shri Jitendra, Office Asstt. of the school attended the office of the Committee but did not produce any record and requested for some more time to produce the record. At his request the school was provided **fourth opportunity** to produce its record on 21.11.2013 for verification.

6. On 21.11.2013, Sh. Jitendra, Office Asstt. of the school attended the Office of the Committee and **expressed his inability to produce the original record** on the pretext that the same had been lost in transit and



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Secretary

the school had filed FIR with the local police station, but he failed to produce copy of the FIR in support of his statement.

However, he produced reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. July, 2009 and has increased the fee in terms of the order of the Director of Education dated 11.02.2009.

7. By notice dated 23.01.2015 the school was asked to appear on 25.02.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 25.02.2015, no one on behalf of the school appeared before the Committee. However, the Office of the Committee received a letter Dated 20.02.2015 from the Manager of the school requesting time to appear before the Committee. At its request the school vide notice dated 03.03.2015 was directed to appear on 24.03.2015 before the Committee to avail **another opportunity** of hearing.

9. On 24.03.2015, again no one appeared before the Committee. A letter dated 19.03.2015 was received on DAK counter of the Committee



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A handwritten signature in black ink, appearing to be "S. Singh", written over the printed word "Secretary".
Secretary

Sanjay Bal Vidyalaya, R.K.Puram New Delhi

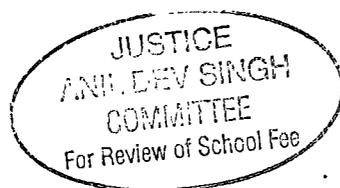
from the Manager of the school requesting for more time to appear before the Committee.

10. The Committee notes that the school had been avoiding to appear before the Committee on one pretext or the other. The same pattern was followed by the school at the time of verification of records before the Audit Officer of the Committee. In fact, no original records were produced by the school even after providing four opportunities before the Audit Officer of the Committee for verification.

The Committee is of the view that ample opportunity had been provided to the school. This being so no further opportunity, as requested by the school could be granted.

11. We have gone through the observations of the Audit Officer of the Committee and returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973, received by the Committee from the concerned Deputy Director of Education along with copies of the fee schedule.

The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -



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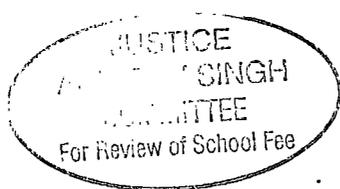
Sanjay Bal Vidyalaya, R.K.Puram New Delhi

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Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Nur. to V	850	1050	200	1050	Nil
VI-VIII	970	1170	200	1170	Nil
IX-X	1050	1350	300	1485	135
XI-XII	1200	1500	300	1650	150

12. From the above, it is manifest that the school has increased the fee during the year 2009-10 for all classes, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11 the hike has been by 10% for classes IX to XII.

13. The school claimed to have implemented the recommendations of the 6th Pay Commission, but failed to produce its record of salary and substantiate its claim, not only before the Audit Officer of The Committee but also before the Committee. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission cannot be accepted.



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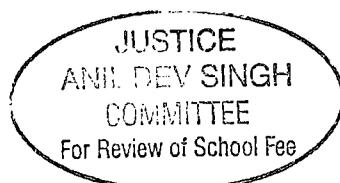
14. As per the available record, the school has charged development fee.

Discussion and Recommendations

Re. Fee Hike

Since the school has utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10, without implementing the recommendations of 6th Pay Commission, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 being a part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.



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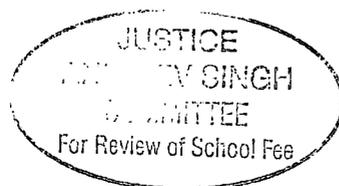
Re.Development Fee

The school has charged development fee in the following manner;-

Class	Development Fee charged during 2008-09	Development Fee charged during 2009-10	Development fee charged during 2010-11
Nursery to V	1020	1890	1890
VI-VIII	1160	2106	2106
IX-X	1260	2430	2673
XI-XII	1440	2700	2970

As per record the development fee had been treated as capital receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid



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development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Special Inspection

The school failed to produce its original record and wilfully avoided examination of the same not only by the Audit Officer of the Committee during the course of verification but also before the Committee during the course of hearing therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case on inspection it is found by the Director of Education that the school is liable to return amounts in excess of what has been recommended by the Committee, it will be for the Director of Education to take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 08-04-2015



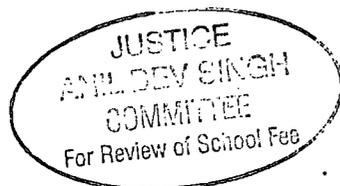
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Secretary

Shivanand Vidya Bhawan Dakshinpuri, New Delhi-62

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days
2. The school did not respond to the questionnaire within the specified time. Further, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were also **not received** by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. Again, the Secretary to the Committee vide letter dated 11.12.2014 asked the Dy. Director of Education, District South, Defence Colony, New Delhi, to provide the annual returns of the school.
4. The Education Officer Zone 23, District South, Defence Colony, New Delhi, vide its letter No.55 dated 15.01.2015, in response to the letter of the Committee informed that the recognition of the Shivanand



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Secretary

Shivanand Vidya Bhawan Dakshinpuri, New Delhi-62

Vidya Bhawan School (subsequently Mount Columbus School), C Block, Dakshinpuri, New Delhi, was withdrawn by the department vide letter No. DE.50/DDE(S)/ Zone 23/PS/2006/1118-1123 dated 27.08.2010. Further, stated that the recognition of the school has been restored on 10.06.2014. Regarding copies of the annual returns Under Rule 180 of DSER 1973, the Education Officer informed that such records were not available in its office.

Recommendations

In absence of the annual returns and financial records of the school, the Committee is not in a position to examine the issue of fee hike. Hence the Director of Education may take such action as deems fit under the law.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

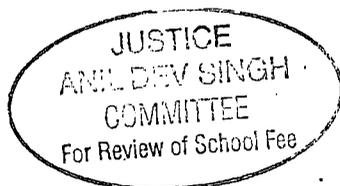
Sd/-

**Justice Anil Dev Singh (Retd.)
Chairperson**

Sd/-

**Dr. R.K. Sharma
Member**

Dated:- 20.02.2015



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Secretary

Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school submitted that it had implemented the recommendations of the VI Pay Commission w.e.f. 1st April 2009. In support, the school enclosed copies of the pay bills for the months of March 2009 and April 2009 showing total monthly salary of Rs. 3,69,445 (Rs. 2,87,792 paid through bank transfer and Rs. 81,653 paid in cash) and Rs. 4,96,169 (Rs. 3,91,936 paid through bank transfer and Rs. 1,04,233 paid in cash) for the two months respectively.

It also filed arrear payment sheets showing the following sums paid as arrears on account of retrospective application of VI Pay Commission report:

Date of payment	Amount paid (Rs.)		
	Paid by bank transfer	Paid in cash	Total Paid
28/03/2009	7,27,980	7,250	7,35,230
31/08/2009	4,81,872	0	4,81,872
30/09/2009	4,68,994	0	4,68,994
Total	16,78,846	7,250	16,86,096

With regard to hike in fee pursuant to order dated 11/02/2009 issued by the Director of Education, the school stated that it had not increased the fee of the students as per the aforesaid order but it had been revising its fee structure on annual basis.

Based on this information, the school was initially placed in category 'C' for verification. The annual returns filed by the school

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

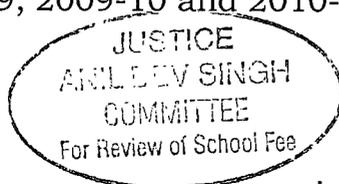
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Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

under Rule 180 of Delhi School Education Rules were requisitioned from the concerned Dy. Director of Education and on perusal of the same, it prima facie, appeared that the submission of the school regarding non hiking of fee as per order dated 11/02/2009 may not be wholly true and therefore the school was transferred to category 'B' for the purpose of verification.

In order to verify the veracity of the documents and claims of the school, the Committee, vide its letter dated 27/03/2012, required the school to produce its fee records, salary records and books of accounts for the years 2008-09 to 2010-11 in the office of the Committee on 02/04/2012. However, no one appeared on behalf of the school on this date nor any records were caused to be produced. The Committee issued another letter dated 17/04/2012 to the school to produce the required records in the office of the Committee on 01/05/2012. In response, a letter dated 30/04/2012 was received in the office of the Committee on 01/05/2012 stating that since the school had implemented the VI Pay Commission report and not hiked the fee in terms of order dated 11/02/2009 issued by the Director of Education, and this fact had been communicated to the Committee vide its reply to the questionnaire, the school was under no obligation to produce the records before the Committee. However, without prejudice, the school sent copies of a few receipts for the years 2008-09, 2009-10 and 2010-11 on a sample basis.



Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

The Committee was initially of the view that it should recommend special inspection of the school in view of its reluctance to produce the required records before the Committee. However, it decided to give one last opportunity to the school vide letter dated 27/12/2013 to produce the required records in the office of the Committee on 16/01/2014. The Committee also issued a revised questionnaire to the school, incorporating therein the relevant questions regarding receipt and utilisation of development fee and maintenance of earmarked development and depreciation reserve funds. This time the school relented and put in its appearance through its authorized representative Sh. Vikash Kaushik. The school also filed its reply to the revised questionnaire issued by the Committee. With regard to tuition fee hike and implementation of VI Pay Commission report, the reply to the revised questionnaire was in substance the same as was provided in reply to the original questionnaire, except that now it claimed that the salary for the month of March 2009 was Rs. 3,92,445 instead of Rs. 3,69,445 which it had claimed earlier. However, with regard to development fee, it was conceded by the school that it had been charging development fee in all the five years for which information was sought and the same was treated as a revenue receipt and the entire development fee was consumed in payment of staff salary and other expenses.



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Secretary

Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

The records produced by the school were examined by Sh. N.S. Batra, audit officer of the Committee and after examining the records he observed as follows:

- (a) The fee charged by the school was in accordance with the fee structures filed by the school as part of returns under Rule 180 of Delhi School Education Rules, 1973.
- (b) Though the fee hiked by the school in financial year 2009-10 was less than the maximum permissible hike as per order dated 11/02/2009, nevertheless, the hike was much in excess of 10% for most of the classes. The position of fee hike in 2009-10 for all the classes was tabulated by him as follows:

Class	Monthly Fee 2008-09 (Rs.)	Monthly Fee 2009-10 (Rs.)	Increase	%age Increase
Nursery to II	1250	1400	150	12%
III and IV	1300	1500	200	15.3%
V to VIII	1350	1600	250	18.5%
IX & X	1550	1800	250	16.1%

- (c) The fee hiked in 2010-11 was around 10% for most of the classes.

- (d) Although the school claims to have implemented the VI Pay Commission report w.e.f. 01/04/2009 and also paid arrears from 01/01/2006 to 31/03/2009 but the pay bill for month of April shows that VI Pay Commission has not, in fact, been

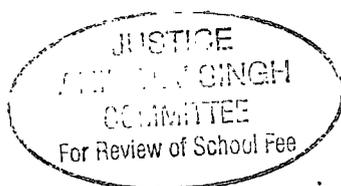
JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

implemented. Though salary has been marginally increased in April 2009, but the increase is not as per the recommendations of the VI Pay Commission. Even till March 2011 the recommendations of VI Pay Commission were not implemented.

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 16/07/2014 requiring the school to appear before it on 06/08/2014. Vide this notice, the school was asked to furnish, inter alia, the statement of the account of the Parent Society as appearing in the books of the school and the details of its accrued liabilities of gratuity and leave encashment. The school put in its appearance through Sh. Ritesh Gupta, Manager and Sh. Vikash Kaushik, Head clerk. They filed written submissions dated 06/08/2014 and were also heard by the Committee. They contended that

- (a) The VI Pay Commission had been implemented by the school w.e.f. 01/04/2009, as per their own understanding of the recommendations of the VI Pay Commission.
- (b) The school paid arrears of salary for the period 01/01/2006 to 31/03/2009 out of their own resources and did not recover any arrear fee from the students.



Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

- (c) The arrear salary as well as regular salary was paid by bank transfers.
- (d) The school did not hike the fee as per the order dated 11/02/2009 issued by the Director of Education but the fee hike effected in 2009-10 was the normal fee hike as in earlier years.
- (e) The development fee is charged from the students only at the time of admission and is treated as revenue receipt and spent mainly on salaries.
- (f) The school has no liability towards gratuity/leave encashment.

Discussion & Determination:

Tuition Fee:

The Committee has perused the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973, the reply submitted by the school to the questionnaire issued by the Committee, the details provided by the school during the course of hearing and the written and oral submissions made by the representatives of the school during the course of hearing.

At the outset, it needs to be examined as to whether the school hiked the fee pursuant to order dated 11/02/2009 issued by the Director of Education or not. Because if, the Committee finds that the

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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school did not hike the fee in pursuance of the aforesaid order, any further discussion regarding tuition fee would be futile.

The order dated 11/02/2009 issued by the Director of Education envisaged the recovery/hike of fee for the following purposes:

- (a) For payment of arrear salary for the period 01/01/2006 to 31/08/2008, the schools were allowed to recover lump sum arrears. So far as this part is concerned, the audit officer of the Committee has endorsed the submission of the school that no lump sum arrear fee was charged by the school.
- (b) For payment of arrear salary for the period 01/09/2008 to 31/03/2009, the schools were allowed to recover the differential fee for 7 months at the rate at which the fee was hiked for the year 2009-10. Here also, the audit officer has endorsed the submission of the school that no arrear fee was charged by the school.
- (c) For meeting the enhanced salary as per VI Pay Commission report for the year 2009-10, the schools were allowed to hike the fee at different slabs, depending upon the fee charged by the school for the year 2008-09. However, the amounts prescribed were the maximum amounts by which the fee could be hiked and it was made clear in the order that the

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fee hike is not mandatory and would depend upon the funds position of the school as prevailing at that time. If the school had adequate funds to absorb the impact of the implementation of VI Pay Commission report, the schools were required to meet its obligations under the said report out of its own resources.

As noticed earlier, it is not that the school did not hike any fee at all for F.Y. 2009-10. The school did hike the fee but it claims that the hike was the usual hike as in the previous years. The usual hike permitted by the Directorate of Education to the school is to the extent of 10% only. However, as noticed above, the hike effected by the school was between 12% and 18.5% for different classes. The Committee is therefore of the view that the school did hike the fee as per the order dated 11/02/2009 but did not hike it to the maximum permissible extent. The maximum permissible extent for this school was a hike of Rs. 300 per month. The school resorted to a lesser hike and also paid arrear salary out of its own resources, on the realization that it had adequate funds out of which it could implement the VI Pay Commission report. It would be apt to note here that the school did not fully implement the VI Pay Commission report. However, considering that it paid arrear salary for the period 01/01/2006 to 31/03/2009, which it

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would not have paid if it did not implement the VI Pay Commission report and further the fact that such payment was made through bank transfers, the Committee cannot altogether ignore this fact. Hence it would in order to examine the fund position of the school as on 31/03/2008, for which the audited balance sheet is available. As per this balance sheet, the school had hardly any funds available with it. A total current assets of the school were Rs. 2,55,019 as against which the school had current liabilities to the tune of Rs. 8,18,154. Thus, the funds available with the school were in the negative zone. Yet, the school claims to have paid arrear salary on account of the implementation of VI Pay Commission report out of its own resources. It appears that the school raised unsecured loans to the tune of Rs. 9,45,000 from certain individuals namely Sh. Ashok Kumar Gupta, Rajesh Kumar Gupta and Sh. Sudershan Aggarwal in the year 2009-10. However, it is against the natural course of conduct. Why would a school not recover the arrear fee from the students when it has been permitted to do so by the Directorate of Education and further why would the school raise unsecured loans for payment of arrear salary and partial implementation of VI Pay Commission report. Here it becomes relevant to notice that the school was extremely reluctant initially to produce its records before the Committee

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COMMITTEE
For Review of School Fee

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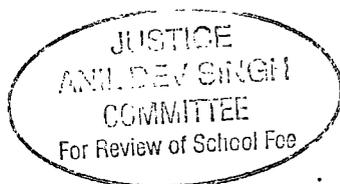
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for verification. The Committee is therefore of the view that there is something more than meets the eye. The exact state of affairs can only be ascertained by a special inspection to be conducted into the affairs of the school and such special inspection should be focused on two things i.e. whether the school actually paid the arrears to the staff and increased the salaries in 2009-10, as claimed by it and secondly whether the school, in fact, did not recover any arrear fee from the students. This inquiry ought to be made by the actual position prevailing on the ground and not just by examining the books of accounts or other records of the school.

Development Fee:

In reply to the questionnaire issued by the Committee, the school stated that it had been charging development fee in all the five years i.e. 2006-07 to 2010-11, for which information was sought by the Committee. It furnished the following details of collection and utilisation of development fee:

Year	Development received (Rs.)	Fee
2006-07	Information not furnished	
2007-08	23,000	
2008-09	1,35,600	
2009-10	1,91,000	
2010-11	1,95,500	



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The school has admitted that the development fee was treated as a revenue receipt and was used for payment of staff salaries. Admittedly the school was not fulfilling any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. However, in view of the paltry amount of development fee claimed to have been recovered by the school and in view of the fact that the Committee is recommending special inspection, no recommendations for refund of development fee is being made at this stage. This issue will have to be decided depending upon the result of the special inspection.

Recommendations:

In view of the foregoing determinations, the Committee is of the view that the Director of Education ought to conduct special inspection into the affairs of the school and such special inspection should be focused to determine whether the school actually paid the arrears to the staff and increased the salaries in 2009-10, as claimed by it, and secondly whether the school, in fact, did not recover any arrear fee from the students. This inquiry ought to be made by the actual position prevailing on the ground and not just by examining the books of accounts or other records of the school.

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COMMITTEE
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Jagannath International School, Pushpanjali Enclave, Pitampura,
Delhi-110034

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/12/2014



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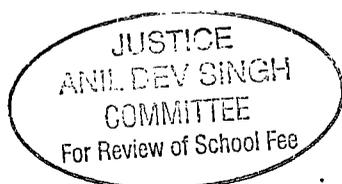
Secretary

Shiv Modern School, A-3, Paschim Vihar, New Delhi-110063

On a requisition made by the Committee through the concerned Dy. Director of Education, the school forwarded to the Education Officer, Zone-17 of the Directorate of Education, copies of returns filed by it under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11, details of salary paid to the staff before implementation of VI Pay Commission report and after its implementation, details of arrears paid on account of retrospective application of VI Pay Commission report, copy of circular issued to the parents intimating the increase in fee as per order dated 11/02/2009 of the Director of Education, under cover of its letter dated 28/01/2012. These documents were forwarded to the Committee through the concerned Dy. Director of Education. On the basis of the information furnished by the school, it was placed in category 'B' for the purpose of verification.

In order to verify the documents submitted by the school, the Committee issued a letter dated 01/07/2013 requiring the school to produce in its office the fee records, salary records, books of accounts, bank statements, copies of provident fund returns and TDS returns for the years 2008-09 to 2010-11. A revised questionnaire was also issued to the school in order to elicit information regarding receipt and utilisation of development fee and maintenance of earmarked development and depreciation reserve funds.

On the scheduled date, Sh. Karam Singh, Manager of the school appeared with Sh. Brijesh Gupta, Chartered Accountant and produced the requisite records. Reply to the revised questionnaire was also filed by the school, as per which the school stated that it had implemented the VI Pay

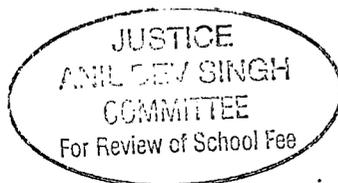


Shiv Modern School, A-3, Paschim Vihar, New Delhi-110063

Commission report w.e.f. 01/04/2009. In support of this contention, the school furnished the details of salary paid to the staff for the month of March 2009 and April 2009, showing the increased salaries purportedly on account of implementation of VI Pay Commission report. The total salary for the month of March 2009 was shown to be Rs. 2,39,356 and that for the month of April was shown as Rs. 3,61,824. The school also filed details of arrears paid to the staff amounting to Rs. 4,48,700, on account of implementation of VI Pay Commission report. With regard to hike in fee as per the recommendations of VI Pay Commission, the school stated that it had recovered a total sum of Rs. 4,48,700 as arrear fee. The monthly tuition fee was also hiked w.e.f. 01/04/2009 in accordance with order dated 11/02/2009 issued by the Director of Education. The details and extent of fee hike were also furnished. As per the details filed, the school hiked the fee w.e.f. 01/04/2009 as follows:

Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in monthly tuition fee in 2009-10 (Rs.)
I	460	560	100
II	460	560	100
III	480	560	80
IV	520	720	200
V	520	720	200
VI	570	770	200
VII	570	770	200
VIII	570	770	200
IX	840	1060	220
X	840	1060	220

With regard to development fee, the school stated that it started charging development fee in 2008-09. It furnished the following details with regard to collection and utilisation of development fee:



Shiv Modern School, A-3, Paschim Vihar, New Delhi-110063

Year	Collection (Rs.)	Utilisation (Rs.)	
		For purchase of Assets	For shortfall in salary
2008-09	3,53,300	3,53,300	Nil
2009-10	4,87,800	3,99,545	88,255
2010-11	5,50,800	1,83,502	3,67,298

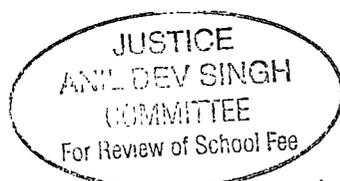
It was further stated that the development fee was treated as a revenue receipt in the accounts and no earmarked accounts or investments were maintained for unutilised development and depreciation reserve funds.

The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee and he observed as follows:

- (a) The recommendations of the VI Pay Commission were not implemented by the school, in as much as the Dearness allowance, house rent allowance and transport allowance were not being paid as per the recommendations.
- (b) The salary was paid by individual account payee cheques.
- (c) The school was filing proper provident fund and TDS returns.

Submissions and Discussion:

The Committee issued a notice dated 22/10/2014 to the school for hearing on 05/11/2014. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school. In response, the Committee received a request letter dated



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Shiv Modern School, A-3, Paschim Vihar, New Delhi-110063

28/10/2014 from the school to postpone the hearing as the person conversant with the financial records was on leave. Accordingly the hearing was refixed for 23/12/2014. On this date, Sh. Karam Singh, Manager of the school appeared with Ms. Shashi Prabha Office Incharge and Sh. Brijesh Gupta, Chartered Accountant. They filed reply dated 21/12/2014 to the notice of the Committee. As per the reply, they furnished the following figures, duly reconciled with the Income & Expenditure Accounts of the school:

Fee	2008-09	2009-10	2010-11
Arrear fee for the period from 01.01.2006 to 31.08.2008	0	0	0
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	0	4,48,700	0
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	0	0	0
Regular/ Normal Tuition Fee	31,90,072	34,05,259	42,28,107
Regular/ Normal Development Fee	3,53,300	4,87,800	5,50,800

Salary	2008-09	2009-10	2010-11
Arrear Salary for 01.01.2006 to 31.08.2008	0	0	0
Arrear Salary for 01.09.2008 to 31.03.2009	0	0	4,48,804
Regular/ Normal Salary	36,34,376	46,76,799	48,24,838

It was contended that the total collection of arrear fee was disbursed by way of arrear salaries and the aggregate hike of tuition fee and development fee, which was treated as a revenue receipt, rose from Rs. 35,43,372 to Rs. 38,93,059, after the fee was hiked. Accordingly, the fee hike in 2009-10 resulted in an additional revenue of Rs. 3,49,687.



Shiv Modern School, A-3, Paschim Vihar, New Delhi-110063

It was also contended that the normal salary expenditure of the school rose from Rs. 36,34,376 to Rs. 46,76,799, a hike of Rs. 10,42,423.

It was thus contended that the school was in deficit to the tune of Rs. 6,92,736 in 2009-10 on account of partial implementation of the VI Pay Commission report, even after effecting the fee hike and thus the fee hiked by the school was justified. The school further contended that to meet the shortfall, the school received a contribution of Rs. 7,45,800 from its Parent Society.

The representatives of the school conceded that the VI Pay Commission report had only been partially implemented as observed by the audit officer of the Committee. They, however, contended that since the payments were made by account payee cheques and proper deductions for provident fund and TDS were made, wherever applicable, it ought to be given due consideration and the hiked salary in 2009-10 ought to be factored in the calculations.

During the course of hearing, the Committee observed that the contributions made by the Society, ostensibly to cover the deficit in payment of salary on account of implementation of VI Pay Commission report, were all received in cash. Such cash received was not deposited in the bank account of the school but was kept as cash in hand which resulted in the swelling of cash in hand during the year, running into lacs of rupees. At the fag end of the financial year, the cash was deposited in the bank, so that in the balance sheet, the heavy cash in hand may not get reflected. The school claims that the salary was paid by account payee cheques, meaning thereby that the payments were made from the bank account. However, the cash received



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Shiv Modern School, A-3, Paschim Vihar, New Delhi-110063

from the Parent Society to meet the shortfall in salary was not deposited in bank. This can only mean that after making payment of salary by cheques, the school was taking back a part of such salary in cash from the staff and that cash was re circulated in the shape of contribution from the Society. In fact the school was not paying salary to the extent it was showing in its books. However, this needs further verification on the ground as the school was apparently making proper deductions for TDS and PF wherever applicable.

The Committee also notes that the copy of circular dated 15/02/2009 issued by the school to the parents which the school filed during the course of hearing was absolutely different from the copy of the circular given by the school to the Education Officer, initially when the requisition of records was made from the school. Although the extent of fee hike and demand for arrears was the same in both the circulars, the language was totally different. This indicates that the school is not shy of fabricating the records presented to the Committee.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that the Director of Education ought to conduct special inspection in the affairs of the school by making enquiries on the ground as to whether the school was indulging in round tripping the salary paid to the staff by cheques and then taking back a part of it in cash and reintroducing the same amount in the shape of contribution from the Parent Society. In case, the enquiry concludes that there was such a practice being followed by the school, it ought to order refund of the



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arrear fee recovered as also the fee hike effected by the school w.e.f. 01/04/2009 along with interest @ 9% per annum. However, if the result of the enquiry is that there was no such round tripping, no intervention would be required as the school did not generate surplus by way of fee hike and it hardly had any funds of its own to absorb the impact of implementation of VI Pay Commission report, to the extent it did.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 26/12/2014



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R.D. Public Sr.Sec. School, Krishan Vihar, Delhi - 110086000616

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notices dated 17.07.2013 required the school to appear on 16.08.2013 to



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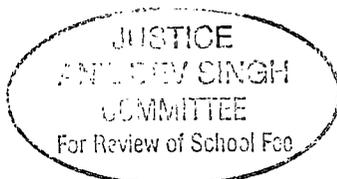
R.D. Public Sr.Sec. School, Krishan Vihar, Delhi - 110086

produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 16.08.2013, Sh. Surinder Ahuja, representative of the school attended the office of the Committee and produced a letter dated 16.08.2013, stating that due to some unavoidable circumstances the record of the school could not be produced and requested for some more time to produce the same. At its request, the school was directed to produce its record on 09.09.2013.

6. On 09.09.2013, Sh. Surinder Ahuja, Accountant and Sh. V.B. Aggrawal, C.A. of the school attended the office of the Committee and stated that most of the record had been destroyed in fire. The school was provided another opportunity to produce the available record on 17.09.2013. They submitted the reply to the questionnaire, but the same was not signed by the Manager of the school.

On 13.09.2013, Sh. Surinder Singh, UDC of the school attended the office of the Committee and produced a letter signed by the Manager of the school stating to the effect that it will not be possible for the school to produce the record on 17.09.2013, as the Accountant and the C.A. of the school were out of station for 15 days. At the request of the Manager, the school was provided 4th and final opportunity to produce its record on 07.10.2013.



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7. On 07.10.2013, Sh. Surinder Singh, Accountant and Sh. V.B. Aggrawal, C.A. of the school attended the office of the Committee and stated that the following record has been destroyed in fire which took place in school on 29.05.2013;-

- i) Salary register for the year 2008-09.
- ii) Fee receipt books for 2009-10 and 2010-11.
- iii) Cash book and ledger for the years 2008-09, 2009-10 and 2010-11.

However, the following record was produced by them:

- i) Salary registers for the years 2009-10 and 2010-11.
- ii) Fee receipt books for the years 2008-09.
- iii) Reply to the questionnaire.

As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.01.2010 and had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, w.e.f. April 2010. It was also stated that the school did not charge the development fee.

8. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed to the effect that: -

- i) The school produced the fee receipt books for the year 2008-09 only and failed to produce the same record for the years 2009-10 and



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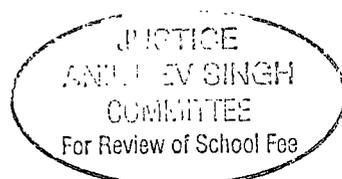
2010-11. However, as per the available fee structure, the school did not hike the fee in 2009-10.

- ii) The school claimed to have implemented the recommendations of the 6th Pay Commission partially w.e.f. 01-01-2010, as D.A. has not been paid as per the prescribed norms.
- iii) Salary to the staff had been paid in cash without deducting Provident Fund.
- iv) The school did not pay salary to 4 to 6 Teachers in 2010-11, due to the reasons that the teachers were either on leave or had left the job.

9. By notice dated 22.10.2014, the school was asked to appear on 12.11.2014, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

10. On 12.11.2014, Sh. Suresh Kumar Sharma, Administrative In-charge of the school appeared before the Committee. He filed a letter signed by the Manager of the school, seeking for 15 days adjournment on account of non availability of the C.A. of the school. At the request of the school matter was adjourned for 28.11.2014.

11. On 28.11.2014, Sh. Surinder Ahuja, LDC of the school appeared and filed a letter seeking further adjournment for 15 days. The request of the school was rejected.



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R.D. Public Sr.Sec. School, Krishan Vihar, Delhi - 110086

12. We have gone through the available record and observations of the Audit Officer of the Committee.

Discussion and RecommendationsRe; Tuition Fee

The school failed to produce its complete financials not only before the Audit Officer of the Committee for verification, but also before the Committee, during the course of hearing on the pretext that the record had been destroyed in fire. The school relied upon a copy of the FIR (NCR No.772/2013 dated 29.05.2013) lodged by the school with the Sultanpuri Police station. We have examined the contents of the FIR. The FIR had been lodged by Ms. Monica Kapoor, Principal of V.D. Institute of Technology, Krishan Vihar, Delhi. The items shown being destroyed in fire were Admission files, Practical Files, Graduation files and other record related to B. Ed course of IGNU and I.P. University. In the entire FIR, there is no mention of any record related to the concerned school. It shows that the school wilfully withheld the record to prevent the Committee from examining the same.

Therefore, in the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. In the



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circumstances, the Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the development fee unjustifiable, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 09-01-2015



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Secretary

St. Stephen's School, PU Block, Pitampura, Delhi-110034

The school had not submitted its reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The annual returns filed by the school under Rule 180 of Delhi School Education Rules 1973, were requisitioned by the Committee from the office of the concerned Dy. Director of Education. The same were submitted to the Committee. On prima-facie examination of the returns and the information furnished by the school alongwith such returns, it appeared that the school had hiked the fee in pursuance of order dated 11/02/2009 issued by the Director of Education and also implemented the recommendations of the Sixth Pay Commission. The school, along with a communication dated 12/05/2012, addressed to the Education Officer, Zone-11, filed copies of two circulars dated 16/02/2009 issued to the parents of the students, as per which the school demanded the following arrears of fee for meeting the arrear salary consequent to implementation of VI Pay Commission report:

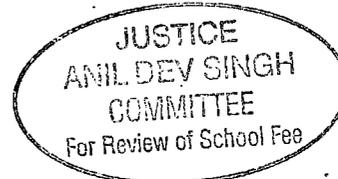
Class	Arrear fee for the period 01/09/2008 to 31/03/2009 (Rs.)	Arrear fee for the period 01/01/2006 to 31/08/2008 (Rs.)
All classes except class XI & XII (Science)	300 x 7 = 2,100	3,000
XI & XII (Science)	400 x 7 = 2,800	3,500

With regard to implementation of recommendations of VI Pay Commission, the school merely enclosed copies of its Receipt and Payment Account for the years 2008-09 and 2009-10, showing total

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St. Stephen's School, PU Block, Pitampura, Delhi-110034

payment of salary to be Rs. 94,00,820 in 2008-09 and Rs. 1,41,59,354 in 2009-10. No other details were furnished.

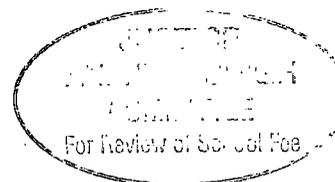
Based on such information, the school was placed at a category 'B' for the purpose of verification.

In order to verify the veracity of the documents and claims of the school, the Committee, vide its letter dated 17/07/2013, required the school to produce its fee records, salary records, books of accounts, bank statements, Provident Fund returns and TDS returns for the years 2008-09 to 2010-11, in the office of the Committee on 16/08/2013. The school was also issued a revised questionnaire eliciting information regarding development fee, besides tuition fee and expenditure on salary etc. No one appeared on behalf of the school on this date. However, a letter dated 12/08/2013 was received by post from the school, seeking four weeks time on account of the pre occupation of the school with the Independence Day celebrations. The Committee issued another letter dated 27/08/2013 to the school to produce the required records in the office of the Committee on 18/09/2013. On this date also, the school sought further time on account of the Chairman of the school being admitted in All India Institute of Medical Sciences for some medical procedures. A final opportunity was given to the school to produce its records for verification on 14/10/2013. On this date, Sh. Gaurav, Member of the Managing Committee of the school appeared and produced the records of the school. He also filed reply to the questionnaire, signed

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St. Stephen's School, PU Block, Pitampura, Delhi-110034

by the Principal of the school. As per the reply, the school claimed as follows :-

- (a) It had implemented the recommendations of Sixth Pay Commission and increased salary to the staff was being paid w.e.f. 01/09/2008.
- (b) It had hiked the fee in pursuance of order dated 11/02/2009 issued by the Directorate of Education. (A comparative chart was enclosed showing the fee hike for different classes).
- (c) The school had recovered arrear fee from the students as envisaged in the order dated 11/02/2009.
- (d) The school was charging development fee in all the five years for which the information was sought by the Committee i.e. 2006-07 to 2010-11. The amounts of development fee recovered in 2009-10 and 2010-11 were **Rs. 17,49,830** and **Rs. 19,61,588** respectively.
- (e) The development fee was treated as a capital receipt.
- (f) Earmarked funds were maintained for development fee or for depreciation reserve.

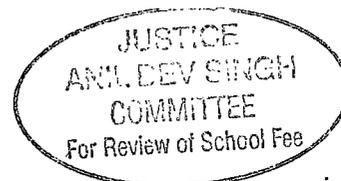
The school also furnished the detail of utilisation of development fee from 2006-07 to 2010-11. We shall advert to this issue in detail when we discuss the issue of development fee.

The records produced by the school on 14/10/2013 were examined by Sh. N.S. Batra, audit officer of the Committee and after examining the records he observed as follows:

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St. Stephen's School, PU Block, Pitampura, Delhi-110034

- (1) The fee charged by the school as per the fee schedules for the years 2008-09 and 2009-10 was as follows:-

Class	Monthly Fee 2008-09 (Rs.)	Monthly Fee 2009-10 (Rs.)	Increase in 2009-10
LKG to V	1155	1455	300
VI to VIII	1220	1520	300
IX to X	1400	1700	300
XI to XII (Commerce & Humanities)	1400	1700	300
XI to XII (Science)	1520	1920	400

In 2010-11, the hike in tuition fee was to the extent of 10% only.

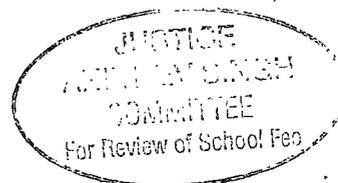
- (2) The school had implemented the recommendations of VI Pay Commission w.e.f. April 2009.
- (3) No significant indiscrepancy was observed in the maintenance of accounts.

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 30/12/2014 requiring the school to appear before it on 06/01/2015. Vide this notice, the school was asked to furnish the information regarding fee (including arrear fee) charged by the school under various heads, the arrear as well as regular salary paid by the school in the years 2008-09 to 2010-11, in a structured format, duly reconciled with its audited Income and Expenditure accounts. Besides, the school was also required to furnish the statement of the account of the Parent Society as

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St. Stephen's School, PU Block, Pitampura, Delhi-110034

appearing in the books of the school and the details of its accrued liabilities of gratuity and leave encashment.

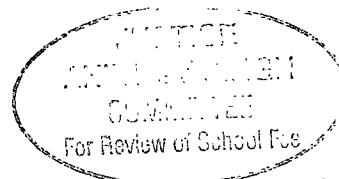
None appeared on the date of hearing. However, the Committee received a letter dated 03/01/2015 from the school seeking some more time on account of non availability of the staff due to winter vacation. The Committee issued another notice dated 22/01/2015 for hearing the school on 06/02/2015. On this date, Sh. R.P. Rana, Sh. S.K. Sharma, and Sh. Gaurav Members of the school management Committee appeared along with Sh. Manish Thukral. They furnished the information required by the Committee vide notice dated 30/12/2014.

The information regarding the fee and salary for the years 2008-09 to 2010-11, as submitted by the school is as follows:

Fee	2008-09	2009-10
Arrear fee for the period from 01.01.2006 to 31.03.2009	17,43,100	15,47,044
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	0	0
Regular/ Normal Tuition Fee	1,10,96,335	1,23,12,461
Regular/ Normal Development Fee (treated as revenue receipt)	0	0
Salary		
Arrear Salary for 01.01.2006 to 31.03.2009	17,43,100	15,47,044
Regular/ Normal Salary	76,57,720	1,26,12,310

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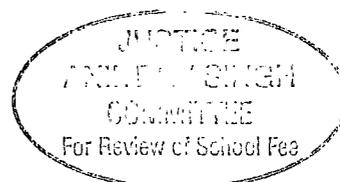
The school furnished employee wise details of its accrued liabilities of gratuity and leave encashment. As per the details submitted by the school, the accrued liability on these two accounts was **Rs. 8,83,459**.

The books of accounts of the school, salary records and bank statements were examined by the Committee during the course of hearing. The Committee observed that the school claimed a total payment of Rs. 32,90,144 as arrears of salary for the period 01/01/2006 to 31/03/2009. Out of this, a sum of Rs. 17,43,100 was purportedly paid in 2008-09 and Rs. 15,47,044 in 2009-10. The Committee observed that the entire payment of Rs. 17,43,100 in 2008-09 was shown to have been paid in cash. Similarly out of Rs. 15,47,044 purportedly paid in 2009-10, a sum of Rs. 7,47,044 was shown to have been paid in cash. Only a sum of Rs. 8,00,000 was paid by bank transfer. However, the regular salary paid to the staff in both the years i.e. 2008-09 and 2009-10 was almost entirely paid by direct bank transfers.

Further, the Committee noticed that the school was not preparing its Income & Expenditure Accounts at all. Only the Receipt and Payment Account and the balance sheet were being prepared by the school. The audit reports filed by the school were also silent about the maintenance of Income & Expenditure Accounts.

The Committee also observed that as per the Receipt and Payment Account of the school for the year 2007-08, the bank balance was in negative to the tune of Rs. 1,20,894.67. However, the same was not

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reflected as a liability in the balance sheet of the school. The cash balance, as shown in the Receipt and Payment Account was Rs. 54,393 but in the balance sheet, it was shown as Rs. 54,383. Despite these errors/omissions, the totals of assets and liabilities sides of the balance sheet were shown as tallied.

