

Vs.

Govt. of NCT of Delhi &amp; Ors.

**Report of Delhi High Court Committee for Review of School Fee for  
February & March 2018**

No.DHCC/2018/

Dated:

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S.N.	Particulars		Page No.
(a)	Final recommendations/ Review orders passed in the following cases:-		
	S.N.	Date	Name of the School
	1	07.02.2018	Recommendation in respect of Preet Public School, Preet Vihar, (B-340) recommending no intervention.
	2	07.02.2018	Recommendation in respect of Lal Bahadur Shastri School, R.K. Puram, (B-604) recommending no intervention.
	3	08.02.2018	Recommendation in respect of St. Mary's Sr. Sec. School, Mayur Vihar (B-346) recommending no intervention.
	4	21.02.2018	Recommendation in respect of Crescent Public School, Pitampura (B-235) recommending no intervention.
	5	21.02.2018	Recommendation in respect of Hans Raj Smarak School, Krishna Nagar (B-368) recommending no intervention.
	6	21.02.2018	Recommendation in respect of Presentation Convent Sr. Sec. School, S.P. Mukherjee Marg, (B-533) recommending regularisation of excess fee charged by the school.
	7	21.02.2018	Recommendation in respect of Vivekanand Convent School, Shahdara (C-189) confirming the original order dated 17.10.2012 passed by the Committee.
	8	15.03.2018	Recommendation in respect of Sommerville School, Vasundhara Enclave (B-145) recommending refund of unjustified fee hike alongwith 9% interest.
	9	20.03.2018	Recommendation in respect of Bharti Public School, Kondli, Mayur Vihar (B-301) recommending refund of unjustified fee hike alongwith 9% interest.
	10	21.03.2018	Recommendation in respect of Sant Nirankari Public School, Sant Nirankari Colony (B-541) recommending refund of unjustified fee hike alongwith 9% interest.
(b)	Cause List of the cases taken up in February and March 2018 on 07.02.2018, 08.02.2018, 12.02.2018, 13.02.2018, 16.02.2018, 20.02.2018, 21.02.2018, 23.02.2018, 05.03.2018, 06.03.2018, 08.03.2018, 09.03.2018, 15.03.2018, 16.03.2018, 20.03.2018 and 21.03.2018		135 to 138
(c)	Miscellaneous/ Interim orders passed in February and March 2018		139 to 204

Place: Delhi

Secretary

Delhi High Court Committee for Review of School Fee

Secretary  
Delhi High Court Committee For Review of School Fee  
(Formerly known as Justice Anil Dave Singh Committee For Review of School Fee)  
C-Block, Vikas Bhawan-2, Upper Belsa 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:**

**Preet Public School, Preet Vihar, Delhi-110092 (B-340)**

**Order of the Committee**

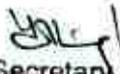
Present: Sh.Rahul Kumar, Accountant & Sh. Lokendra Singh,  
Accountant of the school.

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, the Committee issued a questionnaire dated 27/02/2012, to all the unaided recognised schools in Delhi, which was followed by a reminder dated 27/03/2012. However, this school did not respond to the questionnaire or to the reminder. Accordingly a fresh questionnaire was sent to the school on 06/05/2013, incorporating therein the relevant queries with regard to charging of development fee, its utilisation and maintenance of earmarked development and depreciation reserve funds.

The school submitted its reply under cover of its letter dated

23/05/2013, stating as follows:

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Preet Public School, Preet Vihar, Delhi-110092/B-340

- (i) The school implemented the recommendations of VI Pay Commission and started paying the increased salary with effect from 01/07/2009.
- (ii) The school did not pay any arrears of salary to the staff arising on account of increase in salary with effect from 01/01/2006 as the school did not receive any arrear fee from the parents of the students.
- (iii) No fee was revised during the middle of the session 2008-09.
- (iv) The school charged development fee in all the five years for which information was sought by the Committee i.e. 2006-07 to 2010-11 which was allegedly utilised for purchase of fixed assets. In particular, the development fee charged by the school pursuant to order dated 11/02/2009 issued by the Director of Education with which this Committee is concerned. It was Rs. 10,18,475 in 2009-10 and Rs. 13,45,800 in 2010-11.
- (v) The school did not furnish any reply with regard to the remaining queries concerning fulfillment of the pre conditions prescribed by the Duggal Committee for charging of development fee.

In the first instance, the relevant calculations to examine the justifiability of hike in fee effected by the school pursuant to order dated 11/02/2009 were made by the Chartered Accountants (CAs) who were

Preet Public School, Preet Vihar, Delhi-110092/B-340

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deputed by the Directorate of Education to assist this Committee. However, the Committee observed that the same were made by extrapolating the monthly increase in fee and salary after implementation of the recommendations of VI Pay Commission without reconciling the same with the audited financials of the school. Therefore, the Committee did not rely upon the calculations made by the aforesaid CAs.

The Committee issued a notice dated 14/05/2015 requiring the school to furnish the information regarding the aggregate amounts of fee and salaries for the years 2008-09 to 2010-11, duly reconciled with the financials of the school. Besides, the school was also required to produce the statement of account of the parent society/Trust, details of accrued liability of gratuity and leave encashment and copy of the circular issued to the parents regarding fee hike.

The school furnished the required information under cover of its letter dated 28/05/2015. It was stated by the school that although a circular was issued to the parents requiring them to pay the arrear fee as permitted by the Director of Education vide order dated 11/02/2009 but most parents were reluctant to deposit the same inspite of several reminders. Further, those few parents who had deposited also put pressure to adjust it against the regular fee payable by them. The school had poor financial condition and even the arrears of V Pay Commission were still to be paid in compliance of the order of the Hon'ble High Court

Preet Public School, Preet Vihar, Delhi-110092/B-340

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in WP (C) 18533/04, 18535-36/04 and 18538-40/04 and the order of the Directorate of Education dated 24/03/2009. A copy of the order of the Director of Education permitting the school to pay the arrears of V Pay Commission in quarterly installments upto March 2012 was also furnished by the school.

In the statement of fee and salary filed by the school along with its letter dated 28/05/2015, the school reflected that it had recovered a sum of Rs. 1,81,191 as arrear fee for the period 01/01/2006 to 31/08/2008.

As the submissions made by the school in its letter dated 28/05/2015 were at variance with the reply to the questionnaire filed by the school earlier, where the school had contended that the parents did not pay any arrear fee, the school was directed to produce its books of accounts, fee and salary records etc. before the audit officer of the Committee on 17/11/2015. The Principal of the school Ms. Veena Kumari appeared in the office of the Committee and produced the required records on 18/11/2015, which were examined by the audit officer of the Committee.

