

WP(C) 7777/2009  
Delhi Abhibhavak Mahasangh & Ors.

Vs.

Govt. of NCT of Delhi & Ors.

Report of Delhi High Court Committee for Review of School Fee for  
June 2018

No.DHCC/2018/88

Dated: 06/09/2018

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Place: Delhi

Secretary  
Delhi High Court Committee for Review of School Fee

*[Signature]*  
Delhi High Court Committee For Review of School Fee  
(Formerly Known as Justice Anil Dev Singh Committee For Review of School Fee)  
C-Block, Vikas Bhawan-2, Upper Bela Road, Civil Lines, Delhi-110054

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF SCHOOL  
FEE, NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of school Fee)

**In the matter of:**

**Ramjas School, Sector-4, R.K. Puram, New Delhi-110022 (B-589)**

Present: Ms. Rachna Pant, Principal, Sh. J.P. Bhatt, UDC & Sh. Bharat, LD C of the school.

**Order of the Committee**

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission which was followed by a reminder dated 27/03/2012. However, the school did not respond to the same. Consequently, the Committee issued a fresh questionnaire on 01/10/2013. The school responded to the above questionnaire vide its letter dated 17/10/2013. In its reply, the school stated as follows:

- (a) It had implemented the recommendations of VI Pay Commission and started paying the increased salary to the staff w.e.f. 01/03/2009. It

Ramjas School, R.K. Puram, New Delhi/B-589/Order

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also paid arrears of salary due to the staff which aggregated to Rs. 1,99,99,478.

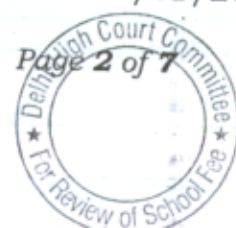
- (b) It had increased the fee of the students in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. 01/09/2008 and also recovered a sum of Rs. 1,05,70,680 as arrear fee, which comprised of arrears of tuition fee amounting to Rs. 92,43,200 and arrears of development fee amounting to Rs. 13,27,480.
- (c) The school recovered development fee in all the five years for which the information was sought i.e. 2006-07 to 2010-11. The same was treated as a capital receipt and earmarked depreciation reserve fund was maintained for depreciation on assets acquired out of development fee as well as unutilised development fund.

The Committee issued a notice dated 25/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period 01/04/2006 to 31/03/2011,

Ramjas School, R.K. Puram, New Delhi/B-589/Order

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details of the accrued liabilities of the school for gratuity and leave encashment. The school furnished the required details under cover of its letter dated 10/06/2015.

A notice dated 28/10/2015 was issued for hearing the school on 17/11/2015, which was rescheduled for 03/12/2015. On this date, Ms. Rachna Pant, Principal of the school appeared along with Sh. J.P. Bhatt and Sh. U.K. Pandey. She filed a letter dated 02/12/2015 along with which, the following statements/details were enclosed:

- (a) Summary of salary paid in the years 2008-09 and 2009-10
- (b) Fee structure of the school from 2006-07 to 2010-11
- (c) Breakup of different Income & Expenditure Heads as also development fund in respect of the years 2006-07 to 2010-11.

The statements filed by the school were perused by the Committee. The Committee observed that the school had not furnished the details of its accrued liabilities of gratuity and leave encashment as on 31/03/2010, though the school was specifically required to furnish the same vide notice dated 26/05/2015. The Principal of the school submitted that though the school had taken a group gratuity policy from the Life Insurance Corporation of India to which it paid annual contributions to cover its accrued liability of gratuity, the liability in respect of past service of employees was still not covered to the tune of Rs. 1,18,58,139.

The Committee also observed that prima facie, the recovery of incremental development fee for the period 01/09/2008 to 31/03/2009 @ Rs. 770 per student was more than what was stipulated by order dated 11/02/2009 issued by the Director of Education, as the school recovered the arrears of tuition fee for the corresponding period @ Rs. 2100 per student i.e. Rs. 300 per month for seven months and as per the judgment of the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583, the schools could charge development fee at a maximum rate of 15% of tuition fee. .

The matter could not be concluded on account of resignation of Justice Anil Dev Singh as Chairman of the Committee. With a view to provide a fresh opportunity of being heard to the school, the reconstituted Committee issued a notice of hearing to hear the school on 13/02/2018. In the mean time, the Committee prepared the calculation sheet to examine the justifiability of hike in tuition fee and the recovery of arrears of tuition fee, development fee and regular development fee.

At the outset, it requires to be noticed that the school was fulfilling the essential pre conditions with regard to charging of development fee prescribed by the Duggal Committee which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School (supra). Hence, the earmarked investments made by the school against depreciation reserve fund have not been considered to be available to the school for implementing the



recommendations of VI Pay Commission. On exclusion of such investments, the Committee finds that the total free investments and current assets which were available with the school as on 31/03/2008 amounted to Rs. 23,72,934, against which the school had current liabilities amounting to Rs. 23,76,443, meaning thereby that the school had no funds of its own even to keep any reserve for its uncovered liabilities of gratuity or for any future contingency. The additional expenditure incurred by the school on implementation of the recommendations of VI Pay Commission amounted to Rs. 2,86,00,687 while the additional revenue generated by the school by way of arrear of tuition fee and incremental tuition fee for the year 2009-10 amounted to Rs. 2,00,53,100. Thus the Committee is of the view that no interference is required with regard to recovery of arrear tuition fee or with regard to the fee hike effected by the school w.e.f. 01/09/2008.

However, with regard to recovery of arrears of incremental development fee for the period 01/09/2008 to 31/03/2009 @ Rs.770 per student, the Committee found the same to be excessive as the increase amounted to 36.67% of the incremental tuition fee. The school was originally charging development fee @ 10% of tuition fee as per the schedule of fee filed by it u/s 17(3) of the Delhi School Education Act 1973. On perusal of the calculations given by the school, it became apparent that the school recovered development fee on the increased tuition fee w.e.f. September 2008 to March 2009 @ 15%. instead of 10% which the school was charging. This resulted in

Ramjas School, R.K. Puram, New Delhi/B-589/Order

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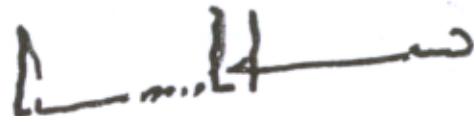
distortion of the percentage of development fee to tuition fee for the period Sept. 2008 to March 2009.

Ms. Rachna Pant the Principal of the school who was present at the time of hearing submitted that the matter would be discussed with the management and if so directed by it, the school will refund the excess amount of **Rs.4,42,493** recovered by it to the students, either by way of adjustment from the next quarter's fee or by way of cash refunds to the students who had already left. She requested for a date in the month of April 2018 by when the fee of the next quarter would become due. She was directed that the school might take a firm decision on refund of the excess fee recovered by it and in case it decided to make refund to the students, it would file evidence of refund on the next date of hearing which was fixed on 20<sup>th</sup> April 2018.

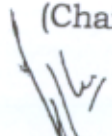
On 20/04/2018, the principal of the school requested for some more to be given to complete the process of refund to the students as the Managing Committee met only in the first week of April to take the decision to refund the excess development fee recovered from the student. Accordingly the matter was adjourned for today. It was desired that in the meantime the school would take all the necessary steps to refund the fee either by way of cross account payee cheques, which could be sent by speed post to the parents or by way of adjustment from current quarter's fees.

Today, the school has furnished the details of refund of excess development fee charged from the students which amount to **Rs. 4,42,811** alongwith copies of speed post receipts, fee receipts vide which the excess fee was adjusted from the fee due for the current period and copies of bank statements showing encashment of the cheques issued in respect of the refund.


Since the school has itself admitted and refunded the excess development fee charged by it during the course of hearing itself, no further intervention is required to be made. The matter stands disposed off.



**Justice Anil Kumar (R)**  
(Chairperson)



**CA J.S. Kochar**  
(Member)



**Dr. R.K. Sharma**  
(Member)

Dated 04/06/2018

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE, NEW DELHI**  
(Formerly Justice Anil Dev Singh Committee for review of school Fee)

In the matter of:

J.D. Tytler School, New Rajinder Nagar, New Delhi-110060 (B-476)

Present: Sh. Manish Kumar, Advocate with Sh. J.G. Babbar, Chief  
Accounts Officer of the school.

**Order of the Committee**

The school had furnished copies of the annual returns, fee schedules and details of salary paid to staff before and after implementation of the recommendations of VI Pay Commission to the Education Officer of Zone-28 of the Directorate of Education, under cover of its letter dated 09/02/2012. The letter also contained a certificate signed by the Principal to the effect that the school had not recovered any arrears of fee from the students for implementation of the recommendations of VI Pay Commission and also that the school had not paid any arrears to the staff on implementation of the recommendations of VI Pay Commission. It was also certified that the school implemented the recommendations of VI Pay Commission w.e.f. September 2008. The documents submitted by the school were transmitted to this Committee by the Education Officer.

*New Delhi* J.D. Tytler School, New Rajinder Nagar, New Delhi/B-476/Order

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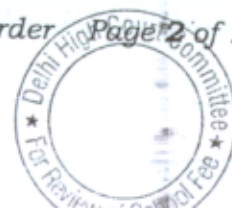


In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission which was followed by a reminder dated 27/03/2012. However, the school did not respond to the same. Consequently, the Committee issued a fresh questionnaire on 31/07/2013 which was further followed by reminders dated 01/10/2013, 05/12/2013 and 07/01/2014. The school finally responded to the above questionnaire vide its letter dated Nil which was received in the office of the Committee on 27/01/2014. In its reply, the school stated as follows:

- (a) It had implemented the recommendations of VI Pay Commission and started paying the increased salary to the staff w.e.f. 01/09/2008.
- (b) The total salary expenditure in August 2008 amounted to Rs. 33,38,053 which rose to Rs. 47,15,786 for September 2008 on account of implementation of the recommendations of VI Pay Commission.
- (c) It did not pay any arrears of salary to the staff.
- (d) It had increased the fee of the students in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. 01/04/2009. (As per the details filed, the school increased

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*H. D. Tytler*  
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tuition fee by Rs. 300 per month for all the students across the board of all classes.)

(e) The school did not recover any amount from the students as arrear fee.

(f) The school recovered development fee in all the five years for which the information was sought i.e. 2006-07 to 2010-11. The same was treated as a capital receipt and earmarked depreciation reserve fund was maintained for depreciation on assets acquired out of development fee as well as unutilised development fund.

The Committee issued a notice dated 25/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period 01/04/2006 to 31/03/2011, details of the accrued liabilities of the school for gratuity and leave encashment.

school for gratuity

Major, New Delhi J.D. Tytler School, New Rajinder Nagar, New Delhi/B-476/Order

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The school furnished the required details under cover of its letter dated 05/06/2015. However, the details of accrued liabilities of gratuity and leave encashment were not filed by the school.

A notice dated 18/07/2016 was issued for hearing the school on 22/08/2016. On this date, Sh. Manish, Advocate appeared with Sh. J.G. Babbar, Chief Accounts Officer, on behalf of the school. He filed written submissions dated 22/08/2016.

The Counsel for the school submitted that the recommendations of VI Pay Commission were implemented w.e.f. Sept. 2008 even though the order of the Govt. for implementation was issued on 11/02/2009. He further submitted that no arrears for the period 01/01/2006 to 31/08/2008 were paid to the staff. He also submitted that the school did not recover any fee for payment of arrears either for the period 01/01/2006 to 31/08/2008 nor did it recover the incremental fee for the period Sept. 2008 to March 2009. The additional burden of salary from Sept. 2008 to March 2009 was borne by the school out of its own funds. It was also submitted that the school hiked the regular tuition fee and development fee w.e.f. 01/04/2009 and such hike was @ Rs. 300 per month for all the classes. There was also a corresponding hike in the development fee @ 15% of the tuition fee.

The Committee noticed that the school had not furnished complete details as asked by the Committee vide dated notice 25/05/2015. In

J.D. Tytler School, New Rajinder Nagar, New Delhi/B-476/Order

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particular the school had not furnished the details of accrued liabilities of gratuity and leave encashment as on 31/03/2010.

The Committee also noticed that with regard to development fee, the school had submitted in its reply to the questionnaire that the development fee was treated as a capital receipt and was used for purchase of fixed assets. The school also maintained depreciation reserve fund w.e.f. 01/04/2009. With regard to maintenance of earmarked funds in the bank towards unspent development fund and depreciation reserve fund, the Ld. Counsel submitted that the same was not maintained as the school runs in loss and such losses are partly recouped from development fund.

With a view to examining the justifiability of hike in tuition fee prospectively w.e.f. 01/04/2009 for the purpose of implementation of the recommendations of VI Pay Commission, the Committee prepared a calculation sheet, based on the audited balance sheet as on 31/03/2009 as the school hiked the fee w.e.f. 01/04/2009. As per the calculations prepared by the Committee, the school had available with it a sum of Rs. 3,28,29,866 as on 31/03/2009 as per the following details:

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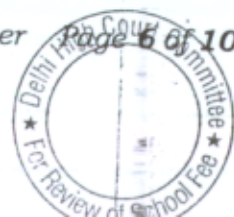
<u>Current Assets + Investments</u>		
Cash in hand	-	
Bank of Baroda (Caution Money A/C)	487,195	
Punjab National Bank	4,373,284	
Bank of Baroda Savings Bank Account	22,905	
Bank of Baroda Current Account	-	
Fixed Deposits	29,004,315	
Advance to Staff	431,628	
TDS on FDR	207,430	34,526,757
<u>Less Current Liabilities</u>		
Caution Money Refundable	1,531,575	
LIC	11,823	
Eco Club	4,000	
Other Liabilities	149,493	1,696,891
<b>Net Current Assets + Investments (Funds available)</b>		<b>32,829,866</b>

Further, since the fund position reflected as on 31/03/2009 was arrived at after the school started paying the increased salary w.e.f. 01/09/2008, a sum equal to the incremental salary for the period 01/09/2008 to 31/03/2009 is required to be added to the above figure to arrive at the funds which were available with the school for payment of incremental salary for the above period, since the Committee would be taking the effect of the incremental salary separately. As per the reply to the questionnaire submitted by the school, the incremental salary on account of implementation of the recommendations of VI Pay Commission w.e.f. Sept. 2008 was Rs. 13,77,733 per month (47,15,786 - 33,38,053). For seven months, i.e. 01/09/2008 to 31/03/2009, the total incremental salary amounted to Rs. 96,44,131. Thus, the Committee calculated that the school had available with it a sum of **Rs. 4,24,73,997** (3,28,29,866 + 96,44,131). The school had not furnished

J.D. Tytler School, New Rajinder Nagar, New Delhi/B-476/Order

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the details of its accrued liabilities of gratuity and leave encashment despite specific directions by the Committee. Accordingly, the Committee initially considered that the school had no such accrued liabilities. However, consistent with the view taken by this Committee in all other schools, the Committee was of the view that the entire funds available with the school ought not be considered as available for implementing the recommendations of VI Pay Commission and the schools ought to maintain a reasonable reserve, equivalent to four months salary for future contingencies. The Committee calculated that the requirement of the school for funds to be kept in reserve for this purpose were to the tune of **Rs. 2,22,68,408** based on the regular salary of the school for the year 2009-10. Thus the total funds available with the school which could have utilised for implementing the recommendations of VI Pay Commission were calculated to be **Rs. 2,02,05,589** (4,24,73,997 - 2,22,68,408).

The total financial impact of implementing the recommendations of the VI Pay Commission w.e.f. September 2008 and upto March 2010 was calculated by the Committee to be **Rs. 2,71,17,275** as per the following details:

<b>Additional Liabilities after implementation of Vith Pay Commission:</b>		
Incremental salary for 7 months i.e. Sept.2008 to March 2009 @ Rs.13,77,733 pm	9,644,131	
Incremental Salary for 2009-10 (as per calculation given below)	<u>17,473,144</u>	27,117,275

Calculation of the impact of implementing VI Pay Commission	2008-09	2009-10
Normal/ regular salary		
Incremental salary in 2009-10	49,332,080*	66,805,224
	<u>17,473,144</u>	
*Total salary for 2008-09	58,976,211	
Less: Incremental salary from Sept. 2008 to March 2009	<u>9,644,131</u>	
Normal salary for 2008-09 without the effect of 6th Pay Commission	49,332,080	

Thus apparently the school was in deficit to the tune of **Rs. 69,11,686** (2,02,05,589 - 2,71,17,275) on implementation of the recommendations of VI Pay Commission. However, the additional revenue generated by the school by way of increasing the tuition fee by Rs. 300 per month in 2009-10 amounted to **Rs. 76,39,500** as per the following details:

Calculation of incremental fee in 2009-10	2008-09	2009-10
Normal/ Regular Tuition fee	41,198,480	48,837,980
Incremental tuition fee in 2009-10	<u>7,639,500</u>	

Thus, apparently the school recovered more fee than was justified to implement the recommendations of VI Pay Commission and the excess recovery amounted to **Rs. 7,27,814**. Apart from this, as noticed supra, the school was not fulfilling 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 as the school conceded that it was not maintaining any earmarked depreciation

reserve fund as the development fee itself was being utilised to recoup the revenue loss of the school. The development fee charged by the school in 2009-10 was Rs. 93,02,137 and in 2010-11, it was Rs. 1,04,25,302, which prima facie the school was required to refund. Thus the total refund which prima facie the school was required to make amounted to **Rs. 2,04,55,253** ( 7,27,814+93,02,137 + 1,04,25,302).

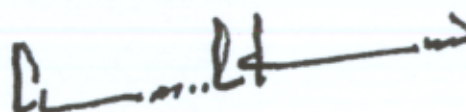
A copy of the calculations made by the Committee was furnished to the school for rebuttal if any. The school, under cover of its written submission dated 21/09/2016, filed, inter alia, details of its accrued liabilities of gratuity and leave encashment as on 31/03/2010. The accrued liability in respect of gratuity was estimated to be **Rs. 2,59,43,519** while that for leave encashment was **Rs. 35,40,475**. The school submitted that if these liabilities are taken into consideration, the school would not be required to make any refund either on account of excess fee hike or on account of irregular recovery of development fee in the year 2009-10 and 2010-11 which the school recovered pursuant to order dated 11/02/2009.

The Committee has perused the details of gratuity and leave encashment filed by the school and is satisfied about their correctness. The Committee has taken a consistent view in all the schools that the school must preserve adequate funds to meet their accrued liabilities of gratuity and leave encashment. The calculation of refund was made by


the Committee as the school failed to furnish the details of its accrued liabilities on these accounts, leading the Committee to believe that the school did not have any such liabilities. However, since the school has submitted these details, though belatedly, the same have to be taken into account while determining whether the school is required to make any refund of fee or not.

Since, the amount of refund calculated by the Committee was Rs. 2,04,55,253 and since the liabilities of the school on account of gratuity and leave encashment are in excess of this amount and the same were not considered while determining the amount apparently refundable by the school, the Committee is of the view that no intervention is required to be made with regard to the tuition fee hike effected by the school w.e.f 01/04/2009 or the development fee recovered by the school in 2009-10 and 2010-11.