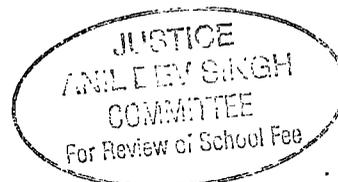
Discussion:

The Committee is of the view that:

- (i) The audited financials of the school are not reliable at all. In fact, the omission to prepare and file Income & Expenditure Account as part of annual returns under Rule 180 read with Appendix II is a serious default of the school. The Rule unequivocally requires the school to file its audited Receipt and Payment Account, Income & Expenditure Account and balance sheet of the preceding year. Further, as noticed above, even the Receipt and Payment Account and balance sheet are self contradictory.
- (ii) The school paid a total sum of **Rs. 8,00,000** in lump sum in lieu of arrears of salary. The remaining amount of Rs. 24,90,144 was in fact not paid and its payment was shown only in records for showing the implementation of recommendations of VI Pay Commission. The reasons for this view of the Committee are as follows:
 - (a) The regular salary paid by the school is almost entirely by direct bank transfers. Arrear salary involves payment of

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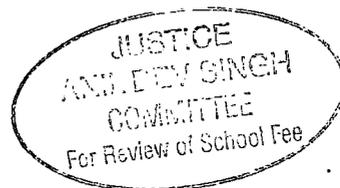
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large sums of money as compared to regular monthly salaries. When the school follows a regular practice of payment of regular salary by direct bank transfer, there is no reason for the school to pay the arrear salary in cash when it involves payment of much larger sums of money.

(b) The school has shown payment of arrear salary amounting to Rs. 17,43,100 in 2008-09 itself. As per the order dated 11/02/2009 issued by the Director of Education, the first instalment of arrear fee was required to be deposited by the students by 31/03/2009 and accordingly the date by which the first installment of payment of arrear salary was to be paid was fixed as 30/04/2009. There was no hurry for the school to pay the first instalment of arrear salary by 31/03/2009 itself. The Committee also has observed that even this payment was made in number of instalments, starting from 24/02/2009 to 31/03/2009. This itself gives rise to strong suspicion as the aforesaid order of the Director of Education required the payment to be made in two instalments i.e. 40% by 30/04/2009 and 60% by 31/10/2009. The school could have very well arranged to pay arrear salary by bank transfers as there was no deadline to pay the same by 31/03/2009. Similarly the payment of arrears in the year 2009-10 was also spread

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over a number of instalments. This conduct of the school is unnatural. When the Director of Education permitted the school to pay the arrears in a certain time frame, the school seem to be in hurry to pay much before the deadlines and such payments were shown to have been made in cash.

In view of the foregoing findings of the Committee, we are of the view that this is a fit case where the Director of Education should conduct a special inspection of the school.

Development Fee:

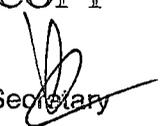
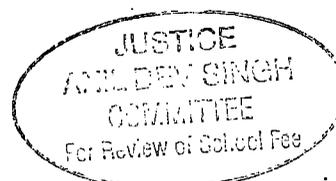
Since the issue of justifiability of charging development fee by the school is also required to be examined with reference to the audited financials of the school, which the Committee has expressed reservations about, this issue can also be made a part of a special inspection that may be conducted by the Director of Education.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that this is a fit case where the Director of Education ought

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to conduct special inspection as the Committee is unable to examine the issues before it in the absence of complete and reliable audited financials.

Sd/-

CA J.S. Kochar
Member

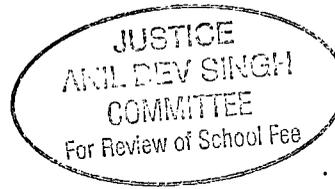
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 01/05/2015



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Manvi Public School, Sector-7, Rohini, Delhi-110085

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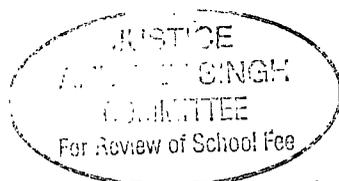
The school had not replied to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. On a requisition made by the Committee through the concerned Dy. Director of Education, the Dy. Director forwarded copies of annual returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11 to the office of the Committee. On the basis of the information contained in the annual returns, the school was placed in category 'B' for the purpose of verification.

In order to verify the documents received from the Dy. Director of Education, the Committee issued a letter dated 26/08/2013 requiring the school to produce in its office the fee records, salary records, books of accounts, bank statements, copies of provident fund returns and TDS returns for the years 2008-09 to 2010-11. A revised questionnaire was also issued to the school in order to elicit information regarding receipt and utilisation of development fee and maintenance of earmarked development and depreciation reserve funds.

On the scheduled date i.e. 23/09/2013, Sh. K.C. Malik, Manager of the school appeared and furnished reply to the questionnaire issued by the Committee. He also produced the required records which were verified by Sh. N.S. Batra, audit officer of the Committee.

As per the reply to the questionnaire, the school stated that:

- (a) It had implemented the recommendations of the VI Pay Commission w.e.f. 01/04/2009. In support, the school furnished



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the pay register for the month of March 2009 and that for the month of April 2009.

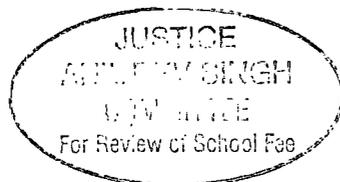
(b) It had collected the arrear fee amounting to Rs. 2,93,920, the whole of which was paid as arrears salary to the staff on account of implementation of the VI Pay Commission report.

(c) It had increased the fee w.e.f. 01/04/2009 in terms of order dated 11/02/2009 issued by the Director of Education.

(d) With regard to development fee, the school vaguely stated that it was charged "as per order". However, the school did not provide any answers to the specific questions with regard to the amount of development fee collected and utilised, its manner of utilisation, its treatment in the accounts and maintenance of development and depreciation reserve funds.

On examination of the records produced by the school, Sh. N.S. Batra, audit officer of the Committee observed that the school had hiked the tuition fee uniformly by Rs. 200 per month for all the classes. The fee charged by the school for different classes was tabulated by him as follows:

Class	Monthly Tuition fee in 2008-09 (Rs.)	Monthly Tuition fee in 2009-10 (Rs.)	Increase in 2009-10
Pre school & Pre Primary	700	900	200
I & II	650	850	200
III to V	755	955	200
VI to VIII	880	1080	200
IX & X	955	1155	200



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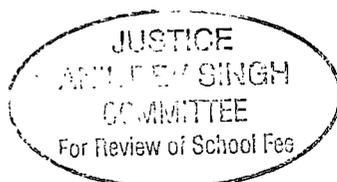
With regard to fee hike in 2010-11, he observed that the same was within the tolerance limit of 10%.

With regard to implementation of VI Pay Commission report, he observed that the school was paying only basic pay and grade pay as per the recommendations. HRA was not being paid and transport allowance was being paid to only two teachers. The salary was being paid through cheques and TDS and provident fund was being deducted from the salaries.

The Committee issued a notice dated 30/10/2014 to the school for hearing on 28/11/2014. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school.

On the date of hearing, Sh. K.C. Malik, Manager appeared with Ms. Seema Goyal, Accountant. They were partly heard by the Committee. They furnished some of the information asked for by the Committee vide notice dated 30/10/2014. They orally made the following submissions:

- (a) The school hiked the fee as per order dated 11/02/2009 issued by the Director of Education. However, the arrear fee could be recovered only from about 125 students out of a total strength of about 250.
- (b) The Managing Committee of the school decided in its meeting held on 13/03/2009 that the recommendations of the VI Pay Commission be implemented but without payment of House Rent Allowance and Transport allowance.



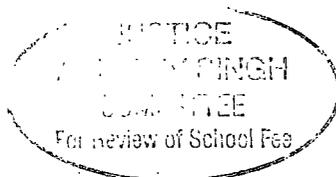
Manvi Public School, Sector-7, Rohini, Delhi-110085 000635

(c) The school paid a total sum of Rs. 2,93,920 as arrears in two installments. In the first installment, an aggregate sum of Rs. 1,02,920 was paid on 16/04/2009 and in the second installment, an aggregate sum of Rs. 1,91,000 was paid on 13/10/2009.

On a query raised by the Committee and on examination of the books of accounts and bank statements of the school, the Committee observed that the first installment of arrears (Rs. 1,02,920) was paid entirely in cash. In the second installment, while a sum of Rs. 1,79,000 was paid by individual cheques, the remaining amount of Rs. 12,000 was paid in cash. Even in the case of payments made by individual cheques, some appear to have been made by bearer cheques, against which cash was withdrawn.

In order to have a clear picture, the Committee asked its audit officer to tabulate the payment of arrears, so as to ascertain as to how much of the total sum of Rs. 2,93,920 was paid in cash, how much by bearer cheques and how much by direct bank transfer or account payee cheques. The required information was compiled by the audit officer of the Committee, as per which the entire amount of Rs. 1,02,920 paid in first installment was paid in cash and out of the second installment, a sum of Rs. 12,000 was paid in cash, Rs. 51,000 by bearer cheques and the remaining sum of Rs. 1,28,000 by bank transfer or account payee cheques.

The school was asked to file a complete reply to the revised questionnaire issued by the Committee and furnish a complete response to the notice dated 30/10/2014 issued by the Committee.



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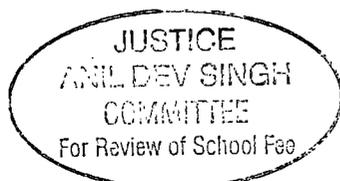
The school filed complete reply to the revised questionnaire in the office of the Committee on 10/12/2014. As per this reply, the school stated that the total salary paid to the staff in 2008-09 was Rs. 24,40,717 which rose to Rs. 30,69,274 in 2009-10 on partial implementation of the recommendations of VI Pay Commission. The regular/normal fee charged by the school in 2008-09 was Rs. 23,22,410 which rose to Rs. 30,08,075 on account of fee hike effected by the school as per order dated 11/02/2009.

With regard to development fee, the school furnished the following figures from 2006-07 to 2010-11:

Year	Development Fee collected (Rs.)	Development Fee utilised (Rs.)	Unutilised development fee (Rs.)
2006-07	2,44,840	1,81,478	63,362
2007-08	2,30,080	1,36,907	93,173
2008-09	2,38,275	1,30,972	1,07,303
2009-10	3,85,695	1,22,455	2,63,240
2010-11	2,89,225	1,25,538	1,63,687

It was stated that the development fee is treated as a capital receipt in the accounts. With regard to the question whether depreciation reserve fund and unutilised development fund were kept in earmarked bank accounts or FDRs or investments, the school gave the balances in bank account and FDRs accounts as at the end of the five years.

A fresh notice was issued on 11/12/2014 for hearing on 23/12/2014. On this date, Sh. K.C. Malik and Ms. Seema Goyal again appeared before the Committee and were heard. During the course of hearing, it emerged that the land was allotted by DDA to the Society for running a Nursery school. Gradually, the nursery school developed into a secondary school. On a



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query by the Committee, the representatives of the school admitted that the balance sheet of the Nursery school was prepared separately and its financials have not been merged into the balance sheet of the secondary school. It also emerged during the course of hearing that a teacher training institute is also run from the second floor of the school building. The said teachers training institute was not compensating the school in any manner, although it was established on the land allotted for the purpose of the school. The representatives further stated that there did not exist any accrued liabilities of gratuity and leave encashment as the school does not provide such benefits to the staff.

The school was required to file the balance sheets as well as fee schedules of the nursery school in order to ascertain whether it had accumulated funds available with it. The school, vide its letter dated 26/12/2014 furnished the balance sheets of the nursery school as on 31/03/2007 and 31/03/2008. It further stated that the nursery school was closed down on 31/03/2008 and all its assets were transferred to the secondary school.

The Committee instructed its audit officer to prepare a calculation sheet to ascertain the funds available with the secondary school as well as the nursery school as on 31/03/2008 in order to examine the justification of fee hike effected by the school for the purpose of implementation of the recommendations of the VI Pay Commission. The audit officer prepared the following calculation sheet:



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Statement showing Fund available as on 31-03-2008 and effect of fee hike and salary hike				
	Particulars	Secondary School	Nursery School	Total
	<u>Current Assets + Investments</u>			
	Cash in hand	13,173	309	13,482
	Bank Balance	(1,335)	161,865	160,530
	FDRs with State Bank of Travencore	239,252	200,000	439,252
	Accrued interest on FDR	24,909	21,050	45,959
	Prepaid Expenses	6,100	-	6,100
	Loans & Advances	2,945	-	2,945
		285,044	383,224	668,268
Less:	<u>Current Liabilities</u>			
	Refundable Security	190,400	15,500	205,900
	Sundry Creditors	49,600	-	49,600
	Advance Fee	2,375	-	2,375
	Expenses Payable	192,323	-	192,323
		434,698	15,500	450,198
	Net Current Assets + Investments (Funds Available)	(149,654)	367,724	218,070
	Total Liabilities after implementation of Vith Pay Commission			
Less:	Arrear of Salary as per VI th Pay Commission w.e.f. 1.1.2006 to 31.3.2009	293,920	-	293,920
	Increased Salary for 2009-10 (as per calculation given below)	628,557	-	628,557
		922,477	-	628,557
	Excess / (Short) Fund Before Fee Hike	(1,072,131)	367,724	(410,487)
Add:	Total Recovery after VI th Pay Commission			
	Recovery of Arrears of tuition fee for 1.1.2006 to 31.8.2008	132,000	-	132,000
	Recovery of Arrears of tuition fee for 1.9.2008 to 31.3.2009	161,920	-	161,920
	Annual increase in Tuition Fee (FY 09-10)	685,665	-	685,665
		979,585	-	979,585
	Excess / (Short) Fund After Fee Hike	(92,546)	367,724	569,098
Less:	Reserve for future contingency equivalent to 4 months salary			1,023,091
	Excess / (Short) Funds			(453,993)
Add:	Development fee for 2009-10 refundable		385,695	
	Development fee for 2010-11 refundable		289,225	674,920
	Net amount refundable			220,927

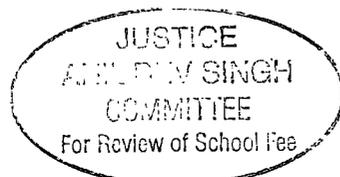
Working Notes

Tuition Fee as per Income & Expenditure Account

2,322,410 3,008,075

Increase in Tuition Fee in 2009-10 as per I & E A/c**685,665**

Salary paid as per Income & Expenditure account

2008-09 **2009-10**
2,440,717 3,069,274**Increase in Salary in 2009-10 as per I & E A/c****628,557**

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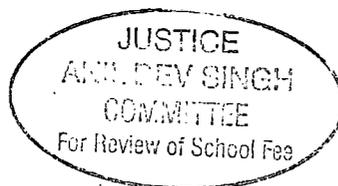
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In order to confront the school with the calculation sheet, a fresh hearing was fixed for 02/01/2015. On this date, Sh. K.C. Malik, Ms. Seema Goyal and Sh. Ashok Kumar Chartered Accountant were appeared and were confronted with the calculation sheet prepared by the audit officer. The representatives of the school checked the same and pointed out that the Committee ought to take into account the liabilities of gratuity and leave encashment, which are statutory in nature, although on the last hearing, they had stated that no such liabilities existed. The hearing in the case was closed , however, the school was given a liberty to file details of accrued liabilities of gratuity and leave encashment, within one week.

The school filed its written submissions dated 05/01/2015 vide which, instead of giving detail of liabilities of gratuity and leave encashment, the school contended as follows:

- (a) The funds available with Manvi Preparatory School ought not be considered available to the main school as the same was a separate school.
- (b) There was an apparent error in the calculation sheet in as much as though the arrear salary of Rs. 2,93,920 was shown therein, it had not been factored into the calculations.



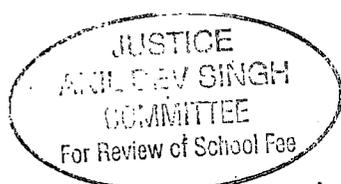
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Discussion:

The Committee has perused the annual returns of the school, the two reply submitted by it to the questionnaire, the information furnished during the course of hearing, the calculation sheet prepared by the audit officer of the Committee and the submissions made by the school orally as well as in writing.

The Committee acknowledges that there was an apparent error in the calculation sheet prepared by the audit officer, in as much as the arrear salary of Rs. 2,93,920, although shown in the calculation sheet, was not actually taken into the calculation on account of an error in the formula used in the Excel worksheet. If such error is removed, the result would be that the school would not have to refund anything as the amount which is worked out as refundable is Rs. 2,20,927. The Committee rejects the contention of the school that the funds available with the nursery school ought not to be taken into account for ascertaining overall funds position of the school. This view of the Committee is based upon circular No. 15072-15871 (Act Branch) dated 23/03/1999 of the Directorate of Education, Govt. of Delhi, in pursuance of directions of the Hon'ble High Court of Delhi in CWP No. 3723/97. The said circular has a statutory flavour as it is issued under sub section (1) of Section 3 of the Delhi School Education Act, 1973, read with Rule 43 of the Delhi School Education Rules, 1973. It reads as follows:



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"In pursuance of the directions of the Hon'ble High Court of Delhi in CWP No. 3723/97, to curb the commercialisation, to check the malpractices and to streamline the education at pre-primary level, I, S.C. Poddar, Director of Education in exercise of the powers so conferred upon me under sub-section (1) of section 3 of the Delhi Education Act, 1973, read with rule 43 of Delhi School Education Rules, 1973 order with immediate effect that:

1. All pre-primary schools being run by the registered societies/trusts in Delhi as branches of recognised schools by the appropriate authority in or outside the school premises shall be deemed as one institution for all purposes.
2. All such pre-primary schools running as branches of recognised schools shall comply with the directions of the Hon'ble High Court in CWP No: 3723/97, provisions of Delhi Schools Education Act, 1973 and the Rules made thereunder and the directions/instructions issued by the Directorate of Education from time to time.
3. No student shall be admitted in pre-primary classes by what so ever name it may be called unless he has attained the age of 4 years as on 30th September of the academic year in which admission is sought."

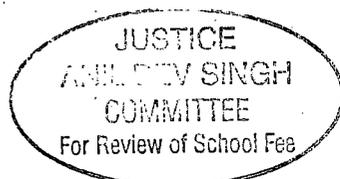
(emphasis supplied by us)

The Committee views with disfavour, the attempt of the school to hide the information from the Committee. The information regarding running of a separate nursery school came only in response to pointed queries made by the Committee in this regard.

The Committee is of the considered view that this is a fit case where the Director of Education ought to conduct special inspection for the following reasons:

- (a) The land was allotted to the Parent Society for running a school.

However, admittedly, the premises is being used for running a teachers training institute also. The school is not getting any



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Manvi Public School, Sector-7, Rohini, Delhi-110085

compensation from such institute. This amounts to commercial exploitation of the land which was allotted for running a school. The Director of Education ought to assess as to how much would be the amount of income foregone by the school. Had such income come to the coffers of the school, perhaps the school would have had sufficient funds of its own to implement the VI Pay Commission report out of its own resources and there might not have been any need for effecting a fee hike.

- (b) Out of the total arrear payment amounting to Rs. 2,93,920 purportedly made by the school, a sum of Rs. 1,65,920 i.e. about 56% of the total, was paid in cash or by bearer cheques. The Director ought to make discrete inquiries from the staff as to whether they in fact got the arrears which are shown to have been paid by the school.

Recommendations:

In view of the foregoing discussion, the Committee recommends that the Director of Education ought to conduct special inspection to ascertain the true state of affairs of the school vis a vis the funds availability and the funds foregone by the school and to check the commercial use of the premises of the school. The school ought to be compensated for the user of premises by the teachers training institute and after considering these aspects, a holistic view ought to be taken as to whether the



Manvi Public School, Sector-7, Rohini, Delhi-110085

school needed to hike the fee for implementation of VI Pay
Commission report and whether the school is required to refund
the same or any part thereof, to the students.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

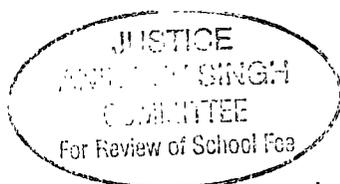
Dated: 21/01/2015



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Secretary

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Page 1 of 5

Secretary

4. With a view to verify the returns, the Office of the Committee vide its notices dated 06.09.2013, required the school to appear on 03.10.2013 to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.
5. On 03.10.2013, Mrs. Pankaj Gulati, Vice Principal, Sh. K. Lal, Member, M.C. and Sh. Vasudev Sharma, P/T Accountant of the school attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-
- i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
 - ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2009.
 - iii) The school had not collected development fee from the students.
6. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He has observed to the effect that the school did not produce original salary and fee records with the reasons that all the records have been destroyed in fire that took place in the office of the school on 14.11.2012. They produced the copies of FIR



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Secretary

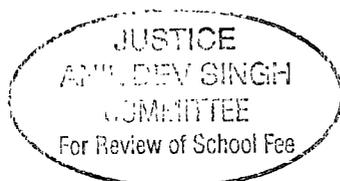
Jyoti Model School, Adarsh Nagar, Delhi - 110033 000646

and report of Fire department in support of their submissions. However, the school representatives have provided salary details for the month of March 2009 and April 2009. As per the available record the school has implemented the recommendations of the 6th. Pay Commission w.e.f. April 2009. The salary to the staff had been paid by bearer cheques or in cash.

The school has provided fee structure. As per the same the school has hiked fee in 2009-10 by 13.63% to 30% for different classes. In 2010-11, the hike was within 10%.

7. By notice dated 05.12.2014, the school was asked to appear on 30.12.2014, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 30.12.2014, Mrs. Pankaj Gulati, Vice Principal, Sh. K. Lal, Member, M.C. and Sh. Vasudev Sharma, P/T Accountant of the school appeared before the Committee. It was contended by the representatives that the school has implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009. However, no arrears of salary were paid as no arrears of fee were recovered from the students. They did not



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Secret 

produce original records of the school pertaining to fee, salary and accounts, on the plea that the same got destroyed in fire that took place in the school on 14-11-2012.

During the course of hearing, the Committee perused the audited financials of the school that were filed by the school to the department as part of the returns under rule 180 of DSER-1973. It emerged that bulk of the funds of the school were held in imprest account, with heavy cash balance. Only a miniscule amount was kept in the bank. It also emerged that the school was running from the premises owned by Mr. Vikas Gulati, to whom the school paid rent. The Committee also observed that bulk of the salary was paid by bearer cheques.

12. We have gone through the available record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee.

Discussion and Recommendations

Re; Tuition Fee

The school failed to produce its original record not only before the Audit Officer of the Committee for verification, but also before the Committee, on the plea that the record had been destroyed in

**TRUE COPY**

Secretary

Jyoti Model School, Adarsh Nagar, Delhi - 110033000648

fire. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. In the circumstances, the Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the development fee unjustifiable, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 07-01-2015



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Secretary

Mata Nand Kaur Sr. Sec. Public School, Dhansa Village, New Delhi-73

000649

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Page 1 of 4


Secretary

Mata Nand Kaur Sr. Sec. Public School, Dhansa Village, New Delhi-73

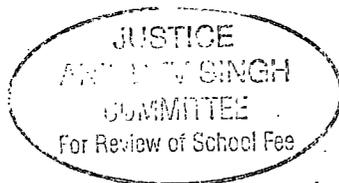
000659

4. With a view to verify the returns, the Office of the Committee vide its notices dated 23.08.2013, required the school to appear on 16.09.2013 to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 16.09.2013, Ms. Monika, Teacher of the school attended the office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

- i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. December, 2009.
- ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2009.
- iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He has observed to the effect that :-



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Secretary

Mata Nand Kaur Sr. Sec. Public School, Dhansa Village, New Delhi-73

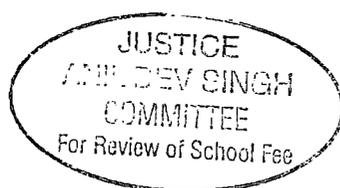
000651

- (i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. December 2009.
- (ii) The salary to the staff was paid without deducting TDS.
- (iii) The school has hiked tuition fee in 2009-10 by Rs.100/- for all classes. In 2010-11, the hike was in between 08.3% to 14% for different classes.

7. By notice dated 30.12.2014, the school was asked to appear on 09.01.2015, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 09.01.2015, no one appeared before the Committee. The school vide notice dated 22.02.2015 was provided another opportunity to appear before the Committee on 06.02.2015.

9. On 06.02.2015, the school filed a letter at the Dak Counter of the Committee mentioning the fee and the salary structure of the school for the years 2008-09 to 2010-11 but no one appeared for hearing or produced any original record before the Committee for examination.



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Secretary

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Mata Nand Kaur Sr. Sec. Public School, Dhansa Village, New Delhi-73

000652

10. We have gone through the available record and observations of the Audit Officer of the Committee.

Discussion and Recommendations

Re; Tuition Fee

The school failed to produce its original record before the Committee, in spite of providing two opportunities to the school. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. In the circumstances, the Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the development fee unjustifiable, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 20-02-2015



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Secretary

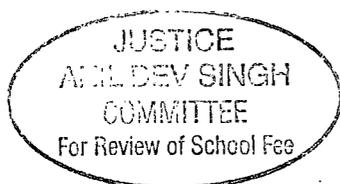
Gyan Jyoti Vidyalaya, Anupam Garden,IGNOU Road, N.Delhi- 30

000653

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.

2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.

3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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Secretary

Gyan Jyoti Vidyalaya, Anupam Garden,IGNOU Road, N.Delhi- 30

000654

4. With a view to verify the returns, the Office of the Committee vide its notice dated 16.07.2012 required the school to appear on 27.07.2012 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

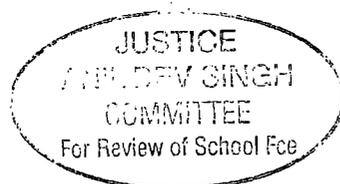
5. On 27.07.2012, Shri Kailash Ahlawat, Manager and Sh. Anil, P/T Accountant of the school attended the Office of the Committee and produced some of the records along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. April, 2009 and has not increased the fee in terms of the order of the Director of Education dated 11.02.2009. The school has not collected development fee from the students.

The school was provided further opportunities on 24.10.2013 and 19.11 2013 to produce complete record, which was submitted finally on latter date.

6. The record, in the first instance, was examined by Shri A.D.Bhatejaa, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school had increased tuition fee in the range of 30% to 56% for different classes in 2009-10 and by 10% 2010-11.

Page 2 of 4



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Gyan Jyoti Vidyalaya, Anupam Garden,IGNOU Road, N.Delhi-30

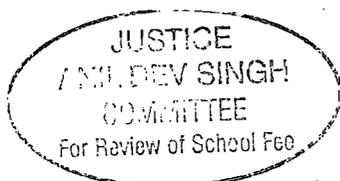
000055

- (ii) The school had claimed to have implemented the recommendations of the 6th Pay Commission.
- (iii) Salary to the staff had been paid in cash without deducting TDS and PF.
- (iv) The H.M. of the school had been shown on leave without pay during October 2009 to February 2010. Similarly, two to four teaching staff had been shown on leave without pay from January 2009 to March 2009. During 2010-11 also one to three teaching staff remained on leave without pay during almost every month.

The Audit Officer after examination of the record produced by the school returned the same to them.

7. By notice dated 23.01.2015 the school was asked to appear on 20.02.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 20.02.2015, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 27.01.2015, as confirmed though India Post Tracking System.



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Secretary

Discussion and Recommendations**Re. Fee Hike**

The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the development fee unjustifiable, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 16-03-2015



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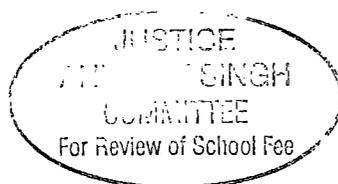
Secretary Page 4 of 4

Mata Daan Kaur Public School, Mundhela Kalan, Delhi-110073

000657

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 10.07.2012, required the school to appear on 13.07.2012

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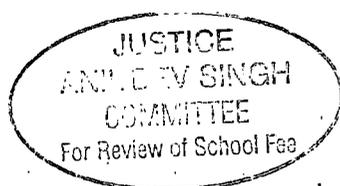
Secretary

and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

On the schedule date Sh. Om Prakash, Manager of the school vide his letter dated 13.07.2012 requested for another date to produce the records. At its request the school was directed to produce the records on 30.07.2012.

5. On 30.07.2012 Sh. Om Prakash, Manager of the school attended the Office of the Committee and produced incomplete record. Thereafter, the school was provided opportunities on 08.11.2013 and 26.11.2013 to produce its records for the scrutiny by the Audit Officer of the Committee which were finally produced by the school representative on the latter date. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.10.2009.
- (ii) The school had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school had collected development fee from the students.



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Secretary

Mata Daan Kaur Public School, Mundhela Kalan, Delhi-110073

000659

6. The record, in the first instance, was examined by Smt Sunita Nautyal, Audit Officer of the Committee. She observed to the effect that:

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.

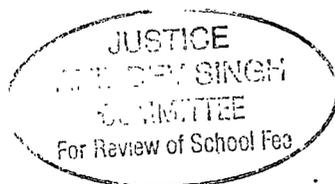
(ii) TDS has not been deducted from the salary of the staff. However, the school representative stated that the TDS was collected in cash from the staff and thereafter was deposited with the Income Tax Department.

(iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike was by 10%.

The Audit Officer after examination of the record produced by the school returned the same to him.

7. By notice dated 23.01.2015, the school was asked to appear on 20.02.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 20.02.2015, Sh. Naveen Kumar, TGT of the school appeared before the Committee without any authority letter from the Manager. He submitted that the salary for the amount of Rs.18000/- p.m. was paid to



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A handwritten signature in black ink, appearing to be "Naveen Kumar".
Secretary

Mata Daan Kaur Public School, Mundhela Kalan, Delhi-110073

000660

him in cash. He conceded that beyond this, he did not know anything about the accounts of the school. The school failed to produce its records before the Committee.

Discussion and RecommendationsRe. Fee Hike

Since, the school failed to produce its record before the Committee for examination, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the development fee unjustifiable, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

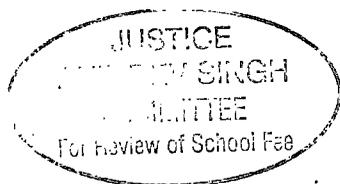
Dated— 16-03-2015



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Secretary

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education, dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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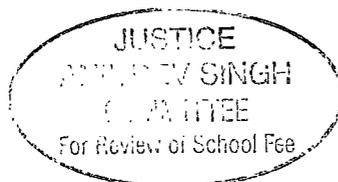
Secretary

4. With a view to verify the returns, the Office of the Committee vide its notices dated 06.09.2013, required the school to appear on 04.10.2013 to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 04.10.2013, Shri Ajmat Khan, Accountant of the school attended the office of the Committee but did not produce record. He submitted a letter stating that some of the records have been destroyed in fire. The school was directed to produce the available records on 23.10.2013.

On 23.10.2013 Shri Ajmat Khan, Accountant of the school produced some of the records for verification. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) The school did not hike the fee in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school had collected development fee from the students.



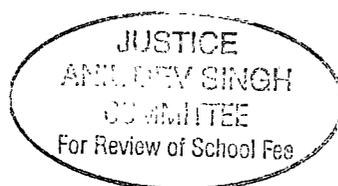
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Secretary

6. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He has observed to the effect that the school did not produce complete record and filed a letter stating that the Annual Returns for the year 2009-10, Fee Receipt Books for the year 2008-09 to 2010-11, Cash Book and Ledger for the year 2008-09 and 2009-10, Bank Statements for the year 2008-09 and Salary Payment Register for the year 2008-09 have been destroyed in fire. However, no copy of FIR or fire report was submitted in support of the fire incidence.

The school has produced salary payment register for the year 2009-10 and 2010-11. As per the same the school paid salary in cash and through bank transfer. The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2010, but DA was not paid as per the prescribed norms.

The school did not produce original fee records. However, as per the Returns filed by the school under Rule 180 of the Delhi School Education Rules 1973, received through the department, the school has hiked the fee in 2009-10, in terms of the order of the Director of Education dated 11-02-2009. During 2010-11, the hike in fee was by Rs.100/- per month.

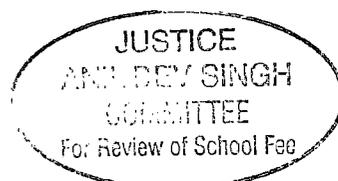


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Secretary

7. By notice dated 23.01.2015, the school was asked to appear on 25.02.2015, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
8. On 25.02.2015, Shri Ajmat Khan, Accountant of the school appeared before the Committee. He stated that the recommendations of the 6th. Pay Commission were implemented w.e.f. 01-04-2009 and the fee was hiked by Rs. 200/- p.m. as per the order dated 11-02-2009 of the Director of Education. With regard to development fee, he submitted that a sum of Rs.500/- per student was charged from new admissions only and the same was treated as a revenue receipt and was utilized for routine revenue expensive. He further submitted that the books of accounts for the year 2008-09 and 2009-10 got burnt and hence were not available. He further stated that no FIR was registered nor any call was made to the Fire Department. He also submitted that the salary was paid to the staff by ECS and by cheques to a manpower supplier through which Group D employees were hired.
9. We have gone through the available record, submissions of the representative on behalf of the school and observations of the Audit Officer of the Committee.



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Secretary

Discussion and RecommendationsRe; Tuition Fee

The school failed to produce its original record before the Committee, on the plea that the record had been destroyed in fire. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. In the circumstances, the Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the development fee unjustifiably, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 17-03-2015



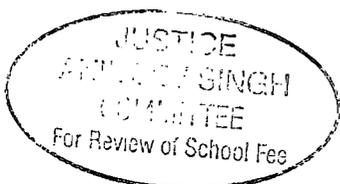
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Secretary

St. Joseph's Academy, Savita Vihar, Delhi-110092

In response to the questionnaire dated 27/02/2012, issued by the Committee, the school, vide its letter dated 01/03/2012, stated as follows:

- (a) It had implemented the recommendations of VIth Pay Commission w.e.f. 01/01/2006. However, in evidence, the school furnished copies of its salary register for the month of August 2009 as payment of salary prior to implementation, and September 2009 as payment of salary after the implementation. (It appears that the school actually implemented the 6th Pay Commission Report w.e.f. September 2009 and arrears were paid or payable for the period 01/01/2006 to 31/08/2009)
- (b) It had paid the arrears of salary in three installments in April 2009, July 2009 and November 2009. It also mentioned that the balance arrears are still to be paid as the amount collected from the students towards arrear fee was not sufficient for payment of full arrears. It also furnished a copy of the letter dated 23/08/2010 submitted by it to the Education Officer, Zone-1 wherein the position was explained in detail. As per this letter, the total arrear liability for the period 01/01/2006 to 31/08/2008 was Rs.1,04,17,723 out of which a sum of Rs.96,71,833 had been paid. The balance of Rs.7,45,890 was still to be paid to the retired staff. The arrear liability for the period 01/09/2008 to 31/08/2009 amounting to Rs.90,47,957 was still payable.



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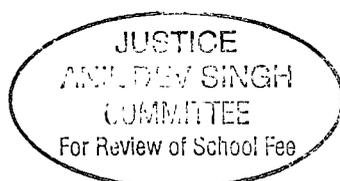
(c) With regard to hike in fee in pursuance of order dated 11/02/2009 issued by the Director of Education, the school stated that it had hiked the fee as per the aforesaid order w.e.f. 01/09/2008 and also recovered the lump-sum arrear fee as envisaged in that order. It furnished copies of fee schedules for 2008-09 and 2009-10 in evidence of the increase in fee.

It would be apposite to reproduce here below the details of fee charged by the school in the years 2008-09 and 2009-10 to examine the extent of fee hike by the school:

Class	F.Y.2008-09		F.Y. 2009-10		Increase in F.Y. 2009-10	
	Tuition fee	Development fee	Tuition fee	Development fee	Tuition fee	Development fee
Pre-Primary	696	72	896	134	200	62
I	696	72	896	134	200	62
II	696	72	896	134	200	62
III	696	72	896	134	200	62
IV	696	72	896	134	200	62
V	696	72	896	134	200	62
VI	790	80	990	149	200	69
VII	790	80	990	149	200	69
VIII	790	80	990	149	200	69
IX	869	88	1069	160	200	72
X	869	88	1069	160	200	72

Copies of the Annual returns filed by the school under rule 180 of Delhi School Education Rules 1973, were received from the office of the concerned Dy. Director of Education. On examination of these returns and the reply to the questionnaire, the school was placed in category 'B' for verification.

The Committee issued a notice dated 11/12/2014 requiring the school to furnish the aggregate figures of arrear fee for different



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periods, regular tuition fee for 2008-09, 2009-10 and 2010-11, arrear salary and regular salary for these years, duly reconciled with the Income & Expenditure Account. The school was also required to furnish bank statements highlighting payment of salaries, the statement of account of the trust/ society running the school as appearing in its books, details of accrued liabilities, gratuity and leave encashment and copy of the circular issued by the school to the parents regarding fee hike. The hearing was fixed for 31/12/2014. However, the Committee received a letter dated 15/12/2014 from the school, requesting to postpone the hearing to a date after 05/01/2015 as the accountant of the school was on leave. Acceding to the request of the school, the hearing was postponed to 07/01/2015.

Submissions and Discussion

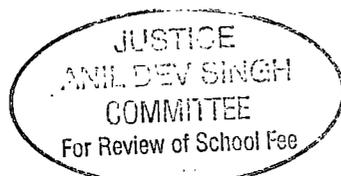
On this date, Mr. Justin Fernandez, member of the Managing Committee, Mr. Edwin Cadthuz, Sr. Accountant and Ms. Gracy Antony, Head Clerk of the school appeared with an authorization from the manager of the school. They filed/ furnished the required details for the years 2008-09 to 2010-11. It was contended that even after 31/03/2011, the school paid a sum of Rs.78,56,241 towards outstanding arrears for the period 01/09/2008 to 31/08/2009. The details of such payments were furnished during the course of hearing. A copy of the instruction issued by the school to the bank for credit of such sum to the accounts of the employees was also furnished. These were checked by the Committee during the course of hearing. The school also furnished copy of the circular issued to the parents



St. Joseph's Academy, Savita Vihar, Delhi-110092

regarding fee hike and the Committee observes that the school was charging development fee in 2008-09 @ 10% of tuition fee and the same rate was maintained in the recovery of the increased fee for the period 01/09/2008 to 31/03/2009. As noticed above, the school increased the tuition fee for all the classes by Rs.200 per month w.e.f. 01/09/2008. The consequential increase in development fee was recovered @ Rs.20 per month, which is in line with para 15 of the order dated 11/02/2009 issued by the Director of Education. The representatives of the school further contended that it did not have any financial transaction with its parent society. However, the school did not file the details of accrued liabilities of gratuity and leave encashment and sought some more time for doing so. The school was given time upto 25/01/2015 to furnish the required details. It was also issued a questionnaire regarding development fee for appropriate response.

On 27/01/2015, the school filed reply to the questionnaire regarding development fee and also furnished the employee-wise detail of accrued liability of gratuity and leave encashment as on 31/03/2010. The aggregate of the two liabilities was shown to be Rs.2,39,24,761 and was supported by detailed calculations in respect of each employee. On examining the details of gratuity furnished by the school, the Committee observed that the school had indicated the liability of some of the staff members which was in excess of the maximum gratuity payable as on 31/03/2010 i.e. Rs.3.50 lacs. After limiting the liability to Rs.3.50 lacs, the total amount of accrued



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liability for gratuity and leave encashment as on 31/03/2010 was Rs.2,35,08,989 (i.e. Rs.1,68,13,054 for gratuity and Rs.66,95,935 for leave encashment). We will advert to the reply to the questionnaire regarding development fee when we discuss the issue of development fee.

The Committee is satisfied that the school has fully implemented the recommendations of the 6th Pay Commission. The fee hiked by the school has also been found to be in accordance with the order dated 11/02/2009 issued by the Director of Education. In order to examine whether the fee hiked by school was justified or was short or excessive taking into account its fund position at the threshold and the additional liability of payment of increased salary and arrears, it would be in order to give the requisite figures as given by the school.