The audit officer of the Committee observed that the school had increased the tuition fee by Rs. 200 per month for classes Prep to X and by Rs. 300 per month for classes XI & XII, which was the maximum fee hike permitted by the Director of Education vide order dated 11/02/2009. With regard to arrear fee, she obtained a copy of the ledger



account of the arrear fee, which was duly signed by the Principal of the school. As per this account, the school collected a total of Rs. 3,36,139 towards arrear fee out of which a sum of Rs. 1,54,948 was adjusted against the regular fee payable by the students, leaving a balance of Rs. 1,81,191 with the school. Further as the reply to the questionnaire submitted by the school was incomplete as noted above, the audit officer also obtained a detailed reply dated 24/11/2015, duly signed by the Principal. As per the fresh reply submitted by the school, it admitted that no earmarked depreciation fund or development fund accounts were maintained.

The Committee issued a notice of hearing, requiring the school to appear before it on 10/11/2017, alongwith all its records and offer its justification in support of the fee hike effected by it and arrear fee recovered by it as per order dated 11/02/2009 issued by the Directorate of Education. The hearing was rescheduled to 22/11/2017.

On the date of hearing, Sh. Rahul Jain, Chartered Accountant appeared along with Smt. Veena Kumari, Principal of the school.

It was contended on behalf of the school that though the school had initially demanded the arrear fee from the students in accordance with the circular dated 11/02/2009 issued by the Director of Education for the purpose of payment of arrears of salary to the staff which arose consequent to the implementation of the recommendations of the 6<sup>th</sup> pay



commission, very few students actually paid the arrear fee and in most of the cases the arrear fee collected was adjusted against the regular tuition fee for the year 2009-10. However, a balance of sum of Rs.1,81,191 is still available with the school which has not been adjusted against the regular fees. It was further submitted that for this reason the school did not pay the arrears of salary to the staff as the school did not have adequate funds of its own out of which the payment could have been made.

The Principal of the school who was present at the time of hearing offered that the school would refund the balance amount of arrear fee i.e. Rs. 1,81,191 which had not been adjusted against the regular fee, to the students and the Committee may afford some time for this purpose.

As requested, the hearing was adjourned to 12/12/2017. On this date, a request was made on behalf of the authorized representative of the school seeking accommodation on grounds of medical reasons. The request was granted and the school was directed to produce its records on 10/01/2018. On this date, the school furnished the updated information with regard to refund of arrear fee cheques which the school made to some students whose arrear fee had not been adjusted against the regular fee. As per the information submitted by the school which was duly supported by copies of Speed Post receipts and bank



statements, out of the total sum of Rs.1,81,891, cheques worth of Rs.78,895 had since been encashed while cheques worth Rs.65,482 had been returned undelivered to the school. The balance cheques amounting to Rs. 37,514 had neither been encashed nor been returned to the school. The authorized representative appearing for the school offered to have a Public notice issued in two newspapers, one in English and one in Hindi, to the effect that the parents may collect the returned cheques from the school.

The Committee also examined the fee and salary information, as furnished by the school under cover of its letter dated 28/05/2015 with reference to the books of accounts of the school. The same appeared to be in order. With regard to the development fee the Committee observed that the school collected a sum of Rs.10,18,475 in 2009-10 and Rs.13,45,800 in 2010-11. Part of the total collection was utilized by the school for purchase of furniture fixtures and office equipments (Rs.4,06,674 in 2009-10 and Rs.7,11,002 in 2010-11). In the previous years also the utilization on eligible fixed assets had been less than the amount of the development fee recovered by the school. It was conceded during the course of hearing that the school did not maintain any earmarked bank accounts or investments to park its unutilized development fee or depreciation reserve fund in respect of depreciation charged to the revenue accounts.



A calculation sheet was directed to be prepared and the matter was posted for hearing on 07/02/2018.

The Committee prepared the calculation sheet to examine the justifiability of fee hike effected by the school with effect from 01/04/2009 as the school had already initiated the process of refunding the arrear fee that remained with the school after adjustment against the regular fee payable by the students.

As per the calculations made by the Committee, the school had a sum of Rs. 37,95,045 as on 31/03/2009 prior to the fee hike effected by it as per the following details:

<u>Current Assets + Investments</u>		
Cash	122,131	
Bank Balances	4,282,436	
FDRs with accrued interest thereon	1,066,636	
Fee receivable	16,940	5,488,143
<u>Less: Current Liabilities</u>		
Caution Money with accrued interest	247,576	
Agreed Salary payable	228,000	
Arrear of salary as per 5th CPC payable	589,000	
Other Liability & Expenses payable	628,522	1,693,098
<b>Net Current Assets + Investments (Funds Available)</b>		<b>3,795,045</b>

As against this, the requirement of the school to keep funds in reserve amounted to Rs. 58,75,393 as per the following details:

<b>Reserves required to be maintained:</b>		
for future contingencies (equivalent to 4 months salary)	3,303,722	
for accrued liability towards Gratuity as on 31.03.2010	1,963,712	
for accrued liability towards Leave encashment as on 31.03.10	607,959	5,875,393

Thus, effectively, the school had no funds in its kitty out of which it could have implemented the recommendations of VI Pay Commission and fee hike for that purpose was imminent.

The implementation of the recommendations of VI Pay Commission resulted in an additional expenditure of **Rs. 40,31,202** on account of increased salaries in the year 2009-10. As against this, the additional revenue generated by the school by hiking the fee with effect from 01/04/2009 amounted to **Rs. 27,46,330**. Thus the school was in deficit to the tune of **Rs. 12,84,872** after implementing the recommendations of VI Pay Commission with effect from 01/07/2009.

**In view of these determinations, the Committee is of the view that no intervention is required to be made in respect of the regular fee hiked by the school with effect from 01/04/2009.**

**Development Fee:**

The school was concededly not complying with 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. Normally we would have recommended that the development fee collected by the school in the years 2009-10 and 2010-11, pursuant to order dated 11/02/2009, amounting to Rs. 23,64,275, ought to be refunded. However, keeping in view that the school incurred a deficit of Rs. 12,84,872 on implementation of the recommendations of VI Pay Commission and the fact that the school had only a sum of Rs.



37,95,045 in its kitty as against the requirement to keep funds in reserve amounting to Rs. 58,75,393 for its accrued liabilities of gratuity and leave encashment and reserve for future contingencies, the Committee is not inclined to make any such recommendation.