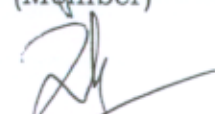
Ordered accordingly.



**Justice Anil Kumar (R)**  
(Chairperson)



**CA J.S. Kochar**  
(Member)



**Dr. R.K. Sharma**  
(Member)

Dated 07/06/2018

J.D. Tytler School, New Rajinder Nagar, New Delhi/B-476/Order

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**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF SCHOOL  
FEE, NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of school Fee)

**In the matter of:**

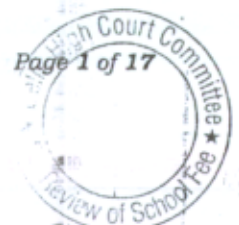
**Bal Bharti Public School, Sec.-12, Dwarka, New Delhi-110075 (B-566)**

**Order of the Committee**

Present : Ms. Rekha Sharma, Manager, Ms. Surushi Gandhi, Principal, Sh. Satish Pokhriyal, Finance Manager, Ms. Cahru Handa, Accounts Officer & Ms. Amarpreet Kaur, Accounts Assistant of the school.

The school had furnished copies of the annual returns, fee schedules, details of salary paid to staff before and after implementation of the recommendations of VI Pay Commission and copies of circulars issued to the students/parents regarding fee hike pursuant to order dated 11/02/2009 issued by the Director of Education, to the Dy. Education Officer of Zone-21 of the Directorate of Education, under cover of its letter dated 14/02/2012. The documents submitted by the school were transmitted to this Committee by the Education Officer.

In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools pursuant to order dated 11/02/2009 issued by the Director of Education, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school), which was followed by a reminder dated 27/03/2012. However, the school did not submit its reply to the questionnaire. Accordingly the Committee issued a fresh



questionnaire dated 14/08/2013, incorporating therein the relevant queries with regard to charging of development fee, its utilisation and maintenance of earmarked reserves for development/depreciation reserve funds, in order to examine whether the school was complying with the essential pre conditions for charging development fee as 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 & ors. (2004) 5 SCC 583.

The school submitted its reply vide its letter dated 30/08/2013. In its reply, the school submitted as follows:

- (a) It had implemented the recommendations of VI Pay Commission and the increased salary of the staff were being paid w.e.f. 01/09/2008.
- (b) It had also paid arrears for the period 01/01/2006 to 31/08/2008 consequent to implementation of VI Pay Commission report. The amount of arrear salary that was paid was Rs. 1,06,43,331.
- (c) It had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. 01/09/2008.
- (d) It had also recovered lump sum arrears of fee for the period 01/01/2006 to 31/08/2008, as permitted by the aforesaid order dated 11/02/2009 and the amount of such arrears recovered by the school was Rs. 64,48,260.



- (e) 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.
- (f) Development fund is booked separately and separate books of accounts and bank accounts are maintained for development fund. The development fee received is credited to Income & Expenditure Account of the development fund and is capitalized to the extent of assets acquired every year.
- (g) It maintained earmarked depreciation reserve fund and development fund in the bank.

The relevant calculations, in the first instance were made by the Chartered Accountant deployed with this Committee by the Directorate of Education, to assist it. They provisionally determined that the school recovered excess fee to the tune of Rs. 2,01,85,207 for implementing the recommendations of VI Pay Commission, considering the school had substantial funds with it prior to effecting the fee hike. However, the Committee did not rely on the calculations made by the CAs as it observed that the CAs had not taken into consideration the requirement of the school to keep funds in reserve for future contingencies or for accrued liabilities of gratuity and leave encashment.

The Committee issued a notice dated 25/05/2015, requiring the school to furnish the aggregate figures of arrear tuition fee, regular tuition fee, arrears of development fee, regular development fee, arrear

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salaries and regular salaries for the years 2008-09, 2009-10 and 2010-11 in a structured format which was devised by the Committee to facilitate calculations, duly reconciled with the audited Income & Expenditure Accounts. The school was also required to file a statement of account of the Society, as appearing in its books, details of accrued liabilities of gratuity and leave encashment.

The school filed the information sought from it vide its letter dated 05/06/2015. As per the information furnished, the school gave the following details:

Arrear fee for the period 01/01/2006 to 31/08/2008	64,48,195
Arrear fee for the period 01/09/2008 to 31/03/2009	57,70,600
Regular/normal tuition fee for the year 2008-09	3,99,36,280
Regular/normal tuition fee for the year 2009-10	5,30,73,640
Arrear salary paid for the period 01/01/2006 to 31/08/2008 (including PF)	1,22,70,246
Arrear salary paid for the period 01/09/2008 to 31/03/2009 (including PF)	57,49,295
Regular/normal salary ( including PF) for the year 2008-09	1,50,38,065
Regular/normal salary ( including PF) for the year 2009-10	3,29,53,400
Accrued liability of gratuity and leave encashment as on 31/03/2010	74,56,744

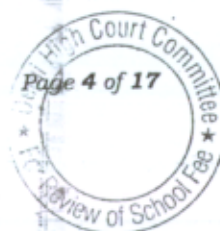
The Committee issued a notice dated 20/09/2016 requiring the school to appear before it on 27/10/2016 and produce the accounting records, fee records and salary records for examination by it. The matter was adjourned at the request of the school to 06/12/2016 and again to 14/12/2016. On this date, Ms. Suruchi Gandhi, Principal of the school appeared with Sh. Satish Pokhriyal, Finance Manager, Ms.

Charua Handa and Ms. Amarpreet Kaur, Office Assistants.

Bal Bharti Public School, Sector-12, Dwarka, New Delhi-75/Order/B-566

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The Committee examined circulars dated Feb. 12, 2009 & Feb. 18, 2009 of the school regarding fee hike pursuant to the order dated 11/02/2009 issued by the Director of Education, which were issued to the parents. As per the circulars, the tuition fee of all the classes was hiked by Rs. 400 per month w.e.f. 01/09/2008 and accordingly arrears of fee @ Rs. 2800 per student was recovered for the period 01/09/2008 to 31/03/2009. Besides the school also recovered development fund arrears for the aforesaid period, which were different for different classes as per detailed below:

Class	Incremental development fee per month (Rs.)	Total arrears for the period 01/09/2008 to 31/03/2009 (Rs.)
Pre school	110	770
Pre primary to V	105	735
VI to X	115	805

Besides the school also recovered Rs. 3,500 as lump sum arrear fee for the period 01/01/2006 to 31/08/2008 from each student.

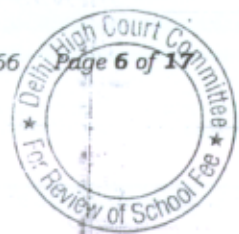
The Committee noticed that apparently the hike in development fee as a percentage of hike in tuition fee was much more than 15% of the hike in tuition fee, which is the maximum development fee that can be charged by the school in terms of order of the Hon'ble Supreme Court in case of Modern School vs. Union of India (supra). The authorized representatives appearing for the school were asked to explain this apparent anomaly. They submitted that the school was originally charging development fee @ 12% of tuition fee in the year

2008-09. However, the school hiked the development fee w.e.f. 01/09/2008 @ 15% of not just the incremental tuition fee but also on the existing tuition fee. They further submitted that the school was permitted to do so by relying on clauses 14 and 15 of the order dated 11/02/2009 issued by the Director of Education.

The Committee observed that the total incremental development fee recovered by the school was Rs. 16,12,660 and that was also capitalized along with the regular development fee charged for the year 2008-09. It was also submitted that the same was not utilized for the purpose of payment of incremental salaries or the arrear salary which were payable by the school on account of implementation of recommendations of VI Pay Commission.

Prima facie, it appeared that the school did not need to hike the development fee as it did not utilize the same for payment of the increased salaries. The Committee also noticed that the school prepared a separate balance sheet for Development Fund and the arrears of incremental development fee purportedly recovered for implementing the recommendations of VI Pay Commission as per clause 15 of the order dated 11/02/2009, were instead of being credited to School Fund account, were credited to Development Fund.

During the course of hearing, the Committee also examined the books of accounts of the school and verified the relevant figures of arrear fee, arrear salary regular tuition fee and regular salary for the year 2008-09 and 2009-10 with reference to the audited financials of



the school as mentioned supra. The committee also examined the actuarial reports in respect of the accrued liabilities of the school on account of gratuity and leave encashment, along with the balance sheet as on 31/03/2010 and found the same to be in order. Accordingly the liabilities on these two accounts are as on 31/03/2010 Rs. 54,28,907 and Rs. 20,27,837 respectively.

With regard to the regular development fee, the Committee observed that like in the case of other Bal Bharti schools, this school also maintained earmarked accounts for development fund & depreciation reserve fund and in fact prepared separate balance sheet for development fund. The development fund was apparently utilized for the eligible purposes i.e. to purchase and for upgradation of furniture, fixture and equipments. The authorized representatives submitted that the school was fulfilling all the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School vs. Union of India for charging development fee.

Based on the audited financials of the school and the information furnished by the school from time to time in response to various notices and during the course of hearing, the Committee prepared a calculation sheet in order to examine the justifiability of the recovery of arrear fee, incremental tuition fee and development fee and regular development fee charged by the school pursuant to order dated 11/02/2009 issued by the Director of Education. As per the calculations prepared by the Committee, the Committee determined

that the school had available with it, a sum of **Rs. 1,96,96,219** as on 31/03/2008, as per the following details:

Particulars	Amount (Rs.)	Amount (Rs.)
<u>Current Assets + Investments</u>		
FDR	20,278,572	
Bank of Baroda	4,425,039	
TDS recoverable	1,670	
Advance	19,000	
Accrued Interest	932,599	
Receivable	476,015	26,132,895
<u>Current Liabilities</u>		
Caution Money	1,478,960	
Advance Fee received	3,872,050	
PF payable	87,934	
Bills Payable	997,732	6,436,676
<b>Net Current Assets + Investments</b>		<b>19,696,219</b>

As against this, the school had accrued liabilities in respect of gratuity and leave encashment which amounted to **Rs. 74,56,744** as on 31/03/2010. Hence effectively, the school had available with it only a sum of **Rs. 1,22,21,475**, which it could have utilised for meeting its increased financial obligations on implementation of the recommendations of VI Pay Commission. The total financial impact of implementing the recommendations of VI Pay Commission has been determined by the Committee to be **Rs. 3,59,35,576**, as per the following details:

<b>Additional Liabilities after implementation of VIth Pay Commission:</b>		
Arrear of Salary as per 6th CPC for 1.1.06 to 31.8.08	12,270,946	
Arrear of Salary as per 6th CPC for 1.9.08 to 31.3.09	5,749,295	
Incremental Salary for 2009-10 (as per calculation given below*)	17,915,335	35,935,576

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Calculation of incremental salary for 2009-10	2008-09	2009-10
Normal/ regular salary	15,038,065	32,953,400
<b>Incremental salary in 2009-10</b>	<b>17,915,335</b>	

Thus the school required to bridge the gap of **Rs. 2,37,14,101** (3,59,35,576 – 1,22,21,475) by recovering the arrear fee and hiking the regular fee.

The school generated additional revenue to the tune of **Rs. 2,53,56,155** by recovering arrear fee increasing the regular fee w.e.f. 0/09/2008, as per the following details:

Total Recovery for implementation of 6th Pay Commission		
Arrear of tuition fee for 1.1.06 to 31.8.08	6,448,195	
Arrear of tuition fee for 1.9.08 to 31.3.09	5,770,600	
Incremental tuition fee for 2009-10 (as per calculation given below)*	13,137,360	25,356,155

Calculation of incremental fee for 2009-10	2008-09	2009-10
Normal/ Regular Tuition fee	39,936,280	53,073,640
<b>Incremental tuition fee in 2009-10</b>	<b>13,137,360</b>	

Prima facie, the school recovered a sum of **Rs. 16,42,054** (2,53,56,155 – 2,37,14,101). However, whether the school is required to refund this apparent excess recovery, will be discussed hereafter.

#### Regular Development Fee:

The school submitted that it was fulfilling all the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School (supra) with regard to charging of development fee. It submitted that it

had kept development fund entirely separate from the school fund with separate bank account and FDRs were maintained and were utilised for the development and for acquiring permitted fixed assets like furniture, fixture and equipments.

Prima facie it appeared that the school was fulfilling the required pre conditions for charging development fee as it had kept the same in earmarked bank accounts and FDRs and was charging depreciation on assets acquired out of development fund. However, a close look at the balance sheet of the development fund revealed that the school was not wholly correct in its submissions. While it is true that the school was maintaining separate accounts for development fund and depreciation reserve funds but the development fund was not being utilised for the purpose for which it is created.

Acknowledging the requirement of the schools to incur capital expenditure for addition or upgradation of its furnitures, fixtures and equipments, it introduced the concept of Development Fee for Unaided Schools, which would be distinct from the Development fee charged by the Aided schools as provided in Rule 151. However, in order that the schools may not resort to charging Development fee indiscriminately, in a routine manner, it also made recommendations regarding its usage and also prescribed certain pre-conditions on fulfillment of which only, the schools would be able to charge development fee. It recommended as follows:

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18. Besides the above four categories, the schools could also levy a **Development Fee, as a capital receipt**, annually not exceeding 10% of the total annual Tuition Fee, **for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment**, provided the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue account. While these receipts should form part of the Capital Account of the school, the collected under this head along with any income generated from the investment made out of this fund, should however, be kept in a separate 'Development Fund Account'. (Para 7.21)

Pursuant to the report of the Duggal Committee, the Government of National Capital Territory of Delhi issued an order dated December 15, 1999 in order to give effect to its recommendations. One of the directions (no. 7) given vide the aforesaid order was:

7. Development fee not exceeding 10% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with any income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund account.

The Hon'ble Supreme Court considered the recommendations of Duggal Committee and the order dated 15/12/1999 issued by the Director of Education and held as follows:

"25. 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 that development fees not exceeding 10% to 15% of total annual

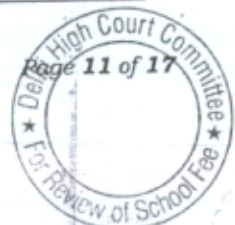
total tuition fee. Direction no.7  
es not exceeding 10% to 15%

for 12, Dwarka, New Delhi-75/Order/B-566

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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. ...."

Direction No. 7 of order dated 15/12/1999 was repeated verbatim as clause no. 14 of order dated 11/02/2009 except that the cap of 10% of tuition fee was replaced by 15% as per the decision of the Hon'ble Supreme Court.

It is apparent that development fee was introduced only for the purpose of augmenting the resources of the school for purchase, upgradation and replacement of furniture, fixtures and equipments.

In reply to the questionnaire issued by the Committee, the school gave details of collection of development fee in Annexure E and its utilisation in the Annexure F of the reply. As per the details given by the school, the development fee collected by the school was utilised as follows:

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Development fee collected	22,50,241	27,63,820	64,94,485	81,96,614	97,35,260
<b>Utilisation:</b>					
For development expenses	14,50,861	26,65,532	25,42,261	37,77,755	11,004
For permissible capital expenses	7,78,787	20,473	61,863	13,444	28,71,919

The Committee has examined the balance sheets of development fund for different years and has observed that the entire expenses which have been shown as development expenses towards utilisation of development fee, rather represent revenue expenses mainly incurred for development of campus.

Though it may be true that the school was keeping the development fund in earmarked bank account but the same was being mainly utilised for meeting revenue expenses for which purpose it was not allowed to be created.

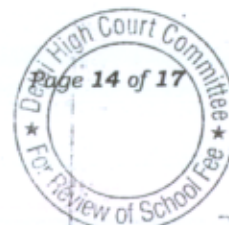
This Committee is examining the issue of charging of fee pursuant to order dated 11/02/2009 issued by the Director of Education and as such will restrict its recommendations in respect of development fee charged by the school in the year 2009-10 and 2010-11. In 2009-10, the school recovered a total sum of Rs. 81,96,614 as development fee, out of which it utilised Rs. 37,77,755 for incurring revenue expenses. The remaining amount was either utilised for creating permissible fixed assets or was retained in earmarked bank account. In 2010-11, the school recovered a sum of Rs. 97,35,260 as development fee out of which it utilised Rs. 11,004 for incurring revenue expenses and the balance was utilised for creating permissible fixed assets or was retained in earmarked bank account.

Since the school was keeping the unutilised development fee in earmarked bank account, the Committee cannot recommend refund of the entire development fee charged by the school in these two years. However, the amount which was utilised by the school for incurring revenue expenses, ought to be refunded as the same was not collected for the purpose for which it was meant. The same amounts to **Rs. 37,88,759** ( 37,77,755 + 11,004).

Ordinarily, we would have recommended refund of the aforesaid amount of Rs. 37,88,759 along with Rs. 16,42,054 which the school apparently recovered in excess of its requirement for implementing the recommendations of VI Pay Commission. However, it would be appropriate to mention here that the Committee has upto this stage not considered the requirement of the school to keep funds in reserve for future contingencies. The Committee has taken a consistent view that the schools ought to maintain a reasonable reserve for any future contingency and the Committee has determined the reasonable to be equivalent to four months salary calculated on the basis of the total normal salary paid by the school in 2009-10. The expenditure on normal salary incurred by the school in 2009-10 amounted to Rs. 3,29,53,400, as noticed above. Based on this, the requirement of the school to maintain a reasonable reserve was to the tune of **Rs. 1,09,84,467**. Since the requirement for keeping funds in reserve was in excess of the apparent amount which the school is required to refund i.e. 54,30,813, **the Committee is not inclined to recommend refund of any part of arrear fee, incremental tuition fee and development fee charged by the school in 2009-10 and 2010-11.**

**Arrears of Incremental development fee for the period 01/09/2008 to 31/03/2009:**

The school also recovered incremental development fee for the period 01/09/2008 to 31/03/2009, which was at a rate much in excess of the rate at which the school was charging regular



development fee in the year 2008-09. The issue was discussed in the hearing held on 13/06/2017.

The Committee observed that while the school was charging development fee @ 12% of the tuition fee in the year 2008-09, as reflected in the statement of fee filed by the school under section 17(3) of Delhi School Education Act 1973, the school recovered arrears of development fee for 7 months i.e. 01.09.2008 to 31.3.2009 @ 15% of not just the incremental tuition fee but also on the existing tuition fee. In all, the school recovered a sum of Rs. 16,12,660 as arrears of development fee for the period 01/09/2008 to 31/03/2009 as against Rs. 57,70,600 which was recovered as arrears of tuition fee for the corresponding period. The arrears of incremental development fee were about 28% of the arrears of incremental tuition fee.

The authorized representatives who appeared for the school submitted that such recovery of arrears of development fee was in accordance with the order dated 11/02/2009 of the Director of Education. The school was required to submit its response in writing.