The school, during the course of hearing on 07/01/2015, furnished the following details:

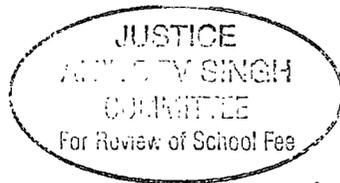
Fee	2008-09	2009-10	2010-11	2011-12	Total
Arrear fee for the period from 01.01.2006 to 31.08.2008	39,61,293	35,59,294	8,080		75,28,667
Arrear fee (Tuition fee + Development fee) for the period from 01.09.2008 to 31.03.2009		38,96,331			38,96,331
Regular/ Normal Tuition Fee	1,75,55,498	2,27,64,871	2,93,19,640		
Salary					
Arrear Salary for 01.01.2006 to 31.08.2008		94,73,516			94,73,516
Arrear Salary for 01.09.2008 to 31.03.2009				78,56,241	78,56,241
Regular/ Normal Salary	1,82,13,473	2,36,58,021	3,45,18,419		

These figures were checked by the Committee with reference to the audited financials of the school and its books of accounts and were

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

St. Joseph's Academy, Savita Vihar, Delhi-110092

found to be in order. Accordingly, the Committee directed its Audit Officer to prepare a calculation sheet, taking into account the above figures and also the fund position of the school on the basis of its audited balance sheet as on 31/03/2008 as the school had hiked the fee w.e.f. 01/09/2008. The Audit Officer prepared the following calculation sheet:



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St. Joseph's Academy, Savita Vihar, Delhi-110092

Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	159,423	
	Cash at Bank	6,953,804	
	Fixed Deposits including Reserve Fund	5,025,705	
	TDS on interest recoverable	4,602	12,143,534
Less:	<u>Current Liabilities</u>		
	TDS payable on contractor	152	152
	Net Current Assets + Investments		12,143,382
Less:	Total Liabilities after VIth Pay		
	Arrear of Salary as per VI th Pay Commission (w.e.f. 01.01.2006 to 31.08.2008)	9,473,516	
	Arrear of Salary as per VI th Pay Commission (w.e.f. 01.09.2008 to 31.03.2009)	7,856,241	
	Incremental Salary for 2009-10 (as calculated below)	5,444,548	22,774,305
	Excess / (Short) Fund Before Fee Hike		(10,630,923)
Add:	Commission		
	Arrear of Tuition fee w.e.f 01.01.06 to 31.08.08	7,528,667	
	Arrear of Tuition fee from 01.09.2008 to 31.03.2009	3,896,331	
	Incremental Tuition Fee in 2009-10 (as calculated below)	5,209,373	16,634,371
	Excess / (Short) Fund After Fee Hike		6,003,448

The calculation sheet as prepared by the Audit Officer has been checked by the Committee and found to be in order except that no provision has been made for keeping funds in reserve for future contingencies and accrued liabilities of gratuity and leave encashment. The Committee has taken a consistent view that the schools ought to retain funds equivalent to four months' salary in reserve for future contingencies. The total expenditure on salary of the school for the year 2009-10 was Rs.2,36,58,021. Based on this the requirement for reserve for future contingencies works out to Rs.78,86,007. Further, as noticed

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St. Joseph's Academy, Savita Vihar, Delhi-110092

above, the accrued liability of the school for leave encashment and gratuity as on 31/03/2010 was Rs. 2,35,08,989. Therefore, the surplus of Rs.60,03,448 as determined by the Audit Officer was in fact no surplus. The Committee is therefore, of the view that in so far as recovery of arrear fee and enhanced tuition fee in pursuance of order dated 11/02/2009, is concerned, no intervention is required as the fee hike effected by the school was justified.

Development Fee

In response to the questionnaire regarding development fee, issued by the committee, the school stated as follows:

- (a) It charged development fee in all the five years for which the information was sought by the Committee i.e. 2006-07 to 2010-11.
- (b) Part of the development fee charged in 2006-07, 2007-08 and 2008-09 was kept in earmarked FDRs. However, a sum of Rs.5,00,000 was utilized in 2007-08 for payment of salaries. In 2009-10, as against the total receipt of Rs.33,89,862, only a sum of Rs.5,60,590 was utilized for purchase of equipments. Another sum of Rs.1,76,390 was utilized for repair and maintenance. (No utilization details for the remaining amount of about Rs.25,00,000 were given). In 2010-11, as against the total receipt of Rs.43,92,590, the school utilized only Rs.1,84,369 for purchase of equipments. A sum of Rs.32,00,000 was utilized for payment of salaries, Rs.1,27,920 for repair and maintenance and Rs.2,22,060 for professional charges.



St. Joseph's Academy, Savita Vihar, Delhi-110092

- (c) Development fee is treated as a capital receipt in the accounts.
- (d) Development fund and Depreciation Reserve Fund were kept in earmarked bank accounts and FDRs.

The Committee has examined the reply given by the school to the questionnaire regarding development fee issued to it. The Committee has also examined the audited financials of the school and has observed that the school has been less than truthful in furnishing its reply to the questionnaire. The school has not treated development fee as capital receipt in its accounts, contrary to what has been stated in its reply to the questionnaire. On the other hand, it has treated development fee as a revenue receipt and credited the same to its Income & Expenditure accounts in all the years. The entire amount of development fee has been consumed for meeting the revenue expenses. As even after crediting the development fee to its Income & Expenditure account, the school has net deficits. Thus, the school was not fulfilling essential pre-conditions prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, for charging Development fee. In view of this position, the Committee would, in normal course, have recommended the refund of development fee charged by the school in 2009-10 and 2010-11. The total development fee charged by the school in pursuance of order dated 11/02/2009 for the years 2009-10 and 2010-11 was Rs. 33,89,862 and Rs. 43,92,590 respectively. Thus, the total for the two years was **Rs. 77,82,452**. However, as noticed above, the school did not

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have sufficient funds to maintain reserves for accrued liabilities of gratuity, leave encashment and for future contingencies. As against the surplus of **Rs.60,03,448**, in the tuition fee account, the total requirement of the school to keep funds in reserve was **Rs.3,13,94,996**. In view of this, the Committee refrains from recommending any refund out of development fee for the years 2009-10 and 2010-11.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required either with regard to the hike in tuition fee/recovery of arrear fee or charging development fee in the years 2009-10 and 2010-11, in pursuance of order dated 11/02/2009 of the Director of Education.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

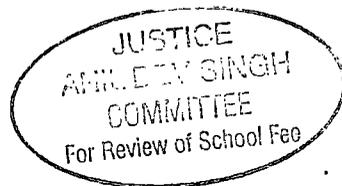
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 18/03/2015



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Secretary

New Happy Public School, Narela ,Delhi-110040

000676

In reply to the questionnaire dated 27/02/2012 issued by the Committee; the school, vide its letter dated 29/02/2012 stated as follows:-

- (a) It had implemented the recommendations of Sixth Pay Commission w.e.f. April 2009. In support copies of salary register for the month of March 2009 and April 2009 were enclosed.
- (b) It had not paid arrears to the staff consequent to the implementation of Sixth Pay Commission Report as the arrear fee was not recovered from the students. This arrangement was with the consent of the parents as well as the staff.
- (c) It hiked the fee w.e.f. April 2009 in accordance with order dated 11/02/2009 issued by the Director of Education. The details of fee charged in 2008-09 and 2009-10 were enclosed.

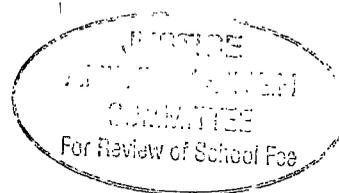
On the basis of the information furnished by the school, it was placed in category 'B' for the purpose of verification.

The annual returns of the school filed u/r 180 of Delhi School Education Rules 1973 were requisitioned from the office of the concerned Dy. Director of Education. In order to verify the information furnished by the school, the Committee issued a letter dated 10/01/2014, requiring it to produce in its office on 31/01/2014, the fee records, salary records, books of accounts, bank statements, copies of provident fund returns and TDS returns for the years 2008-09 to 2010-11. A questionnaire regarding development fee was also issued to the school in order to elicit information regarding receipt and utilisation of development fee and maintenance of earmarked development and depreciation reserve funds.

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New Happy Public School, Narela ,Delhi-110040

On the scheduled date Sh. Hari Prakash Sharma, Manager of the school appeared alongwith Sh. Sanjay Gupta, part time accountant. They furnished reply to the questionnaire regarding development fee and also produced the required records.

As per the reply submitted by the school, it claimed that the school did not charge any development fee upto the year 2008-09. However, the same was introduced in 2009-10. The development fee charged in 2009-10 aggregated Rs. 5,30,800 and that charged in 2010-11 aggregated Rs. 5,43,350. The same was treated as a capital receipt and earmarked funds were maintained in the shape of FDRs in banks.

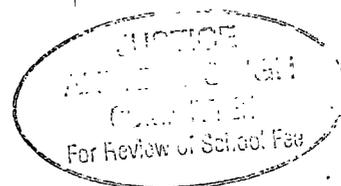
The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee. He observed that the school had implemented the recommendations of the Sixth Pay Commission and salary was being paid by cheques/cash. He did not elaborate as to what percentage of salary was paid by cheques and what percentage by cash. However, he mentioned that the school had deducted TDS and Provident Fund wherever they were applicable.

With regard to fee for the year 2009-10 he observed that the fee charged by the school was in accordance with the fee structure of the school . Further he mentioned that the school had hiked the fee by Rs. 100 and Rs. 175 and the hike was in accordance with the order dated 11/02/2009 issued by the Directorate of Education. He, however, did not

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New Happy Public School, Narela ,Delhi-110040

mention as to how much was the fee charged by the school prior to the hike and how much was it charged post hike.

As for the fee for the year 2010-11 he observed that the hike was within the tolerance limit of 10%.

The audit officer also observed that the school had taken aid from its parent society which amounted to Rs.8,81,000 in 2009-10 and Rs. 6,56,039 in 2010-11. No adverse features were noticed by him so far as maintenance of accounts is concerned.

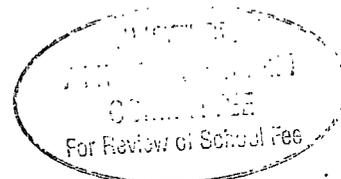
The Committee issued a notice dated 30/03/2015 to the school for hearing on 08/04/2015. The notice required the school to furnish the information regarding fee and salaries in a structured format, duly reconciled with the Income & Expenditure accounts. The notice also required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school.

In response to the notice, Sh. Hari Prakash Sharma, Manager of the school appeared alongwith Sh. Sanjay Kumar Gupta, Sr. Accountant and Sh. Sudhir Kumar, Member, Managing Committee of the school. They filed a letter dated 08/04/2015, giving the information of fee and salary, as required by the Committee. The information so furnished, is as follows:-

Fee	2008-09	2009-10	2010-11
Arrear fee for the period from 01.01.2006 to 31.08.2008	0	0	0
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	0	0	0
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	0	0	0

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New Happy Public School, Narela ,Delhi-110040

000679

Regular/ Normal Tuition Fee	28,51,930	36,85,395	43,51,205
Salary			
Arrear Salary for 01.01.2006 to 31.08.2008	0	0	0
Arrear Salary for 01.09.2008 to 31.03.2009	0	0	0
Regular/ Normal Salary	24,22,373	40,51,937	47,26,329

The school also stated that it had no accrued liabilities of gratuity and leave encashment.

During the course of hearing the representatives of the school submitted that it had implemented the recommendations of the Sixth Pay Commission w.e.f. 01/04/2009. Although the funds generated by way of fee hike were not adequate for implementing the Sixth Pay Commission report, the school implemented the same by taking aid from its parent society and such transfer of funds from society to the school were mostly by way of cheques/bank transfer. The payment of salaries were also made by way of bank transfers. The school produced its bank statements in support of its contentions which were verified by the Committee.

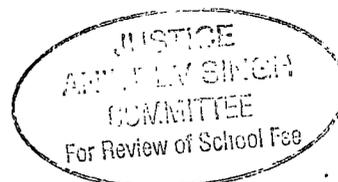
Discussion:**1. Tuition Fee:**

The Committee has perused the annual returns filed by the school, its reply to the questionnaire issued by it, the observations of the audit officer of the Committee, the salary records and books of accounts produced by the school during the course of hearing as also the other documents filed by it.

The Committee observes that the audit officer conducted a perfunctory examination of the records produced by the school. He has not

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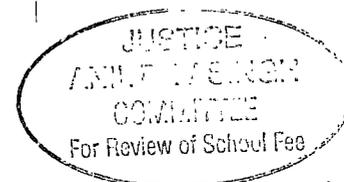
New Happy Public School, Narela ,Delhi-110040

even tabulated the fee charged by the school before hike and after hike, although he mentions the amount of hike effected by the school and that the fee charged is in accordance with the fee schedules of the school. The Committee is of the view that before undertaking any further exercise, it would be in order to tabulate the comparative fee charged by the school in 2008-09 in 2009-10. The tuition fee charged by the school in 2008-09, 2009-10 and 2010-11 was as follows:-

Class	Monthly fee 2008-09 (Rs.)	Monthly fee 2009-10 (Rs.)	Increase in 2009-10 (Rs.)	Monthly fee 2010-11 (Rs.)	Increase in 2010-11 (Rs.)
Pre-school	425	500	75	550	50
Pre-primary	425	500	75	550	50
I	475	575	100	630	55
II	475	575	100	630	55
III	475	575	100	630	55
IV	500	600	100	660	60
V	500	600	100	660	60
VI	525	700	175	770	70
VII	525	700	175	770	70
VIII	525	700	175	770	70

It is evident from the fee structure of the school that the fees charged by the school are not exorbitant. Perusal of the balance sheet of the school as on 31/03/2009, reveals the following position of funds available with it before the fee hike was effected:-

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New Happy Public School, Narela ,Delhi-110040

Statement showing Funds available as on 31-03-2009			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	57,489	
	Bank Balance	28,013	
	Staff Advances	50,000	
	FDRs	492,455	627,957
Less:	<u>Current Liabilities</u>		
	Current Liabilities	-	-
	Net Current Assets + Investments (Funds Available)		627,957

The requirement of the school to keep funds in reserve for future contingencies, calculated as equivalent to four months' salary expenditure for 2009-10, works out to Rs. 13,50,646. Thus the school did not have any funds of its own for paying the increased salaries as per the recommendations of the Sixth Pay Commission.

The additional expenditure on salary which the school incurred in 2009-10 on account of implementation of Sixth Pay Commission report was Rs.16,29,564 (40,51,937- 24,22,373). As against this the fee hike effected by the school in 2009-10, resulted in an additional revenue of Rs.8,33,465 (36,85,395-28,51,930). The shortfall was apparently made good by taking aid from the society. In view of this position the Committee is of the view that the hike in tuition fee effected by the school was justified and no intervention is called for.

Development Fee:

The Committee notes that the school started charging development fee only in the year 2009-10. The development fee received in 2009-10 was Rs.5,30,800 and that received in 2010-11 was Rs. 5,43,350.

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New Happy Public School, Narela ,Delhi-110040

Although the school contends that it was fulfilling all the pre conditions prescribed for charging development fee, the Committee feels that in view of the shortfall in tuition fee and the requirement of the school to maintain funds and reserve, the examination of the fulfillment of pre conditions, would only be an academic exercise as even if the Committee finds that the pre-conditions were not fulfilled by the school, the recommendations cannot be to refund any part of the development fee charged in 2009-10 and 2010-11.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required either in the matter of tuition fee or in the matter of development fee.

Sd/-

CA J.S. Kochar
Member

Sd/-

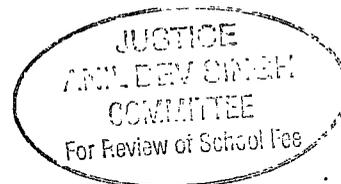
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 01/05/2015

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**Sunrise Convent School, D-16, Satyawati Nagar, Ashok Vihar,
Phase-III, Delhi-110052**

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school furnished its response vide letter dated 01/03/2012. As per the aforesaid reply, the school stated that it had implemented the VI Pay Commission report and the increased salary to the staff was being paid w.e.f. April 2009. However, the school did not charge any arrear fee nor paid any arrear salary which was due to the staff on account of retrospective application of the recommendations of the VI Pay Commission w.e.f. 01/01/2006. The school had, however, prospectively hiked the tuition fee by Rs. 100 per month for all the classes. The details of fee charged by the school in 2008-09 and 2009-10 were furnished by way of Annexures, as per which the position of fee in these two years is as follows:

Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in monthly tuition fee in 2009-10 (Rs.)
I to V	440	540	100
VI to VIII	495	595	100

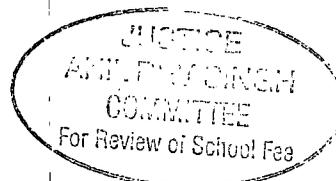
Based on the information furnished by the school, it was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 01/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 16/07/2013, for verification. The school was also

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**Sunrise Convent School, D-16, Satyawati Nagar, Ashok Vihar,
Phase-III, Delhi-110052**

issued a questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school.

On the scheduled date, Sh. Vivek Sharma, Member of the Managing Committee of the school appeared and produced the records asked for. He also filed reply to the questionnaire regarding development fee issued by the Committee. The school contended that it was not charging any development fee.

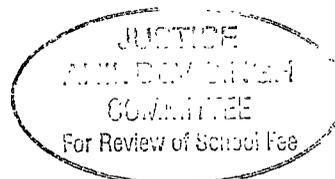
The records produced by the school were verified by Sh. N.S. Batra, audit officer of the Committee and he observed as follows:

- (a) The fee charged by the school in 2008-09, 2009-10 and 2010-11 was in accordance with the fee schedules submitted by the school. As per the fee schedules, the school increased the tuition fee in 2009-10 by Rs. 100 for all the classes. In 2010-11, the fee hike was nominal i.e. much below 10%.
- (b) The school had substantially implemented the recommendations of VI Pay Commission w.e.f. April 2009. However, the school was not paying transport allowance as per the recommendations.
- (c) The school was making proper deduction of TDS, which was deposited with the government and appropriate TDS returns were also filed.

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Sunrise Convent School, D-16, Satyawati Nagar, Ashok Vihar,
Phase-III, Delhi-110052

(d) No adverse feature was noticed in the maintenance of accounts.

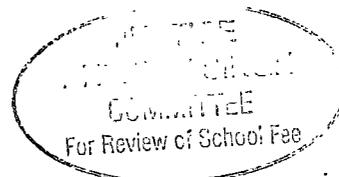
The Committee issued a notice dated 03/03/2015 to the school for hearing on 26/03/2015, which was postponed to 27/03/2015. The notice, inter alia, required the school to furnish details of fee and salary, in a structured format for the year 2008-09 to 2010-11 and also the accrued liabilities of the school on account of gratuity/leave encashment, if applicable to the school. Sh. Vivek Sharma, Member of the Managing Committee and Sh. Amit Gupta, Accountant of the school appeared on this date along with Sh. Sanjay Jain, Chartered Accountant. They filed written submissions dated 26/03/2015 and were heard by the Committee.

The school furnished the following information with regard to its fee and expenditure on salary for the years 2008-09 and 2009-10:

Fee	2008-09	2009-10
Arrear fee for the period from 01.01.2006 to 31.08.2008	0	0
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	0	0
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	0	0
Regular/ Normal Tuition Fee	20,50,510	30,80,570
Regular/ Normal Development Fee	0	0
Salary		
Arrear Salary for 01.01.2006 to 31.08.2008	0	0
Arrear Salary for 01.09.2008 to 31.03.2009	0	0
Regular/ Normal Salary	19,58,404	31,20,939

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**Sunrise Convent School, D-16, Satyawati Nagar, Ashok Vihar,
Phase-III, Delhi-110052**

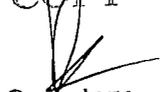
During the course of hearing, the representatives of the school submitted that although the school had not implemented the recommendations of the VI Pay Commission fully, however, to the extent it was implemented, it was genuinely done as the entire salaries are paid either by direct bank transfers or by account payee cheques. Further, the school made proper deduction for TDS and the same was deposited with the government and TDS returns were duly filed. They produced the bank pass book of the school and copies of TDS returns to buttress their claim.

Discussion and Determination:

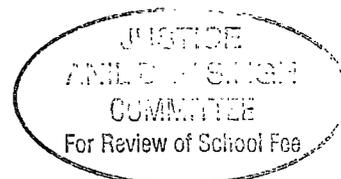
The Committee has perused the financials of the school as well as the annual returns filed by it under Rule 180 of Delhi School Education Rules, 1973, the observations of the audit officer.

The moot question which needs to be first addressed is whether the Committee should at all make the relevant calculations to examine the justifiability of fee hike effected by the school on account of the fact that the school did not fully implement the recommendations of the VI Pay Commission. The Committee has examined the books of accounts, bank pass book and TDS returns of the school, during the course of hearing and is of the view that the expenditure shown to have been incurred by the school on salaries post 01/04/2009, is genuine as the school made proper deductions for TDS and also paid

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**Sunrise Convent School, D-16, Satyawati Nagar, Ashok Vihar,
Phase-III, Delhi-110052**

the salary either by direct bank transfer or by account payee cheques. In light of these facts, the Committee cannot ignore the fact that the total expenditure of the school on salary increased by **Rs. 11,62,535** (31,20,939 - 19,58,404) in 2009-10 as compared to 2008-09. The incremental fee for the year 2009-10 was **Rs. 10,30,060** (30,80,570 - 20,50,510). The Committee has examined the balance sheet of the school as on 31/03/2009 to determine the funds available with the school before the fee hike. The Committee finds that as on that date, the school had current assets (including cash and bank balances) amounting to Rs. 2,28,131 as against which it had current liabilities to the tune of Rs. 1,67,467. Thus the net current assets (funds) available with the school as on 31/03/2009 were just **Rs. 60,664**. Thus the total resources available with the school for implementing the recommendations of VI Pay Commission (to the extent it was implemented) were **Rs. 10,90,724** as against which the school incurred an additional expenditure of **Rs. 11,62,535** on salaries.

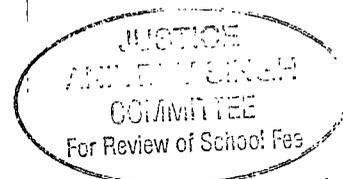
Recommendations:

In view of the aforesaid findings, the Committee is of the view that no intervention is required in the matter of fee hike effected by the school w.e.f. 01/04/2009 as per order dated 11/02/2009 issued by the Director of Education. The Committee

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Sunrise Convent School, D-16, Satyawati Nagar, Ashok Vihar,
Phase-III, Delhi-110052

has already noticed that the school was not charging any
development fee.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 06/05/2015



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Secretary

**Nav Jeewan Academy Sr. Sec. School, Dwarka Sector-III, New
Delhi-110059**

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school furnished its response vide letter dated 29/02/2012. As per the aforesaid reply, the school stated that it had implemented the VI Pay Commission report and the increased salary to the staff was being paid w.e.f. April 2011. In support of this contention, the school enclosed details of its pay bill for the month of March 2011 which amounted to Rs. 4,72,534 and that for April 2011, which amounted to Rs. 10,52,346. However, it was also stated in the reply that the school had not paid the arrears of salary on account of retrospective application of VI Pay Commission report as on account of the fact that the students of the school belong to weaker sections of the society like daily wage labourers, rickshaw pullers, vegetable grocers etc., the financial position of the school did not allow it to pay the arrear salary. With regard to hike in fee also, the school stated that it had hiked the fee w.e.f. April 2011 only to the extent permitted by the order dated 11/02/2009 issued by the Director of Education. In support of this contention, the school enclosed a statement showing the pre revision and post revision fee. As per the information filed, the tuition fee charged by the school for 2010-11 and 2011-12 is as follows:

Class	Monthly tuition fee in 2010-11 (Rs.)	Monthly tuition fee in 2011-12 (Rs.)	Increase in monthly tuition fee in 2011-12 (Rs.)
Pre primary	480	580	100
Primary	750	950	200
Middle	800	1000	200
Secondary	900	1100	200
Sr. Secondary (Arts)	1145	1445	300
Sr. Secondary (Commerce)	1175	1475	300
Sr. Secondary (Science) including science fee etc.	1350	1660	310

1

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

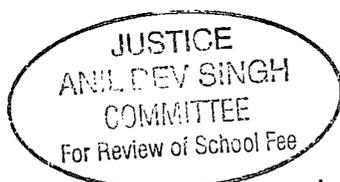
**Nav Jeewan Academy Sr. Sec. School, Dwarka Sector-III, New
Delhi-110059**

Based on the information furnished by the school, it was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 10/01/2014, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 31/01/2014, for verification. The school was also issued a questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school. On this date, Sh. Alok Nath Goswami, Office Supdt. of the school appeared and produced the records asked for. They also filed reply to the questionnaire regarding development fee issued by the Committee.

The records produced by the school were verified by Ms. Sunita Nautiyal, audit officer of the Committee and she observed as follows:

- (a) The fee charged by the school in 2008-09, 2009-10 and 2010-11 was in accordance with the fee schedules submitted by the school. As per the fee schedules, the school increased the tuition fee in 2009-10 and 2010-11 by approximately 10% only.
- (b) The salary to the staff is paid by account payee cheques. The school was filing provident fund returns and TDS returns except for 2010-11 for which the TDS returns was not filed.
- (c) The school generally maintains heavy cash balance. The balance of bank accounts of the school as appearing in the books, tallied with the balance as per the bank statements.

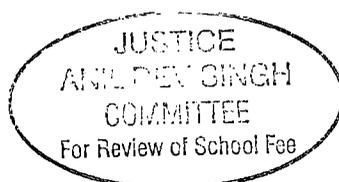


**Nav Jeewan Academy Sr. Sec. School, Dwarka Sector-III, New
Delhi-110059**

Since the school had claimed that it had implemented the VI Pay Commission report w.e.f. 01/04/2011 and the records for 2011-12 were not requisitioned earlier, the audit officer advised the school to produce the records for 2011-12 on the date of hearing before the Committee, which would be intimated in due course.

The Committee issued a notice dated 16/07/2014 to the school for hearing on 08/08/2014. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school. However, inadvertently, the notice did not mention that the school ought to produce the records for the year 2011-12 when the VI Pay Commission was claimed to have been implemented. Sh. Alok Nath Goswami, Supdt. of the school appeared on this date and filed written submissions dated 07/08/2014, in which it was stated that the gratuity/leave encashment was not applicable to the school. He was advised to produce the records for 2011-12 on 25/08/2014 before the audit officer of the Committee. He appeared on 26/08/2014 and produced the records for 2011-12 before the audit officer of the Committee. The records produced were verified by the audit officer and she observed that

- (a) The school had implemented the VI Pay Commission w.e.f. 01/04/2011. The school makes the payment of salary through bank transfers as well as through bearer cheques. When the new teachers join, they are paid through bearer cheques initially and after getting their accounts opened in Syndicate Bank where the school also maintains its own account, such teachers are paid




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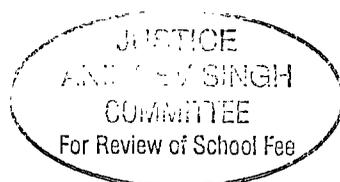
**Nav Jeewan Academy Sr. Sec. School, Dwarka Sector-III, New
Delhi-110059**

through bank transfer. Bulk of the payment was made through bank transfers.

- (b) The school increased the fee in 2011-12 in terms of order dated 11/02/2009 issued by the Director of Education. The incremental fee for 2011-12 was reconciled with the student strength.
- (c) As per the preliminary calculations, the school was found to have justifiably hiked the tuition fee in 2011-12 after factoring the funds available with the school as on 31/03/2011 and the incremental salary for the year 2011-12 on account of implementation of VI Pay Commission report. In fact, the school was in deficit to the tune of **Rs. 7,02,004** after implementing the VI Pay Commission report in the year 2011-12.

Discussion and Determination:

The Committee has perused the financials of the school as well as the annual returns filed by it under Rule 180 of Delhi School Education Rules, 1973, the observations of the audit officer and the preliminary calculation sheet prepared by her, qua the tuition fee. The Committee agrees with the calculation sheet prepared by the audit officer. However, it notes that the deficit worked out for the year is without providing for any reserve for future contingencies. In fact, since the school did not have adequate funds of its own, the question of maintaining any reserve for future contingency does not arise. However, this fact will have to be factored in if the Committee finds that the development fee charged by the school was not accordance with law and is liable to be refunded. Further, no allowance has been made for



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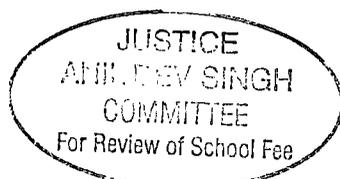
**Nav Jeewan Academy Sr. Sec. School, Dwarka Sector-III, New
Delhi-110059**

accrued liability for gratuity and leave encashment on the submission of the school that these are not applicable to the school. This could be on account of the fact that the school does not have any staff with service exceeding five years which would qualify them for entitlement of gratuity.

(d) Development Fee:

In reply to the questionnaire issued by the Committee, the school stated that it was charging development fee in all the five years for which information was sought by the Committee. In the years 2009-10 and 2010-11, the development fee charged was Rs. 4,10,500 and Rs. 5,56,300. As per the reply to the questionnaire, the school treated the development fee as a revenue receipt without maintaining any earmarked funds for development fund and depreciation reserve fund. These contentions were reiterated by the authorized representative of the school during the course of hearing on 10/12/2014.

Thus the school was not fulfilling any of the pre-conditions prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, for charging Development fee. Admittedly, the school treated it as a revenue receipt without maintaining any earmarked funds for development fee and depreciation reserve. In view of this position, the Committee would in normal course have recommended the refund of development fee charged by the school in 2009-10 and 2010-11. However, as noted above, the school was in deficit to the tune of Rs. 7,02,004 on implementation of VI Pay commission report and the school did not have any



**Nav Jeewan Academy Sr. Sec. School, Dwarka Sector-III, New
Delhi-110059**

funds of its own to be kept in reserve for future contingencies, the Committee refrains from recommending any refund on account of the fact that the total expenditure on salary of the school for the year 2010-11 was Rs. 60,88,962 and based on this, the requirement of the school for funds to be kept in reserve works out to Rs. 20,29,654. The total development fee charged in 2009-10 and 2010-11 was Rs. 9,66,800. Even if the development fee charged in 2011-12, which is Rs. 2,85,229 is taken into account, the requirement of the school for funds to be kept in reserve far exceeds the development fee, which ought to be refunded.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required in the matter.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

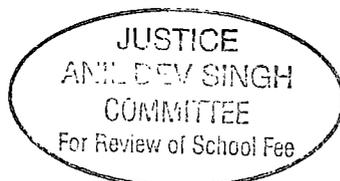
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/12/2014



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Secretary

Arya Public School, Malviya Nagar, New Delhi-110017

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school furnished its response vide letter dated 01/03/2012. As per the aforesaid reply, the school stated that:

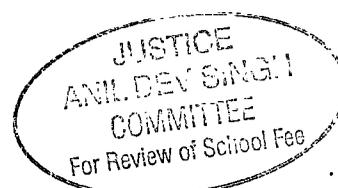
- (i) It had implemented the recommendations of the VI Pay Commission and the increased salary to the staff was being paid w.e.f. April 2009.
- (ii) The total salary paid to the staff for the year 2008-09 (before implementation) was Rs. 30,81,723 which rose to Rs. 58,43,242 in 2009-10 (after implementation).
- (iii) The school had paid arrears amounting to Rs. 28,22,764 which were spread over a period of three years i.e. 2009-10, 2010-11 and 2011-12.
- (iv) The school had increased the fee in accordance with order dated 11/02/2009 issued by the Director of Education w.e.f. 01/09/2008. The tuition fee schedules for 2008-09 (pre revision) and 2009-10 (post revision) were as follows:

Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in monthly tuition fee in 2009-10 (Rs.)
Pre school/Pre primary	480	580	100
I	460	560	100
II	480	580	100
III	500	600	100
IV	520	630	110
V	550	660	110
VI	570	690	120
VII	590	720	130
VIII	610	750	140

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Arya Public School, Malviya Nagar, New Delhi-110017

- (v) The school recovered arrear fee for 7 months i.e. 01/09/2008 to 31/03/2009, as per the enhanced fee.

No mention was made regarding recovery of lump sum arrear fee for the period 01/01/2006 to 31/08/2008.

Based on the information furnished by the school, it was placed in Category 'B' for the purpose of verification.

The preliminary calculations were initially made by the Chartered Accountants detailed with the Committee and as per their calculations, the school was in deficit to the extent of Rs. 33,17,278, after implementation of the VI Pay Commission report.

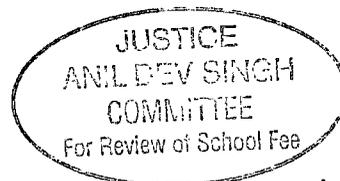
In order to verify the contentions of the school, the Committee issued a notice dated 24/12/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 10/01/2014, for verification. The school was also issued a questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school.

On the scheduled date, Sh. V.P. Wadhwa, a representative of the school appeared and produced the records asked for. He also filed reply to the questionnaire regarding development fee issued by the Committee. As per the reply furnished by the school, the school

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Arya Public School, Malviya Nagar, New Delhi-110017

started collected development fee in 2009-10 only and during that year the total development fee collected was Rs. 5,30,415 and during 2010-11, the same was Rs. 5,26,975. The development fee was treated as a revenue receipt and no earmarked accounts were maintained for development fund or depreciation reserve fund.

The records produced by the school were verified by Sh. N.S. Batra, audit officer of the Committee and he observed as follows:

- (a) The fee charged by the school in 2008-09 and 2009-10 was in accordance with the fee schedules submitted by the school, which have been extracted hereinafore. However, in 2010-11, the school did not hike any tuition fee.
- (b) The school implemented the recommendations of VI Pay Commission w.e.f. April 2009.
- (c) The school was making proper deductions of TDS and provident fund.
- (d) No adverse feature was noticed in the maintenance of accounts.

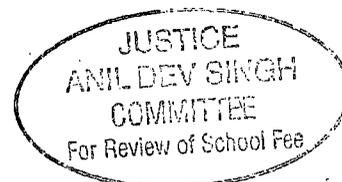
It is noteworthy that the audit officer made no comments regarding recovery of arrear fee or payment of arrear salary.

The Committee issued a notice dated 06/04/2015 to the school for hearing on 15/04/2015. The notice, inter alia, required the school to furnish details of fee and salary, in a structured format for the

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Arya Public School, Malviya Nagar, New Delhi-110017

years 2008-09 to 2010-11 and also the accrued liabilities of the school on account of gratuity/leave encashment, if applicable to the school.

On the date of hearing, Sh. V.P. Wadhwa, Manager of the school, Sh. Sushil Anand, Vice President of Arya Samaj, Sh. H.N. Mithrani, Chairman of the Managing Committee, Ms. Sonu Verma, Assistant and Sh. Ravi, Consultant of the school appeared. They filed written submissions dated 15/04/2015 and were heard by the Committee.

The school furnished the following information with regard to its fee and expenditure on salary for the years 2008-09 and 2009-10:

Fee	2008-09	2009-10	2010-11	2011-12	Total
Arrear fee for the period from 01.01.2006 to 31.08.2008	0	7,63,540	0	0	7,63,540
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	0	2,99,325	0	0	2,99,325
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	0	0	0	0	0
Regular/ Normal Tuition Fee	27,89,245	31,43,060	Not relevant		
Regular/ Normal Development Fee	0	5,30,415	5,26,975		
Salary					
Arrear Salary for 01.01.2006 to 31.03.2009	0	9,05,325	11,30,000	7,87,439	28,22,764
Regular/ Normal Salary	26,68,927	43,05,480	Not relevant		

The above figures as furnished by the school were checked by the Committee with reference to the audited financials of the school and its books of accounts. The same were found to be in order. The

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Arya Public School, Malviya Nagar, New Delhi-110017

school did not furnish any details regarding the accrued liabilities on account of gratuity and leave encashment. However they admitted that these liabilities, in fact, existed. They sought time to file these details. The hearing was closed giving a liberty to the school to furnish details of its accrued liability of gratuity and leave encashment within one week. The school submitted the same on 21/04/2015. As per the details furnished, the liability of the school on account of gratuity was Rs. 10,97,324 as on 31/03/2008 and Rs. 17,15,964 as on 31/03/2010. The liability on account of leave encashment on these two dates was Rs. 4,21,601 and Rs. 6,57,618 respectively.

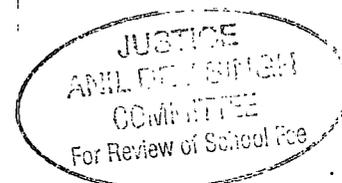
Discussion and Determination:

The Committee has perused the financials of the school as well as the annual returns filed by it under Rule 180 of Delhi School Education Rules, 1973, the observations of the audit officer and also preliminary calculations prepared by the Chartered Accountants detailed with the Committee (CAs). As the school hiked the fee w.e.f. 01/09/2008, the balance sheet of the school as on 31/03/2008 was taken to be the base document to determine the funds available with the school before the fee hike. The CAs determined that the school had a sum of Rs. 9,80,775 as on 31/03/2008, which could have been utilised for implementing the recommendations of the VI Pay Commission. The relevant calculations made by the CAs were as follows:

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Arya Public School, Malviya Nagar, New Delhi-110017

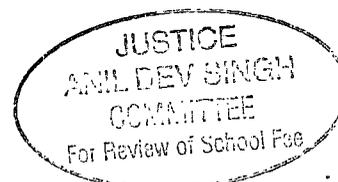
Statement showing Fund availability of as on 31-03-2008		
	Particulars	Amount (Rs.)
	<u>Current Assets</u>	
	Cash in hand	297.00
	Bank Balance	258,467.71
	Closing Stock of Books	19,923.49
	Central Bank India	211,540.00
	Corpus Fund	380,537.59
	Fixed Deposits	424,007.00
	Accrued Interest on FDR	27,882.00
	Total	1,322,654.79
Less:-	<u>Current Liabilities</u>	
	Caution Money	161,632.00
	Salary Payable	160,673.00
	Casual Wages Payable	19,575.00
	Net Current Assets	980,774.79

The calculations of funds available as on 31/03/2008, as made by the CAs, has been checked by the Committee and the same is found to be in order. The Committee notes that the above calculations do not take into account any accrued liabilities on account of gratuity and leave encashment nor any amount required to be kept in reserve by the school for future contingencies. These aspects would be considered, if required. However, the further calculations made by the CAs with regard to arrear fee, arrear salary, incremental fee and incremental salary have not been considered to be appropriate by the Committee, since they were made on the basis information initially furnished by the school in its reply to the questionnaire issued by the Committee. Such information has been found to be inchoate by the Committee. The information furnished by the school during the

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course of hearing on 15/04/2015 is more accurate and the same has also been checked by the Committee with reference to the books of accounts of the school. Therefore, the further calculations need to factor in the correct information as given by the school subsequently.

As noticed above, the school paid a total of Rs. **28,22,764** by way of arrear salary for the period 01/01/2006 to 31/03/2009. The arrear fee recovered by the school for the corresponding period was Rs. 10,62,865 (7,63,540+2,99,325). After adding the funds available with the school as on 31/03/2008, the school is found to have a total of **Rs. 20,43,640**. Thus the school was in deficit to the tune of **Rs. 7,79,124** after payment of arrear salary.

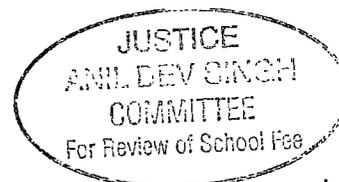
The incremental fee recovered by the school during 2009-10 was **Rs. 3,53,815** (31,43,060-27,89,245). As against this, the incremental salary paid by the school for the year 2009-10 was **Rs. 16,36,553** (43,05,480-26,68,927). Thus, even in the matter of incremental fee, the school was in deficit to the tune of **Rs. 12,82,738**.