**Arrear Fee:**

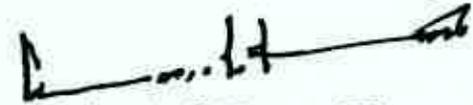
As noted above, the school recovered a sum of Rs. Rs. 3,36,139 towards arrear fee, out of which a sum of Rs. 1,54,948 was adjusted against the regular fee payable by the students, leaving a balance of Rs. 1,81,191. During the course of hearing, the school issued cheques to the students in respect of whom the arrear fee had not been adjusted against the regular fee and produced the necessary evidence. Today, the school furnished the latest status of the refund cheques which were issued by it. The Committee notes that as on date, out of cheques aggregating to Rs.1,81,891 which were issued by the school towards refund of fee, cheques amounting to Rs.86,811 have since been encashed. As noticed in the order dated 10.1.2018, the school had received the cheques amounting to Rs.65,482 undelivered. The school has issued public notice to the parents in the Hindi and English editions of 'The Pioneer' newspaper on 31/01/2018 to collect the cheques from the office of the school. In respect of the remaining sum of Rs.29,598, the school claims that the cheques have been delivered but not yet encashed.

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*[Signature]*  
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In view of the above, nothing more is required to be done by the school except that it should deliver the cheques to the parents who come and claim the same in response to the public notice.



Justice Anil Kumar (R)  
(Chairperson)

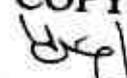


CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Date: 07/02/2018

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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)

**In the matter of:**

**Lal Bahadur Shastri School, R.K. Puram, Delhi-110022 (B-604)**

**Order of the Committee**

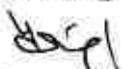
Present: Sh.Devender Kumar, Accountant, Sh/.A.Ghosh, Admn.Officer  
& Sh.K.K.Arora, Consultant of the school.

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, the Committee issued a questionnaire dated 27/02/2012, to all the unaided recognised schools in Delhi (including this school), which was followed by a reminder dated 27/03/2012.

The school furnished its reply to the questionnaire and also filed various details in support of the replies given in response to the questionnaire. The school stated as follows:

- (a) It had implemented the recommendations of VI Pay Commission and started paying the increased salary to the staff with effect from 01/04/2009.

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(b) It had also paid arrears of salary as a result of retrospective applicability of the recommendations of VI Pay Commission w.e.f. 01/01/2006.

(c) It had increased the fee of the students w.e.f. 01/09/2008 and also recovered arrear fee, pursuant to order dated 11/02/2009 issued by the Director of Education.

Along with the reply to the questionnaire, the school, inter alia, filed copies of two circulars issued to the parents regarding hike in fee and recovery of arrear fee pursuant to the aforesaid order dated 11/02/2009.

Vide circular dated 21/05/2009, the school required only the students of 10<sup>th</sup> and 12 classes to deposit the arrear fee @ Rs. 2,500 per student for the period 01/01/2006 to 31/08/2008 and @ Rs. 1400 per student for the period 01/09/2008 to 31/03/2009.

Vide the IInd circular dated 06/08/2009, the school required the students of other classes to deposit the arrear fee @ Rs. 3900 per student (Rs. 2500 + Rs. 1400).

The Committee issued a notice dated 13/07/2012, requiring the school to produce its fee records, salary records and books of accounts before the audit officer of the Committee for verification. Sh. Parveen Kumar, Accountant of the school, who appeared with authority letter from the Principal, produced the required records before the audit officer

of the Committee on 26/07/2012. The records produced were examined by the audit officer. He recorded that though the school collected development fund from the students, the same did not appear in the audited financials of the school. He further recorded that the accountant of the school submitted that the development fund is directly received by the parent society of the school which was used by it mainly for building maintenance. He also recorded that the school paid salary to the staff through cheques.

A copy of a complaint made by one Sh. Naresh Kumar Garg, Parent of two students of the school, which was addressed to the Director of Education, was received by the Committee on 21/08/2013, alleging that the school had withdrawn the fee concession which was being enjoyed by two of his wards and he was being forced to pay full amount of fee. Perusal of the complaint also showed that the dispute was with regard to the fee charged by the school in the year 2013-14. Since this issue did not fall in the purview of the Committee, no cognizance was taken of this complaint.

The Committee issued a notice dated 26/05/2015, requiring the school to furnish the information regarding the aggregate amounts of fee and salaries for the years 2008-09 to 2010-11 in a structured format, duly reconciled with the financials of the school in a structured format which the Committee had standardized for seeking information from all



the schools. Besides, the school was also required to produce the statement of account of the parent society/Trust, details of accrued liability of gratuity and leave encashment. The school was issued a questionnaire seeking its specific replies to the relevant queries with regard to charging of development fee to examine whether the school was complying with the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583. The school was required to furnish the information and reply to the questionnaire within 10 days. However, the school did not respond to the notice issued by the Committee.

The Committee issued a fresh noticed dated 20/08/2015, on similar lines, and also required the school to appear before the Committee on 04/09/2015, in order to justify the fee hike effected by it pursuant to the order dated 11/02/2009 issued by the Director of Education. On the date of hearing, Sh. Sandeep Gupta, Finance Controller of the school appeared and requested for some more time. While granting the school more time, the Committee required the school to produce its books of accounts, fee and salary records, bank statements, provident fund and TDS returns before the audit officer of the Committee as the Committee felt that the examination of records carried out by another officer on 26/07/2012 was perfunctory.

Lal Bahadur Shastri School, R.K. Puram, Delhi-110022/B-604

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On 17/09/2015, the school produced the required records before Ms. Sunita Nautiyal, audit officer of the Committee who examined the same and made detailed observations.

She observed that the fee hiked effected by the school w.e.f. 01/04/2009 and the arrear fee collected by it for the period 01/01/2006 to 31/03/2009 was in accordance with the order dated 11/02/2009. She further recorded that the school did not charge any arrear of development fee. She also confirmed that the development fee which was received by the school was reflected in the books of the parent society i.e. Janta Adarsh Shiksha Sansthan and the same was treated as a revenue receipt upto 2010-11. The arrear salary was paid by the school in two installments in Oct. 2009 and January 2010 which amounted to Rs. 12,66,000 and Rs. 25,43,010 respectively.

The matter could not be concluded on account of resignation of Justice Anil Dev Singh, as Chairman of the Committee. After its reconstitution, the Committee issued a notice dated 09/10/2017 requiring the school to appear before it on 09/11/2017. However, the meeting of the Committee scheduled on 09/11/2017 could not take place and accordingly the school was advised to appear on 29/11/2017. On this date, Sh. A. Ghosh, Administrative Officer appeared along with Sh. Devender Kumar, Accountant and Sh. K.K. Arora, Consultant.

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The Committee perused the observations of the audit officer of the Committee and also the information filed by the school in response to the notice dated 20.8.2015 issued by the Committee.

It was noted by the Committee that the school stated that it had recovered a total sum of Rs.38,09,010 towards arrear fee in the year 2009-10 and the same amount was paid to the staff as arrear salary. However, during the course of hearing Sh. A. Ghosh the Administrative Officer of the school submitted that the staff was paid full arrears according to their entitlement and the amount was not restricted to the amount of arrear fee recovered from the students.