The school filed written submissions dated 19<sup>th</sup> July 2017, justifying that the recovery of arrears of development fee @ 15% instead of 12% by relying on clause 14 of the order dated 11/02/2009 issued by the Director of Education. Along with the written submissions the school also filed a copy of the resolution dated 13/02/2009, purportedly passed by the Managing committee by

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circulation . However, in the written submissions, the school stated that the resolution was passed in a meeting on 13.2.2009 which was attended by the nominees of Directorate of Education also. The school also submitted that the arrears of development fee @ 15% amounted to Rs. 16,12,660 where as if the same had been charged @ 12%, it would have been Rs. 7,36,400. So the amount in question was only the difference of Rs. 8,76,260.

The Committee has considered the written submissions filed by the school on this issue. The reliance placed by the school on clause 14 of the order dated 11/02/2009 is misplaced as the same relates to charging of regular development fee. The school increased its development fee from 12% to 15% in 2009-10 in pursuance of this clause.

The incremental development fee is covered by clause 15 of the order dated 11/02/2009 which reads as under:

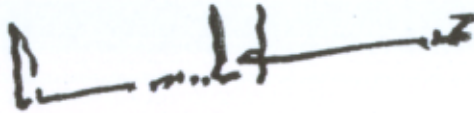
15. *However, the additional increment in development fee on account of increase in tuition fee shall be utilised for the purpose of meeting any shortfall on account of salary/arrears only.*

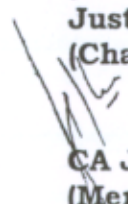
As per this clause, the schools were permitted to recover incremental development fee for meeting any shortfall on account of salary/arrears only. As noticed above, the school did not incur any shortfall on account of payment of salary/arrears consequent to implementation of the recommendations of VI Pay Commission. The school does not even claim that it utilised the incremental

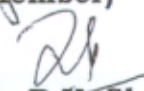
development fee for payment of salary/arrears. On the contrary, the school capitalized the incremental development also, as submitted in its written submissions dated 05/06/2015. The recovery of incremental development fee, in these circumstances, was wholly illegal and not permissible.

In view of the foregoing facts, the Committee is of the view that the arrears of incremental development fee recovered by the school amounting to Rs. 16,12,660 was not justified as the school had already generated a surplus by increasing the tuition fee and in fact did not utilise the the arrears of incremental development fee for payment of salaries/arrears. The contention of the school is that the amount in dispute is only Rs. 8,76,260 is rejected as the school was not entitled to recover any incremental development fee, even @ 12% of the tuition fee which the school was charging originally. Accordingly, the school ought to refund the aforesaid amount of Rs. 16,12,660 along with interest @ 9% per annum from the date of collection to the date of refund.

Ordered accordingly.

  
Justice Anil Kumar (R)  
(Chairperson)

  
CA J.S. Kochar  
(Member)

  
Dr. R.K. Sharma  
(Member)

Dated: 08/06/2018



**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE, NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of school Fee)

**In the matter of:**

**St. Marks Girls Sr. Secondary School, Meera Bagh, New Delhi-**  
**110087 (B-490)**

**Order of the Committee**

Present : Sh. Vedant Verma, Advocate with Sh. R.C.Garg, Managing Committee Member, Sh. Bhavesh Garg, CA and Ms. Anupama Arora, Accountant of the school

The school had furnished copies of the annual returns, fee schedules, details of salary paid to staff before and after implementation of the recommendations of VI Pay Commission and copies of circulars issued to the students/parents regarding fee hike pursuant to order dated 11/02/2009 issued by the Director of Education, to the Education Officer of Zone-17 of the Directorate of Education, under cover of its letter dated 15/02/2012. The documents submitted by the school were transmitted to this Committee by the Education Officer.

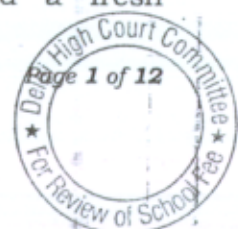
In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools pursuant to order dated 11/02/2009 issued by the Director of Education, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school), which was followed by a reminder dated 27/03/2012. However, the school did not submit its reply to

Accordingly the Committee the questionnaire. Accordingly the Committee issued a fresh

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questionnaire dated 01/10/2013, incorporating therein the relevant queries with regard to charging of development fee, its utilisation and maintenance of earmarked reserves for development/depreciation reserve funds, in order to examine whether the school was complying with the essential pre-conditions for charging development fee as 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 & ors. (2004) 5 SCC 583.

The school submitted its reply vide its letter dated 12/10/2013.

In its reply, the school submitted as follows:

- (a) It had implemented the recommendations of VI Pay Commission and the increased salary of the staff were being paid w.e.f. 01/04/2009.
- (b) It had also paid arrears for the period August 2007 consequent to implementation of VI Pay Commission report, as the school got recognition only on 20/07/2007.
- (c) It had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. 01/09/2008.
- (d) It had also recovered lump sum arrears of fee at the rates prescribed by order dated 11/02/2009 of the Director of Education.
- (e) It charged development fee in the years 2007-08 to 2010-11.

The amount of development fee received in the years 2009-10

and 2010-11 was Rs. 49,16,528 and Rs. 64,19,228 respectively.

(f) The development fee is utilised for repair and maintenance of building and other repairs. No assets are acquired out of development fee. The development fee received is spent on current repairs only.

(g) There was no surplus of development reserve fund.

Perusal of the copy of the circular dated 25/02/2009 and 27/02/2009 issued by the school to the parents of the students along with the information furnished vide Annexure -IV of the reply dated 12/10/2013 shows that the school demanded the arrear fee for payment of arrear salary pursuant to acceptance of the recommendations of VI Pay Commission as follows:

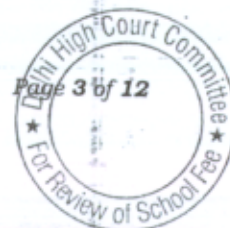
Class	Lump sum arrear fee for the period 01/01/2006 to 31/08/2008 (Rs.)	Arrears of incremental tuition fee for the period 01/09/2008 to 31/03/2009 (Rs.)	Arrears of incremental development fee for the period 01/09/2008 to 31/03/2009 (Rs.)
Seeding	1500	3500	1399
Sapling	2334	2800	1121
I to V	3000	2100	813
VI to VIII	3500	2800	968

It is noticeable at the outset that so far as recovery of development fee is concerned, the school was admittedly not complying with any of the pre conditions laid down by the Duggal Committee which was constituted by the Hon'ble Delhi High Court to

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examine the issue of fee hike effected by the schools pursuant to implementation of the recommendations of V Pay Commission and which were affirmed by the Hon'ble Supreme Court in the case of Modern School (supra). The recommendation made by the Duggal Committee with regard to allowing the schools to charge development fee was as follows:

18. Besides the above four categories, the schools could also levy a **Development Fee**, as a capital receipt, annually not exceeding 10% of the total annual Tuition Fee, for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment, provided the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue account. While these receipts should form part of the Capital Account of the school, the fee collected under this head along with any income generated from the investment made out of this fund, should however, be kept in a separate 'Development Fund Account'. (Para 7.21)

Pursuant to the report of the Duggal Committee, the Government of National Capital Territory of Delhi issued an order dated December 15, 1999 in order to give effect to its recommendations. One of the directions (no. 7) given vide the aforesaid order was:

- "7. Development fee not exceeding 10% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with any income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund account. "

The Hon'ble Supreme Court considered the aforesaid direction no. 7 of order dated 15/12/1999 as well as the recommendation made by the Duggal Committee in the case of Modern School (supra). It was held by the Hon'ble Supreme Court as follows:

*"25. 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 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 15<sup>th</sup> December, 1999 and 31<sup>st</sup> 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."*

The Direction No. 7 of order dated 15/12/1999 was repeated verbatim as Direction No. 14 in the order dated 11/02/2009 issued by the Director of Education, with which this Committee is concerned.

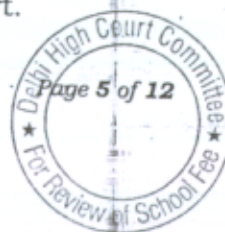
Only the maximum rate of development fee which was prescribed as 10% of tuition fee in the order dated 15/12/1999 was revised to 15%

of tuition fee as per the order of the Hon'ble Supreme Court.

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Hence, development fee was allowed to be levied by the school for the purpose of "supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipments." Further, it was mandated that "development fees shall be treated as Capital Receipt and shall be collected only if the school maintains a depreciation reserve fund."

In the teeth of the aforesaid declaration of law, the school unequivocally submitted that "No assets are acquired out of development fee. The development fee received is spent on current repairs only." In other words, the school did not charge development fee for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipments but for meeting the expenditure on current repairs of building and other assets. Since no assets were admittedly acquired out of development fee, there would be no occasion to maintain any depreciation reserve fund. Treatment of development fee as a capital receipt has no significance when it is not utilised for making capital expenditure but is utilised for making revenue expenditure like current repairs of building or other assets.

This Committee by its mandate is required to follow the principles laid down by the Hon'ble Supreme Court in the case of Modern School (supra). Accordingly it holds that the development fee charged by the school was not in accordance with the mandate of the Hon'ble Supreme Court in the case of Modern School and the same ought to be refunded to the students. Since this Committee is

examining the issue of fee charged by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, it has restricted its recommendations to refund the development fee charged by the school for the years 2009-10 and 2010-11 only. **The same amounts to Rs. 49,16,528 and Rs. 64,19,228 respectively, which ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund.**

The next issue which is noticeable at the outset is that while the school paid the arrears of salary to the staff w.e.f. 01/08/2007 on the ground that it got recognition from the Directorate of Education on 20/07/2007 only (although the letter of recognition says that the recognition is effective from the academic session 2007-08 i.e. w.e.f. 01/04/2007). However, it recovered the lump sum arrear fee which was prescribed by the order dated 11/02/2009 for payment of arrears of salary from 01/01/2006. Thus, the position that emerges is that while the school collected the arrear fee w.e.f. 01/01/2006, it paid the arrear salary only w.e.f. 01/08/2007. Clearly, the arrear fee collected by the school which pertains to the period 01/01/2006 to 31/07/2007 i.e. for 19 months was not only unlawful but also wholly unjustified. The same ought to be refunded to the students. The excess arrear fee recovered by the school for the period 01/01/2006 to 31/07/2007 is worked out as follows:

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Classes	Arrear fee for the period 01/01/2006 to 31/08/2008 (32 months) as per order dated 11/02/2009, charged by the school(Rs.)	Proportionate amount of Arrear fee for the period 01/01/2006 to 31/07/2007 (19 months) unjustly charged
I to V	3000	1781
VI to VIII	3500	2078

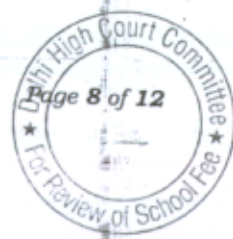
Accordingly, the Committee is of the view that the school ought to refund Rs. 1781 to each student of classes I to V and Rs. 2078 to each student of classes VI to VIII, along with interest @ 9% per annum from the date of collection to the date of refund. As per the details furnished by the school in Annexure IV to reply to questionnaire, the total number of students from whom the arrear fee was recovered in classes I to V were 544 and in classes VI to VII, they were 413. Hence the total amount refundable on this account amounts to **Rs.9,68,864** ( 1781 x 544 ) plus **Rs. 8,58,214** ( 2078 x 413). Thus the total amount refundable on this account is **Rs. 18,27,078**.

The Committee issued a notice dated 25/05/2015, requiring the school to furnish the aggregate figures of arrear tuition fee, regular tuition fee, arrears of development fee, regular development fee, arrear salaries and regular salaries for the years 2008-09, 2009-10 and 2010-11 in a structured format which was devised by the Committee to facilitate calculations, duly reconciled with the audited Income & Expenditure Accounts. The school was also required to file a statement of account of the Society, as appearing in its books, details of accrued liabilities of gratuity and leave encashment.

St. Marks Girls Sr. Sec. School, Meera Bagh, New Delhi-87/Order/B-490

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The school filed the information sought from it vide its letter dated 01/06/2015. As per the information furnished, the school gave the following details:

Arrear fee for the period 01/01/2006 to 31/08/2008	35,64,772
Arrear of tuition fee for the period 01/09/2008 to 31/03/2009	32,72,820
Arrear of development fee for the period 01/09/2008 to 31/03/2009	7,69,497
Regular/normal tuition fee for the year 2008-09	2,33,33,362
Regular/normal tuition fee for the year 2009-10	3,38,16,899
Arrear salary paid for the period 01/01/2006 (sic) to 31/08/2008	27,81,376
Arrear salary paid for the period 01/09/2008 to 31/03/2009	31,41,820
Regular/normal salary for the year 2008-09	81,12,423*
Regular/normal salary for the year 2009-10	1,50,69,562
Accrued liability of gratuity as on 31/03/2010	1,17,894
Accrued liability of leave encashment as on 31/03/2010	3,11,555

\*Subsequently revised to Rs. 73,39,046.

The Committee issued a notice dated 26/10/2015 requiring the school to appear before it on 10/11/2015 and produce the accounting records, fee records and salary records for examination by it. On this date, Sh. T.P. Aggarwal, Chairman of the school appeared along with Sh. R.C. Garg and Sh. Gagan Gupta, Chartered Accountant and Ms. Anupama Arora, Accountant of the school. They filed written submissions dated 10/11/2015 along with which they filed a corrected statement of fee and salary. The only correction carried out in the statement was that the regular salary for the year 2008-09 was revised from Rs. 81,12,423 to Rs. 73,39,046. The records produced by them were examined by the Committee. During the course of

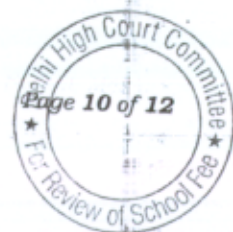
hearing, the authorized representatives who appeared conceded that the school generated a small amount of surplus after implementation of the recommendations of VI Pay Commission. They were asked to file the relevant calculations to ascertain the extent of surplus generated within 7 days. However, the calculation quantifying the amount of surplus generated by the school was not filed.

The matter could not be concluded at that stage on account of change in the constitution of the Committee due to resignation of Justice Anil Dev Singh. The reconstituted Committee issued a fresh notice of hearing dated 18/08/2017 requiring the school to appear on 30/08/2017. On this date, the aforesaid authorized representatives of the school appeared and filed justification with regard to charging of arrears of development fee at a rate which was apparently in excess of 15% of arrears of tuition fee charged by the school for the period 01/09/2008 to 31/03/2009. The sum and substance of the submissions made by the school on this account was that the rate of development fee was increased by the school from 10% of tuition fee which it was charging earlier to 15% of tuition fee in terms of order dated 11/02/2009 issued by the Director of Education. However, even on this date, the school did not file its computation of the surplus generated by it on account of fee hike, as conceded by it in the hearing held on 10/11/2015. The hearing in the matter was adjourned to 06/10/2017 and on this date also, the school did not file any computation of the surplus. Accordingly, the hearing was closed.

St. Marks Girls Sr. Sec. School, Meera Bagh, New Delhi-87/Order/B-490

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After the closure of hearing, the school filed a statement showing that it had recovered fee in excess of its requirement for implementation of recommendations of VI Pay Commission to the tune of **Rs. 19,01,929**.

The Committee has examined the calculation sheet filed by the school and verified the same with reference to audited financials of the school. The Committee observes that the surplus determined by the school broadly matches with the excess arrear fee for the period 01/01/2006 to 31/07/2007 unjustly charged by the school, as determined by the Committee, which amounts to Rs. 18,27,078. Since the calculations made by the school are based on the actual numbers as reflected in the audited financials, the same are accepted by the Committee.

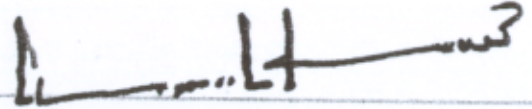
Accordingly, the Committee is of the view that the school ought to refund the following amounts to the students, having been charged either in excess or not in accordance with law:

S.No.	Particulars	Amount to be refunded (Rs.)
1.	Arrear fee recovered from the students for the period 01/01/2006 to 31/07/2007	19,01,929
2.	Development fee charged by the school for the year 2009-10	49,16,528
3.	Development fee charged by the school for the year 2010-11	64,19,228
	<b>Total fee refundable</b>	<b>1,32,37,685</b>

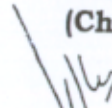
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The aforesaid refunds ought to be made along with interest  
@ 9% per annum from the date of collection to the date of refund.

Ordered accordingly.



Justice Anil Kumar (R)  
(Chairperson)



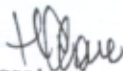
CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Dated: 14/06/2018

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BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE, NEW DELHI  
(Formerly Justice Anil Dev Singh Committee for review of school Fee)

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In the matter of:

Springdales School, Benito Juarez Marg, Dhaula Kuan, New Delhi-  
110021 ( B-438)

Present: Sh. Satinder Kalra, Chartered Accountant with Ms. Tejinder Kaur & Sh. Somdatt Sharma, Accountants of the school.

Order of the Committee

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission which was followed by a reminder dated 27/03/2012. However, the school did not respond to either of them. Consequently, the Committee issued a fresh questionnaire on 29/07/2013. This time, the school responded to the above questionnaire vide its letter dated 08/08/2013. In its reply, the school stated as follows:

- (a) That it had implemented the recommendations of the VI Pay Commission and the increased salary to the staff was being paid w.e.f. 01/01/2006 (sic).

Springdales School, Benito Juarez Marg, Dhaula Kuan, New Delhi-110021 (B-43)

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- (b) That the total salary paid to the staff in the year 2008-09 i.e. before implementation of VI Pay Commission report was Rs. 3,59,90,754 which rose to Rs. 6,91,66,541 in the year 2009-10 and Rs. 5,78,44,969 in the year 2010-11, after its implementation. It was stated that the total salary for the years 2009-10 and 2010-11, as stated above, included arrears of salary on account of implementation of VI Pay Commission report.
- (c) The fee was increased w.e.f. 01/09/2008 as per the order dated 11/02/2009 issued by the Director of Education. Schedules of pre-revision and post revision fee were enclosed as per which, a sum of Rs. 400 per month was increased as tuition fee w.e.f. 01/09/2008.
- (d) The school recovered a total sum of Rs. 1,88,81,879.80 on account of arrear fee consequent to implementation of the recommendations of VI Pay Commission (However, the rate at which such arrear fee was recovered, was not mentioned)
- (e) The school collected development fee in all the five years for which the information was sought by the Committee i.e. 2006-07 to 2010-11. The collection for the year 2009-10 and 2010-11, with which this Committee is concerned, was Rs. 1,40,05,557 and Rs. 1,05,40,380 respectively.
- (f) The utilisation of development fee was given by way of Annexure, as per which the development fee, besides being utilised for purchase of furniture, fixtures and equipments



was also utilised for purchase of vehicles and repair and maintenance of building, vehicles, furniture and fixtures, sanitary repairs and development of playground.

(g) Development fee was treated as a capital receipt in the accounts.

(h) The school maintained separate depreciation reserve fund and unutilised development fund is kept in earmarked bank account.