Therefore the total deficit of the school was **Rs. 20,61,862** after implementation of the VI Pay Commission report, after taking into accounts the funds already available with it and without taking into account the accrued liabilities of the school gratuity and leave encashment and requirement for funds to be kept in reserve.

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Arya Public School, Malviya Nagar, New Delhi-110017

The Committee notes that the school was not fulfilling any of the preconditions prescribed for charging of development fee by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School and ors. vs. Union of India (2004) 5 SCC 583. In normal course, the Committee would have recommended the refund of development fee of Rs. 5,30,415 charged by the school in 2009-10 and Rs. 5,26,975 charged in 2010-11. However, in view of the large deficit of the school in implementing the recommendations of VI Pay Commission, the Committee is not inclined to recommend its refund.

Recommendations:

In view of the aforesaid findings, the Committee is of the view that no intervention is required in the matter of fee hike effected by the school w.e.f. 01/04/2009 and the arrear fee charged by the school as per order dated 11/02/2009 issued by the Director of Education. The Committee is also of the view that no intervention is required in the matter of development fee charged by school in 2009-10 and 2010-11.

Sd/-

CA J.S. Kochar
Member

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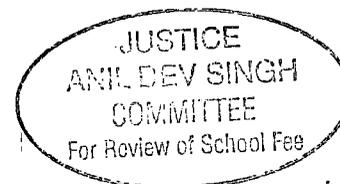
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 06/05/2015

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Secretary


Ramjas Public School (Day Boarding), Anand Parbat, New Delhi-

000703

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The Committee issued a questionnaire dated 27/02/2012 to the school, eliciting information regarding the fee arrears recovered by the school, arrears salary paid by the school, additional expenditure on salary on account of implementation of VI Pay Commission Report, additional revenue accruing on account of fee hike effected by the school, in pursuance of order dated 11/02/2009 issued by the Director of Education. The Committee issued a reminder dated 27/03/2012. The Committee requisitioned the returns filed by the school under Rule 180 of the Delhi School Education Rules 1973 from the office of the concerned Dy. Director of Education. The same were forwarded to the office of the Committee. On prima-facie examination of such returns, it appeared that the school had hiked the fee in pursuance of order dated 11/02/2009 issued by the Director of Education and also implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in category B for the purpose of verification.

At the outset, it may be mentioned that a complaint dated 10/08/2012 was received in the office of the Committee on 10/09/2012, from Parent Teacher Association (Parent Body), vide which it was represented to the Committee that the school had resorted to unreasonable hikes in fee in the years 2009-10, 2010-11 and 2011-12. It was also represented that the school was incurring

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For Review of School Fee

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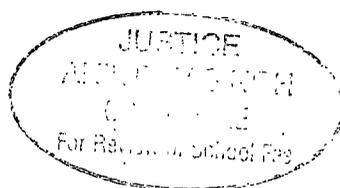
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meager expenses out of development fee collected over a number of years. It was mentioned in the complaint that the parent body had filed a writ petition (WP (C) 8442 of 2011), in the Hon'ble Delhi High Court which was pending.

However, the outcome of the aforesaid writ petition was not communicated to the Committee. On checking the website of the High Court, the Committee finds that the writ petition was disposed off by the Hon'ble High Court on 20/11/2012 and directions were issued to the Director of Education to afford a personal hearing to the school before taking any decision on the complaint of the parents. Further, liberty was granted to the parents to seek appropriate remedy which is available in accordance with law, including approaching this Committee.

A perusal of the aforesaid order of the Hon'ble High Court shows that the grievance made out by the parents was that a complaint dated 30/03/2011 was not being considered by the Director of Education. Further, during the pendency of the petition, an inspection was conducted under the orders of the Director of Education and a show cause notice dated 12/09/2012 was issued to the school, wherein following four discrepancies were observed:-



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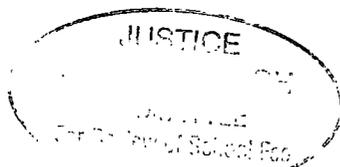
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1. The school was transferring additional financial burden on the parents without utilizing the reserve funds/development funds.
2. The school management had taken a unilateral decision to hike the fees by 35% from the year 2010-11.
3. The school was indulging in commercialisation of education by renting out part of school buildings for running book shops, uniform shop and kitchen but not showing the receipt of income of rent/royalty anywhere in the balance sheet.
4. Huge expenses were carried out in the name of computer education and office automation which did not co-relate to the expenses incurred on the services rendered by the contractor or the actual requirements of the school.

A perusal of the inspection report, as aforesaid, shows that it was based on four complaints dated 04/02/2011, 28/03/2011, 06/04/2011 and 20/04/2011 submitted by Sh. Rakesh Rawal, Secretary, Parent Teacher Association. However, except for complaint dated 20/04/2011, copies of the other aforesaid complaints were not furnished to the Committee. A string of complaints starting from 06/04/2010 to 20/04/2011, copies of which were submitted to the Committee, were either in respect of the grievance about non formation of parent teacher association by the school or for seeking



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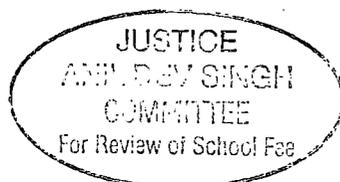
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roll back of fee hike effected by the school for the year 2010-11. Although some earlier complaints, did raise the issue of unjustified fee hike in pursuance of order dated 11/02/2009 issued by the Director of Education, these were neither followed up with the Committee nor were apparently the subject matter of the writ petition filed before the Hon'ble High Court. However, irrespective of whether the parents raising any grievance regarding fee hike in pursuance of the aforesaid order dated 11/02/2009, the Committee is required by its mandate to examine the justifiability of such fee hike.

As the school had not filed any response to the questionnaire issued by the Committee, the matter was taken up with the concerned Dy. Director of Education, who in turn took up the matter with the school. The school, under cover of its letter dated 08/10/2012, finally submitted its response. However, the reply submitted by the school was very ambiguous and did not give the full information sought by the Committee. The representatives of the school visited the office of the Committee and sought certain clarifications regarding the information required by the Committee. Thereafter, the school under cover of its letter dated 19/08/2013, furnished a revised reply to the questionnaire. As per the reply submitted by the school, it was contended as follows:-



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- (i) The school had implemented the recommendations of the 6th Pay Commissioner w.e.f. 01/01/2006. It was clarified that the school paid the revised salary as per the recommendations of the 6th Pay Commission w.e.f. 01/04/2009. The arrears of increased salary for the period 01/09/2008 to 31/03/2009 amounting to **Rs. 62,94,223** were paid in two instalments (**Rs.33,51,400 on 24/03/2009 and Rs.29,42,823 on 05/09/2009**). The arrears for the period 01/01/2006 to 31/08/2008 amounting to **Rs.1,37,76,781** were paid spread over a period of four years as follows :-

Financial Year	Amount (Rs.)
2008-09	23,97,600
2009-10	1,05,02,155
2010-11	66,385
2011-12	8,10,641
Total	1,37,76,781

- (ii) The school had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. 01/09/2008. The tuition fee originally charged in 2008-09 was Rs.1400 p.m. but was increased to Rs.1700 p.m. w.e.f. 01/09/2008 in terms of the aforesaid order. Arrears of tuition fee amounting to Rs. 2100 per student were recovered for the period 01/09/2008 to 31/03/2009.

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- (iii) The school had been charging development fee from the students as per the directions of D.O.E.
- (iv) The additional reveue on account of increase in tuition fee for the period September 2008 to March 2009 was **Rs. 31,66,800** which was recovered in 2008-09. The recovery of lump sum arrears were Rs.22,81,000 in 2008-09 and Rs.21,81,575 in 2009-10 (**total Rs. 44,62,575**). The difference on account of increase in development fee was **Rs. 45,52,280**, recovered in 2009-10
- (v) The school charged development fee in all the five years for which information was sought i.e. 2006-07 to 2010-11.
- (vi) The development fee was treated as a capital receipt.
- (vii) Earmarked development fund and depreciation reserve fund were maintained.

It will be useful to reproduce herebelow, the information regarding fee hike effected by the school w.e.f. 01/09/2008 vide the reply to the questionnaire, as originally submitted by the school, as the same is more revealing particularly with regard to the extent of hike in development fee effected by the school w.e.f. 01/09/2008. The information originally submitted by the school, is as follows:-



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Particulars	Monthly Fee in 2008-09 (Rs.)		Monthly Fee in 2009-10 (Rs.)
	Nursery to 12th Upto August 2008	From Sept. 2008	
Tuition Fee	1400	1700	1700
Development Fee	110	255	255

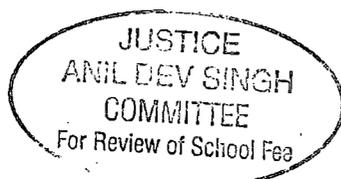
Lump sum arrears between Rs.1000 and Rs. 3000 were also recovered depending upon the year of admission of the students.

It is evident from the above table that in 2008-09, the school was originally charging development fee @ Rs.110 p.m., which in terms of percentage of tuition fee was 7.86%. However, while hiking the development fee w.e.f. 01/09/2008, the school recovered the same @ Rs.255 p.m. on a tuition fee of Rs.1700 p.m. which works out to 15% of tuition fee.

The information furnished by the school regarding receipt and utilization of regular development fee is as follows:-

Particulars	F.Y.2006-07 (Rs.)	F.Y.2007-08 (Rs.)	F.Y.2008-09 (Rs.)	F.Y.2009-10 (Rs.)	F.Y.2010-11 (Rs.)
Development fee recovered	21,00,340	21,89,860	22,62,640	22,43,325	59,86,155
Development fee utilized:-					
(a) For equipments	9,13,036	6,82,622	5,75,461	3,12,141	8,98,132
(b) For building	24,000				
(c) For salary				50,01,630	74,98,370
Total utilization	9,37,036	6,82,622	5,75,461	53,13,771	83,96,502

The position regarding maintenance of earmarked depreciation reserve fund and development fund accounts was given as follows :-



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Particulars	As on 31/03/2007 (Rs.)	As on 31/03/2008 (Rs.)	As on 31/03/2009 (Rs.)	As on 31/03/2010 (Rs.)	As on 31/03/2011 (Rs.)
Depreciation reserve fund :-					
(a) In saving account with Syndicate Bank	96,981	1,39,316	1,42,218	1,20,102	1,50,342
(b) In FDRs	24,00,000	39,25,822	57,82,501	62,69,145	75,92,600
Total	24,96,981	40,65,138	59,24,719	63,89,247	77,42,942
Development fund :-					
(a) In saving account with Syndicate Bank	1,32,342	86,883	91,608	58,037	0
(b) FDRs	29,14,116	44,00,000	58,25,123	39,66,073	21,25,386
Total	30,46,458	44,86,883	59,16,731	40,24,110	21,25,386

Preliminary calculations were made by the Chartered Accountants detailed with the Committee. As per their calculations, the school had surplus funds to the tune of Rs. 2,36,81,642 after accounting for the funds available with the school at the threshold, the additional funds generated by way of fee hike and the additional liabilities discharged on implementation of 6th Pay Commission Report. The calculations made by the CAs were perused by the Committee and it was observed that the calculations did not appear to be correct as the CAs had taken the entire investments, including those earmarked against specific funds, into account and had not taken any liabilities of the school on account of gratuity and leave encashment in the calculations. Therefore, the calculations made by the CAs were not found to be reliable by the Committee.

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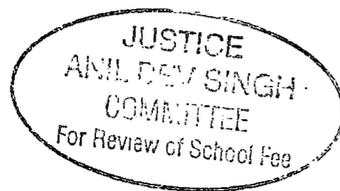
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Since, the school had furnished different figures at different stages of enquiry, the Committee issued a notice of hearing dated 22/10/2014 for hearing on 11/11/2014. The school was also directed to furnish the figures of arrear fee, regular fee, development fee, arrear salary and regular salary in a structured format, duly reconciled with the audited Income and Expenditure accounts for the years 2008-09, 2009-10 and 2010-11. The school was also directed to furnish copies of the circular issued to the parents regarding hike in fee and statement of account of the Trust/Society, as appearing in its books, besides details of accrued liabilities of gratuity and leave encashment.

On the date of hearing, Sh. Kailash Nath Bansal, Manager appeared with Ms. Sarika Arora, Principal of the school. They filed written submissions dated 10/11/2014, furnishing the information required by the Committee. The relevant information regarding fee and salary, as submitted by the school, was as follows:-



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Fee	2008-09	2009-10	2010-11	Total
Arrear fee for the period from 01.01.2006 to 31.08.2008	22,81,000	21,81,575		44,62,575
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	31,66,800			31,66,800
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009		16,39,520		16,39,520
Arrear fee (Development fee) for the period from 01.04.2009 to 31.03.2010		29,12,760		29,12,760
Regular/ Normal Tuition Fee	2,73,96,900	3,36,62,845		
Salary				
Arrear Salary for 01.01.2006 to 31.08.2008	23,97,600	1,05,02,155	66,385	1,29,66,140
Arrear Salary for 01.09.2008 to 31.03.2009	33,51,400	29,42,823		62,94,223
Regular/ Normal Salary	2,11,79,912	3,32,06,055		

Details of accrued liability of gratuity as well as leave encashment were also furnished. As per these details, the liability on account of gratuity was Rs.63,83,813 as on 31/03/2008 which rose to Rs. 1,32,90,566 as on 31/03/2010. Similarly the liability for leave encashment was Rs. 24,63,270 as on 31/03/2008, which rose to Rs. 41,22,165 as on 31/03/2010.

A copy of circular no. 329 dated 04/02/2009 (sic) was also furnished by the school, vide which the parents were advised to deposit the arrears of Rs.5100 representing 7 months fee hike for the period 01/09/2008 to 31/03/2009 @ Rs.300 p.m. plus Rs.3000 lump sum arrears (for the period 01/01/2006 to 31/08/2008). It is note worthy that no arrears of development fee were demanded from parents.

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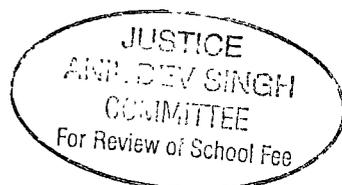
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During the course of hearing, the representatives of the school contended that the school was permitted to hike tuition fee only to the extent of Rs. 300 p.m. whereas, considering the additional liabilities on account of implementation of 6th Pay Commission Report, its requirement for fee hike was to the tune of Rs.650 p.m. per student. However, they did not submit any calculation sheet justifying the higher claim of the school. As regards the recovery of arrears of differential development fee for the period 01/09/2008 to 31/03/2009, they contended that another circular was subsequently issued to the parents demanding the same.

With regard to regular development fee, the representatives of the school contended that the same is capitalized in the account and also used for permitted purposes. They also contended that earmarked bank accounts/FDRs were maintained for unutilized development fund and depreciation reserve fund. The Committee observed that the FDRs against depreciation reserve were earmarked not just for depreciation reserve on assets acquired out of development fund but also on assets acquired out of school fund.

Accordingly, the school was advised to file the following details/documents by 25/11/2014, after which a fresh hearing would be fixed :-

- (a) Circular issued to parents regarding recovery of arrears of development fee.



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- (b) Details of depreciation reserve as on 31/03/2008 showing accumulated depreciation, separately for assets acquired out of school fund and those acquired out of development fund.
- (c) Calculation sheet justifying the claim for a higher fee hike @ Rs. 650 p.m. per student.

The school furnished the above mentioned details/documents on 05/12/2014. On perusal of the circular bearing no.335 dated 07/03/2009, the Committee observes that even this circular does not require the parents to pay the arrears of development fee for the period 01/09/2008 to 31/03/2009. This circular informs the parents about the schedule of fee for the academic session 2009-10 only. The development fee of Rs.255 p.m. is mentioned as chargeable for the year 2009-10. The details regarding depreciation reserve fund against assets acquired out of development fund were perused by the Committee and the Committee finds that the school has not earmarked funds in excess of the accumulated depreciation on fixed assets acquired out of development fund. The school also filed its calculation sheet justifying a higher fee hike @ Rs.621 p.m. but the Committee finds that the calculation made by the school does not take into account the funds already available with the school, which can be utilized for payment of increase salaries as per the recommendations of the 6th Pay Commission. However, the Committee will revert to the issue of further fee hike claimed by the school after making its own calculations.

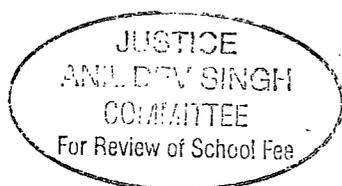
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The Committee directed its Audit Officer to prepare a preliminary calculation sheet to examine the justifiability of fee hike effected by the school and also to examine the claim of further fee hike made by the school. She was directed to exclude the investments held by the school against earmarked funds except those held against Gratuity Fund and Earned Leave Encashment fund, as such funds could not be available for the purpose of implementation of 6th Pay Commission Report. The gratuity fund and E.L. fund were initially to be considered as part of funds available and only if there was surplus after meeting the amount required for increased salaries for implementation of 6th Pay Commission Report, they were to be considered for earmarking. This approach is in accordance with Rule 177 of the Delhi School Education Rules 1973. The school was found to be in compliance with the pre conditions prescribed by the Duggal Committee so far as development fee for the year upto 31/03/2008 was concerned. Accordingly, she was directed to exclude the investments held against development fund and depreciation reserve fund also from the reckoning as such investments were also not available for the purpose of implementation of 6th Pay Commission Report. She prepared the following calculation sheet, as per the directions of the Committee:-



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Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash at CBI	226,810	
	Cash at Syndicate Bank	44,635	
	Investments against Gratuity Fund	6,454,688	
	Investments against EL Encashment Fund	1,034,127	
	Other Investments	10,205,786	
	Amount receivable from Student Bus Fund	380,880	
	Amount receivable from Caution Money Fund	14,000	
	TDS	47,570	18,408,496
Less:	<u>Current Liabilities</u>		
	Advance Fee	4,040,900	
	Sundry Creditors	16,392	
	Payable to School Fund (Diet)	1,000	
	Expenses Payable	77,882	4,136,174
	Net Current Assets + Investments		14,272,322
Less:	Total Liabilities after Vith Pay		
	Arrear of Salary as per VI th Pay Commission (w.e.f. 01.01.2006 to 31.08.2008)	12,966,140	
	Arrear of Salary as per VI th Pay Commission (w.e.f. 01.09.2008 to 31.03.2009)	6,294,223	
	Incremental Salary for 2009-10 (as per calculation given below)	12,026,143	31,286,506
	Excess / (Short) Fund Before Fee Hike		(17,014,184)
Add:	Total Recovery after VI th Pay		
	Arrear of Tuition fee w.e.f 01.01.06 to 31.08.08	4,462,575	
	Arrear of Tuition fee from 01.09.2008 to 31.03.2009	3,166,800	
	Arrear of Development fee from 01.09.08 to 31.03.09 and for 2009-10	1,639,520	
	Additional Development fee charged in 2009-10	2,912,760	
	Incremental Tuition Fee in 2009-10 (as per calculation given below)	6,265,945	18,447,600
	Excess / (Short) Fund After Fee Hike		1,433,416

Working notes

Normal/ regular salary as per Income & Expenditure Account	2008-09	2009-10
	21,179,912	33,206,055
Incremental Salary in 2009-10	12,026,143	
Normal/ regular Tuition Fee as per Income & Expenditure Account	2008-09	2009-10
	27,396,900	33,662,845
Incremental Tuition Fee in 2009-10	6,265,945	

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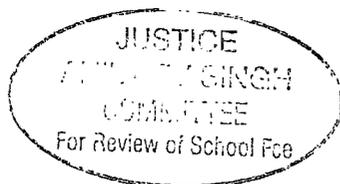
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The calculation sheet as prepared by the Audit Officer was examined by the Committee and it was observed that the calculation sheet was based on the figures furnished by the school itself and the audited balance sheet of the school as on 31/03/2008. As such the Committee does not find any fault with the same. As is evident from the calculation sheet, the school had a surplus of Rs.14,33,416, after meeting all its liabilities as per the recommendations of the 6th Pay Commission and after taking into account the fee hiked by it as per order dated 11/02/2009 of the Director of Education. The Committee has also taken into account the arrears of development fee recovered by the school @ Rs.255 p.m. for 7 months i.e. 01/09/2008 to 31/03/2009 in its calculations. The Committee is of the view that the school was not justified in recovering these arrears as they were recovered @ 15% of tuition fee when the school was charging development fee at a fixed rate of Rs.110 p.m. in the year 2008-09 and such development fee was not linked to the tuition fee. In fact the school did not raise any formal demand for such arrears of development fee from parents. If such development is refunded to the parents, the school would have a marginal deficit of around Rs. 2 lacs and in such an event, the claim of the school for a further fee hike to bridge this gap of Rs. 2 lacs would be justified.



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Therefore, the Committee is not inclined to recommend refund of Rs.16,39,520 and at the same time the Committee finds that the claim of the school for a further fee hike has to be rejected.

Development Fee:

The information furnished by the school regarding collection and utilization of development fee as well as maintenance of earmarked funds for development and depreciation reserve has been set out in the earlier part of these recommendations. These have been verified by the Committee. The Committee finds that upto 2008-09, the school was compliant with the recommendations of the Duggal Committee regarding charging of development fee, in as much as the school was treating the development fee as a capital receipt, utilizing the same for acquiring permissible fixed assets and maintaining earmarked development fund and depreciation reserve fund. However, so far as the years 2009-10 and 2010-11 are concerned, the entire development fee collected by the school was utilized for payment of increased salaries consequent to implementation of 6th Pay Commission Report. In 2009-10, out of the total development fee, the school treated a sum of Rs.29,12,760 as a revenue receipt, as conceded by the school in its written submissions. This has already been taken into account while making the calculations for examining

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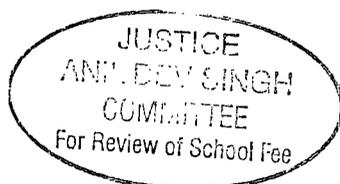
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the justifiability of hike in tuition fee. The remaining amount of Rs. 22,43,325 recovered by the school has also been utilized for payment of salaries, as is evident from the reply to the questionnaire given by the school. In 2010-11, the entire amount of Rs.59,86,155 recovered as development fee has been utilized by the school for payment of salaries. This is also evident from the reply given by the school to the questionnaire issued by the Committee.

In view of the foregoing facts, the Committee would have recommended refund of Rs. 22,43,325 charged by the school as development fee in 2009-10 and Rs. 59,86,155 charged by the school in 2010-11. However, in view of the fact that while making the relevant calculations for tuition fee, the Committee did not allow any reserves for gratuity, leave encashment and for future contingencies, the Committee is of the view that no amount is required to be refunded out of development fee charged for the years 2009-10 and 2010-11 as the accrued liabilities of gratuity and leave encashment aggregated Rs. 1,74,12,731 as on 31/03/2010.

Recommendations:

In view of the foregoing discussion and determinations, the Committee is of the view that neither the school is entitled to any further hike in tuition fee, over and above the hike effected



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by it in terms of order dated 11/02/2009 issued by the Director of Education nor the school is required to refund any amount. Similarly, the issue of development fee also calls for no intervention.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

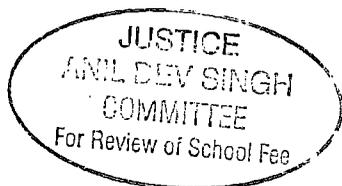
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/03/2015



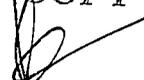
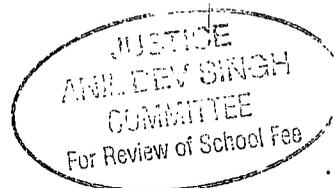
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Akash Deep Model School, Nehru Vihar, Dayal Pur Ext. Delhi-110094

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.09.2013, required the school to appear on 21.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

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Akash Deep Model School, Nehru Vihar, Dayal Pur Ext. Delhi-110094

5. On 21.10.2013 Sh. Ajay Veer Singh, HM and Sh. Rakesh Kumar Sharma, P/T Accountant of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

(i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2011.

(ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2011.

(iii) The school had not collected development fee from the students.

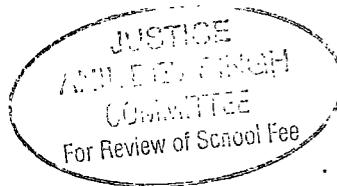
6. The record, in the first instance, was examined by Sh. A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that:

(i) The school hiked fee by Rs.50/- in 2009-10 and 2010-11. During 2011-12 the hike had been in terms of the order of the Director of Education dated 11.02.2009.

(ii) The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f April 2011, but the salary record for 2011-12 has not been produce by the school.

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The Audit Officer after examination of the original record produced by the school for scrutiny returned the same to the representatives of the school.

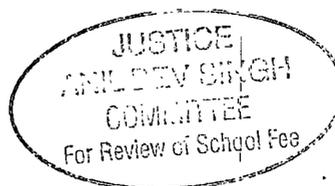
7. By notice dated 03.03.2015, the school was asked to appear on 27.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 27.03.2015, Sh. A.V.S. Chauhan, Manager. Sh. Rakesh Kumar, P/T Accountant and Sh. Digvijay Singh, I.T. Head of the school appeared before the Committee and produced record for the examination by the Committee. It was contended that the school implemented the recommendations of the 6th Pay Commission nominally w.e.f. 01-04-2011. However, salary was being paid in cash. The school did not have TAN till date. The school operated its bank account only in October, 2010 and the only transaction being routed through the bank was the monthly cheque of P.F. payment. The school has filed its fee schedule for the year 2011-12 but did not produce its fee record for this year.

The school was directed to produce its fee receipts, fee register and books of accounts for 2011-12 to the Audit Officer of the Committee on 16-04-2015 for verification.

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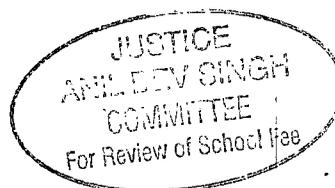
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9. On 16.04.2015 Sh. A.V.S. Chauhan, HM of the school produced the required record. The Audit Officer after its examination has recorded that the school hiked the fee during 2011-12, in between 15% to 18.6% for different classes.

10 We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2011-12: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11	Tuition Fee during 2011-12	Tuition Fee increased in 2011-12
I	300	350	50	400	50	460	60
II	320	370	50	420	50	480	60
III	380	430	50	480	50	560	80
IV	390	440	50	490	50	570	80
V	400	450	50	500	50	580	80
VI	430	480	50	530	50	630	100
VII	450	500	50	550	50	650	100
VIII	470	520	50	570	50	670	100

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11. From the above, it is manifest that the school has increased the fee during the years 2009-10 and 2010-11 within 10% for all classes. During 2011-12, the hike in the tuition fee was marginally in excess of the permissible limit of 10%. The school is also working on low fee base.
12. Admittedly, the school had implemented the recommendations of the 6th Pay Commission, nominally w.e.f. 01.04.2011.
13. As per record the school has not charged development fee.

RECOMMENDATION**Re. Fee Hike**

Since the school did not hike tuition fee in terms of the order of the Director of Education, and is also working on low fee base, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

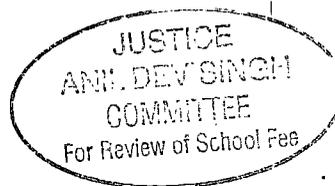
Sd/-

Dr. R.K. Sharma
Member

Dated—01-05-15

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The school had not furnished any reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns filed by the school for the years 2006-07 to 2010-11, from the office of the concerned Dy. Director of Education. Pursuant thereto, these were forwarded by the concerned Dy. Director of Education to the Committee. On prima facie examination of the annual returns, it appeared that the school had hiked the fee in accordance with order dated 11/02/2009 issued by the Director of Education and had also implemented the recommendations of the VI Pay Commission. Accordingly, the school was placed in Category 'B' for the purpose of verification.

However, on further scrutiny of the aforesaid returns by the Committee, it transpired that the balance sheet of the school for the years 2009-10 and 2010-11 were not on record. Accordingly, a letter dated 07/05/2013 was issued to the school to submit the aforesaid balance sheets. A revised questionnaire was also issued to the school for appropriate response. In response to the letter, the school furnished the required details under cover of its letter dated 17/05/2013. Reply to revised questionnaire was also furnished, as per which, the school stated that:

- (a) It had implemented the recommendations of the VI Pay Commission report w.e.f. 01/01/2006 and had also paid arrears. In support, the school enclosed copies of its pay bills for the month of February 2009 which showed aggregate salary

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to be Rs. 6,51,328 for that month and for the month of March 2009 which showed aggregate salary to be Rs. 8,82,515.

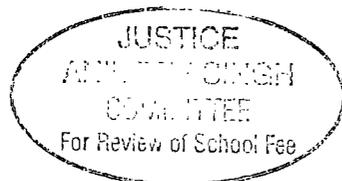
(b) It paid arrears amounting to Rs.8,93,760 for the period January 2006 to August 2008 and Rs. 8,29,487 for the period September 2008 to February 2009.

(c) It hiked the tuition fee as per order dated 11/02/2009 issued by the Director of Education for different classes, to the following extent:

Class	Monthly tuition fee (pre hike) (Rs.)	Monthly tuition fee (Post hike) (Rs.)	Increase in monthly tuition fee (Rs.)
I	550	750	200
II	575	775	200
III	650	850	200
IV	675	875	200
V	750	950	200
VI	800	1000	200
VII	900	1100	200
VIII	950	1150	200
IX	1000	1200	200
X	1050	1350	300
XI	1100	1400	300
XII	1150	1450	300

(d) With regard to recovery of arrear fee, the school gave a vague reply stating "as per circular of Samarth Shiksha Samiti enclosed".

(e) With regard to the collection of development fee also, instead of the school giving the specific information, it invited the attention of the Committee to the balance sheets of the school.



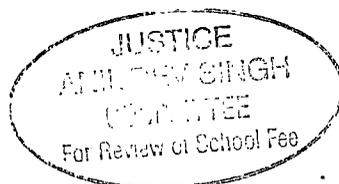
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- (f) With regard to the utilisation of the development fee, the school merely enclosed a copy of the fixed asset schedule of the balance sheet as on 31/03/2011.
- (g) The school categorically stated that development fee was treated as a revenue receipt in the accounts and no separate depreciation reserve fund was maintained for depreciation assets acquired out of development fee. However, in reply to the query whether the depreciation reserve fund and unutilised development fund were kept in an earmarked account or FDRs or investments, the school stated "Yes".

However, when asked to clarify the vague answers, the school under cover of its letter dated 15/10/2013, submitted the following information with regard to collection and utilisation of development fee:

Year	Development fee collected (Rs.)	Development fee utilised (Rs.)	Unutilised development fee (Rs.)
2006-07	5,65,275	5,08,480	56,795
2007-08	5,47,450	25,880	5,21,570
2008-09	6,68,065	3,56,880	3,11,185
2009-10	6,96,200	5,61,800	1,34,400
2010-11	9,66,900	8,66,965	99,935

With regard to maintenance of earmarked bank account for development fee, the school stated that from 2006-07 to 2010-11, no separate account for development fee was maintained.



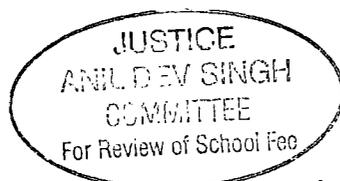
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However, the school had fixed deposits with the bank ranging between Rs. 16.56 lacs and Rs. 22.15 lacs during these years.

In response to a web notice dated 09/09/2014 issued by the Committee exhorting the schools which had not implemented the VI Pay Commission report and which had not hiked any fee in 2008-09 prior to the hike in 2009-10, to approach the Committee for expeditious disposal of their cases, the school filed a letter dated 11/09/2014 contended that it met with the requirements of the said notice of the Committee. Accordingly the Committee issued a notice to the school for hearing it on 16/10/2014. On this date, Sh. Jeet Kumar, Sh. Narender Kumar and Sh. Satish Gupta, UDCs of the school appeared. However, the representatives were informed that since the school claimed to have implemented the VI Pay Commission report, it was not covered by the said notice. However, the Committee granted time to the school upto 10/11/2014, for furnishing the relevant information as per the notice. The school furnished the relevant information vide its letter dated 10/11/2014. A fresh notice of hearing dated 5/12/2014 was issued for 30/12/2014. On this date, Sh. Roshan Lal Goel, Manager of the school, Sh. Lekh Raj, Sh. Jeet Kumar Saluja, Sh. Narender Kumar Attal, UDCs appeared with Sh. Vasudev Sharma, Accountant.

The representatives of the school were heard by the Committee. They contended as follows:

- (a) The school is run under the aegis of Samarth Shiksha Samiti which runs a total of 28 schools in Delhi. The VI Pay



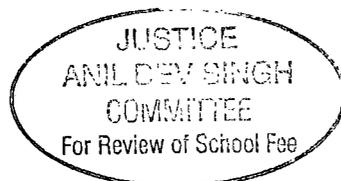
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Commission was implemented w.e.f. 01/04/2009. However, the full amounts of arrears have not been paid as the decision to pay the arrears is taken at the central level of the Samiti.

- (b) The school hiked the fee in accordance with order dated 11/02/2009 of the Director of Education. However the hike in fee was not sufficient to pay the full salaries as per the recommendations of the VI Pay Commission and the deficit on this account was partially made good by utilizing the development fee.
- (c) The school had liabilities of gratuity, amounting to Rs. 40,08,687 as on 31/03/2008 and Rs. 69,52,827 as on 31/03/2010. The accrued liabilities on account of leave encashment on these two dates were Rs. 11,94,870 and Rs. 20,04,228 respectively. Details of such liabilities were furnished.
- (d) The development fee was treated as a capital receipt and not as a revenue receipt as was wrongly stated in the reply to the questionnaire. However, it was correct that the school did not maintain earmarked development fund and depreciation reserve fund.

Discussion and Determination:**Tuition Fee**

The Committee examined the details filed by the school as also the figures of arrear fee, arrear salary, regular fee and regular salary (both



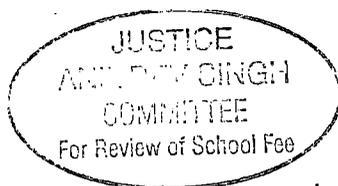
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pre hike and post hike), the reply to the questionnaire issued by the Committee and the submission made during the course of hearing. The Committee, on examination of the financials of the school, as also the submission made by another school run under the aegis of the same Society, confronted the representatives of the school that the Treasurer of the Society had in the case of another school informed the Committee that the Society had taken a group gratuity policy of LIC to cover the gratuity liabilities of all the schools run under its aegis. On perusal of the financials of the school, it was apparent that the school had paid the premium of such gratuity policy and as such the contention of the school that it had an accrued liability of Rs. 69,52,827 as on 31/03/2010 on this account, did not appear to be correct. The representatives of the school conceded to this position.

In order to ascertain the funds available with the school at the threshold as on 31/03/2008, and the additional resources generated by the school as a result of fee hike and collection of arrear fee and the additional liabilities incurred by the school on account of implementation of VI Pay Commission report, the audit officer of the Committee was directed to prepare the calculation sheet. The exercise was undertaken by the audit officer to ascertain the justifiability of the fee hiked by the school. The calculation sheet prepared by the audit officer is as follows:



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Statement showing Funds availability of as on 31-03-2008 and the effect of fee hike and salary hike on implementation of VI Pay Commission report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets</u>		
	Cash in hand	-	
	Bank Balance	58,710	
	Fixed Deposits with accrued interest	1,815,964	
	Advance to SSS West Zone	2,190,509	
	TDS	14,467	4,079,650
Less:-	<u>Current Liabilities</u>		
	Students Security	74,000	
	Advance fee	111,300	
	Audit Fee payable	15,730	
	Pupil Fund	732,687	
	Book Overdraft	619,627	
	Eco Club	18,988	1,572,332
	Net Current Assets (Funds available)		2,507,318
Less:-	Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.03.2009	2,112,229	
	Incremental Salary as per 6th CPC in 2009-10 (as per calculation given below)	3,452,987	5,565,216
	Excess / (Short) Fund Before Fee Hike		(3,057,898)
Add:-	Arrear of fee for the period from 01.01.06 to 31.03.09	2,563,256	
	Incremental fee in 2009-10 (as per calculation given below)	2,124,698	4,687,954
	Excess / (Short) Fund After Fee Hike		1,630,056

Working Notes		
	2008-09	2009-10
Salary as per Income & Expenditure Account	7,625,522	11,078,509
Incremental Salary in 2009-10 as per I & E A/c	3,452,987	
	2008-09	2009-10
Tuition Fee as per Income & Expenditure Account	6,970,987	9,095,685
Incremental Tuition Fee in 2009-10 as per I & E A/c	2,124,698	

Thus apparently, the fee hiked by the school resulted in a surplus of **Rs. 16,30,056** after meeting its liabilities under the VI Pay Commission



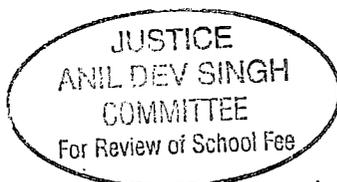
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recommendations (to the extent it did). However, at this stage the Committee is reserving its opinion whether such surplus should be refunded by the school as the above calculation sheet does not provide for the reserve for future contingencies and reserve for accrued liability of leave encashment. The Committee has taken a consistent view that the schools ought to retain with them sufficient funds for such purposes.

Development Fee:

The school has conceded in its supplementary reply to the questionnaire as well as the during the course of hearing that the school was not maintaining any earmarked accounts for development and depreciation reserve funds. The table of development fee received and utilised as given supra, shows that the school was not utilising the full amount of development fee in the year of its receipt. Some balance was always left with it which ought to have been kept in an earmarked account. Maintenance of earmarked development fund and depreciation reserve funds are sine qua non for charging development fee, as prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583. In view of this position, the Committee is of the view that the school did not charge development fee in accordance with the law laid down by the Hon'ble Supreme Court. The Committee is concerned with the development fee charged by the school in pursuance of order dated 11/02/2009 issued by the Director of Education. Therefore, the development fee charged in 2009-10 and 2010-11 is relevant for the purpose of the present determinations. The fee charged by the school for these two years was Rs. 6,96,200 and Rs.



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9,66,900 respectively. Thus the total development fee of which we would have recommended a refund in normal course, would be **Rs. 16,63,100.**

Conclusion:

The school recovered excess tuition fee to the tune of Rs. 16,30,056 and development fee to the tune of Rs. 16,63,100. The aggregate of these two is **Rs. 32,93,156.**

We would now consider the requirement of the school for funds to be kept in reserve. The Committee has taken a consistent view that the schools ought to retain funds equivalent to four months' salary for future contingencies. The total expenditure on salary of the school for the year 2009-10 was Rs. 1,10,78,509. Based on this, the requirement of the school for funds to be kept in reserve is Rs. 36,92,836. The school had an accrued liability of Rs. 20,04,228 on account of leave encashment. Thus the total funds required by the school to be kept in reserve was Rs. 56,97,064.

Recommendations:

Taking an overall view of the matter, the Committee is of the view that no intervention is called for either in the matter of hike in tuition fee or in the matter of charging development fee.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

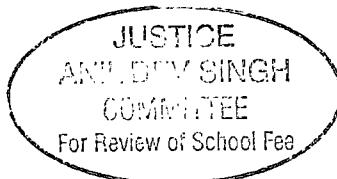
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 15/01/2015



On a requisition made by the Committee through the concerned Dy. Director of Education, the school forwarded to the Education Officer, Zone-26 of the Directorate of Education copies of returns filed by it under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11, the fee statements filed by it as per section 17(3) of Delhi School Education Act, 1973, details of salary paid to the staff before implementation of VI Pay Commission report and after its implementation, details of arrears paid on account of retrospective application of VI Pay Commission report, copy of circular issued to the parents intimating the increase in fee as per order dated 11/02/2009 of the Director of Education, under cover of its letter dated 30/01/2012. It was further mentioned in the letter that the school had not collected the arrears of development fee which were recoverable as a consequence of increase in tuition fee for the period 01/09/2008 to 31/03/2009. These documents were forwarded to the Committee through the concerned Dy. Director of Education. On the basis of the information furnished by the school, it was placed in category 'B' for the purpose of verification.