In view of the inconsistency in the submission made by the Administrative Officer and the information furnished by the school, the school was required to furnish a revised fee and salary chart for the years 2008-09 to 2010-11 in the format given by the Committee in its notice dated 20.8.2015.

The Committee also observed that the school had mentioned that it had not recovered any development fee during the years 2008-09 to 2010-11 contrary to the observations of the audit officer of the Committee who examined the accounts of the school, that the school recovered development fee but the same was credited to the accounts of the parent society instead of the accounts of the school. Accordingly,



the school was required to furnish the relevant information with regard to the development fee charged by it for the years 2006-07 to 2010-11.

In the reply filed by the school, it admitted that it had been collecting development fee in all the five years for which the information was sought. It further stated that the development fee had been utilized in full for payment of property tax, ground rent and building maintenance in the years 2006-07 to 2010-11 and not for purchase or upgradation of furniture and fixture or equipments, for which development fee is required to be utilised. Further, the development fee was treated as a revenue receipt and no earmarked depreciation reserve fund was maintained but only a provision was made in the books of accounts.

The Committee also observed that the fee charged by the school under other heads had gone up from Rs.38.21 lacs in 2008-09 to Rs.96.97 lacs in 2009-10. Since the school had not given any bifurcation of the fee recovered under other heads, it was required to give the bifurcation of the fee charged by it under other heads and also justify the abnormal increase from Rs. 38.21 Lacs to Rs. 96.97 lacs in 2009-10, particularly as per the fee schedules filed by the school, there did not appear to any abnormal hike in fee under any head. The school was also directed to give a complete detail of arrears due to the staff viz a viz. the payments made to them and the balance, if any still outstanding.



The matter was accordingly adjourned for 19/12/2017 but the school sought adjournment on that date. Matter was directed to be relisted on 08/01/2018.

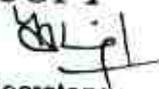
On this date, the school furnished a revised reply to the notice issued by the Committee. It was also submitted that certain submissions made by Mr. A. Ghosh during the course of hearing held on 29.11.2017 were incorrect as he had not properly understood the question regarding implementation of the recommendations of the 6<sup>th</sup> pay commission. It was further mentioned that the school collected a total amount of Rs.38,59,446 as arrear fee for the period 1.01.2006 to 31.03.2009 and out of that it made payment of Rs.37,59,840 as arrear salary to the staff, although the full amount of the arrears payable to the staff were Rs.1,18,62,598. The school furnished the details of arrears due vis a vis the arrears paid and the balance outstanding, which is still payable. It was submitted that the entries in the books of accounts had been made only in respect of the amounts actually paid and not the amount which was still payable. The school also filed detail of payments made to the staff alongwith copies of bank statements and payment instruction sheets given to the bank for credit of the amount of arrears to the accounts of the staff members. The Committee perused the same and is satisfied that the school did, in fact, made the payment of arrears to the extent it claimed to have made.



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On perusal of revised fee and salary statement filed by the school it appeared that besides increasing the tuition fee by Rs.200 p.m. w.e.f. 1.04.2009, the school also substantially hiked fee covered under the head activity charges and computer fee which ordinarily should form part of the tuition fee. The activity charges were hiked from Rs. 1000 annually (which were charged only from the students of Nursery and KG in 2008-09) to Rs. 2400 per annum (Rs.200 p.m.) and were recovered from all the students of the school. Likewise there was substantial hike in the computer fee for all the classes in 2009-10. In 2008-09 the computer fee charged from the students of classes 1<sup>st</sup> to 5<sup>th</sup> was Rs.60 per month but the same was hiked to Rs.100 p.m.. For the students of classes 6<sup>th</sup> to 10<sup>th</sup>, the same was hiked from Rs.70 per month to Rs.120 per month and for students of classes 11<sup>th</sup> and 12<sup>th</sup> it was hiked from Rs.110 p.m. to Rs.150 per month. In addition the school was also recovering internet charges @ Rs.10 per month from all the students although the same was not reflected in the fee schedules filed by the school with the Directorate of Education. Accordingly the Committee considers that for the purpose of assessing the increased revenue of the school in 2009-10 as compared to 2008-09 which was utilised for implementing the recommendations of VI Pay Commission, the activity charges and computer fee ought also be considered as part of the tuition fee.

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The Committee verified the revised fee and salary statement filed by the school during the course of hearing with reference to its audited financials and books of accounts and the same appeared to be in order.

The Committee noticed that the school had not furnished the details of its accrued liabilities of gratuity and leave encashment and post a specific query to the authorized representatives of the school. They submitted that they had not furnished such information as the school did not account for these liabilities on accrual basis. However, they admitted that the liabilities on leave accounts very much exist at any given point of time as the school was very old and the staff employed by it had completed more than 25 years of service in some cases. Accordingly the school was advised to furnish the details of its accrued liabilities of gratuity and leave encashment as on 31/03/2010, as in view of the Committee, the schools ought to maintain sufficient reserves for meeting such liabilities when the occasion arises to discharge them, irrespective of whether the school had made provisions for such liabilities in their books of accounts or not.

On 31/01/2018, the school furnished a statement showing its accrued liabilities of gratuity and leave encashment as on 31.3.2010. On perusal of these statements, it appeared that they were ex-facie erroneous. In some of the cases the school had shown the qualifying service to be 59 years, 45 years even 60 years, which is an impossibility. Likewise for two years of service the school had shown accumulated



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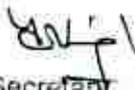
leave to be 84 days which again is an impossibility. The Committee noticed that the school had not mentioned the date of appointment of the staff and as such the calculations were not verifiable. The authorized representatives appearing for the school admitted that these statements were erroneous and undertook to file revised statements by the next day. The hearing was accordingly adjourned to 07/02/2018 i.e. today.

The school has filed revised statement giving details of accrued liabilities in respect of gratuity and leave encashment as on 31/03/2010. As per the revised statement, the school had an accrued liability of Rs.59,24,461 towards gratuity and Rs.42,46,525 towards leave encashment as on 31/03/2010. The same has been perused by the Committee and appears to be in order.

Accordingly, the Committee prepared a calculation sheet to examine the justifiability of the recovery of arrear fee, development fee and incremental fee pursuant to order dated 11/02/2009 issued by the Director of Education.