As answers to some of the queries given by the school were vague and did not provide the required information, the school was asked, vide email dated 26/09/2013, to specifically mention the month from which the increased salary as per the recommendations of VI Pay Commission was started to be paid and the period and for which and the amount of arrear salary that was paid.

The school vide its letter dated 03/10/2013 stated that it started paying the increased salary from March 2009 and paid a total sum of Rs. 2,36,02,667 as arrear salary for the period January 2006 to February 2009.

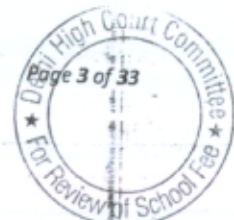
Subsequently, the school strangely, wrote a letter dated 30/08/2014 stating as follows:

*"Regarding the implementation of recommendation of VI Pay Commission and the hike of the fee, we have to submit that the school has fully implemented the VI Pay Commission. The salary has been paid as per the recommendation of the VI Pay Commission and the school has hiked the fee as per the direction given by the Directorate of Education. Hence, we are not required*

Springdales School, Benito Juarez Marg, Dhaula Kuan, New Delhi-110021 (B-43)

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*to file any application in the respect to the Justice Anil Dev Singh Committee."*

The context or provocation for writing this letter was not understood by the Committee.

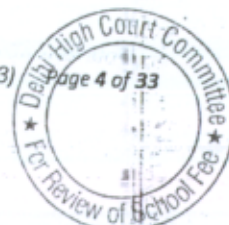
The preliminary calculations in order to examine the justifiability of fee hike effected by the school were, in the first instance, prepared by the Chartered Accountants deputed by the Directorate of Education to assist this Committee. They provisionally determined that the school had recovered a sum of Rs. 60,37,880 in excess of its requirements to offset the increased expenditure on salary as a result of implementation of the recommendations of VI Pay Commission. The Committee reviewed the preliminary calculations and decided not to rely on the same as the same were made without reconciling the respective figures with the audited financials of the school which were available.

The Committee issued a notice dated 22/05/2015, requiring the school 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, in a structured format which was devised by the Committee to facilitate proper calculations. The school was also required to file the statement of account of the Parent Society as appearing in its books, details of accrued liabilities of gratuity and leave encashment and copy of the circular issued by

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the school to the parents of the students regarding fee hike as per order dated 11/02/2009 issued by the Director of Education.

The school vide its letter dated 30/05/2015 sought time till 10/07/2015 to submit the required details for the reason that the school was closed for summer vacation. Subsequently vide letter dated 09/07/2015, the school furnished the information required by the Committee vide its notice dated 22/05/2015. Besides giving the information with regard to fee and salary in the structured format, the school stated that no account of the parent society appeared in its books. The school also furnished details of its accrued liability of gratuity along with copy of the report of actuary, who estimated that accrued liability to be Rs. 1,67,39,729 as on 31/03/2010. No details were furnished with regard to accrued liability of leave encashment nor any explanation was given for not furnishing the same.

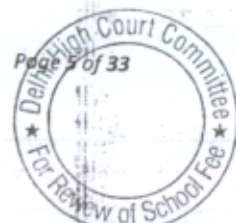
The information with regard to arrear fee and salary and regular fee and salary prior to and post implementation of the recommendations of VI Pay Commission, as given by the school is as follows:

Lump sum arrear fee for the period 01/01/2006 to 31/08/2008	76,75,781
Arrear fee of incremental tuition fee for the period 01/09/2008 to 31/03/2009	66,69,512
Arrear fee of incremental development fee for the period 01/09/2008 to 31/03/2009	45,28,005
Regular/normal tuition fee for the year 2008-09	4,88,28,364
Regular/normal tuition fee for the year 2009-10	6,49,35,749
Regular/normal development fee for the year 2008-09 (if treated as revenue receipt)	29,03,230
Regular/normal development fee for the year 2009-10 (if treated as revenue receipt)	1,05,00,172

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Regular/normal development fee for the year 2010-11 (if treated as revenue receipt)	1,05,19,730
Arrear salary paid for the period 01/01/2006 to 31/08/2008	1,99,73,334
Arrear salary paid for the period 01/09/2008 to 31/03/2009	61,95,399
Regular/normal salary for the year 2008-09	2,97,95,355
Regular/normal salary for the year 2009-10	5,00,72,337

Two glaring inconsistencies are observed between the figures given by the school in reply to the questionnaire and those given in reply to the notice dated 22/05/2015.

In reply to the questionnaire, the school had emphatically stated that the development fee was treated as a capital receipt, but in reply to the notice dated 22/05/2015, the school conceded that development fee was treated as a revenue receipt. The figures of collection of development fee in the years 2008-09, 2009-10 and 2010-11 were also at variance in the two replies. Further, the Committee also notices that the figures of arrear salary and regular salary before implementation of the recommendations of VI Commission and after its implementation as given in the two above mentioned communications, as also in the letter dated 03/10/2013 are at variance with each other. In fact, on examination of the reply to the questionnaire given by the school, the Committee finds that exactly the same figures were given by another school under the same management i.e. Springdales School, Pusa Road. This is indicative of the attitude of the school towards this Committee. There was no application of mind on part of the school while furnishing its reply to

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the questionnaire given to the Committee. It merely copy pasted the figures given by Springdales School, Pusa Road.

The Committee issued a notice dated 18/07/2016, requiring the school to appear before it on 04/08/2016. The school sought adjournment on the ground of non availability of its Manager. Accordingly, the matter was adjourned to 07/09/2016. On this date, Sh. Satinder Kalra, Chartered Accountant, appeared with Ms. P.Loomba, Manager and Ms. Tejinder Kaur, Accountant of the school.

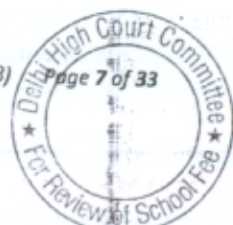
The Committee noticed that the school had issued circular dated 6/03/2009 to the parents of the students regarding fee hike in pursuance of order dated 11/02/2009 issued by Directorate of Education. As per the circular, the school hiked tuition fee by Rs. 400 w.e.f. 01/09/2008 for all the classes plus "consequent to 15% increase in annual development fee of academic session 2008-09". In addition, the school also collected Rs. 3500 per student towards lump sum fee for the period 01.1.2006 to 31.08.2009. The circular did not spell the exact amount of additional development fee which was charged by the school. It only mentioned the details of fee bill which had been given to the students. The school was directed to file sample copies of the fee bill for students of each class.

The Committee also noticed that as per the information furnished by the school, the aggregate amount of arrears of incremental tuition fee recovered by the school for the period 01/09/2008 to 31/03/2009 amounted to Rs. 66,69,512 while the arrears of incremental development fee recovered for the same period

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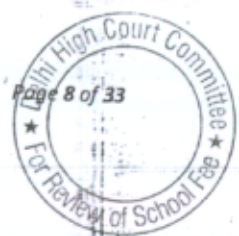
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amounted to Rs. 45,28,005. The Committee observed that the incremental development fee was about 68% of the incremental tuition fee. Since, there is a cap of 15% of tuition fee on the amount of development fee that the schools could recover, the school was required to furnish the details as to how the arrears of development fee had been worked out.

With regard to non submission of the details of accrued liabilities of leave encashment, the authorized representative appearing of the school submitted that the school did not carry forward any accumulated leave of the staff and the remaining earned leave at the end of year was paid in cash. As such the school did not have any accrued liability on account of leave encashment.

The Authorized representative of the school submitted that the school had a liability of Rs.1,21,39,535 as on 31/03/2010 which had been demanded by the Land and Development office, Delhi. He also submitted that the liability had not yet been discharged and the school was making representation to the concerned authorities. On a query raised by the Committee, the authorized representative submitted that the demand was raised on account of temporary usage of basement of the school for running the classes when some defect occurred in the upper floors. The authorized representative further submitted that the school had a short fall to the tune of Rs.5.63 crores after implementation of recommendations of 6<sup>th</sup> Pay Commission even after factoring in the fee hike in pursuance of order



dated 11/02/2009. In support of his contention, he filed a calculation sheet.

To examine the manner of treatment of development fee in the accounts of the school, in view of the inconsistency in the pleadings as noticed supra, the Committee examined the audited financials of the school and observed that development fee was treated as a revenue receipt and the school had wrongly stated in its reply to the questionnaire that the same was treated as a capital receipt. The school was required to furnish the details of development fee charged in 2009-10 & 2010-11 as the amount of development fee that was recovered by the school in these two years was also at variance in the two communications.

The Committee came across an anonymous complaint allegedly filed by a few parents addressed to the Director of Education. As the complaint was anonymous and not addressed to the Committee, no cognizance of the same was taken.

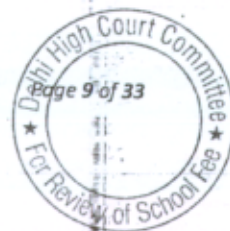
The school furnished the detailed working of the development fee recovered as part of the total arrear fee for the period 01/09/2008 to 31/03/2009, purportedly in accordance with order dated 11/02/2009 issued by the Director of Education. The school also furnished sample copies of fee bill for the arrears recovered in pursuance of the aforesaid order in respect of each class.

The Committee observed that the school recovered the arrear fee pursuant to order dated 11/02/2009 as follows:

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Class	Arrears of tuition fee	Arrears of development fee	lump sum fee	Total
Preschool	930 (1st out of 3 installments)	600 (1st out of 3 installments)	583 (1st out of 2 installments)	2113
Pre primary	930 1st out of 3 installments)	600 (1st out of 3 installments)	1167 (1st out of 2 installments)	2697
I	930 1st out of 3 installments)	600 (1st out of 3 installments)	1750 (1st out of 2 installments)	3280
II	930 1st out of 3 installments)	670 (1st out of 3 installments)	1750 (1st out of 2 installments)	3350
III	930 1st out of 3 installments)	670 (1st out of 3 installments)	1750 (1st out of 2 installments)	3350
IV	930 1st out of 3 installments)	670 (1st out of 3 installments)	1750 (1st out of 2 installments)	3350
V	930 1st out of 3 installments)	670 (1st out of 3 installments)	1750 (1st out of 2 installments)	3350
VI	930 1st out of 3 installments)	700 (1st out of 3 installments)	1750 (1st out of 2 installments)	3380
VII	930 1st out of 3 installments)	700 (1st out of 3 installments)	1750 (1st out of 2 installments)	3380
VIII	930 1st out of 3 installments)	700 (1st out of 3 installments)	1750 (1st out of 2 installments)	3380
IX	930 1st out of 3 installments)	720 (1st out of 3 installments)	1750 (1st out of 2 installments)	3400
X	930 1st out of 3 installments)	720 (1st out of 3 installments)	1750 (1st out of 2 installments)	3400
XI(Science)	930 1st out of 3 installments)	770 (1st out of 3 installments)	1750 (1st out of 2 installments)	3450
XI (Commerce)	930 1st out of 3 installments)	720 (1st out of 3 installments)	1750 (1st out of 2 installments)	3400
XII	2800	0	3500	6300

The authorized representatives of the school submitted that prior to the fee hike, originally in 2008-09 the school was charging development fee at a fixed amount of Rs. 1550 for the whole year, irrespective of the amount of tuition fee.

The Committee examined the fee schedule for the year 2008-09 which was filed by it under section 17(3) of the Delhi School Education Act, 1973 and observed that while tuition fee varied from Rs. 1620 per month to Rs. 1910 per month for different classes, the development fee for all the classes was charged at a fixed rate of Rs. 1550 per annum. At the lowest tuition fee of Rs. 1620, the development fee worked out to 7.97% of tuition fee, while at the highest tuition fee level of Rs. 1910, the development fee worked out to 6.76% of tuition fee.

The Committee observed that as per the statement filed by the school, the school recovered arrears of incremental development fee @ 15% of the arrears of the incremental tuition fee i.e Rs. 2800, which amounted to Rs. 420 per student. However, additionally, the school also recovered the arrears of development fee @ 15% of tuition fee for the whole year i.e. 01/04/2008 to 31/03/2009 by calculating the same at the rate of 15% of the pre hiked tuition fee. The authorized representative of the school submitted that the school was in deficit, even after hiking the tuition fee in accordance with the order dated 11/02/2009 and therefore, had to hike the development fee in the aforesaid manner. He relied on clause 14 and 15 of order dated

11/02/2009 and submitted that the development fee hiked by the school was in accordance with the order dated 11/02/2009.

The school filed written submissions dated 20/12/2016. In order to appreciate the contentions raised by the school, the written submissions are reproduced herebelow verbatim:

1. "Your kind attention is drawn to be circular issued by school dated 06/03/2009 wherein it has categorically been stated that the "15% increase in Development fee during the academic session 2008-09 is to be paid in three equal installments". The school charged the Development Fee of Rs. 2,920/- which is 15% of the Annual Tuition Fee of Rs. 19,440 by the school w.e.f. 01/04/2008 for academic session. The arrear of the Development fee shown for the period 01/04/2008 to 31/03/2009 is consolidated figure consisting of arrear fee received of Rs. 420/- which is 15% on the increase in Tuition Fee of Rs. 2800 (Rs. 400/- x 7) i.e. from September, 2008 to March 2009 and balance in Development fee on the basis of regular Tuition Fee. The bifurcation of the arrear of development fee which include the arrear of the Development Fee on regular Tuition Fee due for the academic session 2008-09 is as under:

**SPRINDALES SCHOOL, DHAULA KUAN, NEW DELHI-21**

Arrears of Development Fee	2008-09	2009-10	2010-11	Total
Arrears of Development Fees Circular dated 11/02/2009 basis	257909.00	738318.00	4200.00	1000427.00
Development Fees on regular fees	744061.00	2767067.00	16450.00	3527578.00
Total	1001970.00	3505385.00	20650.00	4528005.00

The amount to be received was bifurcated in the three installments so that it should not cast the burden on the parents in one go.

It is further submitted that all the development Fund was utilised during the year. There is no any carry forward balance in any years itself. All the funds of the Development fee were used during the respective year itself. As it is evident that utilising all the funds, there is a shortfall of Rs. 5.63 cr. It is further submitted that the school is following the accounting principle as laid down in the guidance note (Accounting by

school) issued by Institute of Chartered Accountant of India in respect of receiving there entries in the books of accounts.

It is humbly submitted that the school has utilised all the funds for the payment of VI Pay Commission.

2. The school has charged the Development Fee equivalent to the 15% of the total Annual Tuition Fee. Your kind attention is drawn to the para 14 of the circular no. F.DE/15(56)/Act/2009/778 dated 11.02.2009 issued by the Education Department wherein it has been stated that the school may charge the Development Fee not exceeding 15% of Total Annual Tuition Fee. We are reproducing para no. 14 of the said circular for your ready reference.

"Development Fee not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account."

Hence, from the fact stated above, the school has charged 15% of the total Annual tuition Fee and the school has strictly followed the direction given by the Education Department.

3. Your kind attention is also drawn to the para 15 of the said circular issued by the Education Department wherein the permission has been granted to the school to use the additional Developed Fee received for the purpose of meeting any shortfall on account of payment of salary/arrears.

We are reproducing the para 15 of the said notification for your ready reference.

"However, the additional increase in Development fee on account of increase in Tuition Fee shall be utilised of the purpose of meeting any shortfall on account of salary/arrears only".

From the above fact, it is obvious that the entire fund raised by the school has been utilised for the payment of the salary/arrears in respect of 6<sup>th</sup> Pay Commission to be paid.

4. Your kind attention is further drawn to the position of funds, cash and bank balance appearing as per the balance sheet

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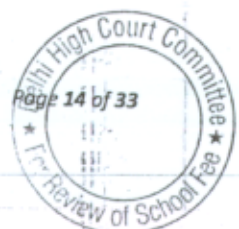
and corresponding to that various funds of which such balances have been maintained. The balance appear as per the earmarked funds represented by the balance in the respective bank account. These funds have to be utilised for the specific purpose for which these funds have been maintained as stated in the balance sheet. Therefore, the balance of school funds is not sufficient to take care of its liability and working fund requirement.

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 6<sup>th</sup> Pay Commission Report.

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Particulars	Amount (Rs.)	Amount (Rs.)
<b>Current Assets</b>		
Cash in Hand	29,686.00	
Bank Balance	14,742,653.53	
Fixed Deposits	5,081,494.40	
Advance Recoverable (Other than)	177,065.00	
Security Deposits		
<b>Total</b>	<b>20,030,898.93</b>	<b>20,030,898.93</b>
<b>Less Current Liabilities</b>		
Scholarship Fund	1,021,748.88	
Pension & Gratuity Fund	3,610,661.22	
Student Security	3,652,886.00	
Fee received in Advance	907,572.00	
<b>Total</b>	<b>9,192,868.10</b>	<b>9,192,868.10</b>
<b>Net Current Assets + Investments</b>		<b>10,838,030.83</b>
<b>Less</b>		
Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.03.09	26,168,733.00	
Working Capital requirement (4 months)	26,400,536.00	
Incremental Salary as per 6th CPC in 2009-10	7,007,054.00	
Accrued liability of Gratuity as on 31.03.09	14,366,881.00	
Accrued liability of L & DO as on 31.03.09	12,139,535.00	
<b>Total</b>	<b>86,082,739.00</b>	<b>86,082,739.00</b>
<b>Excess/ Shortfall before fee hike</b>		<b>(75,244,708.17)</b>
<b>Add</b>		
Arrear of Tuition Fee for the period from 01.01.06 to 31.03.09	14,345,293.00	
Development Fee arrear for 01.9.08 to 31.3.09	4,528,005.00	
<b>Total</b>	<b>18,873,298.00</b>	<b>18,873,298.00</b>
<b>Excess/ Short fund after fee hike</b>		<b>(56,371,410.17)</b>

From the facts stated above, it is obvious that total increase in the Tuition Fee and the Development Fee has been fully utilised for the payment of the arrears. After the payment of the arrears, the school is not having sufficient funds to pay all its outstanding liability.

Your kind attention is further drawn to the preamble of the order wherein it has been categorically stated that the direction in the said order may be applicable w.e.f the academic session 2008-09. The relevant paras of the order are reproduced hereunder:

"In exercise of the powers conferred under sub section 3 of section 17, sub section 3 of Section 24 of the Delhi School Education Act, 1973 read with the section 4 and 5 of the Section 18 of the Delhi School Education Act, 1973 and with Rule 50, 51, 77 and 180 of the Delhi School Education Rules, 1973 and all the other power enabling me in this behalf and in continuation of the previous orders no. DE.15/Act/Duggal Com./203/99/23099-23988 dated 15/12/1999, F.DE.15/Act/2K/243/KKK/883-1982 dated 10/02/2005 and No. DE.15/Act/2006/738-798 dated 02/02/2006. I, Chander Bhushan Kumar, Director of Education, Government of NCT of Delhi hereby give the following directions to all the recognised unaided private schools in the National Capital Territory of Delhi for the implementation of the recommendations of 6<sup>th</sup> Central Pay Commission w.e.f. the academic session 2008-09 and to meet the financial requirement arising therefrom:-

Therefore, it has been rightly construed that the class stated in the relevant para 1 to para 23 are applicable during the academic session 2008-09. Hence during the Academic Session 2008-09 the Development Fee was increased by 15% of the total Annual tuition Fee. In para 14 it has categorically been stated that the Development Fee not exceeding of 15% of total Annual Tuition Fee may be charged. Therefore, the school's action is bonafide in charging the 15% of Development Fee on the tuition Fee to be received during the Academic Session 2008-09.