Preliminary calculations were made by the Chartered Accountants attached with the Committee. Since the school claimed to have hiked the fee w.e.f. 01/09/2008, the balance sheet as on 31/03/2008 was taken as the basis for calculation of funds available with the school and on the basis of such calculation and the figures of arrear fee, arrear salary, incremental fee and salary for the year 2009-10, they worked out that the school had hiked more fee than was required and such excess collection amounted to Rs. 89,46,156. While making the calculations, the CAs had not factored in the

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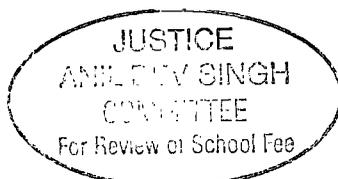
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funds to be kept in reserve for meeting the accrued liability of gratuity and leave encashment for want of relevant information.

The Committee issued a notice dated 22/10/2014 requiring the school to appear before the Committee on 10/11/2014. Further, the school was required to furnish the details of arrear fee and salary for the period 01/01/2006 to 31/08/2008, 01/09/2008 to 31/03/2009 and regular fee and salary for the year 2009-10, duly reconciled with the audited Income & Expenditure Account of the school, statement of account of the Parent Society, details of accrued liabilities of gratuity and leave encashment.

On the date of hearing, the school appeared through Ms. Gracy Joseph and Ms. Nancy Roney, the accountants of the school with authority from the Principal and furnished the required information and produced the relevant records. With regard to the fee recovered and salary paid consequent to implementation of VI Pay Commission report, the school furnished the following information:

Fee	2008-09	2009-10	2010-11
Arrear fee for the period from 01.01.2006 to 31.08.2008	27,18,311	15,14,780	0
Arrear fee (Tuition fee) for the period from 01.09.2008 to 31.03.2009	33,37,800	0	0
Arrear fee (Development fee) for the period from 01.09.2008 to 31.03.2009	Not collected		
Regular/ Normal Tuition Fee	2,53,62,406	3,09,65,198	3,43,29,660
Salary			
Arrear Salary for 01.01.2006 to 31.08.2009	71,93,636	62,55,758	42,28,087
Regular/ Normal Salary	2,94,99,778	2,83,30,504	3,55,73,006



In support of payment of arrear salary, bank statements highlighting such payments were also filed. The statement of account of the Society running the school for the period 01/04/2006 to 31/03/2011 was also furnished. The school also filed employee wise details of the accrued liabilities of gratuity and leave encashment as on 31/03/2008 and 31/03/2010. As per these details, the total liability of the school on account of gratuity was Rs. 79,40,557 as on 31/03/2008 which rose to Rs. 1,39,16,224 as on 31/03/2010. The liability on account of leave encashment of the school was Rs. 45,79,728 as on 31/03/2010.

It was further contended by the representatives of the school that the figures of the fee, as given above, were the gross amounts recoverable from all the students, as credited to the Income & Expenditure Accounts, without accounting for the concessions allowed by the school to various categories of student. It was contended that the concessions allowed to the students were shown as expenditure on the debit side of the Income & Expenditure Accounts. The school filed student wise and head wise detail of fee concessions for the years 2008-09, 2009-10 and 2010-11. As per the details filed, the total fee concessions allowed by the school were Rs. 12,48,949 in 2008-09, Rs. 14,63,949 in 2009-10 and Rs. 14,44,260 in 2010-11. It was contended that only the net fee ought to be considered for the purpose of relevant calculations.

With regard to development fee, the representatives of the school conceded that although development fee is treated as a capital receipt, the unutilised development fund is not kept in earmarked bank account. Similar situation prevailed for depreciation reserve fund.



Carmel Convent School, Chanakya Puri, New Delhi-110021**Discussion and Determination:**

During the course of hearing, the Committee verified the details filed by the school with reference to its audited financials. The figures given by the school with regard to fee and salary were also verified with reference to the audited Income & Expenditure Accounts. The financials of the school are very transparent and have been audited by a reputed firm of Chartered Accountants. They inspire confidence. Further the Committee notes that the school paid arrears through direct bank transfer and also pays regular salary in a similar manner. However, the Committee noticed that the total figures of salary furnished by the school based on its Income & Expenditure Accounts also included expenses on staff welfare and staff training. Such expenses amounted to Rs. 2,55,364 in 2008-09, and Rs. 65,574 in 2009-10. The Committee is of the view that such expenses cannot be treated as part of salary and suitable adjustments will be made on this account while making the final calculations. The Committee agrees with the contentions of the school that the fee concessions allowed by the school ought to be deducted from the gross fee as appearing in the Income & Expenditure Account of the school. On examining the details of the liability of gratuity as on 31/03/2010, as furnished by the school, the Committee notes that the school has shown the liability of a number of staff members, in excess of Rs. 3,50,000. As on 31/03/2010, the maximum amount payable as gratuity was Rs. 3,50,000 under the provisions of the Payment of Gratuity Act. The increased ceiling of Rs. 10.00 lacs was effective from 24/05/2010 when the Payment of Gratuity (Amendment) Act 2010 came into force. Therefore the Committee is of the view that the total liability of gratuity as on 31/03/2010

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ought to be worked out by taking the ceiling of Rs. 3,50,000. The amount so worked out is Rs. 1,21,80,929 as against 1,39,16,224 shown by the school.

Based on the above discussion, the Committee has prepared the following calculation sheet to ascertain whether the fee hiked by the school in pursuance of order dated 11/02/2009 of the Director of Education was justified or not:

Statement showing Fund availability of as on 31-03-2008			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets</u>		
	Cash in hand	7,308	
	Cash with Syndicate Bank	208,349	
	Cash with Canara Bank	3,604	
	Cash with Standard Chartered Grindleys Bank	587,223	
	Cash with ICICI Bank	56,018	
	Investments & FDRs with scheduled banks	20,441,990	
	Staff Advance	149,000	
	TDS receivable	2,490	21,455,982
Less:-	<u>Current Liabilities</u>		
	Earmarked funds		
	Scholarship Fund	191,999	
	Mrs. Shanti Chary's Endowment Fund	55,093	
	Mrs. Raj Kum. Som Kapur Foundation Endowment Fund	79,070	
	Dr. Parvathi Aiyar Endowment Fund	80,550	
	Mr. Ranjan Sharma Endowment Fund	100,000	506,712
	Security deposit (Caution Fee)	941,075	
	Other Liabilities	15,759	956,834
	Net Current Assets + Investments		19,992,436

As would appear from the above, the school had a sum of Rs. 1,99,92,436 available with it as on 31/03/2008. However, the school had liabilities to the tune of Rs. 1,67,60,657 towards gratuity and leave encashment as on 31/03/2010. The Committee is of the view that the school ought to keep funds in reserve to this extent for meeting its accrued liabilities. That leaves a sum of Rs. 32,31,779 as available with it. The

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Secretary

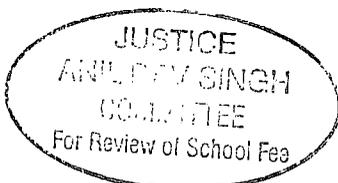
Carmel Convent School, Chanakya Puri, New Delhi-110021

Committee has taken a view that besides keeping funds in reserve for meeting the accrued liability of gratuity and leave encashment, the schools ought to keep funds in reserve equivalent to four months' salary. The total salary of the school for the year 2009-10 was Rs. 3,45,20,688. Based on this, the requirement of funds to be kept in reserve is Rs. 1,15,06,896. However, as noted above, the school barely had Rs.32,31,779. The Committee is therefore, of the view that the school did not have any funds of its own which could have been used for implementation of the VI Pay Commission report. Therefore the fee hike was imminent. In order to examine the justifiability of fee hike, the following calculations are relevant:

Total arrears paid by the school for the period 1.1.06 to 31.3.09	16,131,113	
Incremental salary for 2009-10	11,663,751	27,794,864

Arrear fee recovered for the period 1.1.2006 to 31.8.2008	4,233,091	
Arrear fee recovered for the period 1.9.2008 to 31.3.2009	3,337,800	
Incremental fee for the year 2009-10	5,371,877	12,942,768

It is apparent from the above that as against the additional expenditure of Rs. 2,77,94,864 which the school incurred on account of implementation of VI Pay Commission report, the total additional revenue generated by the school by way of fee hike pursuant to order dated 11/02/2009 was Rs. 1,29,42,768. Thus the school was in deficit to the tune of **Rs. 1,48,52,096**. However, the school has not made any claim for being allowed to raise any fee over and above the fee hike allowed to it by order



dated 11/02/2009. The Committee is therefore, of the view that so far as the tuition fee is concerned, no intervention is required.

Development Fee:

The Committee has noticed above that representatives of the school made a concession during the course of hearing that the unutilised development fee and depreciation reserve fund were not kept earmarked in separate bank accounts or investments. The Committee has also verified this fact from the audited financials of the school. Thus, the school was not fulfilling essential pre-conditions prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, for charging Development fee. In view of this position, the Committee would, in normal course, have recommended the refund of development fee charged by the school in 2009-10 and 2010-11. However, as noted above, the school was in deficit to the tune of **Rs. 1,48,52,096**. Further, the school did not have adequate funds to be kept in reserve for future contingencies. The total development fee charged by the school in pursuance of order dated 11/02/2009 for the years 2009-10 and 2010-11 was Rs. 44,56,695 and Rs. 50,54,760 respectively. Thus, the total for the two years was **Rs. 95,11,455**. In view of the fact that the deficit of the school in tuition fee account on account of implementation of VI Pay Commission was much larger than the development fee for the two years charged in pursuance of order dated 11/02/2009, the Committee refrains from recommending any refund of development fee.

Recommendations:



Carmel Convent School, Chanakya Puri, New Delhi-110021

In view of the foregoing discussion, the Committee is of the view that no intervention is required either with regard to the hike in tuition fee/recovery of arrear fee or charging development fee in the years 2009-10 and 2010-11, in pursuance of order dated 11/02/2009 of the Director of Education.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/12/2014



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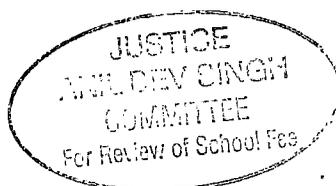

Secretary

Kala Niketan International School, Gazipur, Delhi-96

000743

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 15.05.2014 required the school to appear on 30.05.2014 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

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Kala Niketan International School, Gazipur, Delhi-96

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5. On 30.05.2014, Sh. Ramesh Girdhar, Aothorised Representative of the school attended the office of the Committee and requested for some more time to produce record. The school was directed to produce complete record on 09.06.2014.

On 09.06.2014, Sh. Rahul Jain, C.A., Sh. Amit Kumar Sharma, Advocate and Sh. Ramesh Girdhar, Cashier of the school attended the office of the Committee and produced record. Reply to the questionnaire was also filed. As per the reply:-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. w.e.f. 01. 04. 2009.

6 The record, in the first instance, was examined by Mrs. Sunita Nautiyal, Audit Officer of the Committee. She observed to the effect that:-

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) Salary to the staff had been paid through bearer and a/c payee cheques.

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

- (iii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education, dated 11.02.2009. During 2010-11, hike in fee was by less than 10%.
- (iii) TDS and PF had been deducted from the salary of the staff.

The Audit Officer after examination of the original record produced by the school returned the same to the representatives of the school.

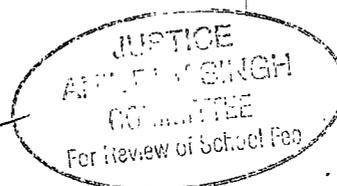
7. By notice dated 06.04.2015, the school was asked to appear on 21.04.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8 On 21.04.2015, Sh. Rahul Jain, C.A. and Sh. Amit Kumar Sharma, Advocate of the school appeared and contended that the school was granted recognition by the department w.e.f. April 2009, therefore the order of the Director of Education, dated 11.02.2009 was not applicable as there would be no issue of fee hike.

The school was directed to file a copy of the letter of recognition to the office of the Committee within one week.

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On 07.05.2015, the school filed a copy of letter of recognition, granted by the department w.e.f. academic session 2009-10, vide letter number 2229-39 dated 27.07.2009, issued by the Dy. Director of Education, Distt. East. Anand Vihar, Delhi.

RECOMMENDATION**Re. Fee Hike**

Since the school has been granted recognition by the department w.e.f. academic session 2009-10, the Committee is of the view that there is no question of fee hike, pursuant to the order of the Director of Education dated 11.02.2009.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated— 13-05-2015

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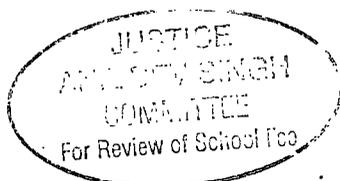
JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Vardhman Shiksha Mandir, Darya Ganj, Delhi-110002

The school had not furnished its reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. On being requisitioned, the annual returns of the school filed under Rule 180 of Delhi School Education Rules, 1973 were forwarded to the Office of the Committee by the concerned Dy. Director of Education. On prima facie examination of these returns, it appeared that the school had implemented the VI Pay Commission report and also hiked the fee for that purpose, in terms of order dated 11/02/2009 issued by the Director of Education. Accordingly, the school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 10/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 30/07/2013, for verification. The school was also issued a revised questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school, besides the usual information regarding the extent and impact of hike in fee as well as the hike in salary on account of implementation of VI Pay Commission report.

On the date fixed, Ms. Preeti Jain, Principal of the school and Sh. Chetan Kumar Shah, Accountant of the school appeared in the office of the Committee and produced the required records. They also filed reply to the revised questionnaire issued by the Committee. As per the reply, the school stated that it had prospectively implemented the VI Pay Commission report w.e.f. 01/04/2009. The arrears on account of retrospective application of



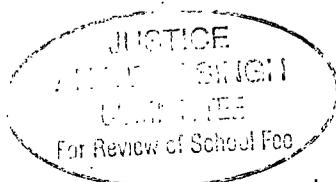
the recommendations were not paid by the school as the school did not recover any arrear fee from the students. In support of its contention, the school filed copy of the instruction sheet issued to its bankers for crediting the salaries to the accounts of the employees for the month of March 2009 and April 2009. As per these sheets, the total salary which was credited to the employees of the school for the month of March 2009 was Rs. 6,08,628 while that for the month of April 2009, it was Rs. 10,18,406.

With regard to fee hike, the school furnished a comparative chart showing the fee structures, inter alia, for 2008-09 and 2009-10. As per this chart, the school charged tuition fee uniformly for all the classes @ Rs. 1075 per month in 2008-09, which was raised to Rs. 1375 per month in 2009-10.

With regard to development fee, the school stated that it did not charge any development fee in any of the five years for which the information was sought by the Committee.

The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee and he observed as follows:

- (a) The hike in fee effected by the school in 2009-10 was in accordance with order dated 11/02/2009 issued by the Director of Education.
- (b) The salary to the staff is paid by direct bank transfer and the salary paid in 2009-10 was in accordance with the recommendations of VI Pay Commission. Further, proper deduction of TDS were made and TDS returns were filed by the school.



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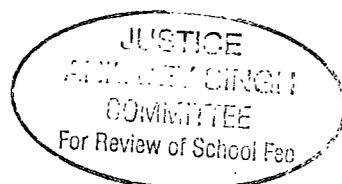
Vardhman Shiksha Mandir, Darya Ganj, Delhi-110002

The Committee issued a notice dated 12/08/2014 to the school for hearing on 19/09/2014. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school and copy of the ledger account of the Parent Society in the books of the school. Sh. Naveen Jain, Chairperson of the Society, Ms. Preeti Jain, Principal, Ms. Rakhee and Sh. Chetan, Accountants of the school appeared and reiterated the submissions made by the school in its reply to the questionnaire. No claim was made regarding any accrued liability for gratuity or leave encashment.

During the course of hearing, it emerged that the school also runs a nursery school (Vardhman Nursery School) from the same premises whose accounts are separately maintained and are not merged with the accounts of the main school. Accordingly, the school was required to file the audited financials and fee schedules of the nursery school for the years 2008-09 to 2010-11.

Further, on examining the ledger account of the Society, it emerged that the school was transferring funds every year to the Jain Society, which is the parent society of the school.

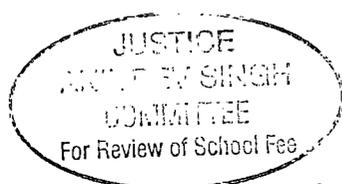
The school furnished the fee schedules and audited balance sheets of Vardhman Nursery School for the years 2008-09, 2009-10 and 2010-11 only on 24/09/2014. Those for the years 2006-07 and 2007-08 were not furnished. Accordingly an email was sent to the school on 19/12/2014 requiring it to file the audited financials for these two years also. The school filed the same in the office of the Committee on 22/12/2014.



Vardhman Shiksha Mandir, Darya Ganj, Delhi-110002

The Committee directed its audit officer to prepare a preliminary calculation sheet by clubbing the figures of the main school as well as the nursery school. She was also directed to include the funds transferred by the school to the Society, as funds available with the school as the transfer of funds to the society, was illegal in view of the judgment of the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583 and Action Committee Unaided Pvt. Schools and Ors. v. Director of Education and Ors. 2009 (11) SCALE 77]. Based on the balance sheets of the main school and the nursery school, she prepared the following calculation sheet:

Statement showing Fund available as on 31-03-2009 and the effect of fee hike and salary hike on implementation of VI Pay Commission report.				
	Particulars	Sr. School	Nursery School	Total
	<u>Current Assets + Investments</u>			
	Cash in hand	42,919	12,245	55,164
	Bank Balance	1,174,411	1,259,677	2,434,088
	Advances to Staff	14,400	500	14,900
	FDRs	308,828	-	308,828
		1,540,558	1,272,422	2,812,980
Less:	<u>Current Liabilities</u>			
	Students Security (Caution fee)	1,080,127	161,980	1,242,107
	Expenses Payable	22,150	5,700	27,850
	Advane fee	-	288,800	288,800
		1,102,277	456,480	1,558,757
	Net Current Assets + Investments (Funds Available)	438,281	815,942	1,254,223
Add:	Funds transferred to the Society from 2006-07 to 2010-11	3,960,341	1,365,000	5,325,341
	Total Funds available (including funds transferred to society)	4,398,622	2,180,942	6,579,564
	Total Liabilities after implementation of VIth Pay Commission:			
Less:	Incremental Salary for 2009-10	5,195,552	313,679	5,509,231
	Excess / (Short) Fund Before Fee Hike	(796,930)	1,867,263	1,070,333
Add:	Total Recovery after VI th Pay Commission			
	Incremental Tuition Fee for 2009-10	4,653,041	169,645	4,822,686
	Excess / (Short) Fund After Fee Hike	3,856,111	2,036,908	5,893,019



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Vardhman Shiksha Mandir, Darya Ganj, Delhi-110002 000751**Working Notes**

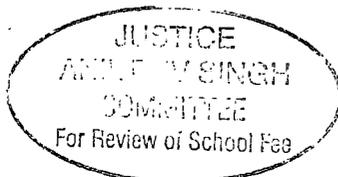
	Sr. School	Nursery Sch.
Tuition Fee received in 2009-10	15,699,843	1,583,200
Tuition Fee received in 2008-09	11,046,802	1,413,555
Incremental Tuition Fee in 2009-10 as per I & E A/c	4,653,041	169,645

Salary Expenditure in 2009-10	14,309,419	1,248,160
Salary Expenditure in 2008-09	9,113,867	934,481
Incremental Salary in 2009-10 as per I & E A/c	5,195,552	313,679

Funds transferred to Society

	Sr. School	Nursery
	Rs.	
F.Y. 2006-07	1,350,341	50,000
F.Y. 2007-08	(500,000)	(75,000)
F.Y. 2008-09	1,085,000	490,000
F.Y. 2009-10	1180000	805,000
F.Y. 2010-11	845,000	95,000
Total	3,960,341	1,365,000

The above calculation sheet was checked by the Committee. The Committee was of the view that although the school had a surplus of Rs. 58,93,019, after implementation of VI Pay Commission report, it ought to retain with itself funds equivalent to four months' salary as reserve for future contingencies. Accordingly, the audit officer was directed to revise the calculation sheet to provide for reserve for future contingencies. She worked out that the funds available with the school which were in surplus were to the tune of Rs. 7,07,159 after providing for reserve for future contingencies which was quantified at Rs. 51,85,860 based on the total salary expenditure of Rs. 1,55,57,579 for the year 2009-10, of both the main and the nursery school. This was prima facie found to be in order by the Committee but before making any final recommendations, the Committee furnished a copy



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Vardhman Shiksha Mandir, Darya Ganj, Delhi-110002

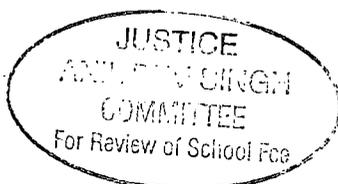
of the preliminary calculation sheet to the school vide notice dated 30/12/2014. The school was required to have its say on the preliminary calculations on 09/01/2015 before the Committee.

On the aforesaid date, Ms. Preeti Jain, Principal and Ms. Rakhee Gupta, UDC and Sh. Chetan Shah, Accountant of the school appeared and filed written submissions dated 08/01/2015, contending that:

- (a) Funds transferred to the Society in the year 2010-11 amounting to Rs. 9,40,000 ought not to have been taken into consideration as the Committee was considering the issue of fee hike in 2009-10, in which year, such funds could not have been deemed to be available.
- (b) The Committee had not considered the provident fund administrative expenses, contingency expenses and outdoor services expenses in its calculations. The same ought to have been considered.
- (c) Funds are transferred to the Society as the Society has provided the building for running the school.

Discussion and Determination:

The Committee has perused the financials of the school as well as the annual returns filed by it under Rule 180 of Delhi School Education Rules, 1973, the observations of the audit officer and the preliminary calculation sheet prepared by her, qua the tuition fee and the response of the school to the preliminary calculation sheet. The Committee is of the view so far as contention at (a) is concerned, the school is on a firm ground. While



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considering the fee hike for the year 2009-10, the funds transferred to the Society in 2010-11 ought not to have been considered. The same would be relevant if the fee hike effected by the school in 2010-11 were the subject matter of determination. If the funds transferred to the Society in 2010-11 are excluded, there would be no surplus which would be liable to be refunded. In view of this determination, the Committee is not considering the contentions raised by the school as noticed at (b) & (c) supra.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that qua the fee hiked by the school in 2009-10 in pursuance of order dated 11/02/2009 issued by the Director of Education, no intervention is required. However, the Director may take such action against the school for transferring funds to its parent Society in 2010-11 and possibly in subsequent years also, as may be warranted under the law.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

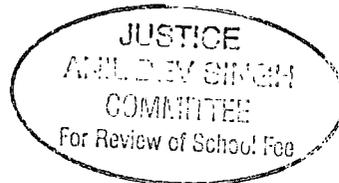
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 02/02/2015



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Secretary

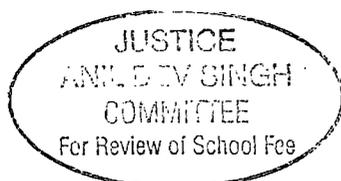
National Public School, Darya Ganj, New Delhi-110002

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The school had not filed its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by reminder dated 27/03/2012. However, on being requisitioned by the Committee, the annual returns filed by the school under rule 180 of Delhi School Education Rules, 1973 were received from the office of the concerned Dy. Director of Education. On prima-facie examination of these returns, it appeared that the school had hiked the fee in pursuance of order dated 11/02/2009 issued by the Director of Education and at the same time had also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B' for the purpose of verification.

In order to verify the returns of the school, the Committee issued a notice dated 10/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, the Provident Fund and TDS Returns, in the office of the Committee on 30/07/2013, for verification. Besides, the school was also required to furnish reply to the questionnaire to elicit information regarding the extent of fee hike and implementation of VI Pay Commission report, the charge and utilisation of development fee and maintenance of earmarked development fund and depreciation reserve fund.

On the scheduled date, Sh. Ravi Prakash Goel, a UDC of the School appeared and produced the required records in the office of the Committee. He also filed reply to the questionnaire issued by the Committee. As per the reply, the school contended that:



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National Public School, Darya Ganj, New Delhi-110002

- (a) It had implemented the recommendations of the 6th Pay Commission w.e.f. 01/10/2009. In support, the school furnished copies of its salary statement for the month of September 2009 and October 2009. A copy of a statement showing interim payment of arrears on 28/05/2009, amounting to Rs.1,57,833, was also enclosed.
- (b) It had increased the fee w.e.f. 01/04/2009, in pursuance of order dated 11/02/2009 issued by the Director of Education.
- (c) It had charged development fee in all the five years for which information was sought by the Committee i.e. 2006-07 to 2010-11. It enclosed a statement of development fee charged in these years and also expenditure incurred out of such development fee. The total receipt on this account in these five years was shown to be Rs.10,03,835 and expenditure out of this account during the corresponding period was shown to be Rs.77,960.
- (d) Development fee is treated as a revenue receipt in the accounts and neither any earmarked development fund nor any depreciation reserve fund is maintained by the school.

The records produced by the school were examined by Sh. N.S. Batra, Audit Officer of the Committee. He observed that:

- (a) During 2008-09 and 2009-10, the school had charged tuition fee from the students at the following rates:



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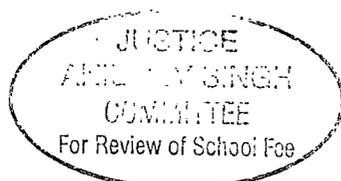
National Public School, Darya Ganj, New Delhi-110002

Class	Tuition fee in 2008-09 (Rs.)	Tuition fee in 2009-10 (Rs.)	Increase in 2009-10 (Rs.)
Nursery	575	775	200
KG	620	820	200
I-II	970	1170	200
III-V	970	1170	200
VI-VIII	995	1195	200

(b) The fee hiked by the school in 2010-11 was within the tolerance limit of 10%.

(c) The school had only partially implemented the 6th Pay Commission report w.e.f. October 2009, in as much as only basic pay and grade pay had been revised as per the recommendations of the 6th Pay Commission. DA had been paid at less than the rates prevailing at that time. Further, the transport allowance had not been paid as per the recommendations.

In order to provide an opportunity of being heard, the Committee, vide notice dated 12/08/2014 required the school to appear before it on 22/09/2014. On this date, Sh. Ravi Prakash Goel appeared and sought adjournment for a few days. Accordingly, a fresh notice dated 25/09/2014 was issued to school for hearing on 13/10/2014. On this date, Sh. Ravi Prakash again appeared and contended that in a lis between the staff and the management of the school, in WP(C) 7127/2012, in the Hon'ble High Court of Delhi, the school had been ordered to pay the salary and allowances to the staff in accordance with section 10(1) of the Delhi School Education Act, 1973. A copy of the order of the Hon'ble High Court was also filed by him. Subsequently, he

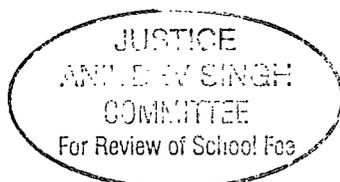


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National Public School, Darya Ganj, New Delhi-110002

contended that a memorandum of understanding was signed between the staff and the management of the school, as per which the staff was to be paid arrears of salary for the period 01/01/2006 to 30/09/2013 in three installments on 01/09/2014, 01/12/2014 and 15/12/2014 and based thereon, the Hon'ble High Court of Delhi disposed off in LPA 379/2014 which was filed by the Managing Committee of the school. The representative of the school was directed to file copy of the settlement sheets for arrears payable to staff, the audited balance sheets for 2011-12, 2012-13 and 2013-14 and the fee schedules for these years, as also the order passed by the Hon'ble High Court in LPA 379/2014. The matter was directed to be re-listed on 03/11/2014. On this date, Sh. Ravi Goel again appeared and filed some of the documents which the school was directed to file. However, the memorandum of understanding signed with the staff was not filed. The hearing was closed with directions to the school to file MOU within 2 days. However, the school did not file the same. The Committee was constrained to issue another notice to the school on 01/01/2015 requiring the school to file the MOU and copy of its bank statements in evidence of payment of the amounts settled to be paid. In response to this notice, the school filed these documents on 08/01/2015.

The Committee has verified from the bank statement that the amounts settled to be payable to the staff in three installments have indeed been paid. A total sum of Rs.35,09,912 had been paid as arrears in terms of the settlement. The Committee directed its Audit Officer to prepare the calculation sheet for perusal by the Committee, to examine



National Public School, Darya Ganj, New Delhi-110002

the justifiability of fee hike by the school. As the school had hiked the fee w.e.f. 01/04/2009, the Audit Officer was directed to take the audited balance sheet as on 31/03/2009 as the basis to determine the funds available with the school at the threshold and to take the incremental salary in the years 2009-10 to 2013-14 and the arrears paid in terms of the settlement arrived by the school with its staff, vis-à-vis the incremental fee for these years (including the arrear fee recovered by the school as per its audited accounts). The Audit Officer prepared the following calculation sheet:



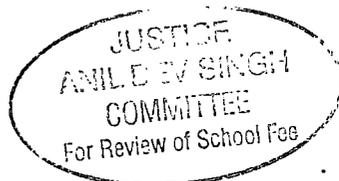
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National Public School, Darya Ganj, New Delhi-110002

Statement showing Fund available as on 31-03-2009 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	16,033	
	Bank Balance	475,209	
	TDS	13,875	
	Fee Receivable	11,365	
	FDRs with accrued interest	1,424,493	1,940,975
Less:	<u>Current Liabilities</u>		
	Caution Money	358,065	
	Audit Fee Payable	6,734	
	Advance Fee received	9,730	374,529
	Net Current Assets + Investments (Funds Available)		1,566,446
	Total Liabilities after implementation of Vith Pay Commission		
Less:	Arrear of 6th CPC paid in 2014-15 as per court order	3,509,912	
	Increase in salary in 2009-10	546,812	
	Increase in salary in 2010-11	80,972	
	Increase in salary in 2011-12	364,815	
	Increase in salary in 2012-13	13,774	
	Increase/(decrease) in salary in 2013-14	(9,606)	4,506,679
	Excess / (Short) Fund Before Fee Hike		(2,940,233)
Add:	Total Recovery after VI th Pay Commission		
	Recovery of arrear fee in 2009-10 (as per I&E A/c)	424,350	
	Increase in Tuition fee in 2009-10	161,935	
	Increase/(decrease) in Tuition fee in 2010-11	(107,225)	
	Increase/(decrease) in Tuition fee in 2011-12	(81,750)	
	Increase in Tuition fee in 2012-13	83,185	
	Increase/(decrease) in Tuition fee in 2013-14	(107,735)	372,760
	Excess / (Short) Fund After Fee Hike		(2,567,473)

The Committee has examined the calculation sheet prepared by the audit Officer with reference to the audited accounts of the school and has found the same to be in order. As per the calculation sheet, the



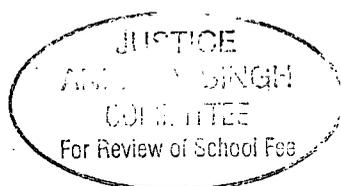
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Secretary

National Public School, Darya Ganj, New Delhi-110002

school had available with it a sum of Rs.15,66,446 as on 31/03/2009. The incremental fee for the years 2009-10 to 2013-14 (including arrear fee) was Rs.3,72,760. Therefore, the total funds available with the school for paying the salaries as per the recommendations of 6th Pay Commission were Rs.19,39,206. As against this, the school had to pay arrears amounting to Rs.35,09,912 in terms of the settlement arrived at with the staff. Further, the incremental salary for the years 2009-10 to 2013-14 was Rs.9,96,767. Taking into account these figures, the school was in deficit to the tune of Rs.25,67,473 without taking into account its accrued liabilities for gratuity, leave encashment and reserve for future contingencies. The Committee considers that consideration of these liabilities and reserves would be an exercise in futility. The deficit was partly met out of development fee which the school treated as a revenue receipt.

In view of the foregoing determinations, the Committee is of the view that the fee hike effected by the school was justified considering its additional liabilities which the school was required to discharge on account of recommendations of 6th Pay Commission, although it did so under compulsion when the staff took the matter to the Court. Further, in view of the fact that the school utilised the development fee for meeting its deficits in tuition fee account, no intervention is called for in respect of that also, although the school was not complying with any of the pre-conditions for charging development fee.



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National Public School, Darya Ganj, New Delhi-110002

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required either in the matter of tuition fee hike, or in the matter of charging of development fee.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 18/03/2015

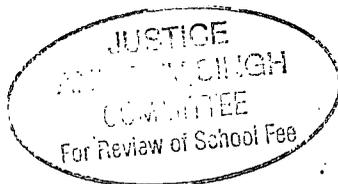


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The school had not filed any reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. On a requisition made by the Committee, the Dy. Director of Education, Distt. West-B, forwarded to the office of the Committee, copies of returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11, the fee statements filed by it as per section 17(3) of Delhi School Education Act, 1973, details of salary paid to the staff before implementation of VI Pay Commission report and after its implementation, details of arrears paid on account of retrospective application of VI Pay Commission report, copy of circular issued to the parents intimating the increase in fee as per order dated 11/02/2009 of the Director of Education. On the basis of the information furnished by the school, it was placed in category 'B' for the purpose of verification.

In order to verify the returns and details filed by the school, the Committee issued a notice dated 13/06/2013, requiring the school to produce its fee records, salary records, books of accounts, bank statements, copies of provident fund and TDS returns for the years 2008-09 to 2010-11, in the office of Committee on 27/06/2013. The school was also issued a revised questionnaire which, besides seeking information regarding the hike in fee and salary pursuant to implementation of VI Pay Commission report, also included the relevant questions regarding development fee charged by the school.

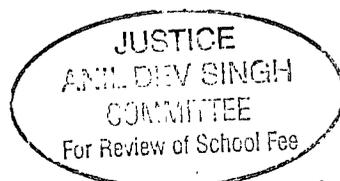


Rainbow English School, Janakpuri, New Delhi-110058

On the scheduled date, Sh. Parveen Mehta, Accountant of the school appeared and produced the required records. He also filed reply to the revised questionnaire issued by the Committee.

As per the reply, the school stated that:

- (a) It had implemented the VI Pay Commission report w.e.f. Feb. 2009. The monthly salary for the pre implementation period was Rs. 9,25,919 which rose to Rs. 12,98,529 after its implementation.
- (b) The school had arrears aggregating Rs. 43,47,356 on account of retrospective application of VI Pay Commission report.
- (c) The school had increased the tuition fee of the school as per order dated 11/02/2009, issued by the Director of Education by a sum of Rs. 300 per month for all the classes.
- (d) The school had collected arrears of tuition fee for the period 01/09/2008 to 31/03/2009 and lump sum arrears for the period 01/01/2006 to 31/08/2008 and the aggregate collection on this account was Rs. 34,13,721.
- (e) The school started charging development fee from the year 2010-11 only and the total collection in this account was Rs. 30,66,185. Such development fee was treated as a revenue receipt in the accounts.
- (f) The school invested a sum of Rs. 25,28,043 out of such development fee received in 2010-11 on purchase of furniture &



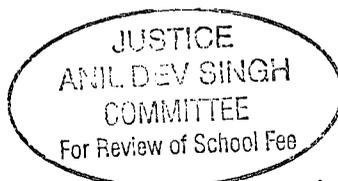
fixture and equipments. In support, the school filed copies of purchase invoices of such assets.

- (g) The school did not have earmarked accounts for unutilised development fund and depreciation reserve fund in respect of depreciation on assets acquired out of development fee.

The records produced by the school were examined by Sh. N.S. Batra, audit officer of the Committee and he observed that although the school had implemented the VI Pay Commission report w.e.f. February 2009, the DA and HRA were not being paid at the extant rates.

In order to provide an opportunity of being heard, the Committee issued a notice dated 15/05/2014, requiring the school to appear before the Committee on 05/06/2014. Further, the school was required to furnish the details of arrear fee and salary for the period 01/01/2006 to 31/08/2008, 01/09/2008 to 31/03/2009 and regular fee and salary for the year 2009-10, duly reconciled with the audited Income & Expenditure Account of the school, statement of account of the Parent Society, details of accrued liabilities of gratuity and leave encashment.

On the date of hearing, the school appeared through Sh. Saurab Kashyap, Vice Principal, Sh. Parveen Mehta, Accountant and Ms. Mohanjeet Kaur, Clerk. They filed written submissions dated 05/06/2014 in response to the Committee's notice. Besides reiterating what the school had stated in its reply to the questionnaire issued by the Committee, they contended that:



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- (a) Though the total liability of the school for payment of arrears was Rs. 61,00,941, the school had paid only Rs. 43,47,356 on account of the fact that the school had not fully recovered the arrear fee from the students.
- (b) As per the order dated 11/02/2009 issued by the Director of Education, the school was entitled to recover Rs. 58,34,400 as arrear fee, as against which, the school could recover only Rs. 34,13,721 till May 2009.
- (c) The total expenditure on normal salary and employer's contribution to provident fund for the year 2008-09 was Rs. 1,26,03,775, which rose to Rs. 1,84,26,016 on implementation of VI Pay Commission report.
- (d) The total revenue of the school on account of tuition fee in 2008-09 was Rs. 1,62,41,919 which rose to Rs. 2,13,15,728, as a result of hike in fee as permitted by order dated 11/02/2009 of the Director of Education.
- (e) The school had an accrued liability of Rs. 10,96,753 for gratuity and Rs. 7,57,005 for leave encashment as on 31/03/2008. The respective figure as on 31/03/2010 were Rs. 30,92,489 and Rs. 18,04,903 respectively (the school filed the employee wise details in respect of both these liabilities).



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Rainbow English School, Janakpuri, New Delhi-110058

Discussion and Determination:

Tuition Fee:

During the course of hearing, the Committee verified the details filed by the school with reference to its audited financials, bank statements and books of accounts.

The Committee noticed that out of a total sum of Rs. 43,47,956 which has been shown by the school as payment of arrears on account of implementation of VI Pay Commission report, a large portion of Rs. 29,02,956 was paid by way of bearer cheques. Only a sum of Rs. 14,45,000 was paid by way of bank transfers. The Committee is at a loss to understand as to what prompted the school to pay almost 67% of the total arrears by way of bearer cheques. The school is situated in an upper middle class locality and it is expected that all the teachers would have bank accounts particularly when they are getting good salary on account of implementation of VI Pay Commission report. In these circumstances, the Committee is of the view that the payments which are shown to have been made by bearer cheques did not go to the staff members. Hence for the purpose of relevant calculations, the Committee will consider only the sum of Rs. 14,44,400 as arrear payments on account of implementation of VI Pay Commission Report.

The Committee has examined the audited balance sheet of the school as on 31/03/2008 in order to ascertain the funds which were available with the school, that could have been utilised for

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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implementation of VI Pay Commission report. The Committee finds that the school had a total of **Rs. 47,30,684** as funds available with it as on that date. This determination is made as follows:

Statement showing Fund available as on 31-03-2008			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	479,764	
	Cash at Bank	189,123	
	Staff advances	111,100	
	Prepaid expenses	13,542	
	Due from Rainbow Industrial Training Institute	2,520,064	
	Due from Rainbow International School	2,467,856	5,781,449
Less:	<u>Current Liabilities</u>		
	Advance Tuition Fee	26,550	
	Sundry Creditors	40,037	
	Statutory dues payable	72,663	
	Expenses Payable	911,515	1,050,765
	Net Current Assets + Investments		4,730,684

The Committee has taken a view that the schools ought to retain funds in reserve for discharge of accrued liabilities of gratuity, leave encashment and for future contingencies, which the Committee has felt to be equivalent to four months salary as justified. The gratuity liability of the school as on 31/03/2010 was Rs. 30,92,489, the liability on account of leave encashment was Rs. 18,04,903. The total of these two liabilities is more than the funds available with the school, as determined by the Committee. Hence, in the considered view of the Committee, the school did not have any funds of its own which could have been utilised for implementation of VI Pay Commission report. Hence a fee hike was imminent. Whether the hike to the extent effected by the school was justified or excessive is the only question to be considered by the



Rainbow English School, Janakpuri, New Delhi-110058

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Committee as the school has not put forth any claim for being allowed to hike the fee over and above that allowed to it by order dated 11/02/2009 of the Director of Education.