As per the calculations prepared by the Committee, the school had available with it a sum of Rs. 31,39,843 as on 31/03/2008 as per the following details:

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<u>Current Assets + Investments</u>		
Cash in hand	166,249	
Cash at Bank	1,224,910	
FDRs with Banks	3,910,588	5,301,747
<u>Current Liabilities</u>		
Sundry Creditors	218,880	
Security Fund	1,070,533	
Salary Payable	847,328	
Audit Fee Payable	19,663	
Accounting Charges payable	5,500	2,161,904
<b>Net Current Assets + Investments (Funds Available)</b>		<b>3,139,843</b>

However, the Committee has taken a consistent view that the schools ought to retain sufficient funds in reserve to meet its accrued liabilities of gratuity and leave encashment besides maintaining a reasonable reserve equivalent to four months salary and only the balance that is left with the school after keeping such reserves ought to be considered as available for the purpose of implementation of recommendations of VI Pay Commission. The requirement of the school to keep funds in reserve for these purposes amounted to Rs. 1,55,61,631 as per the following details:

<b>Reserves required to be maintained:</b> for future contingencies (equivalent to 4 months salary)	5,390,645	
for Gratuity as on 31.03.2010	5,924,461	
for Leave Encashment as on 31.03.2010	4,246,525	<b>15,561,631</b>

As the requirement of the school to keep funds in reserve far exceeded the funds available with the school as on 31/03/2008 i.e. before the fee hike, the Committee considers that the school did not have

Lal Bahadur Shastri School, R.K. Puram, Delhi-110022/B-604

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any funds at the threshold which could have been utilised for implementing the recommendations of VI Pay Commission. Therefore the school needed to raise additional revenues by way of recovery of arrear fee and raising the regular fee in the year 2009-10.

The total financial impact of implementing the recommendations of VI Pay Commission, to the extent the school actually did, amounted to Rs. 89,59,378 as per the following details:

<b>Additional Liabilities on implementation of 6th CPC:</b>		
Arrear of Salary as per 6th CPC 1.1.06 to 31.3.09	3,759,840	
Incremental Salary for 2009-10 (as per calculation below*)	5,199,538	<b>8,959,378</b>

\*

	<b>2008-09</b>	<b>2009-10</b>
Normal/ regular salary	10,972,396	16,171,934
<b>Incremental salary in 2009-10</b>	<b>5,199,538</b>	

The additional funds generated by the school by way of recovering arrear fee and increasing the regular tuition fee, activity charges and computer fee amounted to Rs. 1,00,26,911 as per the following details:

<b>Additional Recovery for implementation of 6th CPC:</b>		
Arrear of tuition fee w.e.f 01.01.06 to 31.03.09	3,859,446	
Incremental fee in 2009-10 (as per calculation below*)	6,167,465	<b>10,026,911</b>

\*

	<b>2008-09</b>	<b>2009-10</b>
Regular Tuition fee	14,065,600	16,869,185
Activity Charges	119,000	2,960,600
Computer Fees	816,150	1,338,430
	15,000,750	21,168,215
<b>Incremental fee in 2009-10</b>	<b>6,167,465</b>	

Lal Bahadur Shastri School, R.K. Puram, Delhi-110022/B-604

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At first blush, it appears that the school recovered fee which was in excess of its requirements to the tune of **Rs. 10,67,533** ( 1,00,26,911 -89,59,378). This will be discussed in detail in the subsequent paras when we take a holistic view of the entire situation.

**Development Fee:**

Admittedly the school was not fulfilling any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583 as already discussed supra. The school recovered a sum of Rs. 24,13,100 as development fee in 2009-10 and Rs. 23,64,300 in 2010-11, thus aggregating **Rs. 47,77,400**, in pursuance of order dated 11/02/2009 issued by the Director of Education.

The Committee would have ordinarily recommended refund of the aforesaid amount of development fee charged by the school in 2009-10 and 2010-11.

**Conclusion:**

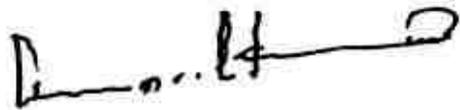
The upshot of the aforesaid discussion is that the school apparently recovered a sum of Rs. 10,67,533 in excess of its requirements to implement the recommendations of VI Pay Commission to the extent it did (it did not pay the full amount of arrears to the staff which were due to them). Similarly, the school apparently ought to refund a sum of Rs. 47,77,400 which it recovered as development fee in 2009-10 and 2010-11 without

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fulfilling the attendant pre conditions. However, the Committee is mindful of the fact that the school had available with it only a sum of Rs. 31,39,843 as against its requirement of Rs. 1,55,61,631 to keep funds in reserve for meeting its accrued liabilities of gratuity, leave encashment and for future contingencies. When these factors are taken into consideration, the Committee is not inclined to recommend refund of any part of arrear fee or incremental fee or development fee charged by the school pursuant to order dated 11/02/2009 issued by the Director of Education.



Justice Anil Kumar (R)  
(Chairperson)



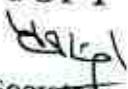
CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Date: 07/02/2018

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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)

**In the matter of:**

**St. Mary's Sr. Sec. School, Mayur Vihar, Delhi-110096 (B-346)**

**Order of the Committee**

Present: Ms. Lizy Jobi, Head Clerk & Sh. Devender Kumar, Accounts Assistant of the school.

The school had on its own furnished detailed information with regard to salary paid to the staff immediately before and after implementation of the recommendations of VI Pay Commission, the details of arrear paid to the staff, the details of fee hike effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education, the details of arrear fee collected by the school, class wise and copy of the circular issued by the school to the parents, under cover of its letter dated 24/01/2012 to the concerned Dy. Director of Education. The details submitted by the school were forwarded to the office of this Committee by the Dy. Director. Since the information furnished by the school on its own appeared to be adequate, the Committee directed the Chartered Accountants deputed by the Directorate of Education to assist the Committee and prepare a

St. Mary's Sr. Sec. School, Mayur Vihar, Delhi-110096/B-346

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preliminary calculation sheet. The CAs prepared the calculation sheet, as per which it appeared that the school had collected fee in excess of its requirement for implementation of the recommendations of VI Pay Commission. However, on a closer look at the calculation sheet prepared by the CAs, the Committee observed that they had not taken into consideration the requirement of the school to keep funds in reserve for meeting its accrued liabilities of gratuity and leave encashment and for keeping funds in reserve for future contingencies. Therefore, the Committee did not rely upon the calculations made by the CAs.