The matter was finally heard on 24/04/2017, when the school filed supplementary written submissions which are also reproduced below verbatim, for the sake of better appreciation of the contentions raised by the school:

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"Your kind attention is drawn to the decision of the Hon'ble Supreme Court where it has been permitted that the Development Fee can be used for supplementing the resources for purchase, up gradation of furniture and fixture and equipments. The school has been following the accounting principle as laid down in the guidance notes on "Accounting by School" issued by the Institute of Chartered Accountant of India which states that there is procedure how to record all these entries and funds are credited. As per the accounting principle all the funds should first to be received in the income and expenditure and from there it should be transferred to respective funds through appropriation. The school has followed the guidelines as specified in para b no.91 & 93 of the guidance notes. These are reproduced hereunder :-

91. Any transfer to a designated fund is an "appropriations" of the 'surplus' (i.e. excess of income over expenditure) arising during the period and is not an expenses for the period. Appropriation should, therefore, be made after determination of 'surplus' for the period.

93. In the preparation and presentation of the financial statements, the overall consideration should be that they give a true and fair view of the state of affairs of the school and of the surplus or deficiency as reflected by the balance sheet and income and expenditure account respectively. The financial statements should disclose every material transaction, transaction of an exceptional nature.

The management has reason to believe that the method of accountancy followed by the school is correct. \*Since, there was no surplus of funds available out of Development Fee collected and all the funds were utilized during the year itself, there was no reason to give specific treatment to the balance outstanding as all the funds were utilized during the year.\* There is no violation. The school has duly complied with the direction given by the Hon'ble Supreme Court. There are no funds left which could be taken as capital receipt.

\*underlining by us.

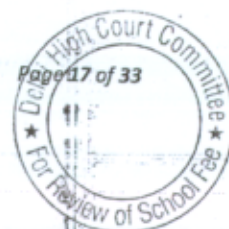
Further your kind attention is drawn to the order issued by Directorate of Education dated 16.04.2016 wherein it has categorically stated that as per Rule 180 of the Delhi School Education Rules, 1973 that every Unaided Recognized Private School shall submit returns and documents in accordance with Appendix-II of said Rules.

As per Appendix-II of the format of Income & Expenditure is given in which the school is required to disclose the fee received from students. As per format the school is required to disclose tuition fee and other fee under the specific head "Tuition & Other Fee" and in the expenditure side the various head have been defined under which the schools are required to book the expenditure. As per order issued by Directorate of Education, the school is required to finalize the account as per

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"Guidance note on accounting by school 2005". We are reproducing the relevant para for your ready reference.

"Now, therefore, in exercise of the powers conferred by clause (xviii) of rule 50 and rule 180 of the Delhi School Education Rules 1973, the Director hereby specify that the format of return and documents to be submitted by school under rule 180 read with Appendix-II of the Delhi School Education Rules, 1973 shall be as per format specified by the institute of Chartered Accountants of India, established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note on Accounting by Schools (2005) or as amended from time to time by this Institute".

As we have stated above the school has been strictly following the guidance of Institute of Chartered Accountants of India as stated in para 91 and 93 as stated above.

The Hon'ble Committee should not instruct the school to refund the fee because it has not followed procedure as explained by your good self. The school has followed the procedure as laid down by Institute of Chartered Accountants of India. We are submitting herewith copy of order dated 16.04.2016 for your ready reference. It is also submitted that the school is having a separate Depreciation Reserve Fund Account as per direction given by Directorate of Education.

\*The Hon'ble Committee should not give any direction to refund the fee only because school has not transferred the Development Fee into a separate Bank account, or maintained a depreciation fund account.\* It is our humble submission that it is not within the preview to check the method of accounting followed by a school. Further, if there is any deficiency in maintaining the books, school should not be penalized by instructing to refund the amount.

\*underlining by us.

Having regards to the facts presented, it is evident that the school has not violated or exceeded the scope of the circular. Further, from the facts and figures appearing above, it is crystal clear that there are no surplus funds and hence the school has not resources from which it can repay the amount. It is humbly submitted therefore, in light of the added information, school has rightly fully increased the fee."

#### Discussion & Determinations:

The Committee has considered various pleadings and the calculation sheet submitted by the school showing that it was in deficit to the tune of Rs. 5,63,71,411 after implementation of the

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recommendations of VI Pay Commission despite recovery of arrear fee which was purportedly in accordance with the order dated 11/02/2009 issued by the Director of Education and the hike in regular fee as prescribed therein. The Committee has also considered the written submissions dated 20/12/2016 and 24/04/2017 filed by the school, the authorized representative appearing for the school has been heard at length.

The sum and substance of the contention raised by the school can be summed up as under:

- (a) The School incurred a deficit of Rs. 5.63 crores on implementation of the recommendations of VI Pay Commission and therefore, there should be no order of refund of any part of fee hiked or arrear fee recovered by the school.
- (b) The school was right in increasing the development fee to 15% of the annual tuition fee for the entire academic year 2008-09 and recovering the difference between the amount so worked out and the amount of development fee which the school had collected as per the original fee schedule for the year 2008-09 as filed by it under section 17(3) of the Delhi School Education Act, 1973.
- (c) No adverse treatment can be given to the school for the reason that the school was treating development fee as a revenue receipt and no earmarked bank accounts were maintained for depreciation reserve fund. Earmarked

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development fund account was not required to be made for the reason that the school utilised the full amount of development fee in the year of collection itself and was not left with any amount to be deposited in the earmarked development fund account.

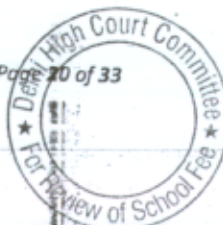
- (d) The school was treating development fee as a revenue receipt which was the correct procedure as the same was in consonance with the Guidance Note issued by the Institute of Chartered Accountants of India.

The Committee also finds that the calculation sheet prepared by the school suffers from the following errors:

- (a) While calculating the net current assets + investments, the school has accounted for a liability of Rs. 36,10,661.22 as a current liability on account of pension and gratuity fund, while at the same time, it has also separately deducted accrued liability of gratuity as on 31/03/2009 amounting to Rs. 1,43,66,881. The liability as provided in the books (Rs.36,10,661.22) is subsumed in the accrued liability as certified by the actuary which has been separately taken by the school.
- (b) The school has accounted for a liability of Rs. 1,21,39,535 as per the demand raised by L&DO which is disputed by the school. The Committee is of the view that the school cannot pretend to keep funds in reserve for payment of such a demand for two reasons. Firstly, the school itself is

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contesting this demand. Secondly, the demand is in the nature of a penalty levied on the school for misuse of basement and such a penalty cannot be passed on to the students by way of increased fee.

- (c) The school has sought to keep funds in reserve for working capital requirement (4 months) amounting to Rs.2,64,00,536, without mentioning the manner of its calculation. In view of the Committee, since the school recovers the fee from the students in advance every quarter, it always has available with it adequate funds to meet its working capital requirements. The school cannot seek to keep funds in reserve for this purpose. However, the Committee has taken a view that the schools ought to keep funds in reserve to meet any future contingency and has taken a consistent position in case of all the schools that such a reserve may be kept which is equivalent to salary expenditure of 4 months. The regular salary of the school for the year 2009-10 amounted to Rs. 4,77,37,066. Based on this, the reserve for future contingencies would amount to Rs. 1,59,12,355, which requires to be factored in.
- (d) The school has not factored in the incremental fee recovered by it pursuant to fee hike effected by the school for the period 01/04/2009 to 31/03/2010, which amounts to Rs. 1,61,07,385 (Rs. 6,49,35,749 recovered in 2009-10 minus Rs. 4,88,28,364 recovered in 2008-09)

(e) The school, while contending that the entire amount of regular development fee charged by it in 2009-10 and 2010-11, was utilised by it for meeting its increased liabilities on account of implementation of the recommendations of VI Pay Commission, besides the incremental development fee amounting to Rs. 45,28,005, recovered by it purportedly pursuant to order dated 11/02/2009, it has not taken in, effect of the regular development fee recovered by it in 2009-10 and 2010-11 while working out the deficit. The regular development fee recovered by the school in these two years amounted to Rs. 1,05,00,172 and Rs. 1,05,19,730 respectively, totaling Rs. 2,10,19,902 and the same requires to be factored in.

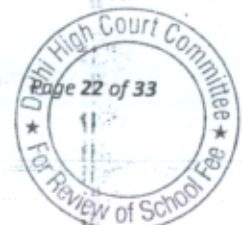
(f) The Committee observes that the incremental salary taken by the school for the year 2009-10 at Rs. 70,07,054 is erroneous and the school has not given any calculation in this respect. In fact, as per the Committee's determination, the incremental salary amounts to Rs. 1,92,10,408 as per the following calculations:

	2008-09	2009-10
Normal/ regular salary	31,193,142	60,032,946
Employers Share of PF	3,128,797	6,005,365
Administrative Charges on PF	400,118	792,959
Total salary	34,722,057	66,831,270
Less: Arrears of salary paid	6,195,399	19,094,204
Salary for the year	28,526,658	47,737,066
<b>Incremental salary in 2009-10</b>	<b>19,210,408</b>	

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The difference of Rs. 1,22,03,354 (1,92,10,408 - 70,07,054) requires to be considered.

(g) While working out the liability of the school for gratuity, the Committee observes that the school has taken the figure of liability as on 31/03/2009, while the Committee has consistently considered the same as on 31/03/2010 in respect of all the schools as the incremental amount for the year 2009-10 is also required to be factored in. The accrued liability as on 31/03/2010 as certified by the actuaries is Rs. 1,67,39,729 while the school has taken the same to be Rs. 1,43,66,881 as on 31/03/2009. The difference of Rs. 23,72,848 is also required to be factored in while working out the deficit.

Thus the deficit worked out by the school requires to be adjusted for the above noted errors/omissions as follows:

Particulars		Amount (Rs.)
<b>Deficit as worked out by the school</b>		<b>5,63,71,411</b>
Less:		
(a) Liability of gratuity taken in excess	36,10,661	
(b) Liability allegedly owing to L&DO	1,21,39,535	
(c) Working capital reserve	2,64,00,536	
(d) Development fee of 2009-10 and 2010-11 omitted by the school from the calculations	2,10,19,902	
(e) Incremental tuition fee recovered in 2009-10 omitted by the school from its calculation.	1,61,07,385	7,92,78,019
<b>Adjusted deficit (surplus)</b>		<b>(2,29,06,608)</b>
Less		
(a) Reserve for future contingencies as discussed above	1,59,12,355	
(b) Incremental salary short taken by the school	1,22,03,354	
(c) Accrued liability of gratuity short taken by the school	23,72,848	3,04,88,557
<b>Adjusted deficit</b>		<b>75,81,949</b>

As per the above determinations, the deficit claimed to have been incurred by the school to the tune of Rs. 5,63,71,411 on implementation of the recommendations of VI Pay Commission does not find favour with this Committee. However, it is also apparent that even after eliminating the errors of omission and commission made by the school in working out the aforesaid deficit, the net result is still a notional deficit of Rs. 75,81,949. The reason we term it as notional deficit is the fact that the same has been arrived at after considering that the school ought to maintain reserve of Rs. 1,59,12,355 for future contingencies. In actual fact the above calculations show that the school could maintain reserve only to the tune of Rs.83,30,406 (1,59,12,355 - 75,81,949) as the school did not have funds to maintain the full amount of reserve. The school did not have any real deficit but that will not change the position that to the extent, the arrear fee and incremental fee was recovered in accordance with the order dated 11/02/2009 of the Director of Education, the same was justified. As the Committee has taken the regular development fee charged by the school in 2009-10 and 2010-11 also into consideration for determining the deficit incurred by the school, the arguments of the school with regard to treatment of development fee as a revenue receipt in accordance with the Guidance Note of the Institute of the Chartered Accountants or justification for non maintenance of earmarked bank accounts for development/depreciation reserve fund, are of no real significance.

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The Committee, therefore, has no hesitation to hold that no interference is required to be made in respect of the tuition fee hike effected by the school w.e.f. 01/09/2008 and the arrear fee recovered by it for the period 01/01/2006 to 31/08/2008 and also the regular development fee charged by the school at the rate of Rs. 1550 per student as per the original fee schedule. However, we cannot help but comment that the school has been economical with the truth in its various communications with the Committee and for this reason, shifted its position from time to time during the course of verification and hearings.

The moot question that arises is whether the order dated 11/02/2009 issued by the Director of Education permitting the schools to hike tuition fee and recover the arrear fee in order to meet the additional expenditure on salary on account of implementation of the VI Pay Commission report, permitted any hike in development fee also. If yes, to what extent. Paras 4,5,7, 14 & 15 of the aforesaid order which are relevant for the purpose, read as follows:

4. All schools have been placed in five (5) categories based on their monthly tuition Fees at present. Increase in the Tuition fee, as mentioned below, is permitted with effect from 1 September 2008 for those schools who need to raise additional funding for additional requirement on account of the implementation of the 6<sup>th</sup> Central Pay Commission recommendations:-

Category	Existing Tuition fee (per month)	Proposed increase in tuition fee (Maximum limit) per month
1.	Upto Rs. 500 p.m.	Rs. 100 p.m.
2.	Rs. 501 to Rs. 1,000	Rs. 200 p.m.
3.	Rs. 1,001 to Rs. 1,500	Rs. 300 p.m.
4.	Rs. 1,501 to Rs. 2,000	Rs. 400 p.m.
5.	Above Rs. 2,000	Rs. 500 p.m.

5. There shall not be any further increase in the Tuition fee beyond the limit prescribed in para 4 hereinabove, till March 2010.
7. The arrears for meeting the requirement of salary etc. from 1<sup>st</sup> January 2006 to 31<sup>st</sup> August 2008 as per 6<sup>th</sup> Central Pay Commission recommendations will be paid by the parents subject to the limitation prescribed below:-

Category	Existing Tuition Fee (per month)	Arrear		Total (i + ii)
		(1 <sup>st</sup> Installment) (i)	(2 <sup>nd</sup> Installment) (ii)	
1.	Upto Rs.500/- P.M.	Rs.1,000/-	Rs.1,000/-	Rs.2,000/-
2.	Rs.501/- to Rs.1000/-	Rs.1,250/-	Rs.1,250/-	Rs.2,500/-
3.	Rs.1,001/- to Rs.1500/-	Rs.1,500/-	Rs.1,500/-	Rs.3,000/-
4.	Rs.1,501/- to Rs.2,000/-	Rs.1,750/-	Rs.1,750/-	Rs.3,500/-
5.	Above Rs. 2,000/-	Rs.2,250/-	Rs.2,250/-	Rs.4,500/-

The first installment may be deposited by 31<sup>st</sup> March 2009 and the second by 30<sup>th</sup> September 2009. Schools, however are at liberty to prescribe later dates.

14. Development fee, not exceeding 15% of the total annual tuition fee, may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under the head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account.
15. However, the additional increase in Development Fee on account of increase in Tuition Fee shall be utilized for the purpose of meeting any shortfall on account of salary/arrears only.

On going through the entire order, the Committee finds that it primarily permits hike in tuition fee w.e.f. 01/09/2008 and recovery of lump sum arrears for payment of arrear salary from 1<sup>st</sup> January 2006 to 31<sup>st</sup> August 2008. It further ordains that no further hike in fee till

March 2010 would be permitted. The reference to the development fee in the aforesaid order is only in paras 14 & 15, as reproduced above. Whether these paras can be construed to allow the schools to retrospectively revise or charge development fee w.e.f. 01/04/2008 is the question that is to be determined by the Committee. One thing is clear that although there is no specific reference to any increase in development fee in terms of the aforesaid order, para 15 of the said order can be construed to be permitting increase in development fee as a result of increase in tuition fee. As the tuition fee was allowed to be increased only w.e.f. 01/09/2008, the additional development fee could also be raised with effect from the same date and not from any anterior date. However, where there is no definite linkage between the development fee and the tuition fee e.g. where development fee is charged at a fixed rate within the overall cap of 15%, irrespective of the amount of tuition fee, the school would not be justified in hiking the development fee as a result of tuition fee.

The charge of development fee in case of unaided private schools was permitted for the first time by order no. De.15/Act/Duggal.Com./ 203/99/23033-23980 dated 15/12/1999 which was issued in pursuance of the recommendations of Duggal Committee constituted by the Hon'ble Delhi High Court in the case of Delhi Abhibhavak Maha Sangh vs. Union of India AIR 1999 Del 124. Para 7 of this order read as under:

7. *Development fee, not exceeding ten per cent of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of*

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furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as a capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account.

The aforementioned order of the Director of Education was considered by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583 and it was held as follows:

25. 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 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 15<sup>th</sup> December, 1999 and 31<sup>st</sup> 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.

The contention of the school that it charged additional

development fee in pursuance of para 14 of the order dated

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11/02/2009 has to be examined in light of the above background. Para 14 as aforementioned, did not introduce the development fee as an additional resource and that too for the purpose of meeting the liabilities arising out of the implementation of VI Pay Commission report. It is a repeat of para 7 of the order dated 15/12/1999 issued by the Director of Education. The only change being that the maximum cap of charge of development fee was raised from 10% to 15% of the tuition fee to bring it in accord with the judgment of the Hon'ble Supreme Court. Para 14 as aforesaid does not envisage any increase in development fee w.e.f. 01/04/2008 as contended by the school. It only means that in future, the school may charge development fee @ 15% of the annual tuition fee for specified purposes and that too subject to fulfillment of the specified conditions. It is prospective in nature. Since the order is dated 11/02/2009 and para 5 thereof forbids the schools to make any further increase in tuition fee, over and above that permitted vide para 4, till March 2010, para 14 of the circular has to be construed to mean that for the year 2009-10, the schools may charge development fee @ 15% of tuition fee, if the schools were charging the same at a lesser rate in the past. There is neither any specific provision nor any such implication can be drawn that the schools may retrospectively hike the development fee w.e.f. 01/04/2008. It would be worthwhile to reproduce section 17 (3) of the Delhi School Education Act, 1973. The same reads as follows:

Springdales School, Benito Juarez Marg, Dhaula Kuan, New Delhi-110021 (B-43)

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**Section 17(3):**

..000076

*The Manager of every recognised school shall, before the commencement of each academic session, file with the Director a full statement of the fees to be levied by such school during the ensuing academic session, and except with the prior approval of the Director, no such school shall charge, during that academic session, any fee in excess of the fee specified by its Manager in the said statement.*

It is apparent from the above provision of law that, let alone any hike with retrospective effect, the schools cannot hike even prospectively and charge any fee over and above the fee mentioned in the statement filed with the Director before the commencement of the academic session, without prior approval of the Director. The order dated 11/02/2009 issued by the Director permits the schools to hike the tuition fee (and consequently development fee if the same is charged as a percentage of tuition fee) w.e.f. 01/09/2008. This order nowhere provides for any hike in any fee, much less development fee, w.e.f. any anterior date.