For examining this aspect, the following calculations are relevant:

Total Recovery after VI th Pay		
Arrear of Tuition fee w.e.f 01.01.06 to 31.08.08	1,318,636	
Arrear of Tuition fee from 01.09.2008 to 31.03.2009	2,095,985	
Incremental Tuition Fee in 2009-10 (as per calculation given below)	5,073,809	8,488,430

Arrear of Salary paid as per VI th Pay Commission (w.e.f. 01.01.2006 to 31.03.2009)	1,444,400	
Incremental Salary for 2009-10 (as per calculation given below)	5,822,241	7,266,641

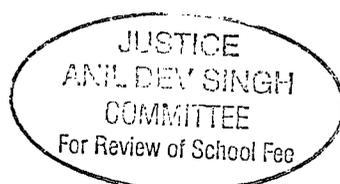
Working notes

	2008-09	2009-10
Normal/ regular salary as per Income & Expenditure Account	12,603,775	18,426,016
Incremental Salary in 2009-10	5,822,241	

	2008-09	2009-10
Normal/ regular Tuition Fee as per Income & Expenditure Account	16,241,919	21,315,728
Incremental Tuition Fee in 2009-10	5,073,809	

Total Arrears shown to have been paid	4,347,356
Less: Arrears paid by bearer cheques	2,902,956
Arrears paid by bank transfer	1,444,400

As would be apparent from the above calculations, the school, prima facie hiked more fee than was required to offset the additional



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Rainbow English School, Janakpuri, New Delhi-110058

burden on account of VI Pay Commission report, to the extent of Rs. 12,21,789 (8,488,430-7,266,641). However, at this stage, the Committee is reserving its view whether the school ought to refund this excess fee or not.

Development Fee:

The Committee has noticed above that the school admitted in its reply to the questionnaire that the school charged development fee amounting to **Rs. 30,66,185** in 2010-11 and treated the same as a revenue receipt. It also admitted that the unutilised development fee and depreciation reserve fund were not kept earmarked in separate bank accounts or investments. The Committee has also verified this fact from the audited financials of the school. Thus, the school was not fulfilling essential pre-conditions prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, for charging Development fee. In view of this position, the Committee would, in normal course, have recommended the refund of development fee charged by the school in 2010-11.

The net result of our above discussion is that the school charged an excess tuition fee of Rs. 12,21,789 and development fee of Rs. 30,66,185, without complying with the preconditions as laid down by the Hon'ble Supreme Court. Thus the total amount, which appears to be refundable, amounts to Rs. 42,87,974. However, it is relevant to note here that while making the relevant calculations with regard to



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Rainbow English School, Janakpuri, New Delhi-110058

justifiability of hike in tuition fee, although the Committee has taken into account the accrued liabilities of the school on account of gratuity and leave encashment, the Committee did not factor in the reserve required by the school for future contingencies, which the Committee determined to be Rs. 61,42,005. In this view of the matter, the Committee is of the opinion that no intervention is required either in regard to the tuition fee hiked by the school or with regard to the development fee charged by it in 2010-11.

Recommendations:

In view of the foregoing discussion and determinations, the Committee is of the view that no intervention is required either with regard to the hike in tuition fee/recovery of arrear fee or charging development fee in 2010-11, in pursuance of order dated 11/02/2009 of the Director of Education.

Recommended accordingly.

Sd/-
CA J.S. Kochar
Member

Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-
Dr. R.K. Sharma
Member

Dated: 15/01/2015



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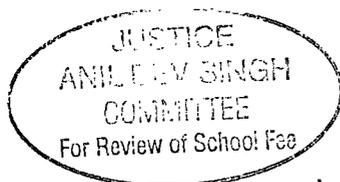
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Mahashay Chunilal Saraswati Bal Mandir, Hari Nagar, New Delhi-
110064

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The school had not furnished any reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns filed by the school for the years 2006-07 to 2010-11, from the office of the concerned Dy. Director of Education. It appears that on receipt of the requisition from the Committee, the Education Officer of zone-14 of the Directorate of Education required the school to furnish the same and the school furnished them to the Education Officer under cover of its letter dated 13/04/2012. These were forwarded to the Committee. On prima facie examination of the annual returns, it appeared that the school had hiked the fee in accordance with order dated 11/02/2009 issued by the Director of Education and had also implemented the recommendations of the VI Pay Commission. Accordingly, the school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 01/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 12/07/2013, for verification. The school was also issued a revised questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school, besides the relevant information of tuition fee hike and the salary hike on account of implementation of VI Pay Commission report. The date of verification was deferred to 07/08/2013. On this date, Sh. Ajay Kumar Awasthi,



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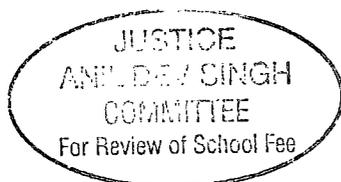
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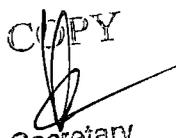
Principal, Sh. S.P. Girdhar, UDC and Ms. Neelam Chopra, UDC of the school appeared along with relevant records. They also filed reply to the revised questionnaire.

As per the reply to the revised questionnaire, the school stated that it had implemented the recommendations of the VI Pay Commission report w.e.f. 01/03/2009 and had also paid arrears for the period 01/01/2006 to 28/02/2009. In support of this contention, the school filed salary sheets for the month of February 2009 showing the total expenditure on salary to be Rs. 13,34,008 and that for the month of March 2009 showing the total salary to be Rs. 17,75,908. Further the school enclosed details of arrears for the period September 2008 to February 2009, aggregating Rs. 17,04,728. Another statement of arrears paid for the period January 2006 to August 2008 was filed showing the total payment to be Rs. 21,96,772.

With regard to hike in fee, the school contended that it had hiked the tuition fee w.e.f. 01/09/2008 in terms of order dated 11/02/2009 issued by the Director of Education and also collected arrears of tuition fee which aggregated Rs. 41,10,925. The hike in monthly tuition fee was stated to be as follows:

Class	Monthly tuition fee (pre hike) (Rs.)	Monthly tuition fee (Post hike) (Rs.)	Increase in monthly tuition fee (Rs.)
VI	1000	1200	200
VII	1050	1350	300
VIII	1100	1400	300
IX	1150	1450	300



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110064

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X	1200	1500	300
XI	1300	1600	300
XII	1300	1600	300

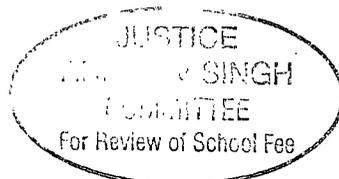
With regard to development fee, the school admitted that it had charged development fee in all the five years for which the information was sought and the same was treated as a revenue receipt in the accounts. The details of development fee charged and utilised as furnished by the school is as follows:

Year	Development fee collected (Rs.)	Development fee utilised (Rs.)	Unutilised development fee (Rs.)
2006-07	13,08,760	96,032	12,12,728
2007-08	12,53,680	Nil	12,53,680
2008-09	14,70,800	5,03,892	9,66,908
2009-10	25,04,100	3,23,574	21,80,526
2010-11	30,95,500	Nil	30,95,500

It was further stated that the unutilised development fee was not kept in an earmarked development fund account nor the school maintained a depreciation reserve fund account in respect of depreciation charged on assets acquired out of development fee.

The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee and he observed as follows:

- (a) The fee charged by the school in 2008-09, 2009-10 and 2010-11 was in accordance with the fee schedules submitted by the school.

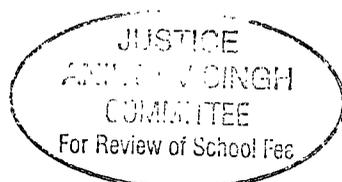


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- (b) The school implemented the VI Pay Commission report w.e.f. 01/03/2009, the DA was paid @ 22% as on the date of implementation but transport allowance is not being paid by the school.
- (c) The salary to the staff is paid by direct bank transfer. The school operates three bank accounts and the balances of the banks as appearing in the books tallied with the balances as per bank statements subject to reconciliation statement which were obtained. The school has no cash transaction.
- (d) The school was making proper provident fund and TDS deductions and was filing returns with the relevant authorities

The Committee issued a notice dated 22/10/2014 to the school for hearing on 12/11/2014. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school, besides giving reconciliations of the figures of fee and salary with the Income & Expenditure accounts for the years 2008-09 to 2010-11. On the date of hearing, Sh. Ajay Kumar Awasthi, Principal of the school appeared with Sh. Pawan Kumar Paliwal, UDC. They sought some more time to furnish the information as required by the Committee. Accordingly they were asked to file the details by 25/11/2014 after which a fresh hearing was required to be fixed. The school filed the relevant details/information under cover of its letter dated 25/11/2014. With regard to the liability of gratuity, the school stated that it contributes an annual premium to its Parent Society i.e.



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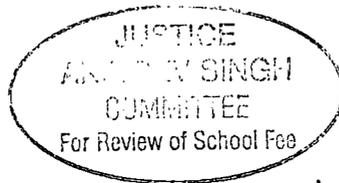
Secretary

Mahashay Chunilal Saraswati Bal Mandir, Hari Nagar, New Delhi-
110064

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Sammarth Shiksha Samiti which has taken a group gratuity policy of LIC covering the employees of this school as also the employees of 26 other school which are run by the Samiti. As such the school has no further liability for payment of gratuity from its own funds. With regard to leave encashment, the school stated that the same is paid out of the school funds and furnished details of its accrued liabilities as on 31/03/2008 and 31/03/2010. As per the details furnished, the liability of the school on this account on these two dates was Rs. 25,23,588 and Rs.46,22,075 respectively.

The Committee examined the details filed by the school as also the figures of arrear fee, arrear salary, regular fee and regular salary (both pre hike and post hike) as also the funds available with the school at the threshold as on 31/03/2008. Accordingly, a preliminary calculation sheet was directed to be prepared by the audit officer of the Committee to ascertain the justifiability of the fee hiked by the school. The preliminary calculation sheet prepared by the audit officer is as follows:



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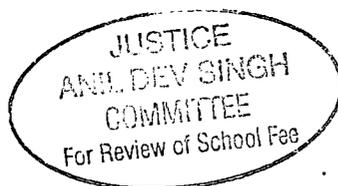

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Statement showing Fund available as on 31-03-2008 and effect of fee hike and salary hike on implementation of VI Pay Commission report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	-	
	Bank Balance	1,352,941	
	Fixed Deposits with Accrued interest	546,546	
	TDS	3,028	
	SSS West Zone	550,547	
	Amount Receivable	364,000	
	Advance PF	2,500	
	Fees Receivable	12,415	
			2,831,977
Less:	<u>Current Liabilities</u>		
	Audit Fees payable	37,041	
	Expenses Payable	24,955	
	PTA Payable	22,300	
	Students Security	689,000	
	Advance Fee	406,500	
			1,179,796
	Net Current Assets + Investments		1,652,181
	Total Liabilities after VIth Pay Commission		
Less:	Arrear of Salary paid as per VI th Pay Commission (01.01.2006 to 31.08.2008)	2,173,259	
	Arrear of Salary paid as per VI th Pay Commission (Sept.08 to Feb.09)	1,704,728	
	Increased Salary for 2009-10	8,816,883	
			12,694,870
	Excess / (Short) Fund Before Fee Hike		(11,042,689)
Add:	Total Recovery after VI th Pay Commission		
	Recovery of Arrears of Tuition fee for 01.01.06 to 31.08.08	1,814,025	
	Arrear of Tuition Fee w.e.f 01.09.08 to 31.03.09	2,292,400	
	Annual increase in Tuition Fee (FY 09-10)	1,823,875	
			5,930,300
	Excess / (Short) Fund After Fee Hike		(5,112,389)

Working notes**Increase in salary in 2009-10 as per Income & Exp. A/c**

Salary expenditure in 2009-10	23,741,825
Less: Salary expenditure in 2008-09	14,924,942
Increase in salary in 2009-10	8,816,883



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Increase in tuition fee in 2009-10 as per Income & Exp. A/c	
Tuition fee in 2009-10	18,139,200
Less: Tuition fee in 2008-09	16,315,325
Increase in Tuition fee in 2009-10	<u><u>1,823,875</u></u>

The Committee issued a fresh notice dated 28/11/2014 for hearing on 10/12/2014. In response, Sh. Ajay Kumar Awasthi, Principal, Sh. Dinesh Khandelwal, Treasurer of Sammarth Shiksha Samiti appeared with Sh. Pawan Kumar Paliwal and Sh. Lekh Raj, UDCs. They were heard by the Committee. The Committee observed that the school had not paid full amount of arrears to the staff and inquired from the representatives the reasons therefor. The representatives submitted that the Parent Society i.e. Sammarth Shiksha Samiti manages 28 schools in Delhi and collected the figures of collection of arrear fee from all the 28 schools and based upon the total collection and the total liability of all the 28 schools, came to the conclusion that with the amount that was collected as arrear fee, it was not possible for all the schools to pay full arrears to the staff. Since the staff of the school was transferable and a common seniority list was maintained, it would not have been proper to pay arrears at differential rates to the staff of different schools and accordingly a central directive was issued to all the schools to pay 50% of the arrears for the period 01/09/2008 to 31/03/2009 and 18% of the arrears for the period 01/01/2006 to 31/08/2008. However, w.e.f.



**Mahashay Chunilal Saraswati Bal Mandir, Hari Nagar, New Delhi-
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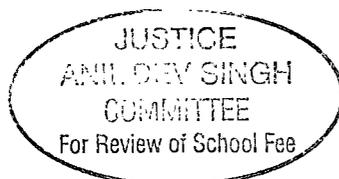
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01/04/2009, all the school implemented the VI Pay Commission report except for payment of transport allowance. With regard to development fee, the representatives conceded that it was treated as a revenue receipt and the same was not utilised for the purposes for which development fee is collected. It was also conceded that no earmarked development fund and depreciation reserve fund was maintained by the school.

Discussion and Determination:

The Committee has perused the financials of the school as well as the annual returns filed by it under Rule 180 of Delhi School Education Rules, 1973, the observations of the audit officer and the preliminary calculation sheet prepared by her, qua the tuition fee.

As regards the implementation of VI Pay Commission report w.e.f. April 2009, the Committee is of the view that although the school does not pay transport allowance, the partial implementation of VI Pay Commission report, to the extent it has been implemented cannot be disregarded particularly in view of the fact that the school pays salary by direct bank transfer and makes proper deductions of provident fund and TDS which are deposited with the Government. However, with regard to the payment of arrear salary, the Committee has reservations about the method adopted by the school in paying only partial arrears. Going by this method, it would be possible for a particular school which collected full arrear fee but still would be paying only partial arrear salary to the



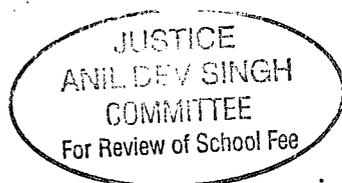
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Mahashay Chunilal Saraswati Bal Mandir, Hari Nagar, New Delhi- 000779
110064

staff, just because another school being managed by the Society is not able to collect the full arrear fee to be able to pay to its staff. The Delhi School Education Act, 1973 grants recognition to individual school and not to a Society which may be running a group of schools. The financials of the school have to be considered on a standalone basis. Having said that, the Committee finds that in the case of this particular school, the total collection of arrear fee was Rs. 41,06,425 while the total payment on account of arrear salary was Rs. 38,77,987. Hence in the case of this school, the two figures nearly match. Therefore, the Committee is of the view that the method of payment of arrear salary by the school may not have a material effect in the case of this school. However, the same cannot be said of the other schools being managed by the Society.

As noticed above, the calculation sheet as prepared by the audit officer, shows that after accounting for the funds available with the school at the threshold, the additional fee revenue generated on account of fee hike and the additional liability of the school on account of implementation of VI Pay Commission report, resulted in a deficit of **Rs. 51,12,389**. This deficit has been worked out without taking into account the requirement of the school to keep funds in reserve for meeting its accrued liability of leave encashment and reserve for future contingencies. The Committee has examined the calculation sheet prepared by the audit officer and finds the same to be in order. Hence, so far as tuition fee is concerned, the Committee does not see any reason to intervene.



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**Mahashay Chunilal Saraswati Bal Mandir, Hari Nagar, New Delhi-
110064**

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Development Fee:

As noticed above, the school was not fulfilling any of the pre-conditions prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, for charging Development fee. Admittedly, the school treated it as a revenue receipt without maintaining any earmarked funds for development fee and depreciation reserve. The school was not even fully utilizing the development fee. In view of this position, the Committee would, in normal course, have recommended the refund of development fee charged by the school in 2009-10 and 2010-11. However, as noted above, the school was in deficit to the tune of **Rs. 51,12,389**. Further, the school did not have any funds to be kept in reserve for meeting its accrued liability of leave encashment which, as on 31/03/2010 was Rs. 46,22,075. The total development fee charged by the school in pursuance of order dated 11/02/2009 for the years 2009-10 and 2010-11 was Rs. 25,04,100 and Rs. 30,95,500 respectively. The total amount that would have been refundable would have been Rs. 55,99,600. However, the Committee refrains from recommending any refund in view of the large deficit of the school in tuition fee account and its requirement for funds to be kept in reserve for meeting accrued liability of leave encashment.



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110064

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required in the matter.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

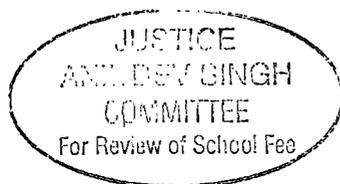
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1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.



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4. With a view to verify the returns, the Office of the Committee vide its notice dated 26.08.2013, required the school to appear on 24.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 24.09.2013, Sh. Rajinder Singh Kathait, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

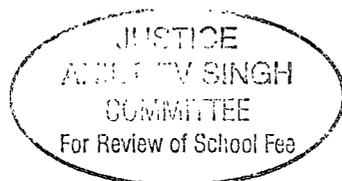
i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2010.

ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 w.e.f. 01.04.2009.

iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed to the effect that: -

(i) The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. April 2009, but salary to the staff has been paid on consolidated basis. Further, as stated by the school representative, the school was not in position



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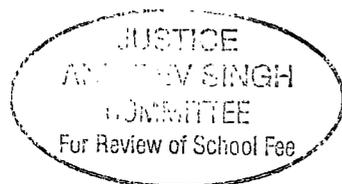
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to implement the recommendations of the aforesaid Commission, due to non-availability of enough funds.

- (ii) Salary to staff has been paid in cash, in spite of the school, having a bank account without deducting TDS.
- (iii) The school hiked tuition fee in 2009-10, by 18% to 23% for different classes. During 2010-11, the hike was between 10% to 13% for different classes.

7. By notice dated 05.12.2014, the school was asked to appear on 31.12.2014, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 31.12.2014. Sh. R.S. Kathait, Manager, of the school appeared before the Committee and provided the records. He has fairly conceded that the school did not have enough resources to implement the recommendations of the 6th Pay Commission and the implementation of the said report was shown in papers only. With regard to the hike in fee, he has contended that although the hike was effected in terms of the order dated 11-02-2009 of the Director of Education, but it was not to



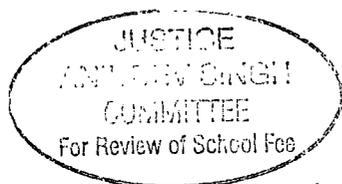
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the maximum permissible extent. He has further submitted that the school did not charge any development fee.

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the school representative. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11:

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	270	330	60	380	50
II	280	360	80	410	50
III	290	370	80	420	50
IV	300	380	80	430	50
V	310	390	80	440	50
VI	320	410	90	460	50
VII	330	430	100	480	50
VIII	350	450	100	500	50

10. From the above, it is manifest that the school has hiked the fee during the year 2009-10, but the fee even after the hike does not go beyond Rs.500/-, which by all standards is quite low. During 2010-11, the hike was marginally in excess of 10% for all classes. It is manifest from the aforesaid chart that the school is working on low fee basis.



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Uttranchal Public School, Burari, Delhi-110086

000786

11. The school has fairly conceded that it has not implemented the recommendations of the 6th Pay Commission, due to shortage of funds.

12. As per the available record, the school has not charged development fee.

Discussion and RecommendationRe. Fee Hike

Since, the school is working on low fee base, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

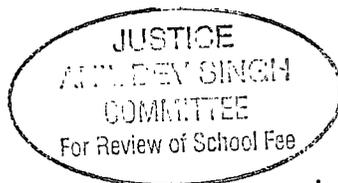
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 07-01-2015



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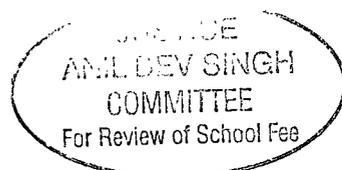
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Navjeevan Model School, Jahangir Puri, Delhi-110033

The school had not replied to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The records of the school were requisitioned from the concerned Dy. Director of Education. In response, the Dy. Director forwarded copies of annual returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 and also declarations about implementation of the VI Pay Commission report and the extent of fee hike effected by the school w.e.f. April 2010. Based on the information furnished by the school in the office of the Dy. Director, it was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 06/09/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 04/10/2013, for verification. The school was also issued a revised questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school, besides the usual queries regarding the arrear fee, incremental fee, arrear salary and incremental salary. On the date fixed, Ms. Savita, a TGT of the school appeared and produced the records asked for. She also filed reply to the revised questionnaire issued by the Committee.

As per the reply, the school stated that:



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Navjeevan Model School, Jahangir Puri, Delhi-110033

- (a) It had implemented the recommendations of the VI Pay Commission w.e.f. April 2010 and in support of the claim, the school furnished details of salaries of staff for the pre implementation period and post implementation period. As per the details submitted, the monthly salary of the school rose from Rs. 2,26,470 to Rs. 3,60,189.
- (b) The school neither charged any arrear fee nor paid any arrear salary on account of retrospective application of the recommendations of the VI Pay Commission.
- (c) The school furnished details of fee charged from the students of different classes in 2009-10 and 2010-11 as also the students strength in the two years.
- (d) With regard to development fee, the school stated that the tuition fee was inclusive of the development fee and the same was not separately charged.

The records produced by the school were verified by Sh. N.S. Batra, audit officer of the Committee and he observed as follows:

- (a) The fee charged by the school in 2008-09, 2009-10 and 2010-11 was in accordance with the fee schedules submitted by the school. The school was charging an all inclusive fee comprising of tuition fee, development fee, computer fee and fee for cultural activities.



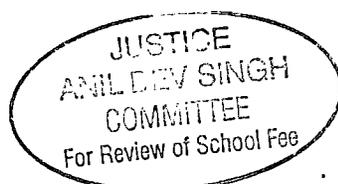
Navjeevan Model School, Jahangir Puri, Delhi-110033

(b) The fee charged by the school in 2009-10 and 2010-11 was as follows:

Class	Fee in 2009-10 (Rs.)	Fee in 2010-11 (Rs.)	Increase in 2010-11 (Rs.)	%age increase
I	350	400	50	14.28%
II	400	450	50	12.50%
III	430	480	50	11.63%
IV	450	500	50	11.11%
V	500	550	50	10.00%
VI	550	600	50	9.09%
VII	600	650	50	8.33%
VIII	650	700	50	7.69%

- (c) The school implemented the VI Pay Commission report w.e.f. April 2010. However, the full amount of DA was not paid as per the rate of DA prevailing then.
- (d) The school did not deduct provident fund and TDS from the salaries of the staff.
- (e) No adverse features were noticed so far as maintenance of books of accounts are concerned.

The Committee issued a notice dated 23/07/2014 to the school for hearing on 28/08/2014. On this date, Ms. Ritu, Ms. Savita and Mr. Sidhant, TGTs of the school appeared and submitted that the school had implemented the recommendations of the VI Pay Commission w.e.f. 01/04/2010. However, they did not produce the salary records, books of accounts and bank statements to substantiate the claim. They were accordingly directed to produce the



Navjeevan Model School, Jahangir Puri, Delhi-110033

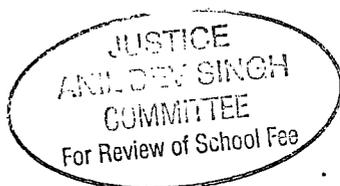
same on 02/09/2014, which they did. The salary records and bank statements were verified by Ms. Sunita Nautiyal, audit officer of the Committee and she endorsed the observations of the earlier audit officer that the school had implemented the VI Pay Commission report w.e.f. April 2010. She also observed that the school was paying the salaries through account payee cheques to the teaching staff and only one staff member (class IV) was paid salary in cash.

The representatives of the school were again heard by the Committee on 02/01/2015.

Discussion and Determination:

The Committee has perused the financials of the school as well as the annual returns filed by it under Rule 180 of Delhi School Education Rules, 1973, the observations of the two audit officers. The Committee has reservations about the implementation of VI Pay Commission report, despite the fact that the payment of salaries was made through account payee cheques because of the following factors:

- (a) The fee charged by the school was comparatively very low for the school to be able to pay salaries as per the recommendations of the VI Pay Commission,
- (b) The school was not deducting any provident fund or TDS from such salaries.



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However, the Committee is of the view that no intervention is called for in the matter on account of the fact that the school hiked the fee for all the classes by just Rs. 50 per month w.e.f. 01/04/2010 which is slightly more than the tolerance limit of 10% and in absolute terms, the hike is not of such magnitude as to call for any intervention.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required in the matter.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

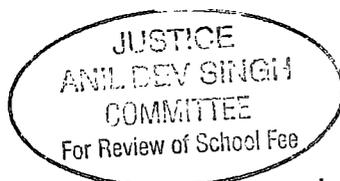
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 09/01/2015



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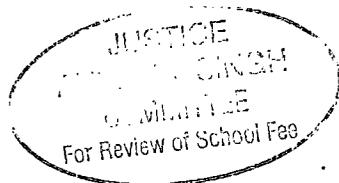
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Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059

On a requisition made by the Committee through the concerned Dy. Director of Education, the school forwarded to the Education Officer, Zone-18 of the Directorate of Education, copies of returns filed by it under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11, details of salary paid to the staff before implementation of VI Pay Commission report and after its implementation, details of arrears paid on account of retrospective application of VI Pay Commission report, copy of circular issued to the parents intimating the increase in fee as per order dated 11/02/2009 of the Director of Education, under cover of its letter dated 02/02/2012. These documents were forwarded to the Committee through the concerned Dy. Director of Education. On the basis of the information furnished by the school, it was placed in category 'B' for the purpose of verification.

In order to verify the documents submitted by the school, the Committee issued a letter dated 23/08/2013 requiring the school to produce in its office the fee records, salary records, books of accounts, bank statements, copies of provident fund returns and TDS returns for the years 2008-09 to 2010-11. A questionnaire was also issued to the school in order to elicit information regarding receipt and utilisation of development fee and maintenance of earmarked development and depreciation reserve funds, besides the usual queries regarding hike in fee and salary consequent to implementation of VI Pay Commission report.

On the scheduled date, Sh. Sanjeev, Part time Accountant and Sh. Rakesh Sharma, regular accountant of the school appeared and produced



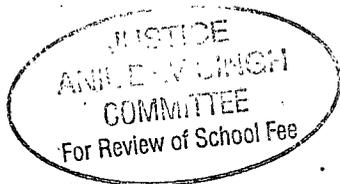
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Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059

the requisite records. Reply to the questionnaire was also filed by the school, as per which the school stated that:

- (a) It had implemented the VI Pay Commission report w.e.f. 01/04/2009. It was mentioned that the total monthly salary of the school for the month of March 2009 was Rs. 11,70,972 which rose to Rs. 18,19,479 in the month of April 2009 on account of such implementation. In support of this contention, the school furnished the details of salary paid to the staff for the month of March 2009 and April 2009.
- (b) It paid a total sum of Rs. 1,15,43,706 as arrears of salary on account of retrospective application of VI Pay Commission report. Out of this, a sum of Rs. 30,01,603 was shown as having been paid in F.Y. 2009-10, Rs. 38,55,444 in 2010-11 and Rs. 46,86,659 in 2011-12. Employee wise details along with cheque numbers through which the payment of arrears was made, was also furnished.
- (c) The school hiked the tuition fee w.e.f. 01/04/2009 in accordance with the order dated 11/02/2009 issued by the Director of Education. Details of tuition fee charged from students of different classes in 2008-09 and 2009-10 were also furnished. It was stated that the total tuition fee received during F.Y. 2008-09 amounted to Rs. 2,88,99,982 which rose to Rs. 3,65,41,956 in 2009-10 on account of the fee hike.
- (d) It collected a total sum of Rs. 38,92,406 by way of arrear fee which was spread over F.Y. 2008-09, 2009-10 and 2010-11.



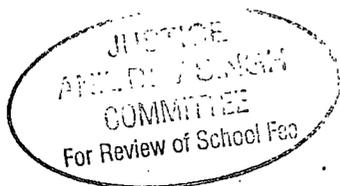
Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059

- (e) The school did not charge any development fee in any of the five years (2006-07 to 2010-11) for which information was sought.

The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee and he observed as follows:

- (a) The recommendations of the VI Pay Commission were implemented by the school w.e.f. 01/04/2009. The salary was being paid after proper deduction of TDS and provident fund.
- (b) The fee was not collected by the school uniformly in accordance with the fee schedules from all the students. From some students, it was collected at a lesser rate while some others it was collected at a higher rates.
- (c) The school was collecting annual charges but no receipt or register had been produced in evidence.
- (d) The books of accounts appeared to have been properly maintained except that instead of striking daily cash balance, it was struck annually at the end of the year.

The observations were recorded by the audit officer in the presence of the representatives of the school, who endorsed the same as correct with the qualification that from some students fee was collected on the lower side as the school allowed certain concessions to some students on account of their economic conditions but there was no case of excess charge. The excess charge may be on account of receipt of arrear fee or advance fee for more than one month.

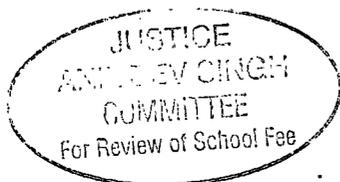


Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059

Submissions:

The Committee issued a notice dated 01/01/2015 to the school for hearing on 15/01/2015. The notice, inter alia, required the school to furnish details of accrued liabilities of gratuity/leave encashment, if applicable to the school. On this date, Sh. Sanjeev Kumar, Part time Accountant, Sh. Hitesh, LDC appeared with Sh. Man Mohan Sharma, Chartered Accountant. They filed reply dated 01/01/2015, to the notice issued by the Committee. It was contended by the school that:

- (a) The total payment of arrears of salary on account of retrospective application of the recommendations of the VI Pay Commission was Rs. 1,15,43,706 against which the school recovered only Rs. 38,92,406 as arrear fee from students. It was stated that the full amount of arrear fee could not be recovered due to the resistance of parents of the students as the school is situated in a backward area and the parents are not very well off. The shortfall was met by taking loans from the parent society.
- (b) The accrued liability on account of gratuity was Rs. 16,93,726 as on 31/03/2008 which rose to Rs. 36,20,882 as on 31/03/2010. Similarly the accrued liability of leave encashment was Rs. 13,00,018 as on 31/03/2008 and Rs. 21,04,295 as on 31/03/2010.
- (c) The school did not have any funds of its own from which the school could meet its additional liabilities arising on account of implementation of VI Pay Commission report.



Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059**Discussion:**

Before proceeding further, it would be useful to examine the funds position of the school as on 31/03/2008. Since the school has hiked the fee w.e.f. 01/09/2008 (it has recovered arrears for the 01/09/2008 to 31/03/2009), the Committee directed its audit officer to prepare the preliminary calculations as regards the availability of funds as on 31/03/2008 on the basis of its audited balance sheet as on that date. She prepared the following statement:

Statement showing Fund available as on 31-03-2008			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<i><u>Current Assets + Investments</u></i>		
	Cash in hand	211,350	
	Investment alongwith Accrued Interest	177,225	
	Cash at Bank	223,167	
	Nugas Technologies India Pvt. Ltd.	49,999	
	TDS Receivable	1,626	
	Prepaid Expenses	94,280	
	Fee Receivable	3,200	760,847
Less:	<i><u>Current Liabilities</u></i>		
	Security from Students	-	
	Salary Payable	1,518,930	
	PF Payable	50,421	
	TDS Payable	4,540	
	Expenses Payable & S. Creditors	1,158,003	2,731,894
	Net Current Assets + Investments		(1,971,047)

As would be noticeable from the above statement, the funds available with the school as on 31/03/2008 were in the negative zone. Normally, the funds available with the school cannot be negative. However, such a situation may arise for any of the following three reasons:

- (a) The school has utilised its working capital for acquisition of fixed assets or for payment of its long term liabilities.

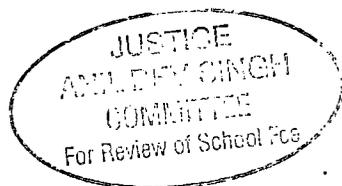


Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059

- (b) The school has diverted its funds to its parent Society or some other institution.
- (c) The school incurs cash losses in its operations.

In the present case we find that during 2006-07, the school made additions to fixed assets amounting to Rs. 47,83,537 and further in 2007-08 another sum of Rs. 41,96,676 was utilised for acquisition of fixed assets. Admittedly the school is not charging any development fee. The school had raised certain secured loans for purchase of buses. It is therefore obvious that the school was acquiring fixed assets and also repaying long term loans from its fee receipts and therefore the working capital (funds available) of the school was in the negative zone as on 31/03/2008. However, such negative figure cannot be considered by the Committee in order to examine whether the extent of fee hike effected by the school for the purpose of implementation of VI Pay Commission report. If we were to do that, it would mean that the fee hike was for the purpose of meeting the past deficiencies and not for the ostensible reason of implementation of VI Pay Commission report. At best, the Committee can consider that the school did not have any funds of its own for the purpose of implementation of VI Pay Commission report. As the school did not have any funds available with it, there would be no question of allowing the school to set apart funds for meeting its accrued liabilities of gratuity and leave encashment or for future contingencies.

In light of the above discussion, the Committee considers that the issue of fee hike effected by the school has to be looked into on the basis of its additional liabilities which arose on implementation of VI Pay



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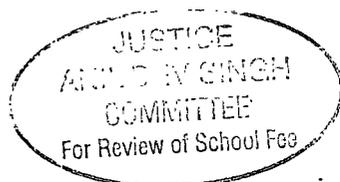
Commission report. As per the submissions of the school, which the Committee finds to be based on its audited financials, the school incurred the following additional liabilities on account of implementation of VI Pay Commission report:

Particulars		Amount
Arrear salary		1,15,43,706
Incremental salary in 2009-10:		
Total expenditure on salary in 2009-10	2,71,64,322	
Less expenditure on salary in 2008-09	<u>2,06,88,526</u>	64,75,796
Total		1,80,19,502

As against this, the additional revenue generated by the school by way of fee hike pursuant to order dated 11/02/2009 was as follows:

Particulars		Amount
Arrear fee recovered		38,92,406
Incremental fee in 2009-10		
Total tuition fee in 2009-10	3,65,41,956	
Less total tuition fee in 2008-09	<u>2,88,99,982</u>	76,41,974
Total		1,15,34,380

The Committee is satisfied with the explanation of the representatives of the school that in some cases, fee might have been apparently in excess of the prescribed fee on account of its being recovered in arrears or advance for more than one month. The Committee does not find any substance in the observation of



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Kamal Model Sr. Sec. School, Mohan Garden, New Delhi-110059

the audit officer that the cash balance was not struck on daily basis in the cash book but was struck only at the end of the year as the Committee finds that the school was maintaining its accounts on a software "Tally", which permits striking of balances of any account either on daily basis or on monthly basis or on annual basis. No fault can be found with the school in generating the cash book with balance struck on annual basis, unless the allegation was that there was negative cash balance on some dates which would have been highlighted if the balances were struck on daily basis. No such examination has been carried out by the audit officer.

Recommendations:

In view of the foregoing figures of additional fee and additional salary as a result of implementation of VI Pay Commission report, the Committee is of the view that the fee hiked by the school was justified and no intervention is required in the matter.

Sd/-

CA J.S. Kochar
Member

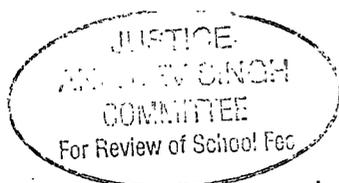
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 25/02/2015



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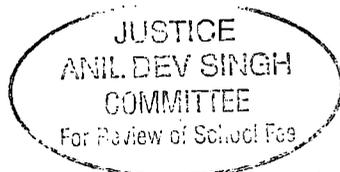
Rashtra Shakti Vidyalaya (Sr. Sec.), Hastal, New Delhi-110059

The school had not furnished any reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns filed by the school for the years 2006-07 to 2010-11, from the office of the concerned Dy. Director of Education. Pursuant thereto, these were forwarded by the concerned Dy. Director of Education to the Committee. On prima facie examination of the annual returns, it appeared that the school had hiked the fee in accordance with order dated 11/02/2009 issued by the Director of Education and had also implemented the recommendations of the VI Pay Commission. Accordingly, the school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 23/08/2013 requiring the school to produce on 11/09/2013 its fee records, salary records, books of accounts, bank statements, PF returns and TDS returns, in the office of the Committee for verification. A revised questionnaire was also issued to the school for appropriate response.

On the scheduled date, Ms. Shashi Tyagi, Principal of the school appeared and produced the required records. The school also furnished reply to revised questionnaire, as per which, the school stated that:

- (a) It had implemented the recommendations of the VI Pay Commission report w.e.f. 01/07/2010. The pre implementation salary was Rs. 3,55,851 per month which rose to Rs. 5,56,533 per month after its implementation.



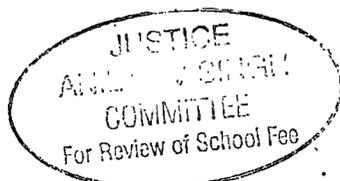
Rashtra Shakti Vidyalaya (Sr. Sec.), Hastal, New Delhi-110059

- (b) It had also paid arrears of salary amounting to Rs. 26,65,932 from 2006 to 2009.
- (c) It hiked the tuition fee of the students @ Rs. 200 per month as per order dated 11/02/2009 issued by the Director of Education.
- (d) With regard to recovery of arrear fee, the school stated that arrears have not been collected from the students but the arrear salary was paid from the school reserve fund.
- (e) With regard to the collection of development fee, it stated that it was charging development fee which was being treated as a revenue receipt. However, it was also stated that the school was maintaining earmarked development fund and depreciation reserve fund.

The records produced by the school were verified by Sh. N.S. Batra, audit officer of the Committee and he observed as follows:

- (a) The fee hiked by the school in the year 2009-10 for different classes is as follows:

Class	Monthly tuition fee (pre hike) (Rs.)	Monthly tuition fee (Post hike) (Rs.)	Increase in monthly tuition fee (Rs.)
Pre school -Pre primary	1500	1500	Nil
I - II	670	870	200
III - IV	760	960	200
V	840	1040	200
VI -VII	940	1140	200
VIII	980	1180	200
IX-X	1180	1480	300
XI-XII (Commerce)	1260	1560	300
XI-XII (Commerce with Computer)	1390	1690	300
XI -XII (Science)	1450	1750	300
XI-XII (Science with computer)	1550	1850	300



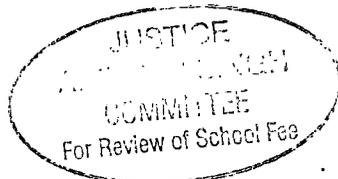
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- (b) The fee hiked by the school in 2010-11 was in the range of Rs. 40 to Rs. 80 per month which in terms of percentage was between 4.2% and 9.1%.
- (c) The fee charged by the school was in accordance with the schedules submitted by it.
- (d) No major discrepancy was observed in the maintenance of books of accounts.
- (e) The VI Pay Commission report was partially implemented in as much as DA and HRA were not being paid at the full rate and transport allowance was not being paid. However, the monthly outgo on salary went up from Rs. 3,55,851 to Rs. 5,56,533 on account of partial implementation of VI Pay Commission report.
- (f) Proper deductions were made for TDS and provident fund from the salaries paid by the school.