The Committee issued a notice dated 14/05/2015, requiring the school to furnish the information regarding the aggregate amounts of fee and salaries for the years 2008-09 to 2010-11, duly reconciled with the financials of the school in a structured format which the Committee had standardized for seeking information from all the schools. Besides, the school was also required to produce the statement of account of the parent society/Trust, details of accrued liability of gratuity and leave encashment. The school was issued a questionnaire seeking its specific replies to the relevant queries with regard to charging of development fee to examine whether the school was complying with the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583. The school was required to furnish the information and reply to the questionnaire within 10 days. The school sought time on the

St. Mary's Sr. Sec. School, Mayur Vihar, Delhi-110096/B-346

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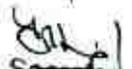


ground that it was closed for summer vacation and requested that the time for furnishing the information be extended after 10<sup>th</sup> July 2015. Acceding to the request of the school, the Committee fixed the date of hearing on 30/07/2015. On this date, Sh. Joselyn A. Martins, Chartered Accountant appeared with Ms. Lizy Joby, who was authorized by the Manager of the school to appear before this Committee. They filed written submissions dated 30/07/2015. The school raised an issue with regard to it being minority institution and accordingly contended that it had autonomy granted under the constitution of India with regard to administration of the school, which included fee fixation. However without prejudice, it furnished detailed information which was sought by the Committee vide notice dated 14/05/2015. It was contended that the school fully implemented the recommendations of VI Pay Commission and for that purpose, the fee was hiked and arrear fee was recovered, strictly in accordance with order dated 11/02/2009 issued by the Director of Education. They submitted that the fee hike was justified in view of the additional burden that befell on the school on implementation of the recommendations of VI Pay Commission.

The Committee examined the information furnished by the school with reference to its books of accounts and the audited financials. On reviewing the details of accrued liabilities of gratuity, the Committee observed that the school had also included liability in respect of staff with less than five years service as on 31/03/2010. As, in view of the

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Committee, no liability for payment of gratuity accrues unless the employee completes five years of service, the Committee decided to ignore such liability.

With regard to development fee, the school submitted that all the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School vs. Union of India were fulfilled, except that development fee was treated as a revenue receipt instead of a capital receipt. The authorized representatives submitted that it should be treated merely as an accounting error as the school had not utilised the development fee for meeting its revenue expenses but had utilised the same for purchase or upgradation of eligible assets that is furniture and fixture and equipments. They submitted that the cash surplus in the Income & Expenditure Account was always more than the development fee credited to it and this fact itself proved that the development fee was not utilised for meeting revenue expenses. They further submitted that the unutilised development fee and depreciation reserve on assets acquired out of development fee were kept in earmarked bank account and FDRs.

The school was required to file the revised statement of gratuity in respect of only the qualifying employees and a computation to show that the cash surplus in revenue accounts was more than the development fee credited to it in the years 2006-07 to 2010-11.



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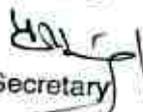
Before finalization of the matter, the constitution of the Committee changed on account of resignation of Justice Anil Dev Singh. The reconstituted Committee fixed 13/11/2017 for hearing the school afresh. On this date, the school sought an adjournment. The matter was accordingly adjourned to 13/12/2017. On this date, Ms. Lizy Joby and Sh. Devender Kumar, appeared on behalf of the school and were heard by the Committee.

The Committee perused the circular issued by the school to the parents regarding fee hike and arrear fee to be collected from the students pursuant to order dated 11.2.2009 issued by the school. The first circular which was issued sometime before 31.3.2009 required the parents to pay the arrears of increased fee for the period 1.9.2008 to 31.3.2009 at the following rates:

Class	Arrear fee for the period 1.9.2008 to 31.3.2009 (Rs)
KG to 5 <sup>th</sup>	
6 <sup>th</sup> to 10 <sup>th</sup>	1610
11 <sup>th</sup> & 12 <sup>th</sup>	2415
	3220

Another circular was issued by the school on 16.9.2009 requiring the parents to pay the lump sum arrear fee for the period 1.1.2006 to 31.8.2008 at the following rates :

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St. Mary's Sr. Sec. School, Mayur Vihar, Delhi-110096/B-346

Class	Amount (Rs.)
1	833
2 <sup>nd</sup> & 3 <sup>rd</sup>	1667
4 <sup>th</sup> to 6 <sup>th</sup>	2500
7 <sup>th</sup> to 11 <sup>th</sup>	3000
12 <sup>th</sup>	3500

It was submitted by the authorized representatives that since the arrear fee as per the second circular was collected in the next financial year, they relate to one class before in so far as the comparative arrear fee as per the first circular is concerned.

It appeared to the Committee that the arrear fee for the period 1.9.2008 to 31.3.2009 was arrived at as follows :

For classes KG to 5<sup>th</sup> , it was Rs. 1400 towards tuition fee and Rs.210 (15%) towards development fee. Similarly for classes 6<sup>th</sup> to 10<sup>th</sup> it was Rs.2100 towards tuition fee and Rs.315 (15%) towards development fee and for classes 11<sup>th</sup> and 12<sup>th</sup> it was Rs.2800 towards tuition fee and Rs.420(15%) towards development fee.

The school claimed to have implemented the recommendations of the 6<sup>th</sup> pay commission w.e.f. 1.9.2009. It was submitted that the school paid arrears for the period 1.1.2006 to 31.8.2009. The total amount of arrears as claimed to have been paid for the aforesaid period amounted to Rs.2,39,81,897. It was submitted that the arrears were paid in 6 installments in April 2009, August 2009, January 2010, February 2010,



October 2010 & December 2010. Besides a sum of Rs. 2,94,255 was also claimed to have been paid to one Sh. Selen Raju on 23.3.2011.

The school furnished a statement showing arrears, separately for the period 1.1.2006 to 31.8.2008, 1.9.2008 to March 2009 and April 2009 to August 2009.

As per the statement the school paid a total sum of Rs.1,26,04,751 for the period 1.1.2006 to 31.8.2008, Rs,62,36,713 for the period Sept. 2008 to March 2009 and the balance amount of Rs.51,40,433 for the period April 2009 to August 2009. The school made a provision for a total sum of Rs.2,36,61,971 in its balance sheet for the year 2009-10. However, the arrears upto March 2009 amounted to Rs.1,88,41,464 only. The remaining amount of 48,20,507 provided by the school, obviously represents the arrears for the period 1.4.2009 to 31.8.2009. The same is required to be treated as a regular salary for the year 2009-10 and not as arrears paid pursuant to implementation of the 6<sup>th</sup> pay commission.