**Thus, in view of the Committee, the school misread or misinterpreted the order dated 11/02/2009 to justify the hike in development fee for the period 01/04/2008 to 31/08/2008. In fact, the increase in development fee by the school for the aforesaid period is neither permitted by law nor by the aforesaid order.**

The next question that arises is whether the school was justified in hiking the development fee for the period 01/09/2008 to 31/03/2009. We have already discussed, supra, that the order

already discussed, supra

Sh. Dhawal Kishan, New Delhi Springdales School, Benito Juarez Marg, Dhaula Kuan, New Delhi-110021 (B-43)

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dated 11/02/2009 of the Director of Education did not permit any hike in development fee in specific terms. However, para 15 of the order, can be construed to be permitting such a hike w.e.f. 01/09/2008 provided the development fee charged by the school is linked to the tuition fee. The charge of development fee is not compulsory for the schools. However, the schools have been permitted to charge the same at a rate not exceeding 15% of the tuition fee. Schools are at liberty to charge development fee at a lesser percentage or not to charge the same at all.

Therefore it is necessary to examine as to whether the development fee charged by the school was linked to the tuition fee before it was hiked. It would be apposite to reproduce here the fee schedule for the academic session 2008-09, filed by the school under Section 17(3) of the Delhi School Education Act, 1973:

<b>Springdales School, Dhaula Kuan, New Delhi</b>		
<b>Fee Schedule for 2008-09</b>		
<b>1.</b>	<b>At the time of Admission</b>	<b>2008-09</b>
	Registration Fee	25
	Admission Fee	200
	Security(Refundable)	500
<b>2.</b>	<b>Monthly Tuition fee</b>	
	Pre school to I	1620
	II to V	1740
	VI to VIII	1755
	IX & X	1820
	XI & XII (Arts)	1820
	XI & XII (Science)	1910
	With Lab Facilities	
	Physics/Chem/Bio/Comp.	
<b>3</b>	<b>Annual Charges</b>	<b>1000</b>

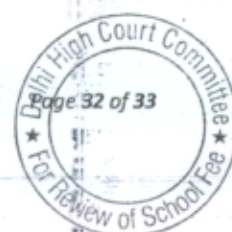
	For Sports, Medical Insurance	
	Annual Day, Supp. Readers	
	Co-curriculars Activities, School	
	Publications & Work Experience project	
<b>4.</b>	<b>Development Charges (Annual)</b>	
	Nursery to XII	1550
<b>5.</b>	<b>Refreshment (Monthly)</b>	200
	Ear Marked Charges	
	Nursery/Prep (Optional)	

It is apparent from the fee schedule for the year 2008-09 that the school recovered development charges at a fixed rate of Rs. 1550 per annum from the students of all the classes although the tuition fee for all the classes was charged at varying rates between Rs. 1620 per month (19,440 per annum) and Rs. 1910 per month (22,920 per annum). Thus the development fee charged by the school was not related or linked to the tuition fee, although it was within the cap of 15%. It ranged between 6.76% for classes XI & XII (Science) and 7.97% for Nursery and I. As the development fee was not linked to the tuition fee, any hike in tuition fee w.e.f. 01/09/2008, could not have resulted in a hike in development fee.

The Committee is, therefore of the view, that the school was not permitted either by law or by the order dated 11/02/2009 of the Director of Education to increase any development fee w.e.f. 01/09/2008 and to recover any arrears of additional development fee in terms of para 15 of the said order, even for the period 01/09/2008 to 31/03/2009.

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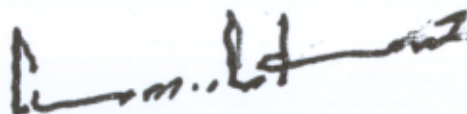
Secretary



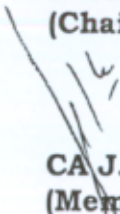
In view of the aforesaid discussion, the school ought to refund the entire amount of additional development fee charged by it for the period 01/04/2008 to 31/03/2009, along with interest @ 9% per annum. The fact that the school utilised this arrear for meeting the shortfall on account of implementation of VI Pay Commission report is of no consequence since the recovery of arrears is, per se, illegal.

As per the information furnished by the school under cover of its letter dated 20/12/2016, the school recovered arrear of development fee amounting to Rs. 45,28,005 which represents the additional development fee for the period 01/04/2008 to 31/08/2008 as well as 01/09/2008 to 31/03/2009. The Committee is of the view that the school ought to refund the aforesaid amount of Rs. 45,28,005 along with interest @ 9% per annum from the date of collection to the date of refund.

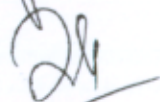
Ordered accordingly.



Justice Anil Kumar (R)  
(Chairperson)



CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Dated: 14/06/2018

**Delhi High Court Committee for Review of School Fee**  
(Formerly Justice Anil Dev Singh Committee for Review of School Fee)  
**CAUSE LIST FOR JUNE 2018**

000080

**Cause List for Friday, 1st June 2018**

S. No.	Cat. No.	School Name & Address
1	B-348	Review- Ahlcon International School, Mayur Vihar, Phase-I
2	B-172	Ganga International School, Saavda Ghevra
3	B-686	Arunodaya Public School, Karkardooma
4	B-335	Bhai Parmanand Vidya Mandir, Surya Niketan

**Cause List for Monday, 4th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-77	Vishal Bharti Public School, Paschim Vihar
2	B-60	The Heritage School, Sector-23, Rohini
3	B-120	The Heritage School, Vasant Kunj
4	B-589	Ramjas School, R.K. Puram

**Cause List for Tuesday, 5th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-237	S.D. Public School, Kirti Nagar
2	B-631	CRPF Public School, Rohini
3	B-650	St. Columba's School, Ashok Place

**Cause List for Thursday, 7th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-414	Jindal Public School, Dashrathpuri
2	B-544	Queen Mary's School, Model Town-III
3	B-231	Vivekanand Public School, B-Block, Anand Vihar

**Cause List for Friday, 8th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-677	Ganga International School, Hiran Kudna
2	B-151	G D Goenka Public School, Vasant Kunj
3	B-285	Mann Public School, Holambi Kalan

**Cause List for Tuesday, 12th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-665	Review - Kalka Public School, Alaknanda
2	B-658	Review - The Frank Anthony School, Lajpat Nagar
3	B-409	The Air Force School, Subroto Park
4	B-379	DAV Public School, East of Kailash
5	B-632	St. Columbo Public School, Pitampura

**Cause List for Wednesday, 13th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-615	Maxfort School, Parwana Road, Pitmpura
2	B-277	Hans Raj Smarak School, Dilshad Garden
3	B-402	Gitarattan Jindal Public School, Rohini

**Cause List for Thursday, 14th June 2018**

S. No.	Cat. No.	School Name & Address
1	B-508	Review- St. Giri Sr. Sec. School, Rohini
2	B-348	Review- Ahlcon International School, Mayur Vihar, Phase-I
3	B-469	St. Peter's Convent, Vikas Puri
4	B-597	St. Margaret's Sr. Sec. School, Prashant Vihar

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01.06.2018

000031

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE AT NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of School Fee)

**In the matter of**

**Ahlcon International School,  
Mayur Vihar, Delhi (B-343)**

**And in the matter of**

**Application dated 05.05.18 for  
reconsideration / review of  
recommendations dated 22.03.17  
in the matter of school.**

Present: Ms. Anita Negi, Accounts Asstt. of the school.

At the request of the school the matter is adjourned for 14<sup>th</sup> June  
2018 at 11.00 A.M.

**JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON**

**J.S. KOCHAR  
MEMBER**

**R.K. SHARMA  
MEMBER**

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**Secretary**



01.06.2018

000082

B-172

Ganga International School, Saavda Ghevra, Delhi

Present : Sh.Vipul, Accountant & Sh.Agasti Kumar, Accountant of the school.

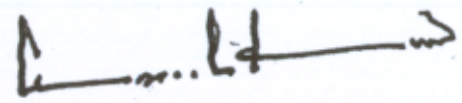
A copy of the calculation sheet prepared by the Committee has been given to the authorized representative appearing for the school. The school may file its rebuttal, if any, on or before the next date of hearing . Matter will come up for further hearing on 06.07.2018.



**Dr. R.K. SHARMA**  
**MEMBER**



**J.S.KOCHAR**  
**MEMBER**



**JUSTICE ANIL KUMAR (Retd.)**  
**CHAIRPERSON**

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Secretary



01.06.2018

000083

B-686

Arunodaya Public School, Karkardooma, Delhi

Present :Ms.Sangeeta Nagar, Principal & Sh.Bhagsar Singh, Accountant  
of the school.

A copy of the calculation sheet prepared by the Committee has  
been given to the authorized representative appearing for the school.  
The school may file its rebuttal within 4 weeks. Matter will come up for  
further hearing on 5<sup>th</sup> July 2018 at 11.00 A.M.

21  
Dr. R.K. SHARMA  
MEMBER

J.S.KOCHAR  
MEMBER

Justice Anil Kumar  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



01.06.2018

000034

B-335

Bhai Parmanand Vidya Mandir, Surya Niketan, Delhi

Present : Sh.Pramod Gupta, Advocate, Ms.Khusboo Aggarwal, Advocate, Sh.A.K. Sharma, Manager, Sh.Rahul Jain, C.A. & Sh.Brij Bhushan Ojha, Accountant of the school.

The matter had already been heard on 15.03.2018 when the recommendations were reserved. Subsequently, the school filed additional written submission on 31.5.2018 praying that the same may also be considered while passing the order. The matter was fixed for fresh hearing today. The Ld. Counsel appearing for the school has been partly heard. One mistake which he has pointed out in the preliminary Calculation Sheet but was not brought forth by the school in its rebuttal is that while calculating the incremental tuition fee taken by the Committee, it has erroneously included the arrear fee of Rs.14,62,730 which was received by the school in 2009-10. It is submitted that the same ought to have been included in the fee for 2008-09 as it pertains to that year but was received in the year 2009-10.

The Committee has revisited the Calculation Sheet and observes that the regular tuition fee for the year 2009-10 had indeed included the aforesaid sum of Rs.14,62,730 and the same had also been separately added as arrear tuition fee for the period 1.09.08 to 31.3.09. The mistake is apparent and will be corrected while making the final determinations. Prima facie, the same cannot be included as part of regular tuition fee for the year 2008-09, as contended by the Ld. Counsel for the reason that it has already been separately dealt with in the Calculation Sheet as part of the arrear.

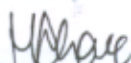
The Ld. Counsel has further contended that the Committee ought to have considered the fee on accrual basis for the years 2008-09 and 2009-10 or the actual number of students who were on roll of the school in 2008-09 as the incremental fee would have been recovered from them only.

By the same token the incremental salary in 2009-10 would have been paid only to the staff who were employed during the year 2008-09 and to whom the arrear salary for the period 1.09.08 to 31.3.09 had been paid.

The school will file, before the next date of hearing, separate statements showing the student wise recovery of arrear fee for the period 01.09.08 to 31.3.09 and the regular fee actually received from the students in the years 2008-09 and 2009-10 in respect of only those students who were on the rolls of the school in 2008-09 in tabular form.

The school will also file separate statements showing the payment of arrear salary for the period 1.09.08 to 31.3.09 and the regular salary paid to such teachers in the year 2008-09 and 2009-10 in tabular form. These statements may be filed by 5<sup>th</sup> of July 2018. Matter will come up

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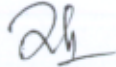


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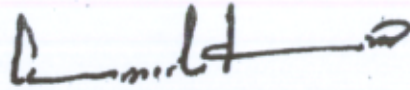
for further hearing on 10.07.2018 when the school will also produce its accounts for the years 2008-09 to 2010-11 in a laptop.



**Dr. R.K. SHARMA**  
**MEMBER**



**J.S. KOCHAR**  
**MEMBER**



**JUSTICE ANIL KUMAR (Retd.)**  
**CHAIRPERSON**

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04.06.2018

000086

B-77

Vishal Bharti Public School, Paschim Vihar, Delhi

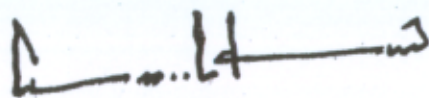
Present : Sh.Manu R.G.Luthra, C.A., Sh. Sunil Goel, Manager & Sh. Parveen Kumar, Accountant of the school.

The school has filed a letter dated 4.6.2018 and also produced the records relating to holding of the meeting of School Management Committee on 5.3.2009 in which the fee hike was apparently approved. The Committee had observed on 16.4.2018 that while the school issued the formal circular to the parents regarding fee hike and recovery of arrear fee on 17.3.2009, the school started receiving the arrear fee from 20.2.2009. As per the record of proceedings of the Management Committee meeting held on 5.3.2009, it is apparent that the decision of hike in fee and recovery of arrear fee was taken on that date. The authorized representative appearing for the school submits that after the order dated 11.2.2009 was received by the school, the school issued the fee bills for recovery of the enhanced fee and arrear fee in anticipation of the approval of the Management Committee. In these circumstances, the Committee is of the view that the Managing Committee was presented with a fait accompli and there appeared to be no application of mind with regard to fee hike. This is also evident from the fact that it is recorded in the Minutes of the Meeting that the development fee was increased by 15% from the existing development fee which was fixed for all the classes @ Rs.140 per month. However, the increase shown in absolute terms is Rs.187, Rs.190, Rs.199, Rs.218 and Rs.249 for different classes which works out to between 133% and 178%.

Calculation sheet to be prepared. Matter will be taken up for further hearing on 6<sup>th</sup> July 2018 at 11.00 A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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04.06.2018

.b 000087

B-60

The Heritage School, Sector-23, Rohini, Delhi

Present : Ms. Namitha Mathews, Advocate, Sh. Pulkit Malhotra & Sh. Pramod Joshi, Accountant of the school.

The Learned Counsel appearing for the school submits that the matter being heard at the Hon'ble Delhi High Court is still pending. She submits that since one of the issues being decided by the Hon'ble High Court is whether this Committee has jurisdictions to adjudicate on the issue of the development fee, is also relevant in the case of this school, the matter may be further adjourned to wait the decision of the Hon'ble High Court.

The Committee observes that there is no stay on the proceedings before this Committee and the request of the school for repeated adjournments on this ground cannot be accepted. However, one last opportunity is given to the school to argue its case on merits and the matter is adjourned to 20<sup>th</sup> August 2018 at 11.00 A.M. for this purpose.

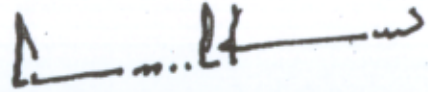
Sufficiently long date has been given to the school so that it may obtain appropriate directions from the Hon'ble High Court, if so desired.



Dr. R.K. SHARMA  
MEMBER




J.S. KOCHAR  
MEMBER



JUSTICE ANIL KUMAR (Retd.)  
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04.06.2018

000088

B-120

**The Heritage School, Vasant Kunj, Delhi**

Present : Ms. Namitha Mathews, Advocate, Sh. Pulkit Malhotra, Advocate & Sh. Pramod Joshi, Accountant of the school.

Pursuant to direction given to the school on 2.5.2018, the school furnished copy of fee bill for each class in respect of the fee charged originally in 2008-009, the arrear bill raised for the period Sept. 2008 to March 2009 plus lump sum arrears from January 2006 to August 2008 and the fee bill for arrears of development fee. The bill for arrears of development fee again is silent as to the manner of arriving at the amount of arrears of development fee. The Committee observes that the school was originally charging development @ 10% of tuition fee in the year 2008-09, however, the recovery of arrears of development fee for the period Sept. 2008 to March 2009 is much more than 10% of the recovery of arrear of tuition fee.

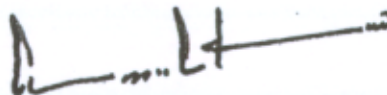
The Committee has prepared a calculation sheet in order to examine the justifiability of recovery of arrear fee, incremental tuition fee, incremental development fee and lump sum arrear fee in pursuance of order dated 11.2.2009 issued by the Director of Education. Considering the funds available with the school as on 31.3.2008 and also the funds apparently diverted by the school towards repayment of the loans taken for creation of fixed assets and interest thereon from the year 2006-07 to 2009-10, the Committee is prima facie of view that the school did not require any hike in fee or recover arrear fee in order to meet its increased fixed assets, payment of arrear salary and incremental salary for the year 2009. Prima facie, it also appear that the school was not fulfilling the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School with regard to charging of development fee in the years 2009-10 & 2010-11 which the school recovered pursuant to order dated 11.2.2009 issued by the Director of Education. A copy of the preliminary calculation sheet has been furnished to the Counsel appearing for the school for filing a rebuttal if any. The school may do so on or before the next date of hearing which is fixed for 20<sup>th</sup> August 2018 at 11.00 A.M.



Dr. R.K. SHARMA  
MEMBER



J.S. KOCHAR  
MEMBER



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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04.06.2018

000089

B-589

Ramjas School, R.K. Puram, Delhi

Present : Ms.Rachna Pant, Principal, Sh. J.P. Bhatt, UDC & Sh. Bharat, LD C of the school.

The school has furnished the details of refund of excess development fee charged from the students which amount to Rs.4,42,811 alongwith copies of speed post receipts, fee receipts vide which the excess fee was adjusted from the fee due for the current period and copies of bank statements showing encashment of the cheques issued in respect of the refund.

Since the school has itself admitted and refunded the excess development fee charged by it, no further intervention is required to be made. The matter stands disposed off.

*Details order to be passed separately*

*26*

Dr. R.K. SHARMA  
MEMBER

*J.S.*  
J.S.KOCHAR  
MEMBER

*A. H.*  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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*W. S. S.*  
Secretary



05.06.2018

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B-237

S.D.Public School, Kirti Nagar, Delhi

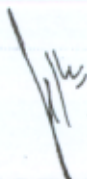
Present : Sh.Ramesh Lamba, Manager & Sh.Ravi Chauhan, Assistant of the school.

The authorized representative appearing for the school submits that the school has since paid the arrear salary to the extent of 31.12 % of the total amount due as arrear fee which was paid by the students amounting to Rs.22,23,478 and was sufficient for payment only to that extent. The school has filed an employee wise detail of the proportionate amount due and that paid alongwith the copies of bank statements showing the encashment of cheques issued to the staff. However, the school was not able to show that the tax deducted at source amounting to Rs.1,20,100 on such payments had also been deposited.