The Committee issued a notice dated 01/01/2015 for hearing the school on 15/01/2015 and also requiring the school to furnish the information regarding fee, salary and arrear fee and salary for the years 2008-09, 2009-10 and 2010-11 in a structured format so as to make the relevant calculations to ascertain the justifiability of fee hike effected by the school w.e.f. 01/04/2009. The school was also required to furnish information regarding its accrued liabilities of gratuity and leave encashment, if any.

On the date of hearing Ms. Shashi Tyagi, Principal of the school appeared alongwith Ms. Latha Devkaran, Accountant. They filed written



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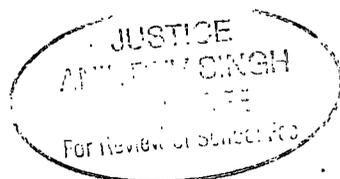
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submissions dated 15/01/2015 and furnished the required information regarding fee salary and arrear salary. However, no information was furnished with regard to the accrued liabilities of gratuity and leave encashment. The information furnished by the school was verified by the Committee with reference to its audited financials. The Committee noticed that, as per the reply to the questionnaire, the school had stated that it paid arrears of salary amounting to Rs.26,65,932 from 2006 to 2009 but as per the information furnished at the time of hearing, the school stated that the arrear payment amounted to Rs.22,48,251. The representatives of the school were not able to give any immediate clarification and sought sometime for the purpose. However, they admitted that the school implemented the recommendations of the Sixth Pay Commission only partially and that too w.e.f. 01/07/2010. However, they claimed that the arrears from 01/01/2006 to 30/06/2010 had also been paid.

With regard to the development fee, the representatives of the school fairly conceded that the same was treated as a revenue receipt and no earmarked accounts for development fund or depreciation reserve fund were maintained. The matter was directed to be relisted on 02/02/2015.

On 02/02/2015, the representatives of the school furnished the total detail of arrears paid for the period 01/01/2006 to 30/06/2010. It was represented that a total sum of Rs. 39,87,604 was paid as arrears and such payments were made on 06/01/2012, 09/05/2012,



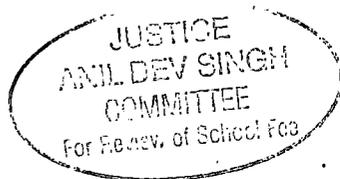
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06/07/2012, 11/08/2012 and 13/12/2012. The school also furnished copies of the payment instructions given to the bank for credit to the accounts of the employees and also copies of its bank passbook for the relevant period to show the actual payment. The school also furnished details of TDS deducted from the payment of arrear salary and produced copies of the challans of deposit of TDS. The representatives stated that the information regarding the payment of arrears given on the earlier occasions was erroneous. It was however reemphasized that the school did not recover any arrear fee from the students and the entire arrear salary were paid out of the existing reserves of the school.

With regard to accrued liabilities of gratuity, the school contended that it had a group gratuity policy of the LIC and it was required to pay only annual premiums. As such the school had no liability for payment of gratuity. With regard to leave encashment, the representatives of the school stated that the school follows a policy of making yearly payments on account of leave due and as such there was no accrued liability on this account also.

Discussion and determinations

The Committee has examined the annual returns filed by the school under Rule 180 of Delhi School Education Rules 1973, the reply to the questionnaire issued by the Committee, the observations of the Audit Officer and the information and documents furnished by the school during the course of hearing and the contentions of the school.

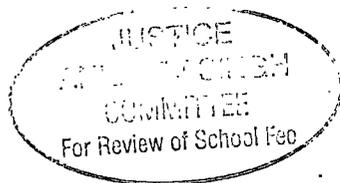


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The first and the foremost issue to be considered by the Committee is whether, in light of the fact that the school did not fully implement the recommendations of the Sixth Pay Commission, the school ought to have hiked the fee at all. The Committee is of the view that although the school concededly did not fully implement the recommendations of the Sixth Pay Commission in as much as the full allowances were not paid, the school did hike the salaries substantially and made proper deductions of TDS and the salaries were paid through the banking channels. Further, the school also paid substantial amount of arrears, out of its own resources without recovering any arrear fee from the students. Hence, to the extent it implemented the recommendations of the Sixth Pay Commission, the increased payments were actually made and not merely shown in the records. In view of these facts, the Committee is of the view that the relevant calculations ought to be made to examine the justifiability of fee hike, despite the fact that the school did not fully implement the recommendations of the Sixth Pay Commission. Accordingly, the Audit Officer of the Committee was directed to prepare a calculation sheet. As the school hiked the fee w.e.f. 01/04/2009, the audited balance sheet of the school as on 31/03/2009 was taken to be the basis to ascertain the funds available with the school. The Audit Officer prepared the following calculation sheet:-



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Statement showing Fund available as on 31-03-2009			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	2,850	
	Imprest with staff	1,159	
	Bank Balance	1,448,512	
	TDS	12,764	
	Due from GSGSK	170,274	
	FDRs with accrued interest	2,079,026	3,714,585
Less:	<u>Current Liabilities</u>		
	Security Deposits	428,898	
	PTA Fund	51,755	
	TDS Payable	204	
	Relief Fund	941	
	Sundry Creditors	183,814	
	Professional fee payable	3,309	
	Audit Fee Payable	27,300	696,221
	Net Current Assets + Investments (Funds Available)		3,018,364

As per the above calculation sheet, the school had total funds amounting to Rs. 30,18,364 as on 31/03/2009. The total liabilities discharged by the school on account of partial implementation of Sixth Pay Commission Report w.e.f. 01/07/2010 and payment of arrears for the period 01/01/2006 to 30/06/2010, as worked out by her, amounted to Rs. 68,28,185, as follows:-

Total Liabilities after implementation of VIth Pay Commission		Amount
Arrear of Salary as per 6th CPC 1.1.2006 to 31.3.2009	1,952,925	
Arrear of Salary as per 6th CPC 1.4.2009 to 31.3.2010	1,591,488	
Arrear of Salary as per 6th CPC 1.4.2010 to 30.6.2010	443,191	
Increased Salary for 2009-10 and 2010-11 as per Income & Expenditure Account	2,840,581	6,828,185

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COMMITTEE
For review of School Fee

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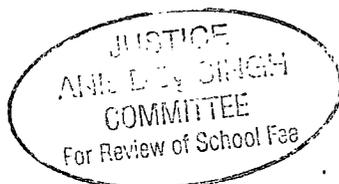
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Thus, there was a gap of **Rs.38,09,821** (68,28,185-30,18,364), which needed to be bridged by hike in the fee. Since the implementation of the Sixth Pay Commission Report took place in the year 2010-11, the hike in fee in 2009-10 as well as 2010-11, was required to be considered. The total hike in fee in the two years was Rs.31,19,629, which was worked out as follows:-

Increase in Monthly fee in 2009-10	1,715,235
Increase in Monthly fee in 2010-11	1,404,394
Total Increase in fee in 2009-10 and 2010-11	3,119,629

Thus as per the calculation sheet prepared by the Audit Officer, the hike in fee was justified as it did not even fully cover the additional liabilities which arose on account of implementation of Sixth Pay Commissioner Report. There was a deficiency of **Rs. 6,90,192** (38,09,821-31,19,629)

The Committee has checked the calculation sheet prepared by the Audit Officer and the same has been found to be in order. The Committee also notes that besides a deficiency of Rs. 6,90,192, the school did not keep any reserve for any future contingencies. However, the school has not made any claim for being allowed any further fee hike over and above the hike it effected as per order dated 11/02/2009 of the Director of Education. The Committee is therefore of the view that so far as tuition fee is concerned, no intervention is required.



Rashtra Shakti Vidyalaya (Sr. Sec.), Hastal, New Delhi-110059

Development Fee

During the course of hearing, the school conceded that it was treating a development fee as a revenue receipt and further it was not maintaining any earmarked accounts for development fund and depreciation reserve fund. Thus the school was not following any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583. The Committee is therefore of the view that the development fee charged by the school was not in accordance with the law and the various fee circulars issued by the Directorate of Education, including order dated 11/02/2009. However, since the mandate of the Committee is only to examine the fee charged in pursuance of order dated 11/02/2009, the Committee is restricting its recommendations for the years 2009-10 and 2010-11. As per the information furnished by the school vide written submissions dated 15/01/2015 and also the audited financials of the school, the school recovered a total sum of Rs.11,18,410 as development fee in 2009-10 and Rs.13,55,445 in 2010-11. In normal course, the Committee would have recommended its refund. However, the Committee cannot be oblivious to the fact that the school paid arrears of salary out of its own resources and did not recover any arrear fee. In the process, it exhausted its reserves and actually incurred a deficiency of Rs.6,90,192. Besides,



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the school has not kept any reserves for any future contingencies. The Committee has taken a view in the case of other schools that a sum equivalent to four months salaries ought to be kept in reserve by the schools. As per the audited financials of the school, the total salary expenditure of the school in 2010-11, i.e. after partial implementation of Sixth Pay Commission Report, was Rs. 66,69,657. The requirement of the school for maintenance of reserves was Rs.22,23,219 and the deficiency incurred by it was Rs.6,90,192. The total development fee charged by the school in 2009-10 and 2010-11 was Rs.24,73,855. In view of these facts, the Committee is of the view that no intervention is required in the matter of development fee also. However, with regard to development fee charged by the school in the years prior to 2009-10, it will be for the Director of Education to take an appropriate view.

Recommendations:-

In view of the foregoing determinations, no intervention is required, either in the matter of tuition fee or in the matter of development fee.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

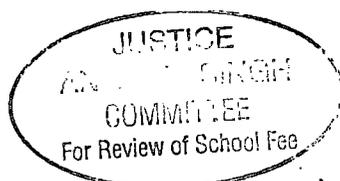
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 20/02/2015



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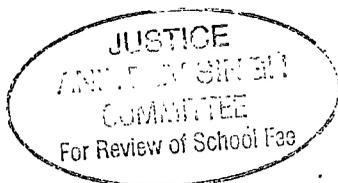
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Kamal International School, Najafgarh, New Delhi-110043

The school had not filed its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by reminder dated 27/03/2012. However, on being requisitioned by the Committee, the annual returns filed by the school under rule 180 of Delhi School Education Rules, 1973 were received from the office of the concerned Dy. Director of Education. On prima-facie examination of these returns, it appeared that the school had hiked the fee in pursuance of order dated 11/02/2009 issued by the Director of Education and at the same time had also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B' for the purpose of verification.

In order to verify the returns of the school, the Committee issued a notice dated 23/08/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, the Provident Fund and TDS Returns, in the office of the Committee on 16/09/2013, for verification. Besides, the school was also required to furnish reply to the questionnaire to elicit information regarding the extent of fee hike and implementation of VI Pay Commission report, the charge and utilisation of development fee and maintenance of earmarked development fund and depreciation reserve fund.

On the scheduled date, Sh. Sanjeev Kumar, Accountant of the School appeared and produced the required records. He also filed reply to the questionnaire issued by the Committee. As per the reply, the school contended that:



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Kamal International School, Najafgarh, New Delhi-110043

- (a) It had implemented the recommendations of the 6th Pay Commission w.e.f. 01/04/2009. In support, the school enclosed an annexure showing that its expenditure on salary for the month of March 2009 was Rs.1,56,653 which rose to Rs.2,30,331 in April 2009 after implementation of 6th Pay Commission Report. Another annexure showing a total payment of Rs. 13,37,952 (Rs. 9,34,003 in 2009-10 and Rs. 4,03,949 in 2011-12) as arrears of salary on account of retrospective application of 6th Pay Commission report was also enclosed.
- (b) It had increased the fee w.e.f. 01/04/2009, in pursuance of order dated 11/02/2009 issued by the Director of Education. Details of pre-hike and post-hike tuition fee were enclosed by way of another annexure. Further, it was stated that the total tuition fee recovered by the school in 2008-09 was Rs.29,05,954 which rose to Rs.40,69,662 in 2009-10 on account of fee hike. Further, it was mentioned that a sum of Rs.11,10,036 was recovered by the school as arrear fee from the students.
- (c) It had charged a sum of Rs.5,82,935 as development fee only in the year 2009-10, the whole of which was utilised during the year itself.
- (d) Development fee was treated as a capital receipt in the accounts. However, no earmarked development fund or depreciation reserve fund was maintained by the school on the

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COMMITTEE
For Action on School Fee

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ground that the entire development fee had been utilised on purchase of fixed assets.

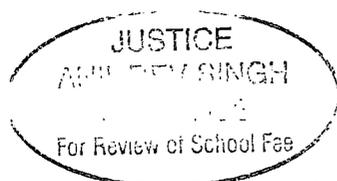
The records produced by the school were examined by Sh. N.S. Batra, Audit Officer of the Committee. He observed that:

- (a) During 2008-09 and 2009-10, the school had charged tuition fee from the students at the following rates:

Class	Tuition fee in 2008-09 (Rs.)	Tuition fee in 2009-10 (Rs.)	Increase in 2009-10 (Rs.)
Nursery & Prep	400	500	100
I	450	550	100
II	480	580	100
III-V	570	770	200
VI-VIII	630	830	200
IX	860	1060	200
X	930	1130	200

- (b) The fee hiked by the school in 2010-11 was within the tolerance limit of 10%.
- (c) The school had implemented the 6th Pay Commission report w.e.f. April 2009.
- (d) The school was properly deducting TDS and Provident Fund from the salaries.

In order to provide an opportunity of being heard, the Committee, vide notice dated 30/12/2014 required the school to appear before it on 09/01/2015. The school was also required to furnish the information regarding the collection of arrear fee, incremental fee, arrear salary and incremental salary, duly reconciled with Income & Expenditure Accounts



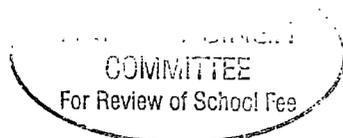
Kamal International School, Najafgarh, New Delhi-110043

of the school in a structured format. The school was also required to furnish details of its accrued liability of gratuity and leave encashment, if applicable, and a copy of the account of the Parent society in its books.

On the scheduled date, Sh. Manmohan Sharma, Chartered Accountant appeared with Sh. Rakesh Sharma, UDC and Sh. Sanjeev Sharma, Part-time Accountant. They filed written submissions dated 09/01/2015, giving the information required by the Committee. The relevant information regarding fee and salary was furnished by the school which is as follows:

Fee	2008-09	2009-10	2010-11
Arrear fee for the period from 01.01.2006 to 31.03.2009	NIL	9,34,003	NIL
Regular/ Normal Tuition Fee	29,06,954	40,69,662	46,53,997
Salary			
Arrear Salary for 01.01.2006 to 31.03.2009	NIL	9,34,003	NIL
Regular/ Normal Salary	26,27,592	34,82,395	44,56,875

The school also furnished detail of its accrued liability of gratuity which was Rs.1,43,573 as on 31/03/2010. Statements of account of the Parent society in the books of the school were also furnished for the year 2006-07 to 2010-11, which revealed certain transfers to and from the society/school. However, no diversion of funds to the society by the school was discernible from such statements.



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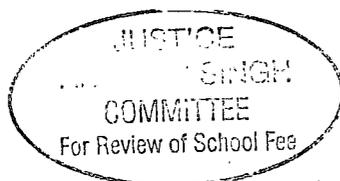
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During the course of hearing, the representatives of the school, contended that in 2009-10, a sum of Rs.1,43,062 was also recovered as arrear fee apart from the figure shown in the above table but the same was carried as a liability in the balance sheet as the full amount of arrear salary had not been paid by 31/03/2010. Further, the school paid a sum of Rs.4,03,949 towards arrear salary in 2011-12, against which such excess liability was adjusted.

The Committee verified the figures furnished by the school with the books of accounts of the school and the bank statements. The Committee notes that the school collected a total of Rs.10,77,065 (9,34,003+1,43,062) as arrear fee in the years 2008-09 and 2009-10 and paid Rs.13,37,952 (9,34,003+4,03,949) as arrear salary, partly in 2009-10 and partly in 2011-12. The Committee has verified the payment of arrear salary from the bank statements produced by the school and observes that while the arrears paid in 2009-10 were fully paid either by bank transfer or by account payee cheques, in respect of the arrears paid in 2011-12, only a sum of Rs.2,77,685 was paid by bank transfer. The remaining amount of Rs.1,26,264 was withdrawn as cash through two bearer cheques on the same date i.e. 15/07/2011.

The Committee is satisfied with the figures furnished by the school except for the payment of Rs.1,26,264 purportedly paid as arrear salary but which was withdrawn in cash from the bank. Hence, for the purpose of making the relevant calculations, the Committee will exclude this sum of Rs.1,26,264 from the figure of arrear payments.



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The Committee directed its Audit Officer to prepare the preliminary calculation sheet for perusal by the Committee to examine the justifiability of the fee hike. Since the school had recovered the arrear for the period 01/09/2008 to 31/03/2009, she was directed to take the audited balance sheet as on 31/03/2008 to arrive at the figure of funds available at the threshold. As per the directions, she prepared the following calculation sheet:

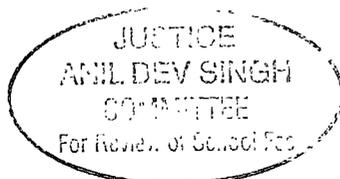
Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	34,898	
	Bank Balance	143,223	
	Fixed Deposits	120,000	
	Prepaid Insurance	38,710	
	TDS receivable	1,139	337,970
Less:	<u>Current Liabilities</u>		
	N K Mahajan & Co.	5,000	
	Fee recd. In advance	34,880	
	Salary Payable	203,169	
	PF Payable	9,169	
	TDS Payable	128	
	Electricity Expenses payable	1,100	
	Water Expenses payable	400	
	Telephone Expenses Payable	2,378	
	R.K. Associates	500	256,724
	Net Current Assets + Investments (Funds Available)		81,246
	Accrued liability of gratuity as on 31.03.2010		143,573
	Funds available for implementation of 6th Pay Commission Report		
	Total Liabilities after implementation of Vith Pay Commission:		
Less:	Arrear of 6th CPC 01.01.2006 to 31.03.2009	1,211,688	
	Incremental Salary Expenditure in 2009-10 as per calculation given below	854,803	2,066,491
	Excess / (Short) Fund Before Fee Hike		(2,066,491)
Add:	Total Recovery after VI th Pay Commission		
	Recovery of Arrears of tuition fee as per reply to the questionnaire	1,110,036	
	Incremental Tuition Fee in 2009-10 (as per calculation given below)	1,162,708	2,272,744
	Excess / (Short) Fund After Fee Hike		206,253



Kamal International School, Najafgarh, New Delhi-110043**Working Notes:**

	2008-09	2009-10
Regular/ Normal Salary as per I & E Account	2,627,592	3,482,395
Incremental in Salary in 2009-10 as per I & E A/c	854,803	
Regular/ Normal Tuition Fee as per I & E Account	2,906,954	4,069,662
Incremental in Tuition Fee in 2009-10 as per I & E A/c	1,162,708	

The Committee has verified the calculation sheet with reference to the audited financials of the school and the information furnished in reply to the questionnaire and that furnished during the course of hearing. The Committee finds that the calculation sheet as prepared by the Audit Officer is in order. As per this calculation sheet, the funds available with the school as on 31/03/2008 were Rs. 81,246 which were inadequate even to cover the accrued liability of gratuity which was Rs.1,43,573. The school did not have any surplus to be kept in reserve for future contingencies. Hence, in view of the Committee, the school did not have any funds of its own which could have been used for implementing the recommendations of 6th Pay Commission. Hence, the fee hike was imminent if the school was to implement the recommendations of the 6th Pay Commission. The total resources generated by the school by way of fee hike and recovery of arrear fee were to the tune of Rs. 22,72,744. As against this, the additional liability of the school on account of payment of arrears and incremental salary as per the 6th Pay Commission recommendations was Rs. 20,66,491. Thus, the school apparently recovered a sum of Rs. 2,06,253 in excess of its requirements.



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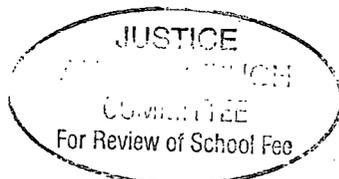
Secretary

Kamal International School, Najafgarh, New Delhi-110043

Development Fee:

The school recovered a sum of Rs. 5,82,935 as development fee only in the year 2009-10. The school states that it was treated as a capital receipt but no development fund or depreciation reserve fund was maintained as the entire development fee was utilised during that very year. The Committee notes that during the year the school made additions of Rs. 15,77,387 to its fixed assets. Out of this, a sum of Rs. 14,05,987 was spent on additions to the school building alone. Only the balance amount of Rs. 1,71,400 was spent on purchase of furniture, fixtures and equipments. In this connection, it would be worthwhile to reproduce here below the extracts of the judgment of the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, vide which the recommendations of the Duggal Committee were affirmed with regard to charging of development fee subject to fulfillment of certain pre-conditions:

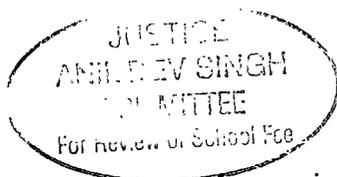
" In our view, on account of increased cost due to inflation, the management is entitled to create Development Fund Account. For creating such development fund, the management is required to collect development fees. In the present case, pursuant to the recommendation of Duggal Committee, development fees could be levied at the rate not exceeding 10% to 15% of total annual tuition fee. Direction no.7 further states



Kamal International School, Najafgarh, New Delhi-110043

that development fees not exceeding 10% to 15% of total annual tuition fee shall be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipments. It further states that development fees shall be treated as Capital Receipt and shall be collected only if the school maintains a depreciation reserve fund. In our view, direction no.7 is appropriate. If one goes through the report of Duggal Committee, one finds absence of non-creation of specified earmarked fund. On going through the report of Duggal Committee, one finds further that depreciation has been charged without creating a corresponding fund. Therefore, direction no.7 seeks to introduce a proper accounting practice to be followed by non-business organizations/not-for-profit organization. With this correct practice being introduced, development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipments is justified. Taking into account the cost of inflation between 15th December, 1999 and 31st December, 2003 we are of the view that the management of recognized unaided schools should be permitted to charge development fee not exceeding 15% of the total annual tuition fee."

In view of the law laid down by the Hon'ble Supreme Court, the development fee can be utilised only for purchase or upgradation of furniture, fixtures and equipments and maintenance of a depreciation



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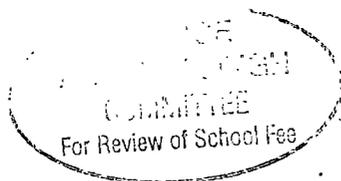
Secretary

Kamal International School, Najafgarh, New Delhi-110043

reserve fund is a sine qua non for charging development fee. The development fee charged by the school was neither utilised for the permitted purpose nor the essential pre condition of maintenance of depreciation reserve fund was fulfilled by the school. Therefore, in view of the Committee, the school was not justified in charging the development fee in the year 2009-10. Whether the school is required to refund the entire amount of development fee so charged, is a moot question.

As noticed supra, the school did not have sufficient funds even to provide for its accrued liability of gratuity. The shortfall on this account was Rs. 62,327. Further, the school did not have any funds to be kept in reserve for future contingencies. The Committee has taken a consistent view that the schools ought to keep funds in reserve which may be equal to the expenditure on salary for four months. The total expenditure of the school on salary in the year 2009-10 was Rs. 34,82,395. Based on this, its requirement for funds to be kept in reserve was Rs.11,60,798.

In view of this position, the Committee refrains from recommending any refund out of development fee charged for the year 2009-10.



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Kamal International School, Najafgarh, New Delhi-110043

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required either in the matter of tuition fee hike, or in the matter of charging of development fee.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 18/03/2015



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Secretary

Anand Vidya Bharti Education Society School, Sangam Vihar.N.Delhi

000821.

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 06.09.2013, required the school to appear on 24.09.2013



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Anand Vidya Bharti Education Society School, Sangam Vihar.N.Delhi

000822

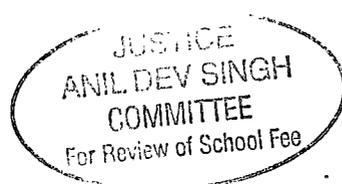
and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 24.09.2013 Ms. Soni Chambial, Manager of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) The school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2009.
- (iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school had implemented the recommendations of the 6th Pay Commission.
- (ii) The school hiked tuition fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009 for classes I to V only. For classes VI to VIII the hike was by less than 10%. During 2010-11, the hike was by 10% for all classes.



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Anand Vidya Bharti Education Society School, Sangam Vihar.N.Delhi

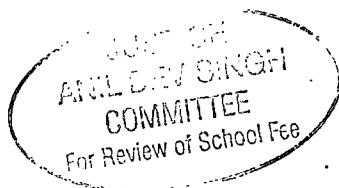
000823

The Audit Officer after examination of the record produced by the school returned the same to them.

7. By notice dated 02.03.2015, the school was asked to appear on 18.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 18.03.2015, Ms. Soni Chambial, Manager and Ms Manju, Teacher of the school appeared before the Committee and produced the records. It was contended that the school neither collected any arrear fee nor paid any arrear salary. The school had partially implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009. In order to cover the additional salary, the school initially hiked the fee by Rs.100/- p.m. for all classes but due to protest by the parents, the school rolled back the fee to a large extent for the students of classes VI to VIII. This resulted in decline in the collection of the aggregate tuition fee to Rs.30,08,160/- in 2009-10 from Rs.31,39,080/- in 2008-09.

With regard to development fee, it was contended that the school used a wrong nomenclature for annual charges as School Development



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Anand Vidya Bharti Education Society School, Sangam Vihar.N.Delhi

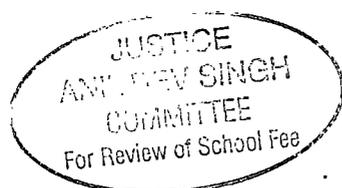
000824

Fund. In actual fact they are Annual Charges which are utilized to cover the overhead expenses of the school.

9. We have gone through the record, observations of the Audit Officer of the Committee and the submissions made by the representatives on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	280	380	100	410	30
II	300	400	100	440	40
III	300	400	100	450	50
IV	350	450	100	500	50
V	400	500	100	550	50
VI	530	550	20	600	50
VII	570	600	30	650	50
VIII	600	650	50	700	50

10. From the above, it is manifest that the school has increased the fee during the year 2009-10, in terms of the order of the Director of Education dated 11.2.2009 for classes I to V only. Moreover, for these classes, the school was working on a low fee base. For other classes the



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Secretary

Anand Vidya Bharti Education Society School, Sangam Vihar.N.Delhi

000825

hike was less than 10%. During 2010-11, there was hike by 10% for all classes.

11. According to school it has implemented the recommendations of the 6th Pay Commission, partially.

12. As per record the school has not charged development fee.

RECOMMENDATION

Re. Fee Hike

Since the school did not hike tuition fee in 2009-10, for classes VI to VIII in terms of the order of the Director of Education, and is also working on low fee base, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

**Justice Anil Dev Singh (Retd.)
Chairperson**

Sd/-

**Dr. R.K. Sharma
Member**

Dated—24-03-2015

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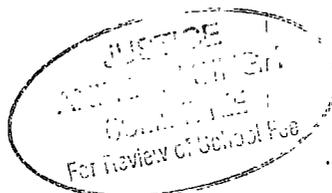
Secretary

Victoria Public School, Brijpuri, Wazirabad. Delhi-110094

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.10.2013 and 11.11.2013 required the school to appear on 29.11.2013 and to produce entire accounting, fee and salary

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Victoria Public School, Brijpuri, Wazirabad. Delhi-110094

records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 29.11.2013, Mrs. Ela Saxena, Principal and Mrs. Madhu Sharma, Account Assistant of the school attended the Office of the Committee and produced the record for the scrutiny by the Audit Officer of the Committee. Reply to the questionnaire was also filed. As per the reply;-

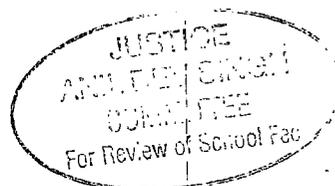
- (i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.01.2010.
- (ii) The school had hiked the fee in 2009-10 though, not in terms of the order of the Director of Education dated 11.02.2009 but in excess of the permissible limit of 10%.
- (iii) The school had not collected development fee from the students.

6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school had claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.01.2010 but DA, TA and HRA had not been paid as per the prescribed norms.

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Victoria Public School, Brijpuri, Wazirabad. Delhi-110094

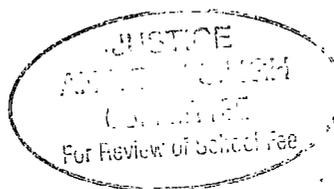
- (ii) The school hiked tuition fee in 2009-10 by Rs.100/- p.m. During 2010-11, the hike was between Rs.100/- p.m. to 200/- p.m. for different classes.

The Audit Officer after examination of the record produced for scrutiny by the school returned the same to its representatives.

7. By notice dated 02.03.2015, the school was asked to appear on 20.03.2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 20.03.2015, Ms. Ela Saxena, Principal and Ms. Madhu Sharma, Account Asstt. of the school appeared before the Committee and Produced the records. The representatives were confronted with the observations of the Audit Officer of the Committee recorded on 29-11-2013. They conceded that the school had not fully implemented the recommendations of the 6th Pay Commission and salary to the staff was paid either in cash or through bearer cheques. They contended since the school was a minority institution and caters to lower strata of the society, it, did not have sufficient resources to implement the recommendation of the 6th Pay Commission. They pointed out that the school had hiked the tuition fee in 2009-10 as per the order dated 11-02-2009 of the Director of Education, but in the year 2008-09 there was no hike in fee except for

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Victoria Public School, Brijpuri, Wazirabad. Delhi-110094

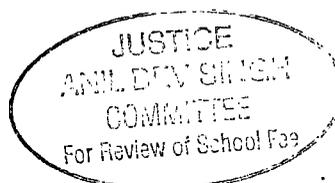
classes IX and X and as a matter of fact the fee for classes I to V was reduced, as compared to the fee for the year 2007-08. They submit that due regard be given for this fact by the Committee. The representatives stated that the school did not charge any development fee.

9. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2007-08	Tuition Fee during 2008-09	Tuition Fee increased in 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	450	400	-50	500	100	600	100
IV to V	450	450	Nil	550	100	650	100
VI to VIII	500	500	Nil	600	100	750	150
IX	600	700	100	800	100	1000	200
X	800	850	50	950	100	1150	200
XI(Comm)	--	--	--	--	--	1600 (new class)	--
XI (Sci)	--	--	--	--	--	1800 (new class)	--

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Victoria Public School, Brijpuri, Wazirabad. Delhi-110094

11. From the above, it is manifest that the school though, hiked the tuition fee in 2009-10, it did not hike the fee in 2008-09 except for classes IX and X and the fee for some of the classes was also reduced in 2008-09. During 2010-11 the hike in tuition fee for classes VI to X is marginally in excess of 10%.

RECOMMENDATION

Re. Fee Hike

The school though, hiked the tuition fee in 2009-10, it did not hike the fee in 2008-09 except for classes IX and X and the fee for some of the classes was also reduced in 2008-09. The school also cater to lower strata of the society therefore; the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

**Justice Anil Dev Singh (Retd.)
Chairperson**

Sd/-

**Dr. R.K. Sharma
Member**

Dated— 15-04-2015

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Secretary

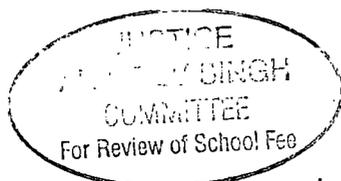


G.R.M. Sr. Sec. Public School, Shiv Ram Park, Nangloi, Delhi-110041

000831

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 15-05-2012, required the school to appear on 04-06-

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Secretary

G.R.M. Sr. Sec. Public School, Shiv Ram Park, Nangloi, Delhi-110041

000832

2012 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the questionnaire.

5. On 04-06-2012, Sh. J.S.Dahiya, Head Clerk of the school attended the Office of the Committee and produced incomplete record. The school was provided opportunities on 02-07-2012, 06-11-2013 and 26-11-2013 to produce its complete records.

6. On 26-11-2012, Sh. J.S.Dahiya, Head Clerk and Sh. Vasudev Sharma P/T accountant of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

- (i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2010.
- (ii) The school did not hike fee in terms of the order of Director of Education dated 11-02-2009.
- (iv) The school did not collect the development fee from the students.

7. The record, in the first instance, was examined by Mrs. Sunita Nautiyal, AAO of the Committee. She observed to the effect that: -



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Secretary

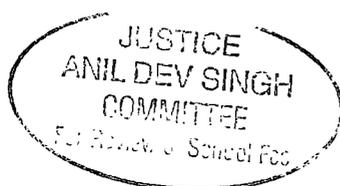
G.R.M. Sr. Sec. Public School, Shiv Ram Park, Nangloi, Delhi-110041

- (i) The school has claimed to have partially implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (ii) The school has produced copies of TDS returns for the years 2009-10 and 2010-11 but, no recovery towards TDS has been shown in the salary payment register.
- (iii) The school hiked the fee by 10% in 2009-10 and 2010-11.
- (iv) The school did not collect the development fee from the students.

The Audit Officer after examination of the record produced by the persons representing the school returned the same to them.

8. By notice dated 23-01-2015, the school was asked to appear on 18-02-2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

9. On 18-02-2015, Sh. J.S. Dahiya, Head Clerk and Sh. Vasudev Sharma P/T Accountant of the school appeared before the Committee and produced the records. They contended that the school did not hike the fee as per the order dated 11/02/2009 of the Director of Education, but restricted it to about 10% in 2009-10 and the recommendations of the Sixth Pay Commission were nominally implemented in 2009-10, in as much as only the basic salary was revised. The representatives contended further, that the school did not charge any development fee.



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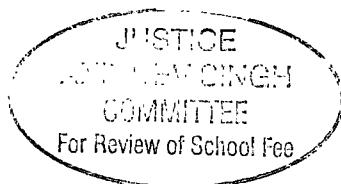
Secretary

G.R.M. Sr. Sec. Public School, Shiv Ram Park, Nangloi, Delhi-110041

000834

10. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	390	430	40	475	45
II	420	460	60	475	15
III	440	480	40	525	45
IV	460	500	40	550	50
V	460	500	40	550	50
VI	500	550	50	600	50
VII	500	550	50	600	50
VIII	550	600	50	650	50
IX	585	640	55	700	60
X	710	775	65	850	75
XI(Arts&Comm.)	880	960	80	1050	90
XI(Sci.)	1300	1420	120	1550	130
XII(Arts&comm.)	1040	1140	100	1250	130
XII(Sci.)	1460	1600	140	1750	150



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G.R.M. Sr. Sec. Public School, Shiv Ram Park, Nangloi, Delhi-110041

000835

11. From the above, it is manifest that the school has increased the fee during the year 2009-10 and 2010-11, within the tolerance limit of 10% for all classes.

12. Admittedly, the school has implemented the recommendations of the 6th Pay Commission, nominally.

13. As per the available record, the school has not charged development fee.

RECOMMENDATION

Re. Fee Hike

Since the school has not utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee in 2009-10, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated—16.03.2015



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Secretary

835

Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
110043

000836

The school had not furnished any reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns filed by the school for the years 2006-07 to 2010-11, from the office of the concerned Dy. Director of Education. Pursuant thereto, these were forwarded by the concerned Dy. Director of Education to the Committee. On prima facie examination of the annual returns, it appeared that the school had hiked the fee in accordance with order dated 11/02/2009 issued by the Director of Education. However, it was not discernible from the financials of the school whether it had implemented the recommendations of the VI Pay Commission. Accordingly, the school was provisionally placed in Category 'A' for the purpose of verification. A letter dated 08/08/2012 was sent to the school to produce its fee records, salary records on 27/08/2012 and to submit reply to the questionnaire issued by the Committee.

On the schedule date Sh. Sudhir Thakur, a part time Accountant of the School appeared in the office of the Committee, with authorisation from the Principal of the school. He produced the required records and also submitted reply to the questionnaire. As per the reply submitted by the school, it stated that:



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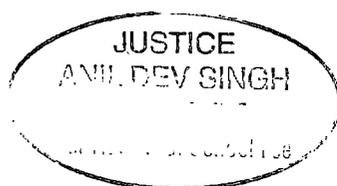
Secretary

Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
110043

- (a) It had implemented the recommendations of the VI Pay Commission report w.e.f. 01/04/2009. In support, it enclosed salary sheets for the month of March 2009 and April 2009 showing that the total monthly salary rose from Rs.9,44,640 in March to Rs.15,44,316 in April 2009.
- (b) It had also paid arrears of salary amounting to Rs. 45,57,793 for the period January 2006 to March 2009. Arrear payment sheets were enclosed in evidence.
- (c) It hiked the tuition fee of the students at varying rates, as per order dated 11/02/2009 issued by the Director of Education.
- (d) With regard to recovery of arrear fee, the school stated that it had not charged any arrear fee from the students.

The records produced by the school were verified by Sh. A.D. Bhateja, Audit Officer of the Committee, who more or less endorsed the contentions of the school as contained in the reply to the questionnaire.

The Committee, on perusal of the file, felt that the Audit Officer had not properly examined the issue of implementation of Sixth Pay Commission Report and had merely endorsed the contentions of the school as there was no mention as to how the salary was being paid by the school. Therefore, it directed Ms. Sunita Nautiyal, another



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Secretary

Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
110043

Audit Officer of the Committee to verify the records of the school afresh. Accordingly, the Committee issued notice dated 23/10/2013 requiring the school to produce on 07/11/2013 its fee records, salary records, books of accounts, bank statements, PF returns and TDS returns, in the office of the Committee for verification. A questionnaire regarding collection and utilization of development fee, its treatment in accounts and maintenance of earmarked development and depreciation reserve funds, was also issued to the school for appropriate response.

On the scheduled date, Sh. Sudhir Thakur appeared and produced the required records. The school also furnished reply to questionnaire regarding development fee.

The records produced by the school were verified by Ms. Sunita Nautiyal and she observed as follows:

- (a) The fee was collected by the school in cash which was regularly deposited in its bank account with Axis Bank.
- (b) The school had implemented the recommendations of Sixth Pay Commission w.e.f. 1/04/2009 and salary was mostly paid by means of account payee cheques. Proper deductions of Provident Fund and TDS were made and returns were filed with the authorities. The school had also paid arrears to the



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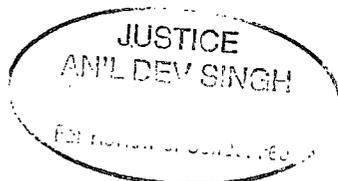
Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
110043

staff for the period 01/01/2006 to 31/03/2009 in three instalments.

- (c) The school did not recover any arrear fee. However, the regular fee was hiked by the school in the year 2009-10, as per order dated 11/02/2009, issued by the Directorate of Education. Hitherto, the school was not charging development fee, but started charging the same from 2009-10.

The Committee issued a notice dated 22/01/2015 for hearing the school on 06/02/2015 and also requiring the school to furnish the information regarding fee, salary and arrear fee and salary for the years 2008-09, 2009-10 and 2010-11 in a structured format so as to make the relevant calculations to ascertain the justifiability of fee hike effected by the school w.e.f. 01/04/2009. The school was also required to furnish information regarding its accrued liabilities of gratuity and leave encashment, if any.