In the salary statement, filed by the school in response to notice dated 9<sup>th</sup> July 2015 issued by the Committee, it was observed that it showed the full amount of Rs.2,36,61,971 as arrears for the period 1.1.2006 to 31.8.2008, which was found to be factually incorrect. Accordingly, the breakup of salary was recast by the Committee with the assistance of the authorized representatives of the school, as follows :

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Particulars	F Y 2008-09	F Y 2009-10
Arrear salary for the period 1.1.2006 to 31.8.2008		1,26,04,751
Arrear salary for the period 1.9.2008 to 31.3.2009		62,36,713
Regular salary for the year	1,53,99,520	2,44,93,215+48,20,507=2,93,13,722

The Committee examined the fee details furnished by the school as Annexure VI of the written submissions dated 30.7.2015 and observed that even this statement had been incorrectly cast by the school. The school had shown the recovery of arrear fee in 2008-09 also as part of the recovery in 2009-10, probably on account of the fact that the school did not treat the recovery in 2008-09 as its income in that year but carried it over to next year. Therefore, this statement was also recast by the Committee with the assistance of the authorized representatives of the school, as follows:

Particulars	F Y 2008-09	F Y 2009-10	F Y 2010-11
Fee Arrears for the period 1.1.2006 to 31.8.2008		38,60,687	13,04,945
Tuition fee arrears for the period 1.9.2008 to 31.3.2009	26,37,226	6,85,364	
Development fee arrears for the period 1.9.2008 to 31.3.2009	3,88,363	1,14,895	
Regular tuition fee for the year	2,62,37,942	3,35,69,790	

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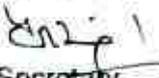


The authorized representatives appearing for the school furnished a statement showing the surplus in income and expenditure account viz a viz the development fee received by the school and the net cash surplus that remains with the school if the development fee is taken out from the income and expenditure account. The Committee observed that the contention of the school was indeed correct. The treatment of development fee as a revenue receipt in the financials of the school can be considered as a mere accounting error when the school had complied with the substantive pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583. The school was utilising the development fee only for purchase, upgradation of furniture and fixture and equipments and the unutilised development fee as well as the depreciation reserve on the assets acquired out of development fee had been kept in earmarked bank account and FDRs. The Committee is therefore, of the view that no adverse inference can be drawn merely for the reason that the school was treating development fee as a revenue receipt in its books of accounts when it was complying with the substantive pre conditions for charging of development fee.

Based on the audited financials of the school as well as the information furnished by the school on its own volition and in response to the notices issued by the Committee and the information culled out by the Committee from the statements and books of accounts of the school,

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the following calculation sheet was prepared by the Committee in order to examine the justifiability of fee hike effected by the school as well as arrear fee charged by the school pursuant to order dated 11/02/2009 issued by the Director of Education:

Statement showing Fund available as on 31.03.2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	57,793	
	Balance in Bank accounts	1,354,670	
	Cheques in Hand	60,000	
	Term Deposits with Banks	27,190,414	
	TDS	259,653	
	Advance to Mr. Hashmuddin	102,060	29,024,590
<b>Less:</b>	<u>Current Liabilities</u>		
	Current Liabilities	-	-
	<b>Net Current Assets + Investments</b>		<b>29,024,590</b>
<b>Less:</b>	<b>Reserves required to be maintained:</b>		
	for future contingencies (equivalent to 4 months salary)	9,771,241	
	for accrued liability towards Gratuity as on 31.03.10 (in r/o employees having service of 5 years or more)	4,728,500	
	for accrued liability towards Leave Encashment as on 31.03.10	2,561,452	17,061,193
<b>Less:</b>	<b>Excess / (Short) Fund</b>		<b>11,963,397</b>
<b>Less:</b>	<b>Additional Liabilities on implementation of 6th CPC:</b>		
	Arrear of Salary as per 6th CPC 1.1.2006 to 31.08.2008	12,604,751	
	Arrear of Salary as per 6th CPC 1.9.2008 to 31.03.2009	6,236,713	
	Incremental Salary for 2009-10 (as per calculation given below)	13,914,202	32,755,666
<b>Less:</b>	<b>Excess / (Short) Fund Before Fee Hike</b>		<b>(20,792,269)</b>
<b>Add:</b>	<b>Additional Recovery for 6th CPC:</b>		
	Arrear fee w.e.f 01.01.06 to 31.08.08	5,165,632	
	Arrear fee w.e.f 01.09.08 to 31.03.09	3,322,590	
	Arrear of Development fee w.e.f. 01.09.08 to 31.03.09	503,258	
	Incremental fee for 2009-10 (as per calculation given below)	7,331,848	16,323,328
	<b>Excess / (Short) Fund After Fee Hike</b>		<b>(4,468,941)</b>



Working Notes:

Normal/ regular salary	2008-09	2009-10
	15,399,520	29,313,722
Incremental salary 2009-10	13,914,202	
Normal/ Regular Tuition fee	2008-09	2009-10
	26,237,942	33,569,790
Incremental tuition fee in 2009-10	7,331,848	

As would be apparent from the above statement, the school had available with it a sum of **Rs. 2,90,24,590** as on 31/03/2008 i.e. prior to effecting the fee hike. However, the Committee has taken a view in case of all the schools that the entire funds available with the school ought not be considered as available for meeting its obligations on account of implementation of the recommendations of VI Pay Commission and the schools ought to have adequate funds of its reserve for meeting its accrued liability of gratuity and leave encashment besides maintaining a reasonable reserve equivalent to 4 months salary for any future contingency. The requirement of the school to keep funds in reserve for these purposes amounted to **Rs. 1,70,61,193** as per details in the above calculation sheet. Thus the school had available with it a sum of **Rs. 1,19,63,397** (2,90,24,590 - 1,70,61,193) which could be utilised by it for meeting the increased expenditure on account of salary and arrears consequent to implementation of the recommendations of VI Pay Commission. The total additional burden that befell on the school on account of implementation of the recommendations of VI Pay Commission amounted to **Rs. 3,27,55,666**. Clearly the school required to generate additional revenue by way of recovery of arrear fee and

St. Mary's Sr. Sec. School, Mayur Vihar, Delhi-110096/B-346

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increasing the tuition fee and consequential development fee to the tune of Rs. 2,07,92,269 (3,27,55,666 – 1,19,63,397). The recovery of arrear fee and the additional fee on account of hike in regular fee resulted in additional revenue of Rs. 1,63,23,328, leaving a deficit of Rs. 44,68,941.

In view of the foregoing findings of the Committee, it is of the view that no intervention is required to be made either with regard to recovery of arrear fee or with regard to hike in tuition fee with effect from 01/09/2008 or with regard to the recovery of development fee in the years 2009-10 and 2010-11.

Justice Anil Kumar (R)  
(Chairperson)

CA J.S. Kochar  
(Member)

Dr. R.K. Sharma  
(Member)

Date: 08/02/2018

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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)

**In the matter of:**

**Crescent Public School, Pitampura, Delhi-110034 (B-235)**

**Order of the Committee**

Present: Sh. Puneet Batra, Advocate of the school.

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, the Committee issued a questionnaire dated 27/02/2012, to all the unaided recognised schools in Delhi, which was followed by a reminder dated 27/03/2012. The school did not initially respond to the questionnaire or to the reminder. However, the school submitted its reply to the questionnaire to the Education Officer, Zone-11 of the Directorate of Education on 28/09/2012 which was forwarded to this Committee.