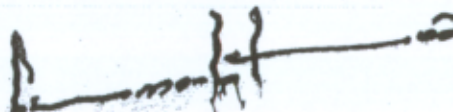
In reply to the notice dated 13<sup>th</sup> May 2015 the school had furnished the relevant information with regard to different components of fee and salary for the year 2008-09 to 2010-11. The school has also furnished the details of its accrued liabilities of gratuity and leave encashment as on 31.3.2010. On perusal of these details, the Committee observes that the school has calculated its liability of leave encashment for a period which is more than even the maximum period of which the leave is accumulated under the rules. The school has calculated the liability of maximum period of 480 days of leave while there is cap of 300 days under the rules. The school will furnish a fresh statement after making the necessary correction. The school will also produce its books of accounts in a lap top for the years 2008-09 to 2010-11 as the same is admittedly maintained in Tally software. Matter will come up for further hearing on 9<sup>th</sup> July 2018 at 11.00 A.M.



Dr. R.K. SHARMA  
MEMBER

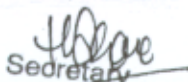


J.S.KOCHAR  
MEMBER



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary

05.06.2018

000091

B-631

**CRPF Public School, Rohini, Delhi**

Present : Ms. Suguna, UDC & Ms. Anu Anand, Assistant Programmer of the school.


The school has filed reply to the questionnaire regarding development fee and detail of accrued liability on account of gratuity payable to staff as on 31.3.2010. However, the school has not filed copies of audited receipt and payment accounts for the years 2006-07 to 2010-11 on the pretext that they were prepared by the auditors. This reason is untenable in view of the requirement of law to file audited receipt and payment accounts every year. The school is required to have these accounts prepared and furnish the same to the Committee within 15 days.

As per the reply to the questionnaire regarding development fee, the school has stated that it charged development fee in all the five years to which the information was sought. In particular in the years 2009-10 & 2010-11, with which this Committee is concerned, the school collected a sum of Rs.47,18,454 and Rs.58,33,575 respectively. It is further stated that the development fee was utilized (to the extent it was utilized for purchase of furniture and fixture and equipments) but no earmarked reserve fund was maintained for depreciation charged to the revenue account on the ground that the general fund of the school was in deficit. It is further submitted that although the school had general FDRs but they covered the liabilities of gratuity fund, caution money, development fund etc. only.

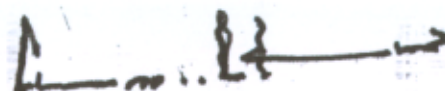
As per the details furnished by the school, it had a total accrued liability of gratuity amounting to Rs.1,39,01,264 as on 31.3.2010. However, the school has not filed any detail with regard to accrued liability of leave encashment on the ground that no provision is made in the balance sheet for that purpose. The authorized representative appearing for the school submits that the school will prepare the detail and furnish alongwith the receipt and payment accounts.

The Committee has also observed that till 31.3.2008 the final accounts of the school in respect of pre primary classes were maintained separately but after that date they have been merged with the accounts of the main school. The school will file the audited balance sheet of the pre primary school as on 31.3.2008 in order to ascertain the funds position as on that date. The school also runs a hostel whose balance sheet is not on record. The school will file copies of audited balance sheet of the hostel for the years 2006-07 to 2010-11 also alongwith the receipt and payment accounts.

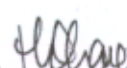
After receipt of these documents, calculation sheet will be prepared afresh. Matter will come up for further hearing on 9th July 2018 at 11.A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



05.06.2018

000092


B-650

St.Columba's School, Ashok Place, Delhi

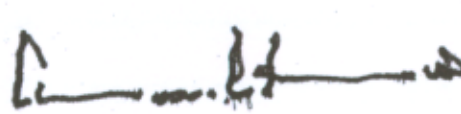
Present : Mrs.Renu Rana & Sh.Samuel George, Accountant of the school.

Vide letter dated 7.5.2018, the school furnished its justification for recovering arrears of development fee for the period from 1.9.2008 to 31.3.2009 at rate which is almost 50% of the arrears of tuition fee for the corresponding period. It is submitted that the school was charging development fee at a rate which was between 5.90% and 6.82% of the tuition fee originally. Although the school hiked the development fee at a rate which was higher than that which was charged previously in the year 2008-09. The development fee as a percentage of tuition fee even at the enhanced rate was between 9.32 and 9.96% hence the same ought to be considered in order, since the increased development fee is also within 10% of tuition fee. Prima facie, the contention of the school is contrary to clause 15 of order dated 11.2.2009 issued by the Director of Education which permitted hike in development fee which would be increased on account of hike in tuition fee. The aforesaid order of the Director of Education apparently did not permit the schools to hike the rate of development fee where the development was originally charged at a rate which was less than 15% or at a rate which was not linked to tuition fee at all as in the present case. The school was originally charging development fee @ Rs.255 per month irrespective of the amount of tuition fee which varied between Rs.3735 and Rs.4320 for different classes.

Based on the audited financials of the school and the information provided to this committee in its various communications, the Committee has prepared a calculation sheet which prima facie shows that the school did not need to hike any fee at all in order to absorb the impact of the recommendations of the 6<sup>th</sup> pay commission. Further the school was not complying with the essentials pre conditions for charging the development fee as the school treated development fee as a revenue receipt and did not create a development fund. A copy of calculation sheet has been given to the authorized representative appearing for the school for rebuttal, if any. The school may file written submissions of rebuttal on or before the next date of hearing. The matter will come up for further hearing on 21<sup>st</sup> August 2018 at 11.00 A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



07.06.2018

000093

**B-414**


**Jindal Public School, Dashrathpuri, Delhi**

Present : Sh.Banne Singh, UDC of the school.

The principal of the school has filed an application expressing his inability to represent due to demise of his mother. The school filed the audited balance sheet for the year 2011-12 on 9.5.2018, as directed by the Committee on the previous date. The Committee has prepared calculation sheet and prima faice it shows that the school has collected more fee than was necessary for absorbing the increased expenditure on account of implementation of the recommendations of the 6<sup>th</sup> pay commission. Moreover, it appears that the school was also not fulfilling the pre conditions for charging development fee in the year 2009-10 & 2010-11. A copy of the calculation sheet has been given to the authorized representative appearing for the school. The school may file its rebuttal, if any, on or before the next date of hearing. Matter will come up for further hearing on 10<sup>th</sup> July 2018 at 11.00 A.M.

  
**Dr. R.K. SHARMA**  
**MEMBER**

  
**J.S.KOCHAR**  
**MEMBER**

  
**JUSTICE ANIL KUMAR (Retd.)**  
**CHAIRPERSON**

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Secretary



07.06.2018

000094

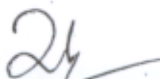
**B-544**

**Queen Mary's School, Model Town-III, Delhi**


Present : Sh.Sandeep Masih, Admn./Accounts Manager & Sh.Pradeep Kumar Verma, UDC, of the school .

Complainant: Sh.Rohit Handa & Ms.Ruchi Jain (Parent)

The authorized representative appearing for the school has filed a copy of the depreciation reserve fund account maintained by the school with Indian Overseas Bank which shows the account opening date as 30.4.2009, however, the transactions which are covered by the statement filed are in respect of the period 8.1.2016 to 2.5.2018. The school is directed to file the transaction statement for the years 2009-10 and 2010-11 of this account. The complainant has filed written submission dated 7.6.2018 and has basically re produced the excerpts of the Duggal Committee report to contend that the school is required to fulfill all the pre conditions laid down by the Duggal Committee in order to be able to charge development fee from the students. The complainant presently submits that he has no further submissions to be made and as such has been finally heard. The school may file the transaction statement as mentioned above on or before the next date of hearing which is fixed for 12<sup>th</sup> July 2018 at 11.00 A.M.

  
**Dr. R.K. SHARMA**  
**MEMBER**

  
**J.S.KOCHAR**  
**MEMBER**

  
**JUSTICE ANIL KUMAR (Retd.)**  
**CHAIRPERSON**

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Secretary



07.06.2018

000095

B-231

Vivekanand Public School, B-Block, Anand Vihar, Delhi

Present : Sh. Sunil Khanna, Manager & Sh. Manu RG Luthra, C.A. of the school.

The school has filed its response vide written submissions dated 5<sup>th</sup> June 2018 in rebuttal of the preliminary calculation sheet prepared by the Committee. The school has also filed its own calculation sheet (at page 55 of the written submissions) which is against the surplus of Rs. 2,12,93,373 which was provisionally determined by the Committee. The school was in deficit to the tune of Rs. 1,63,11,938 upto 31.3.2010 after the implementation of the recommendations of the 6<sup>th</sup> pay commission.

On comparing the calculation sheet filed by the school with the provisional calculation sheet prepared by the Committee, the Committee observes that the school has accepted all the figures taken by the committee except "funds secreted out of school funds/income not booked for the years 2006-07 to 2009-10 amounting to Rs. 3,76,05,342.

The aforesaid figure of Rs. 3,76,05,342 represent huge expenditure of building repair and maintenance, expenditure on school tours/picnics, expenditure on other repair and maintenance and expenditure on printing and stationary that was charged by the school in its income and expenditure accounts.

With regard to building repair and maintenance, the school has furnished the breakup of expenditure incurred under this head which has been classified under broad categories (page no. 7 to 10 of the written submissions). The Committee has examined the information furnished by the school and observes that major portion of the expenditure that has been debited to building repair and maintenance constitutes capital expenditure. The authorized representative appearing for the school refers to Rule 177 of the Delhi School Education Rules 1973 to contend that while it is proved that the capital expenditure can be incurred by the school only out of the savings calculated in the manner provided, however the rules cast out exception in respect of expenditure to be incurred for the needed expansion of the school or any expenditure of the development nature and the expenditure to be incurred on expansion of the school building or for the expansion or the construction of any building or establishment of hostel or expansion of hostel accommodation. He submits that the expenditure incurred by the school, although may be capital expenditure but is covered by the exception provided under sub Rule 2 of Rule 177.

With regard to expenditure on other repair and maintenance, the school has submitted the detail at page No. 15 of the written submissions. It is contended that bulk of the expenditure under this head was also towards building repair and maintenance but was classified under a wrong accounting head.

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Secretary

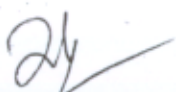


With respect to printing and stationary, the school has given the details at page 17 of the written submissions and contends that the expenditure is genuine and not excessive considering the students strength of the school and therefore ought not to have been added to the funds available with the school.

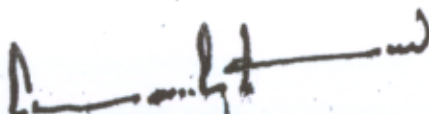
With regard to expenditure of the school on tours and picnic, the school has submitted that the school adopt the practice of free excursion as an incentive to the students to perform better. These free excursion were provided to select students based on academic, co-curricular and such other merits as deem appropriate by the management from time to time.

With regard to development fee, the school submits that treatment of development fee as a revenue receipt is merely an accounting treatment and as such ought not be taken adverse note of. It is further submitted that term "capital receipt" has not been clearly defined anywhere. The Committee notes that the school has not even claimed that it was fulfilling other pre conditions like maintenance of earmarked development fund or depreciation reserve fund as mandated by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India. During the course of hearing, the authorized representative appearing for the school concedes that school was not maintaining any earmarked depreciation reserve fund.

Arguments heard. Recommendations reserved.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



08.06.2018

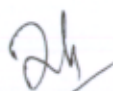
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B-677

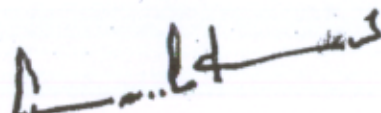
Ganga International School, Hiran Kunda, Delhi

Present : Sh.Kamal Gupta, Advocate, Sh.Satish, C.A., Sh.R.K.Narang,  
Accounts Officer & Sh.Sunil Bhatia Accounts Assistant of the school.

After some arguments, the matter is adjourned for further  
arguments on 21<sup>st</sup> August 2018 at 11.00 A.M, as the matter is listed  
in Delhi High Court on 23<sup>rd</sup> July 2018.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S.KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



**G.D.Goenka Public School, Vasant Kunj, Delhi**

Present : Sh.Birendar Singh, Accounts Officer & Sh. Jitendra Singh, Sr. Accountant of the school.

Pursuant to order dated 04/05/2018, the school furnished the break up of fee and salary as per the format given by the Committee, duly reconciled with the audited financials. The school has produced its books of accounts and the information furnished by the school has been verified with reference to its books. The information, in so far as it is relevant for the purpose of making the required calculation is culled out as follows:

Particulars	2008-09 (Rs.)	2009-10(Rs.)	2010-11 (Rs.)
Arrear fee for the period 01/01/2006 to 31/08/2008	12,19,500	79,23,000	
Arrear for the period 01/09/2008 to 31/03/2009	9,42,500	62,51,800	
Regular/normal tuition fee	12,93,19,577	13,59,92,249	
Arrear salary for the period 01/01/2006 to 31/08/2008	0	2,50,89,523	10,868
Arrear salary for the period 01/09/2008 to 31/03/2009	0	88,17,391	0
<b>Regular/normal salary</b>			
Salary(teaching staff)	4,87,15,879	6,72,74,913	
Salary(Admn./supporting staff)	56,69,425	64,23,960	
Salary (support staff)	75,66,355	81,08,173	
Provident Fund	18,38,229	18,26,525	
Administrative charges on Provident fund	1,63,049	1,62,198	

It has further come out from the accounts of school that the school recovered a development fee of Rs. 2,00,47,185 in 2009-10 out of which a sum of Rs. 86,00,000 was transferred to the development fund account and kept in earmarked FDR. The balance Rs. 1,14,47,125 was treated as a revenue receipt. In the year 2010-11, the school recovered a total sum of Rs. 2,25,99,880 as development fee the whole of which was treated as a revenue receipt.

Calculation sheet to be prepared. Matter will come up for further hearing on 13/07/2018 at 11.00 a.m.



Dr. R.K. SHARMA  
MEMBER

J.S.KOCHAR  
MEMBER

JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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08.06.2018

000099

**B-285**

**Mann Public School, Holambi Kalan, Delhi**

Present : Sh.Samarth Mal Surana, C.A., Sh.Brijesh Kr.Sharma, Accountant, Sh.Bharat Rattan, C.A. & Sh.Mubarak Hussain Accounts Assistant of the school.

The school has filed a revised information sheet today in response to notice dated 22.6.2017 issued by the Committee and has also produced its books of accounts which are maintained in tally software. School has also filed copies of the circular dated 20<sup>th</sup> Sept.2008 vide which the fee was increased by the school for the purpose of paying increased salary on account of implementation of the recommendations of the 6<sup>th</sup> pay commission.

The Committee has perused the circular issued by the school also verified the information with regard to the fee and salary as furnished by the school for the years 2008-09 to 2009-10.

The Committee observes that the school had issued the circular on 20<sup>th</sup> Sept.2008 for increasing the fee of the students @400 per month w.e.f. Sept.2008. The order permitting the school to increase the fee was issued by the Director of Education only on 11.2.2009. The fee was increased by the school @ Rs.400 p. m. whereas as per the order dated 11.2.2009 which was issued by the Director of Education permitted the school to increase the fee by Rs.300 per month in respect of classes preschool to 5<sup>th</sup> where the existing fee of the school was between Rs.1001 and Rs.1500 per month. In respect of classes 6<sup>th</sup> to 10<sup>th</sup> the fee increase @ Rs.400 p.m. was in accordance with the order dated 11.2.2009. In respect of the students of classes 11<sup>th</sup> to 12<sup>th</sup>, the school could have increased the fee by Rs.500 per month while the school increased the same by Rs.400 per month. In view of these facts the Committee is not inclined to draw any adverse influence on account of the increased in fee in respect of classes preschool to 5<sup>th</sup> which was more than that permitted by order dated 11.2.2009 as in view of the Committee the same would be more or less compensated by the lesser fee hike effected by the school for classes 11<sup>th</sup> and 12<sup>th</sup>.

It is submitted by the authorized representative appearing for the school that the school did not pay the arrears of salary for the period 1.1.2006 to 31.8.2008 but at the same time it did not recover any arrear fee for that period also.

Although the school did not collect the arrears for the period 1.9.2008 to 31.3.2009 also as the school hiked the fee w.e.f. Sept. 2008 itself, the school has calculated that a sum of Rs.27,57,960 would relate to the increased fee from Sept. 2008 to March 2009.

In respect of the increased salary on account of implementation of the recommendation of the 6<sup>th</sup> pay commission, it is submitted that the school increased the salary of the staff in accordance with the recommendations of the 6<sup>th</sup> pay commission w.e.f. Dec. 2008 itself and

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Secretary



paid the arrears for the period Sept.2008 to Nov. 2008. However, for the purpose of making the relevant calculations the school has furnished a figure of Rs.28,62,706 which represents the arrear salary from Sept. 2008 to Nov.2009 and the increased salary from Dec. 2008 to March 2009.

With regard to regular tuition fee, the Committee has verified that the same increased from Rs.2,14,34,545 in 2008-09 (excluding the increased fee from Sept. 2008 to March 2009) to Rs. 2,54,39,880 in 2009-10.

The Committee also notes that the school was charging a fixed amount of fee which is shown as development fee from the newly admitted students @ Rs.2000 per student in addition to the admission fee of Rs.200. This is apparently in contravention of clause 17 of the order dated 11.2.2009 which prohibits charging of admission fee at a rate which exceeds Rs.200 per student. The total amount of such fee recovered by the school amounted to Rs.22,43,000 in 2009-10 and Rs.26,29,000 in 2010-11. The authorized representative submits that apart from this, the school does not charge any development fee from the students which the school could have charged as per clause 14 of the order dated 11.2.2009.

With regard to regular salary, the figure furnished by the school for the year 2008-09 are erroneous. On verification from the books of accounts, the Committee observes that the salary paid during 2008-09 (excluding the salary shown as arrears) was Rs.97,76,974 and a contribution to employees provident fund was Rs.6,59,692. In the year 2009-10, the salary rose to Rs.1,72,51,601 and the employees contribution provident fund also rose to Rs.7,80,799. The Committee is not considering the other items shown by the school under the broad head of establishment expenses as they have no relation with the 6th pay commission.

On examination of the statement of account of the parent society in the books of the school, the Committee observes that there has been diversion of funds to the society between 1.4.2006 to 31.3.2010. The credit balance of the society in the books of the school was Rs.28,91,566 as on 1.4.2006 which rose to Rs.4,53,425 as on 31.3.2010.

The school has furnished details of its accrued liabilities of gratuity and leave encashment as on 31.3.2008 and 31.3.2010. The same appeared to be normal. As per the details submitted the accrued liability of the school for payment of gratuity was Rs.48,07,367 as on 31.3.2010 while that for leave encashment, it was Rs. 28,44,835. The school also has a hostel and has furnished the audited financials of the hostel on record. Calculation sheet to be prepared. For the purpose of determining the funds available with the school at the threshold, the audited financials of the school as well as the hostel as on 31.3.2008 to be taken into consideration.