On the date of hearing Sh. Thakur, Accountant and authorized representative of the school appeared with Sh. Raj Singh, Clerk cum Cashier. They filed written submissions dated 15/01/2015 and furnished the required information regarding fee salary and arrear salary. They also made an endorsement on the written submissions to the effect that the school has no practice of paying any gratuity or

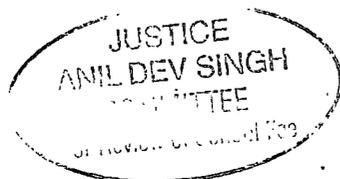


**Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
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leave encashment. The information furnished by the school was verified by the Committee with reference to its audited financials. The Committee noticed that, as per the reply to the questionnaire, the school had stated that it paid arrears of salary amounting to Rs.45,57,793 from January 2006 to March 2009 but as per the information furnished at the time of hearing, the school stated that the arrear payment amounted to Rs.46,66,800. The representatives of the school filed a copy of the ledger account arrears paid by the school from 01/04/2009 to 31/03/2015, to show that a sum of Rs. 1,09,007 was paid in 2012-13 while the reply to the questionnaire was based on the audited accounts upto 31/03/2012. The Committee verified the mode or payment of arrears and it was observed that except for a miniscule amount, the arrears were paid by means of bank transfer. During the course of hearing, it was emphasized that the school did not recover any arrear fee from the students. However, the arrear salary was paid out of the development fee which was introduced by the school w.e.f. 01/04/2009 and out of its internal accruals.

Discussion and determinations

The Committee has examined the annual returns filed by the school under Rule 180 of Delhi School Education Rules 1973, the reply to the questionnaire issued by the Committee, the



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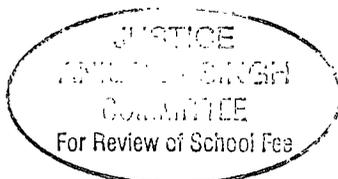
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observations of the Audit Officer and the information and documents furnished by the school during the course of hearing and the contentions of the school.

The Committee is of the view that since the school has itself admitted that the arrear salary was paid from the development fee which was introduced by the school w.e.f. 01/04/2009, the development fee charged by the school has to be taken into consideration while making the relevant calculations to examine the justifiability of the fee hike effected by the school. It would be in order to mention here below as to how much total revenue accrued to the school out of tuition fee and development fee in the years 2009-10 vis a vis 2008-09. Further, it would be useful to state here as to how much was the total expenditure on salary and arrears, during these two years.

The school, vide its submissions dated 06/02/2015, furnished the following break up of the fee recovered by the school under various heads:-

Fee	2008-09	2009-10
Regular/ Normal Tuition Fee	1,36,47,395	1,91,88,240
Computer fees	7,43,445	8,91,970
Science fees	1,26,700	1,76,200
Regular/ Normal Development Fee	Nil	10,42,500
Total	1,45,17,540	2,12,98,910



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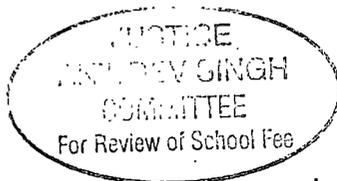
As against this the total amount of arrear salary and regular salary paid in 2008-09 and 2009-10 was as follows:-

Salary	2008-09	2009-10
Salary as per Income & Expenditure Account	12,536,722	18,523,616
Less: Arrears paid	-	1,864,280 *
Net Salary for the year	12,536,722	16,659,336

*The remaining amount of arrears were paid in the years 2010-11 to 2012-13.

Although the arrear salary paid by the school in 2009-10 was only Rs.18,64,280, the Committee is of the view that while making the relevant calculations, the entire amount of arrear salary of Rs. 46,66,800 ought to be considered since the same was paid in the subsequent years without hiking any extra ordinary fee. The Committee notes that in the year 2010-11 and 2011-12, the fee hiked by the school was around 10% only which the Committee considers as normal.

The Audit Officer was directed by the Committee to prepare the calculation sheet, to examine the justifiability of fee hike effected by the school in 2009-10. She prepared the following calculation sheet:-



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**Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
110043**

Statement showing Fund available as on 31-03-2009 and the effect of fee hike and salary hike on implementation of Sixth Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	23,611	
	Bank Balance	2,233,933	
	Fixed Deposits with Accrued Interest	235,288	2,492,832
Less:	<u>Current Liabilities</u>		
	Current Liabilities	-	-
	Net Current Assets + Investments (funds available)		2,492,832
Less:	Total Liabilities after Vith Pay Commission		
	Arrear of 6th CPC 1.1.2006 to 31.3.2009	4,666,800	
	Increased Salary for 2009-10	4,122,614	8,789,414
	Excess / (Short) Fund Before Fee Hike		(6,296,582)
Add:	Total Recovery after VI th Pay Commission		
	Annual increase in Fee in 2009-10	6,781,370	6,781,370
	Excess / (Short) Fund After Fee Hike		484,788

Working notes

	2008-09	2009-10
Salary as per Income & Expenditure Account	12,536,722	18,523,616
Less: Arrears paid	-	1,864,280
Net Salary for the year	12,536,722	16,659,336
Increase in normal Salary in 2009-10 as per I & E A/c	4,122,614	

	2008-09	2009-10
Fees & Fine as per Income & Expenditure Account	14,517,540	21,298,910
Increase in Fee in 2009-10 as per I & E A/c	6,781,370	

The Committee has checked the calculation sheet prepared by the Audit Officer and the same has been found to be in order. The Committee also notes that the school had a nominal surplus of Rs. 4,84,788, after accounting for the fee hiked by it and the additional liabilities on account of implementation of Sixth Pay Commission Report. However, the Committee also notes the contentions of the school that the development fee recovered by it was also utilized for

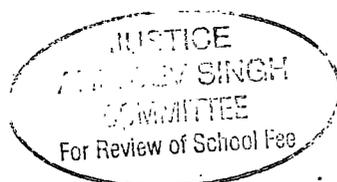
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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**Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
110043**

payment of arrears of Sixth Pay Commission. This is not in accordance with the scheme of development fee laid down by the Duggal Committee and the various fee circulars issued by the Department of Education, which were upheld by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583. However, the Committee notes that the Audit Officer has already taken into account the development fee recovered by the school in 2009-10, while working out the surplus on account of fee hike vis a vis the salary hike on implementation of Sixth Pay Commission Report. The Committee is of the view that since the development fee of 2010-11 (and may be 2011-12 also) has also been utilized by the school for payment of arrears, the same also ought to be added to the surplus generated by the school. If so done, the total surplus would be Rs.15,90,588 as the school in its written submissions has conceded that it recovered a sum of Rs.11,05,800 as development fee in 2010-11 which was treated as a revenue receipt. The Committee does not have the figures of development fee charged in 2011-12. However, the Committee also notes that while making the relevant calculations, the Audit Officer did not provide for any reserve to be kept by the school for future contingencies. The Committee has taken a consistent view that the schools ought to retain a reserve equivalent to four month salary. As noted above, the total salary of the school (net of arrears) for 2009-10 was



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**Rao Mohar Singh Memorial Public School, Najafgarh, New Delhi-
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Rs.1,66,59,336. Based on this the requirement of the school for funds to be kept in reserve amounts to Rs.55,53,112. In the face of this, the surplus of the school amounting to Rs. 15,90,588, pales into insignificance. Even if the development fee for 2011-12 were to be considered, no material difference would be made to the calculations made by the Committee.

Recommendations:-

In view of the foregoing determinations, no intervention is required, either in the matter of tuition fee or in the matter of development fee.

Recommended accordingly.

Sd/-
CA J.S. Kochar
Member

Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-
Dr. R.K. Sharma
Member

Dated: 20/02/2015



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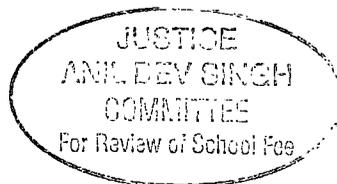
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Stanford Convent School, Tajpur Road, Badarpur Border, New Delhi-44

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days.
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.

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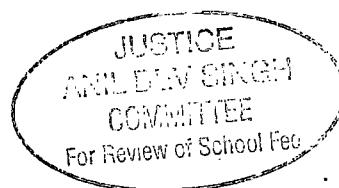


Stanford Convent School, Tajpur Road, Badarpur Border, New Delhi-44

4. With a view to verify the returns, the Office of the Committee vide its notice dated 24-10-2013, required the school to appear on 12.11.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the questionnaire.
5. On 12.11.2013, Sh. Sunil Kumar, Manager of the school attended the Office of the Committee and requested for some more time to produce record. At its request the school was provided another opportunity to produce its records on 29.11.2013.
6. On 29-11-2013, Sh. Sunil Kumar, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-
- (i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. 01.11.2009.
- (ii) The school hiked fee w.e.f. 01.04.2009, in terms of the order of Director of Education dated 11-02-2009.
- (iv) The school did not collect the development fee from the students.

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7. The record, in the first instance, was examined by Sh.N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -
- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. November 2009, but DA has not been paid as per the prescribed norms.
 - (ii) No recovery of TDS has been made from 2008-09 to 2010-11.
 - (iii) The school hiked the fee in 2009-10, in terms of the order dated 11.02.2009 of the Director of Education. There was no hike during 2010-11.
 - (iv) The school did not collect development fee from the students.
- The Audit Officer after examination of the original record produced by the representative the school returned the same to him.
8. By notice dated 03-03-2015, the school was asked to appear on 24-03-2015 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

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9. On 24-03-2015, Sh. Sunil Kumar, Manager and Sh. S.K. Sharma, Accountant of the school appeared before the Committee and produced the records. They conceded that the school did not implement the recommendations of the 6th Pay Commission. They contended that the school did not hike any fee in 2008-09 and 2010-11. The fee records of the school for 2010-11 had already been verified, but those of 2008-09 were not verified by the office of the Committee, therefore the school was directed to produce the books of accounts and fee records for the years 2007-08 and 2008-09 before the Audit Officer of the Committee for verification.

The Audit Officer of the Committee has examined the fee records for the year 2007-08 and 2008-09 and has recorded that the school did not hike fee in 2008-09.

10. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee. The school hiked fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009, but there was no hike in 2008-09 and 2010-11. If the hike in 2009-10 is spread over to

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2008-09 and 2010-11, then the average hike in 2009-10 was within the tolerable limit of 10%.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

12. As per the available record, the school has not charged development fee.

RECOMMENDATION**Re. Fee Hike**

Since the school has not utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee in 2009-10, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

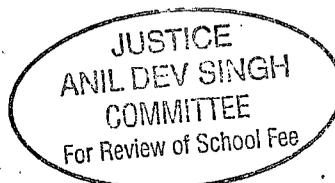
Sd/-

Dr. R.K. Sharma
Member

Dated—01-05-15

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[Signature]
Secretary



Panchsheel Public School, Jaitpur, Badarpur, New Delhi-110044

The school had not furnished any reply to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns filed by the school for the years 2006-07 to 2010-11, from the office of the concerned Dy. Director of Education. Pursuant thereto, these were forwarded by the concerned Dy. Director of Education to the Committee. On prima facie examination of the annual returns, it appeared that the school had hiked the fee in accordance with order dated 11/02/2009 issued by the Director of Education and had also implemented the recommendations of the VI Pay Commission. Accordingly, the school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 19/09/2013 requiring the school to produce on 09/10/2013 its fee records, salary records, books of accounts, bank statements, PF returns and TDS returns, in the office of the Committee for verification. A revised questionnaire was also issued to the school for appropriate response. However, a letter was received from the school, in the office of the Committee, requesting for grant of three weeks time for producing the records. Acceding to the request of the school, a fresh notice was issued for producing the required records on 29/10/2013. On this date, Sh. Girish Hora, Chairperson of the school appeared and produced the required records. The school also furnished reply to revised questionnaire, as per which, the school stated that:

- (a) It had implemented the recommendations of the VI Pay Commission report w.e.f. 01/04/2009. In evidence, the school



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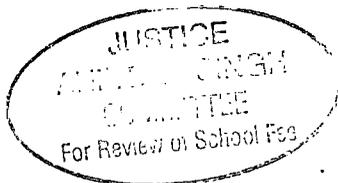
furnished copies of its pay bill for the month of March 2009, showing a total salary pay out of Rs.2,97,920 and that for the month of April showing the enhanced salary of Rs. 6,30,727.

- (b) It had neither charged any arrear fee nor paid any arrear salary for the period 01/01/2006 to 31/03/2009.
- (c) It hiked the tuition fee of the students @ Rs. 200 per month w.e.f. 01/04/2009, as per order dated 11/02/2009 issued by the Director of Education.
- (d) With regard to the collection of development fee, it stated that it had charged development fee aggregating Rs. 84,000 in 2009-10 and Rs.4,46,000 in 2010-11. No development fee was charged from 2006-07 to 2008-09.
- (e) Development fee was treated as a revenue receipt in the accounts and was spent on fixed assets.
- (f) Neither any earmarked development fund account nor any depreciation reserve fund account was maintained.

The records produced by the school were verified by Sh. N.S. Batra, audit officer of the Committee and he observed as follows:

- (a) The fee hiked by the school in the year 2009-10 for different classes is as follows:

Class	Monthly tuition fee (pre hike) (Rs.)	Monthly tuition fee (Post hike) (Rs.)	Increase in monthly tuition fee (Rs.)
I to V	600	800	200
VI to VIII	650	850	200
IX to X	825	1025	200



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Panchsheel Public School, Jaitpur, Badarpur, New Delhi-110044

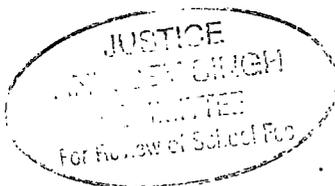
(b) The fee hiked by the school in 2010-11 was in the range of Rs. 75 to Rs.100 per month which in terms of percentage was between 9.3% & 9.7%.

(c) The VI Pay Commission report was almost fully implemented, except that DA had been paid at a rate which was slightly less than the prevailing rate.

The Committee issued a notice dated 03/03/2015 for hearing the school on 25/03/2015 and also requiring the school to furnish the information regarding fee and salary for the years 2008-09, 2009-10 and 2010-11 in a structured format so as to make the relevant calculations to ascertain the justifiability of fee hike effected by the school w.e.f. 01/04/2009. The school was also required to furnish information regarding its accrued liabilities of gratuity and leave encashment, if any.

On the date of hearing Sh. Girish Hora, Manager of the school appeared alongwith Sh. Vasudev Sharma and Sh. Bhagat Singh, Accountants. They filed written submissions dated 25/03/2015 and furnished the required information regarding fee and salary. The information furnished by the school, to the extent it was relevant, is as follows:-

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Regular/ Normal Tuition Fee	80,24,700	1,22,08,125	1,37,02,215
Regular/ Normal Salary	63,07,228	1,11,19,474	1,39,49,853

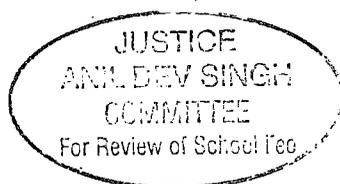


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It was further stated that the accrued liability of the school on account of gratuity and leave encashment as on 31/03/2008 was Rs. 1,95,135 which rose to Rs. 4,30,842 as on 31/03/2010. Employee wise details of such liabilities were also furnished.

The representatives of the school contended that the school had prospectively implemented the recommendations of the Sixth Pay Commission w.e.f. 01/04/2009, to the extent it could do, given its financial constraints. The school had not given arrears of salary on account of such implementation for the period 01/01/2006 to 31/03/2009, as the school had not collected the arrear fee for the corresponding period on account of inability of the students to pay the same. To buttress their submission, the representatives stated that bulk of the payments were made through direct bank transfers and in support they produced the bank statements of the school, showing such transfers. The payments were verified by the Committee with reference to the books of accounts of the school and the bank statements produced by it.

Having regard to the above facts, the Committee is of the view that although the school did not fully implement the recommendations of the Sixth Pay Commission, the increased pay out on account of salary to the staff in the year 2009-10, cannot be ignored as such payments were made by direct bank transfers. Hence, it is imperative to examine the justifiability of fee hike in the light of the increased expenditure of the school on salary, keeping in view the funds available with the school



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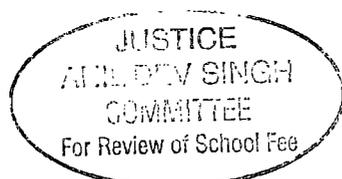
Panchsheel Public School, Jaitpur, Badarpur, New Delhi-110044

at the threshold. As the school hiked the fee w.e.f. 01/04/2009, the audited balance sheet of the school as on 31/03/2009 has to be considered to ascertain the funds already available to the school. The following position emerges on examination of the balance sheet of the school:-

Statement showing Fund available as on 31-03-2009			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	75,336	
	Bank Balance	51,560	
	Fixed Deposits with ICICI Bank	23,565	150,461
Less:	<u>Current Liabilities</u>		
	Salary Payable	348,200	
	N K Mahajan & Co.	3,750	351,950
	Net Current Assets + Investments (Funds Available)		(201,489)

As is apparent from the above table, the school did not have any funds available with it at the threshold as its current liabilities were in excess of its current assets plus investments. Since the school did not have any funds available with it, there would be no occasion for it to keep any funds in reserve for future contingencies or for its accrued liabilities on account of gratuity and leave encashment. However, in case the Committee arrives at a conclusion that the school is required to refund any fee on account of unjustified fee hike or on account of development fee not being in accordance with law, the Committee will give due consideration to such liabilities.

From the previous table, it is apparent that the salary hike resulted in an additional expenditure of Rs. 48,12,246 (1,11,19,474 -



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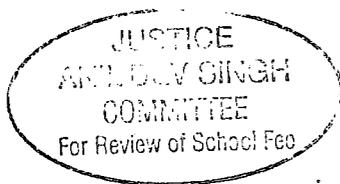
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Panchsheel Public School, Jaitpur, Badarpur, New Delhi-110044

63,07,228) in 2009-10. The hike in tuition fee w.e.f. 01/04/2009, resulted in an additional revenue of Rs.41,83,425. Thus the school was in deficit to the tune of **Rs.6,28,821**, despite effecting the fee hike w.e.f. 01/04/2009. In view of these facts, the Committee is of the view that in so far as the hike in tuition fee is concerned, no intervention is called for.

Development Fee

As noticed supra, the school, in its reply to the questionnaire, admitted that it was treating development fee as a revenue receipt and further it was not maintaining any earmarked accounts for development fund and depreciation reserve fund. The balance sheet of the school also did not reveal any such earmarked accounts. Thus the school was not following any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583. The Committee is therefore of the view that the development fee charged by the school was not in accordance with the law and the various fee circulars issued by the Directorate of Education, including order dated 11/02/2009. The school recovered a total sum of Rs. 84,000 as development fee in 2009-10 and Rs.4,46,000 in 2010-11. In normal course, the Committee would have recommended the refund of **Rs. 5,30,000**. However, as noticed supra, the school was in deficit to the tune of **Rs.6,28,821**, in implementation of Sixth Pay



Panchsheel Public School, Jaitpur, Badarpur, New Delhi-110044

Commission Report (to the extent it did), the Committee is of the view that no intervention is required in the matter of development fee also.

Recommendations:-

In view of the foregoing determinations, no intervention is required, either in the matter of tuition fee or in the matter of development fee.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

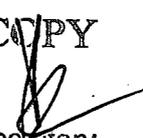
Sd/-

Dr. R.K. Sharma
Member

Dated: 10/04/2015

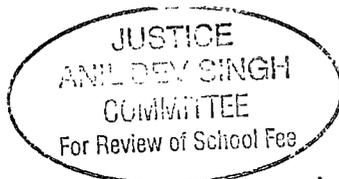


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Delhi Convent School, Ganesh Nagar, Pandav Nagar, Delhi-110092

Initially, the school did not respond to the questionnaire dated 27/02/2012 issued by the Committee which was followed by reminder dated 27/03/2012. The annual returns of the school filed under Rule 180 of Delhi School Education Rules, 1973 were also not received from the office of the concerned Dy. Director of Education. A letter dated 28/09/2012 was issued to the Director of Education, listing out 21 schools (including this school), the records of which have not been received from the Dy. Director of Education, Distt. East. The records of some of these schools were subsequently received but the records of this school and nine others were not received till 24/09/2013. Therefore a letter was issued directly to the Dy. Director of Education (East). Even this did not elicit a response from the Directorate of Education. Consequently, another letter dated 01/11/2013 was issued to the Director of Education. However, even this letter did not yield the desired result. Therefore, the Committee decided to obtain the annual returns of directly from the school itself and vide letter dated 21/01/2014, the school was requested to furnish to the Committee the annual returns filed by the school for the years 2008-09, 2009-10 and 2010-11. The school was further required to produce its fee records, salary records, books of accounts, bank statements, PF returns and TDS returns. A revised questionnaire was also issued to the school for eliciting the information regarding the implementation of VI Pay Commission report, the fee hiked by the school in terms of order dated 11/02/2009 issued by the Director of Education and the development fee charged and utilised by the school as also the manner of utilisation. The school was provisionally placed in Category C for the purpose of verification.



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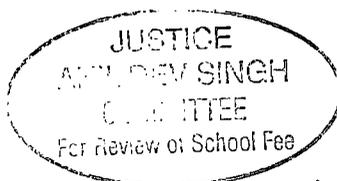
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Delhi Convent School, Ganesh Nagar, Pandav Nagar, Delhi-110092

On 17/02/2014, Sh. Gian Chand Arora, Director and Sh. Ram Babu Singh, Accountant appeared in the office of the Committee and furnished copies of the annual returns filed by the school for the three years and also reply to the revised questionnaire. However, the other records which the school was required to produce as per the notice of the Committee, were not produced and the representatives sought further time for doing the needful. Accordingly they were requested to produce the necessary records on 04/03/2014.

As per the reply to the questionnaire issued by the Committee, the school claimed to have implemented the VI Pay Commission report w.e.f. 01/04/2009 prospectively. It was stated that the total monthly salary for the month of March 2009 was Rs. 4,79,330, which went upto Rs. 7,53,720 in April 2009 on implementation of VI Pay Commission report. In support, the school filed copies of the salary sheets for these two months. The school also stated that neither had it charged the arrear fee as permitted by order dated 11/02/2009 issued by the Director of Education nor had it paid the arrears of salary w.e.f. 01/01/2006, which the school was required to pay.

With regard to hike in regular tuition fee, the school admitted to have hiked the fee w.e.f. 01/04/2009 in accordance with the order dated 11/02/2009 issued by the Director of Education. In support, the school furnished fee schedules for the years 2008-09 and 2009-10, as per which the fee charged by the school for different classes in these two years, was as follows:



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Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in monthly tuition fee in 2009-10 (Rs.)
I to V	870	1100	230
VI to VIII	900	1200	300
IX & X	1000	1300	300

The Committee notes that for classes I to V, the school hiked the fee by Rs. 230 per month whereas the maximum hike permitted as per order dated 11/02/2009 was Rs. 200 per month for this fee slab. However, this would be immaterial, if the Committee ultimately finds that the claim of the school of having implemented the VI Pay Commission report was correct as in that event, the availability of funds with the school would be the deciding factor to determine the fee hiked by the school was in order. The Hon'ble Delhi High Court in the WP(C) 7777 of 2009 has held that the fee hike permitted by the order dated 11/02/2009 is only interim and can be varied depending upon the funds position of the school.

With regard to development fee, the school stated that it had never collected any development fee from the students.

On 04/03/2014, the aforesaid representatives of the school again appeared and besides producing the salary records, they filed written submissions of even date, in which the history and the philosophy of the school was mentioned at great length. It was mentioned that the school was working with great difficulty and was in a very bad financial position. The school also furnished copies of letters dated 25/10/2012 and 19/01/2013 addressed to the Dy. Director of Education (East) (DDE) in support of its claim that the school had not only filed copies of the annual returns for

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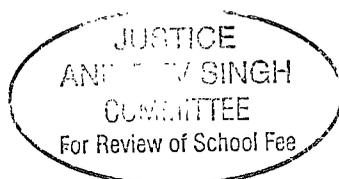
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2008-09, 2009-10 and 2010-11 but also the fee receipts, fee registers and cash books for these three years with the DDE.

The salary records produced by the school were examined by Sh. A.D. Bhateja, audit officer of the Committee and he observed as follows:

- (a) The school had implemented the VI Pay Commission report w.e.f. 01/04/2009. However, the DA was being paid @ 22% only since its implementation.
- (b) The salary is being paid by cheques to its staff except for class IV staff to whom it is paid in cash.
- (c) Proper deductions for provident fund and TDS were made from the salaries and the school was filing its returns with the appropriate authorities.
- (d) The school maintains two bank accounts and copies of bank statements and reconciliations had been examined.
- (e) The books of accounts have been examined and no adverse feature has been noticed in their maintenance.

In order to provide an opportunity of hearing to the school, the Committee issued a notice dated 26/06/2014, requiring the school to appear on 30/07/2014 and also to furnish, inter alia, the details of its accrued liabilities of gratuity and leave encashment as on 31/03/2008 and 31/03/2010 and also the statement of account of its Parent Society, as appearing in the books of the school. However, a letter was received from the school requesting for 10 days time on account of the illness of the Administrative Accounts Officer. The representatives also brought to the notice of the Committee that it had filed fee receipts for the first and the last



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month of the years 2008-09, 2009-10 and 2010-11 with the Dy. Director of Education (East), who had for reasons not known, not forwarded the same to the Committee.

Acceding to the request of the school, the matter was directed to be relisted on 11/08/2014. The representatives were also requested to produce its fee receipts for the aforementioned three years for the other months, which had not been submitted to the Dy. Director of Education. Also the Committee, vide letter dated 31/07/2014, wrote to the Dy. Director of Education District (East), to forward the fee receipts and registers which the school had submitted with it latest by 08/08/2014.

On 11/08/2014, the representatives of the school appeared and produced the original fee receipts that were in possession of the school. The audit officer of the Committee was directed to examine the fee receipts and put her report. After examination of the fee receipts and registers, she reported that the fee charged by the school was in accordance with the fee schedules and the aggregates reconciled with the financials of the school. However, no response was received from the Dy. Director of Education (East). The school also filed written submissions dated 11/08/2014 which were more or less the same in substance, as the written submissions dated 04/03/2014. At the end, the school requested to *"keep our case open and issue instructions to the Directorate of Education, Sr. representative to be present in our next hearing..... we have a desire to express our miserable plight as a school and its administrators"*. The audit officer also prepared a preliminary calculation sheet showing the availability of funds with the school as on 31/03/2009, the incremental fee received by the school in



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2009-10 and the incremental salary paid in 2009-10 on account of implementation of VI Pay Commission report. As per this calculation sheet, the net current assets (funds) available with the school as on 31/03/2009 were Rs. 2,14,210 but the school incurred a deficit of Rs. 3,21,640 in 2009-10 on implementation of VI Pay Commission report resulting in the available funds being wiped out.

Discussion and Determination:

The Committee has examined the annual returns filed by the school under Rule 180 of Delhi School Education Rules 1973, the observations of the two audit officers, the written submissions of the school and the calculation sheet prepared by the audit officer. The Committee is of the view that the school did implement the VI Pay Commission report w.e.f. 01/04/2009 but did not fully pay the Dearness allowance as per its recommendations. However, the Committee is convinced that to the extent it did, it did pay the increased salary to the staff as the payments were made by cheques after proper deductions of provident fund and TDS. Such partial implementation did result in substantial hike in salary. The Committee has checked the calculation sheet prepared by the audit officer and found the same to be in order. In view of the final result of the relevant calculations, the Committee would have concluded its hearings in view of the fact that the school did not have any surplus funds after implementation of VI Pay Commission report nor was it claiming to be allowed to hike the fee over and above the fee already hiked by it for implementation of VI Pay Commission report, the Committee gave another hearing to the school in view of the fervent request made by it to hear them again. The Committee does not

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deem it necessary to accede to the request of the school to require the senior officials of the Directorate of Education to be present before it as the mandate of the Committee is limited to examining the issue of justifiability of fee hike.

The Committee gave a final hearing to the school on 10/12/2014 when the school again filed a very sentimental and philosophical letter and traced out the history as to how the school was established and how the management had exhausted their personal resources for running the school and serving children of economically weaker sections.

Recommendations:

In view of the final calculations of funds availability vis a vis the liability of the school for implementation of VI Pay Commission report, the Committee is of the view that no intervention is required in the matter.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/12/2014



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Rukmani Devi Public School, Pitampura, Delhi-110034**Recommendations on review**

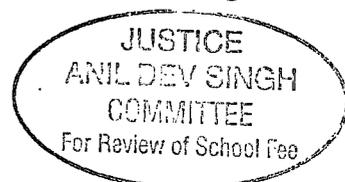
1. The Committee had, vide recommendations dated 09/11/2013, recommended that the school ought to refund the following amounts, along with interest @ 9% per annum:

(a) Arrear fee recovered	Rs. 1,28,27,325
(b) Incremental fee recovered	
In 2009-10	<u>Rs. 1,19,05,200</u>
Total	<u>Rs. 2,47,32,325</u>

2. The school filed an application dated 10/02/2014, seeking review of the recommendations, on various grounds on merits. One of the grounds on which the review was sought was that while making the relevant calculations regarding funds available with the school, the Committee had not factored in the accrued liability of the school towards gratuity and leave encashment as on 31/03/2010 which amounted to Rs. 74,07,670, and the requirement of the school to keep funds in reserve, equivalent to four months' salary, which amounted to Rs. 1,32,00,000.

3. The Committee, on prima facie examination of the application for review, was of the opinion that while the contentions raised by the school on merits of the original recommendations of the Committee were not amenable to review, the omission of the Committee to factor in the accrued liability of the school for gratuity and leave encashment and requirement for keeping funds in reserve for future contingencies,

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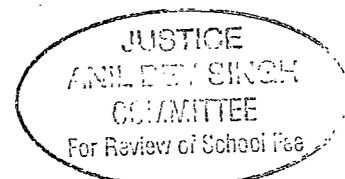

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constituted a mistake which was manifest from the record and was amenable to review. However, since the recommendations of the Committee had already been submitted to the Hon'ble Delhi High Court, the Committee wrote a letter dated 12/02/2014 to the Registrar General of the High Court with a request to place the matter before the Hon'ble Division Bench which is dealing with the matter, for appropriate directions. The Hon'ble High Court passed the following order on March 19, 2014:

"In view of the letter dated 12/02/2014 received from the Committee, we permit the Committee to review the case of Rukmani Devi Public School, Pitampura, Delhi-110034 only"

4. The Committee issued a notice dated 03/03/2015 to the school, requesting it to appear before the Committee on 23/03/2015, for hearing the review application. On this date, Sh. Rajiv Bansal, learned counsel appeared for the school along with Sh. D.R. Goyal, Administrative Officer and Dr. Raman Garg, Member of the Managing Committee. During the course of hearing, Sh. Bansal restricted his arguments to the mistakes which were apparent from the record. Although, he also made a feeble attempt to say that the judgment of the Hon'ble Supreme Court in the case of Modern School does not bar the schools to incur capital expenditure out of fee, but he did not press this argument. He submitted that while making the original recommendations,

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- (i) No allowance had been made for reserve for future contingencies or for provision for liabilities of gratuity and leave encashment.
- (ii) The funds which had been transferred to the parent society and deemed to have been available with the school, have been taken upto 31/03/2011 and therefore the incremental expenditure on salaries ought to also have been factored in upto 31/03/2011.

5. The Committee has examined the original recommendations made in this case, the contents of the application for review filed by the school and the submissions made by the learned counsel appearing for the school. The Committee notes that vide written submissions dated 27/06/2013, the school had submitted that:

- (i) it had a liability of Rs. 74,07,670 towards payment of gratuity and leave encashment as on 31/03/2010 for which no funds were available with the school. (An employee wise detail of such liabilities was filed by the school). These liabilities are statutory liabilities and have to be considered while making an assessment of funds available with the school.
- (ii) The school requires reserves equivalent to four months' salary which amounts to Rs. 1.32 crores for which no funds are available with the school.

6. The Committee, on review of its original recommendations, notes that it had recorded the following findings:

(a) The school had available with it, a sum of **Rs. 45,75,226** as on 31/03/2008, exclusive of the funds which had been transferred to the parent society over a number of years.

(b) The school had transferred funds to the tune of **Rs. 2,04,75,072** to its parent society from **01/04/2004** to **31/03/2008**.

(c) The school had transferred funds to the tune of **Rs. 2,33,83,803** to its parent society from 01/04/2008 to 31/03/2011.

7. The funds transferred by the school to its parent society, as detailed above, were considered by the Committee to be funds available with the school for the purpose of implementation of VI Pay Commission report, in view of the judgments of the Hon'ble Supreme Court in the cases of Modern School vs Union of India (2004) 5 SCC 583 and Action Committee Unaided Pvt. Schools vs. Director of Education & Ors. 2009 (11) SCALE 77.

8. While making the final determinations, the Committee ignored the funds amounting to Rs. 45,75,226, which were actually available with the school as on 31/03/2008 as available for implementing the recommendations of the Sixth Pay Commission, in view of the fact

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Rukmani Devi Public School, Pitampura, Delhi-110034

that the requirement of the school to keep funds in reserve for meeting its accrued liabilities on account of gratuity and leave encashment and future contingencies, was more than the funds actually available with the school. This was premised on the basis that the school could not keep more funds in reserve than it actually had. However, the Committee considered the entire amount of funds transferred by the school to the parent society as funds available with it and did not set off the residual requirement of the school for keeping funds in reserve. The Committee considers that this was a mistake in the calculations, which is apparent from records, in as much, as when the Committee had considered the funds transferred by the school to its parent society as funds available with it for the purpose of implementation of VI Pay Commission report, it also ought to have considered the full amount of the requirement of the school to keep funds in reserve. This mistake, in the opinion of the Committee, requires to be rectified.

9. However, while making the rectifications, the Committee is required to take notice of the correct facts. In this connection, it would be apposite to note that the figure of Rs. 45,75,226 as funds actually available with the school as on 31/03/2008 has not been disputed by the school.

10. So far as the liability for gratuity and leave encashment is concerned, the Committee finds that in the statement filed by the

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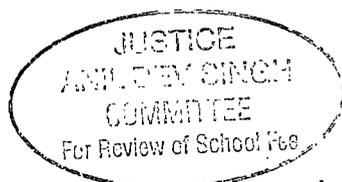


Rukmani Devi Public School, Pitampura, Delhi-110034

school, there were some errors on account of which the liability on these accounts had been overstated. These are as follows:

- (a) In the detail of gratuity payable as on 31/03/2010, the total liability of the Principal of the school has been shown as Rs.5,00,000 while the maximum amount that was permissible at that time was Rs. 3,50,000. Thus, the liability is overstated by Rs. 1,50,000.
- (b) A sum of Rs. 4,96,006 has been shown as liability in respect of 19 employees, who had not completed five years of service as on 31/03/2010. As such no gratuity was due to them till that date. Hence the liability of gratuity is overstated to this extent.
- (c) The liability on account of encashment of earned leave in respect of the Principal of the school has been calculated for 360 days leave. The maximum leave that can be encashed is for 300 days. The total liability on this account has been shown as Rs. 11,15,568. The correct liability would be Rs. 9,29,640. Thus the liability on this account is overstated by Rs. 1,85,928.

11. Taking into consideration the above facts, the correct amount of liability of the school on account of gratuity and leave encashment would be **Rs. 65,75,736**, as against Rs. 74,07,670 claimed by the school.



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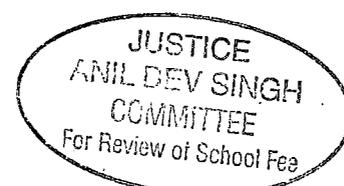
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12. In so far as the reserve for future contingencies is concerned, the school claims that it ought to have been allowed a reserve of Rs. 1.32 crores which is equivalent to four months' salary. However, the Committee finds that during the course of hearing, the school had filed details of salary for the month of March 2010. The aggregate amount of salary as per the detail filed by the school was Rs. 31,95,449. Based on this, the requirement of school to keep funds in reserve works out to **Rs. 1,27,81,796.**

13. The Committee had considered a sum of Rs. 2,33,83,803 transferred by the school to its parent society from 01/04/2008 to 31/03/2011 as deemed to be available with the school. The school contends that since the funds transferred upto 31/03/2011 have been considered to be available with the school, the incremental salary for the year 2010-11 ought also be considered while making the relevant calculations.

14. The Committee agrees with the contention of the school but only partly. The Committee ought to have considered funds transferred upto 31/03/2010 only instead of 31/03/2011 as the mandate of the Committee is to examine the fee hike effected by the school in pursuance of order dated 11/02/2009, issued by the Director of Education. This order is applicable only for the fee hike upto 31/03/2010. The Committee finds that the school transferred a sum of Rs. 59,08,390 to the parent society purportedly as repayment

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of loan and Rs. 51,91,609 as interest during the period 01/04/2008 to 31/03/2010. Thus the total amount transferred to the society during this period was Rs. 1,10,99,999, which ought to have been taken in the final calculations, instead of Rs. 2,33,83,803, which was actually taken.

15. The effect of correction of the aforementioned errors on the recommendations as originally made is calculated as follows:

	As per original recommendation	As per review recommendation	Effect of review
Funds actually available with the school as on 31/03/2008	-	45,75,226	45,75,226
Funds transferred to the society from 01/04/2004 to 31/03/2008	2,04,75,072	2,04,75,072	-
Funds transferred to the society from 01/04/2008 to 31/03/2010	2,33,83,803	1,10,99,999	(1,22,83,804)
Liability for Gratuity and leave encashment	-	65,75,736	(65,75,736)
Reserve for future contingencies	-	1,27,81,796	(1,27,81,796)
Net effect of review			(2,70,66,110)

16. As is evident from the above table, the net effect of the rectification of mistakes would be a reduction in amount of the refund, as originally recommended, by a sum of Rs. 2,70,66,110. As per the original recommendation, the Committee had recommended a refund of Rs. 2,47,32,325. In view of this position and having regard to the mandate of the Committee, the school is not required to make any refund for the purposes of instant inquiry.

17. The question that arises is whether the school ought to be allowed to hike any fee over and above the amount of hike effected by

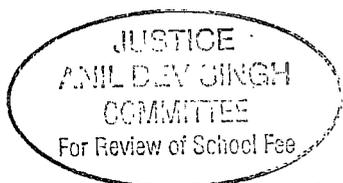
it originally, in order to make up the deficiency of Rs. 23,33,785 (2,70,66,110-2,47,32,325). In view of the Committee, such a course of action is not open to the school. There is, in fact, no real deficiency. Only the funds to be kept in reserve by the school for future contingencies, which the Committee has factored to be Rs.1,27,81,796, get reduced by Rs.23,33,785.

18. However, the fact remains that the school did transfer an amount of Rs. 1,22,83,804 to its parent society in the year 2010-11. Similar position might be obtaining in the subsequent years also. This has been done by the school in the teeth of the judgments of the Hon'ble Supreme Court in the cases of Modern School (supra) and Action Committee Unaided Pvt. Schools (supra), prohibiting such transfers. The action of the school in transferring the funds to its parent society is clearly illegal. But we cannot take the aforesaid amount of Rs. 1,22,83,804 into consideration, as deemed to be available with the school for meeting its liability for implementation of the recommendations of the VI Pay Commission, for the reasons underscored by us in para 14 supra. However, the Director of Education ought to take notice of this fact and take appropriate action in the matter.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Rukmani Devi Public School, Pitampura, Delhi-110034

Recommendations

In view of the foregoing discussion, while we recall the original recommendation dated 09/11/2013 and recommend no intervention in the matter of fee hiked by the school as well as arrear fee recovered by the school, in pursuance of the order dated 11/02/2009, we recommend that the Director of Education ought to take appropriate action in the matter of transfer of funds by the school to its parent society in the year 2010-11 and may be in the subsequent years also.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 07/05/2015

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