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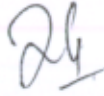
  
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08.06.2018

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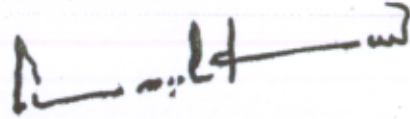
Matter will come up for further hearing on 23<sup>rd</sup> August 2018 at  
11.00 A.M.



Dr. R.K. SHARMA  
MEMBER



J.S. KOCHAR  
MEMBER



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



12.06.2018

000102

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE AT NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of School Fee)

**In the matter of**

The Kalka Public School,

Alaknanda, Delhi (B-665)

**And in the matter of**

Application dated 10.05.18 for

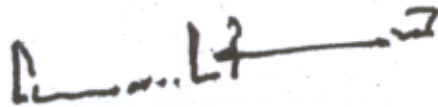
reconsideration / review of

recommendations dated 11.04.17

in the matter of school.

Present: Sh.Vinod Kumar, LDC of the school.


An application has been filed by the school seeking adjournment on account of non availability of the counsel who has to appear. As requested, the matter will come up for hearing on 13<sup>th</sup> July 2018 at 11.00 A.M.



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON



J.S.KOCHAR  
MEMBER



R.K. SHARMA  
MEMBER

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Secretary



12.06.2018

000103

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE AT NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of School Fee)

**In the matter of**

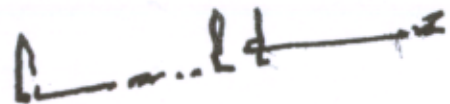
**The Frank Anthony School,  
Lajpat Nagar, Delhi (B-658)**

**And in the matter of**

**Application dated 11.05.18 for  
reconsideration / review of  
recommendations dated 13.06.17  
in the matter of school.**

Present: Ms.Simran Singh, C.A. & Sh.Ashok Kumar, Accountant of the  
school.

Arguments Heard. Order reserved.

  
**JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON**

  
**J.S. KOCHAR  
MEMBER**

  
**R.K. SHARMA  
MEMBER**

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Secretary



12.06.2018

000104

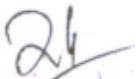
B-409

The Air Force School, Subroto Park, Delhi

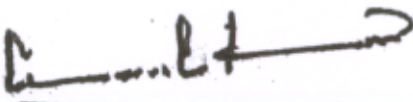
Present : Gp.Cap.SM Sachdev, Admn. Officer, Sh.A.K.Singh, Office Supdt., Sh.D.Kaushiks, UDC Sh.Deepak Pandey, LDC, & Sh.P.Manogaran, LDC of the school.

On 18.5.2018, the school had filed a revised information sheet with regard to fee and salary which is supposedly reconciled with the audited financials of the school. The same is required to be checked and accordingly calculation sheet to be prepared to examine the justifiability of fee hike effected by the school pursuant to order dated 11.2.2009 issued by the Director of Education.

Matter will be taken up for further hearing on 13<sup>th</sup> July 2018 at 11.00 A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S.KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



12.06.2018


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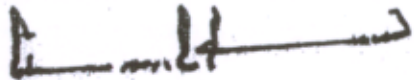
DAV Public School, East of Kailash, Delhi

Present : Sh.S.K.Singhal, C.A. & Sh.Anshul Patial, Accountant of the school.

The school seeks to file a revised detail of expenditure, however, the authorized representative appearing for the school is not able to show the expenditure shown in the detail from the books of accounts. He seeks some more time to file a correct statement which tallies with the books of accounts. Since the issue was not brought forth while rebutting the calculation sheet and it was raised after the calculation sheet had been discussed and two opportunity has already been given to the school to furnish the correct figures as emanating from the books of accounts, the Committee is not inclined to give any further time to the school. However, one more opportunity is given in the interest of the justice. The needful may be done on or before the next date of hearing. The matter is adjourned for 5<sup>th</sup> July 2018 at 11.00 A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S.KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



12.06.2018


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B-632

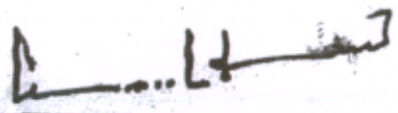
St. Columbo Public School, Pitampura, Delhi

Present : Mrs. Rakesh Dutt, Principal & Ms. Bani, Accounts Head of the school.

The Committee has prepared a preliminary calculation sheet in order to examine the justifiability of hike in tuition fee and recovery of arrear fee pursuant to order dated 11.2.2009 issued by the Director of Education. Prima facie it appears that the school had sufficient funds of its own out of which it could have met the additional expenditure on account of implementation of the recommendations of the 6<sup>th</sup> pay commission. A copy of the calculation sheet has been given to the principal of the school who is present at the time of hearing. The school may file its rebuttal, if any, on or before the next date of hearing. The matter will come up for further hearing on 6<sup>th</sup> July 2018 at 11.00 A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



13.06.2018

000107

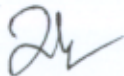
B-615

Maxfort School, Parwana Road, Pitampura, Delhi

Present : Sh.Sachin Vasudeva, A.R., Sh.Manish Hasiya, Accountant of the school.

The school filed an evidence of payment of arrear salary paid by the school in 2009-10 as well as after the last date of hearing which the school undertake to pay. However, the Committee finds that out of recovery, liability of Rs.13,55,131 which was outstanding as on last date of hearing, the school has paid only a sum of Rs.9,21,760. The said payment has been paid by NEFT and copies of bank statement in support of the same have been filed. The authorized representative appearing for the school submits that the school in fact sent out NEFTs of sum of Rs.9,69,057 but NEFTs of Rs.47,297 not accepted by the beneficiaries bank on account of accounts having been closed. In respect of the remaining payment the authorized representative submits that the staff has already left and the school is not aware of their whereabouts.

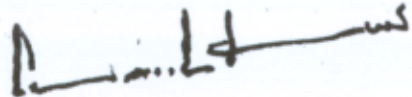
The Committee is of the view that the where abouts of the staff, although may not be known to the school but they might be maintaining the same bank accounts to which the school was crediting their salaries. The school may send NEFTs for credit to the same bank accounts and if the NEFTs are not accepted by the beneficiary bank, the payment cheques may be sent at the last known addresses by speed post. The authorized representative agrees this proposition and requests for further time to be taken for this purpose. Accordingly, the matter is adjourned to 10<sup>th</sup> July 2018 at 11.00 A.M.



**Dr. R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



**JUSTICE ANIL KUMAR (Retd.)**  
CHAIRPERSON

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**Hans Raj Smarak School, Dilsahd Garden, Delhi**

Present : Sh.Sanjeev Mahajan, C.A., Sh.Saurab Rohatgi, C.A. & Sh. Rajiv Gupta, Accountant of the school.

The school rebuts the calculation sheet prepared by the Committee by filing its own calculation sheet. As per the calculation sheet filed by the school, the school admits that a sum of Rs.2,34,486 was recovered by it in excess on account of fee hike effected by it pursuant to order dated 11.2.2009 and the incremental developmental fee for the year 2009-10. The amount which the Committee prima facie determined to be refundable was Rs.81,00,847.

On comparing the calculation sheet filed by the school with that prepared by the Committee, the following facts are emerged :

- A. The school has not disputed the funds available with it as on 31.3.2008, which the Committee determined to be 61,92,011.
- B. The school has also not disputed the figures of arrear salary, arrear of tuition fee and incremental tuition fee for the year 2009-10.
- C. The school has taken the requirement of reserve equivalent to four months' salary to be Rs.60,45,596 as against Rs.45,15,032 taken by the Committee. In justification, the authorized representative submits that while calculating the requirement of reserve, not just the salary paid by the school is required to be considered but also provident fund contribution, medical insurance of staff, contributions paid to Life Insurance Corporation in respect of the annual payments of group gratuity and leave encashment policies ought also be taken into consideration.
- D. The school has calculated the incremental salary for 2009-10 to Rs.54,39,270 as against a sum of Rs.36,66,519 taken by the Committee. Here also, the authorized representative contents that the provident fund contribution, leave encashment, medical for staff and gratuity ought to be considered as part of salary and accordingly the incremental salary ought to be worked out. However, during the course of arguments, the learned authorized representative submits that the contribution for gratuity which the school has claimed in its calculation sheet to be part of salary may not be taken so as the figures given are not accurate as they represent the payments made on adhoc basis and not on actual demands raised by LIC. A further submission is made orally, although not reflected in the calculation sheet prepared by the school that while in 2008-09 the Committee has included the expenditure under the Head teaching and coaching for sr. school and nursery school which represents payments made to contractual staff, the same has not been included in the figure of salary in 2009-10.
- E. The authorized representative contends that since the school treated development fee as a revenue receipt, it ought to be considered on the same footing as tuition fee and accordingly



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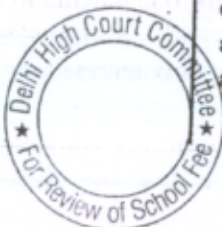
Secretary

only the incremental development fee recovered by the school in 2009-10, which amounts to Rs.5,00,279 be considered while making the relevant calculation of the amount refundable by the school. The authorized representative submits that at any rate the development fee recovered in the year 2010-11 ought not be ordered to be refunded as the terms of reference of the Committee would not permit it to consider the fee charged in 2010-11.

The Committee has considered the submissions made by the learned authorized representative. With regard to the submission as recorded at ( C ) above the Committee observes that the relevant calculations made by it on the basis of the information furnished by the school itself under cover of its letter dated 18.12.2017. The school did not include the PF contrition, gratuity and leave encashment as part of its expenditure on salary. Moreover, the requirement of the school to keep funds in reserve which the Committee has considered in cases of all the schools is premised on the assumption that in case any unforeseen event takes place which necessitate closure of the school, the school may have to incur certain winding up cost which might include salary to the staff for three months and provision for one month more was considered to be reasonable for covering other winding up expenses. In this matter, the Committee does not considered it appropriate to include the contributions for gratuity and leave encashment as part of salary for the purpose of calculating the reserve as once the services of the staff cease there would be no further liability on this account. However, with regard to contribution for provident fund, the Committee is in agreement with the submission made by the learned authorized representative that contribution to provident fund ought to be considered as part of salary for calculating the requirement of reserve.

With regard to the submission recorded at ( D ) above , the Committee observes that while the school had a group gratuity policy in 2008-09 which continued in 2009-10, the school took the policy for leave encashment only in 2009-10 and paid premium for the first time in that year. Hence the figures of 2008-09 and 2009-10 as submitted by the school in its calculation sheet are not comparable. Accordingly, the Committee will consider the payment for premium of group policy for leave encashment as a liability as on 31.3.2010 only for the purpose of making the calculations and the same will be reduced from the funds available with the school. The Committee accepts the submission of the school that the expenditure shown under the head teaching and coaching be either considered for 2009-10 also or be excluded from the reckoning in 2008-09.

With regard to the submission recorded at ( E ) above, the Committee is of the view that the development fee cannot be treated on the same footing as tuition fee as the school can charge development fee only subject to fulfillment of certain pre conditions like its treatment as capital receipt, its utilization for purchase or up gradation of furniture and fixtures and creation of earmarked development fund and depreciation reserve fund. The Committee has examined the audited financials of the school and observes that the school was



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13.06.2018

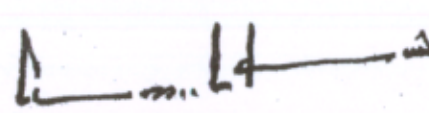
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treating development fee as a revenue receipt and no earmarked development fund or depreciation reserve fund were maintained. Even if the accounting treatment as revenue receipt instead of capital receipt is ignored as the school showed a higher surplus in its income and expenditure accounts than the amount of development fee charged in the years 2009-10 & 2010-11, the school was not complying with the other substantive pre conditions like maintenance of earmarked fund and depreciation reserve fund. The learned authorized representative appearing for the school has conceded to these facts.


Arguments heard. Recommendations reserved.

  
**Dr. R.K. SHARMA**  
**MEMBER**

  
**J.S. KOCHAR**  
**MEMBER**

  
**JUSTICE ANIL KUMAR (Retd.)**  
**CHAIRPERSON**

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13.06.2018


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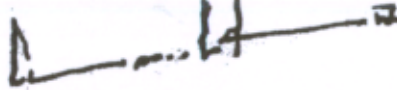
Gittarattan Jindal Public School, Rohini, Delhi

Present : Sh.Dharmender Singh, Lab Assistant of the school.

A letter has been received from the school stating that the Receipt and Payment Accounts for the years 2006-07 and 2007-08 have been submitted to the office of this Committee on 11.5.2018. The Committee has perused the letter dated 11.5.2018 and observes that only the Income and Expenditure Accounts and Balance Sheet of 2006-07 & 2007-08 has been submitted and not the Receipt and Payments Accounts. An e-mail was also sent to the school to this effect on 14.5.2018. It appears that the school is deliberately not filing the Receipt and Payment Accounts for the years 2006-07 & 2007-08. In case the school does not file the same before the next date of hearing, the Committee will be constrained to draw an adverse inference against the school. Matter is adjourned to 9<sup>th</sup> July 2018 at 11.00 A.M.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S.KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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14.06.2018

- 000112

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE AT NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of School Fee)

**In the matter of**

St. Giri Sr. Sec. School

Rohini, Delhi ( B-508)

**And in the matter of**

Application dated 13.06.2018 for

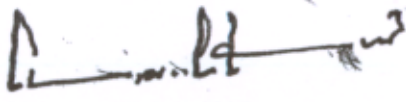
reconsideration / review of

recommendations dated 14.10.2017

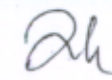
in the matter of school.

Present: Sh. Arun Kumar Diweti, Accountant of the school.

An application has been filed on behalf of the school seeking adjournment on account of non availability of counsel of the school. As requested, the matter will come up for further hearing on 20/08/2018 at 11.00 a.m.

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

  
J.S. KOCHAR  
MEMBER

  
R.K. SHARMA  
MEMBER

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Secretary



14.06.2018

000113

**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE AT NEW DELHI**

(Formerly Justice Anil Dev Singh Committee for review of School Fee)

**In the matter of**

Ahlcon International School,

Mayur Vihar, Delhi (B-348)

**And in the matter of**

Application dated 05-05-2018 for

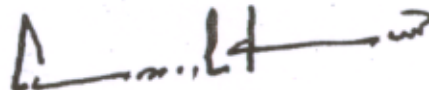
reconsideration / review of

recommendations dated 22-03-2018

in the matter of school.

Present: Ms. Anita Negi, Accounts Asstt. of the school.


An oral request was made by the representative of the school on account of non availability of Chartered Accountant. As requested, matter is adjourned for 20<sup>th</sup> August 2018 at 11.00 a.m.



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

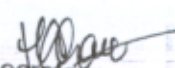


J.S. ROCHAR  
MEMBER



R.K. SHARMA  
MEMBER

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Secretary



**St. Peter's Convent School, Vikas Puri****B-469**

Present : Sh. Manmohan Sharma, Chartered Accountant, Sh. Sanjeev Kumar, Part time Accountant, Ms. Rita Gupta, Accountant and Sh. Jitender Kumar, Accountant of the school.

The school has furnished the following documents today.

- (a) Revised fee and salary statement for the year 2008-09 to 2016-17.
- (b) The certificate from Canara Bank regarding mode of payment of cheques issued to staff in respect of arrear salary.
- (c) A statement showing arrears of salary actually paid and arrears of salary still outstanding.
- (d) Statement showing collection of arrears of fee and arrears of fee yet to be collected.

The Committee has perused the details filed by the school today and observes as follows:

- (a) The school collected a total sum of Rs. 29,53,615 as arrears of fee from 2008-09 to 2016-17. A balance of Rs. 99,025 is still to be collected.
- (b) The school purportedly paid a sum of Rs. 26,42,876 towards arrears of salary from 2009-10 to 2015-16. A sum of Rs. 44,29,586 is still to be paid.

On 29/07/2015, the authorized representatives who appeared for the school submitted that the school would pay arrears of salary only to the extent it is able to recover the arrear fee. However, as noticed above, the school has still not paid a sum of Rs. 3,10,739 out of the arrear fee collected although it has a huge liability of Rs. 44,29,586 still outstanding. The school is required to show cause as to why the sum of Rs. 3,10,739 ought not to be refunded to the students.

Further the Committee has observed that the entire amount of arrears of salary purportedly paid by the school has not been paid through banking channels. Only a sum of Rs. 17,45,576 out of total amount of Rs. 26,42,876 is claimed to have been paid through banking channel. The remaining amount of Rs. 8,97,300 is claimed to have been paid in cash. The Committee also notices from the certificate issued by Canara Bank that even out of the amounts which were purportedly paid by cheques, a sum of Rs. 6,18,343 has been withdrawn in cash from the bank by way of bearer cheques issued in the names of different staff members and such cheques have been withdrawn together in two trenches on 20/07/2009 and 31/07/2009.

The Committee has verified the revised fee and salary statement filed by the school today with the books of accounts produced by the school in a lap top which appears to be in order except for a few minor discrepancies. The Committee has perused the circular



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14.06.2018

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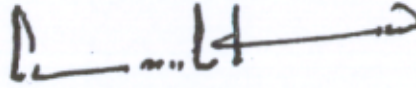
issued by the school to the parents regarding fee hike effected by it pursuant to order dated 11/02/2009 and observes that the school uniformly increased the tuition fee @ Rs. 300 per month w.e.f. 1<sup>st</sup> Oct. 2008 except for the students of class I in whose case, the hike was limited to Rs. 200 per month. Further lump sum arrear fee for the period 01/01/2006 to 31/08/2008 were also collected @ Rs. 3,000 per student ~~and~~ except for the students of class I, for whom the same was collected @ Rs. 2,500 per student. Calculation sheet to be prepared. Matter to come up for further hearing on 23/08/2018 at 11.00 .am.



Dr. R.K. SHARMA  
MEMBER



J.S. KOCHAR  
MEMBER



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary

**14.06.2018**

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**B-597**

**St. Margaret Sr. Sec. School, Prashant Vihar, Delhi.**

Present: Ms. Poonam Sehgal, Office Supdt. of the school.

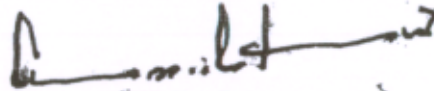
The Committee has prepared a calculation sheet to examine the justifiability of fee hike and recovery of arrear fee from the student pursuant to order dated 11/02/2009 issued by the Director of Education. Prima facie, it appears that the school had sufficient funds of its own from which it could have met its increased expenditure on salary for implementation of recommendations of VI Pay Commission and therefore, the entire arrear fee and incremental tuition fee in the year 2009-10, which amounts of Rs. 1,75,01,478 was not justified and ought to be refunded to the students. The school may file its rebuttal to the calculation sheet on or before the next date of hearing. Matter will come up for further hearing on 24<sup>th</sup> August 2018.



**Dr. R.K. SHARMA**  
**MEMBER**



**J.S. KOCHAR**  
**MEMBER**



**JUSTICE ANIL KUMAR (Retd.)**  
**CHAIRPERSON**

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