Based on the initial response of the school, the Chartered Accountants deputed with this Committee by the Directorate of Education (CAs) prepared a calculation sheet as per which the school incurred a deficit after implementation of the recommendations of VI Pay

Crescent Public School, Pitampura, Delhi-110034/B-235

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Commission. However, the Committee did not accept the calculations prepared by the CAs as the figures taken by them were extrapolated on the basis of the difference in fee and salary, pre and post implementation of the recommendations of VI Pay Commission which did not reconcile with the audited financials of the school.

The Committee issued a notice dated 13/05/2015 requiring the school to furnish the information regarding the aggregate amounts of fee and salaries for the years 2008-09 to 2010-11, duly reconciled with the financials of the school. Besides, the school was also required to produce the statement of account of the parent society/Trust, details of accrued liability of gratuity and leave encashment and copy of the circular issued to the parents regarding fee hike. The school was issued a second questionnaire seeking its specific replies to the relevant queries with regard to charging of development fee to examine whether the school was complying with the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583. The school was required to furnish the information and reply to the questionnaire within 10 days. However, the Committee received a letter dated 19/05/2015 from the Manager of the school stating that he would be out of station and requested that time be extended till after 8<sup>th</sup> June 2015. However, the school did not furnish the required information even upto 20/08/2015, when the Committee issued a second notice. Vide this notice, the school

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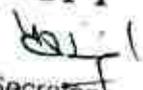


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was also afforded an opportunity of being heard on 01/09/2015. However, neither any information was furnished by the school nor any body appeared on the said date on behalf of the school. The Committee received a letter from the school on 11/09/2015 stating that the notice have been received by the school on that very date and requested for another date to be fixed. The Committee issued a fresh notice of hearing on 29/09/2015 for hearing on 19/10/2015. On this date, Sh. R.P. Ram, Chairman of the school appeared along with Sh. S.K. Sharma, Sh. Manav Thukral and Sh. O.P. Gandhi, Accounts functionaries of the school. They furnished the information required by the Committee except employee wise detail of accrued liabilities of gratuity and leave encashment and statement of account of the parent society in the books of the school. They were partly heard by the Committee.

It was submitted that the school implemented the recommendations of VI Pay Commission and the arrears of salary were paid by direct bank transfer. They also submitted that the school hiked the fee in accordance with order dated 11/02/2009 issued by the Director of Education and also recovered the arrear fee as provided therein, as the school did not have funds of its own out of which it could have absorbed the financial impact of the recommendations of VI Pay Commission.

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Crescent Public School, Pitampura, Delhi-1100347/B-235

On perusal of the information furnished by the school, the Committee noticed that the annual expenditure on salary for the year 2008-09 of the school was Rs. 96,22,365 which rose just by 11% to Rs. 1,06,83,131 in 2009-10 i.e. after implementation of the recommendations of VI Pay Commission. Normally, the post implementation expenditure on salary is 35 to 40% more as compared to the pre implementation expenditure. Accordingly the school was required to first satisfy the Committee that it had implemented the recommendations of VI Pay Commission and for this purpose it required the school to furnish a comparative data of salary in respect of each individual employee that was paid to them in 2008-09 and 2009-10. The audit officer of the Committee was directed to verify the information on 28/10/2015.

The school produced the required records and appeared before the audit officer of the Committee on 02/11/2015. The school also filed employee wise detail of accrued liabilities of gratuity only. The Chairman of the school submitted that there was no accrued liability in respect of leave encashment as on 31/03/2010.

The audit officer of the Committee examined the records and recorded that the school had paid salaries through bank transfers and account payee cheques in 2009-10 i.e. after implementation of recommendations of VI Pay Commission. She also recorded that the

school had filed a revised information sheet in which the regular salary for the year 2009-10 was revised to Rs. 1,19,44,963 in place of Rs. 1,06,83,131. It was stated that the information furnished earlier did not include salary of Group D staff which is outsourced by the school. Thus the salary paid by the school in 2009-10 showed an increase of 24% instead of 11% earlier.

A fresh hearing was fixed for 30/11/2015 when Sh. R.P. Ram, appeared along with the Accountants of the school. They produced copies of the bills of the manpower contractor along with proof of payment of the same in respect of the outsourced staff.

The matter could not be concluded on account of resignation of Justice Anil Dev Singh from the Committee. The reconstituted Committee issued a fresh notice of hearing for 09/10/2017.

Sh. Puneet Batra, Advocate appeared with Sh. Om Prakash and Ms. Vandana, Accountants of the school. The school again filed revised information regarding fee and salary, a revised reply to the questionnaire regarding development fee, a summarized position of the account of the society in the books of the school, actuarial certificates for gratuity and leave encashment as on 31.3.2010.

As per the certificates, the actuaries estimated the liability towards gratuity at Rs. 35,50,755 and leave encashment at Rs. 11,41,886. The school in its earlier submissions filed before the Audit

Crescent Public School, Pitampura, Delhi-1100347/B-235

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Officer of the Committee on 2.11.2015 had given a statement of gratuity due as on 31.3.2010 as per which the amount was Rs.22,68,100. This statement was prepared by the school itself on the basis of number of years of service of the employees. The school had also made a submission that it had no accrued liability towards leave encashment.

The Committee is of the view that the statement of accrued liability of gratuity prepared by the school is more accurate as compared to the actuarial certificate which is based on estimations. Accordingly, the figure of gratuity as given by the school has been taken into account for purpose of the relevant calculations.

The small increase of 11% in the total expenditure of salary was sought to be justified by stating that in 2009-10, the school had inadvertently not included the salary of outsourced employees, which was however included in the salary of 2008-09 in the information chart given to this Committee. Further, it was contended that in 2009-10, there was a reduction in the number of teachers as one section from class VII and one section from class X was reduced on account of lesser number of students.

The Committee is satisfied with the explanation furnished by the school and has prepared a calculation sheet to examine the justifiability of the hike in fee and recovery of arrear fee for the purpose of implementation of recommendations of VI Pay Commission.



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As per the calculations made by the Committee, the school had just a small sum of Rs. 3,78,278 available with it as on 31/03/2008, as per the following details:

Particulars	Amount (Rs.)	Amount (Rs.)
<u>Current Assets + Investments</u>		
Cash Balance	3,547	
Bank Balance	149,273	
Caution Money in Bank	73,744	
Reserve Fund in Bank	200,000	426,564
<u>Current Liabilities</u>		
Caution Money	48,286	48,286
<b>Net Current Assets + Investments</b>		<b>378,278</b>

The total financial impact of implementing the recommendations of VI Pay Commission that the school was required to bear was Rs. 75,26,445, as per the following details:

<b>Additional Liabilities after implementation of 6th CPC :</b>		
Arrear of Salary as per 6th CPC	5,203,847	
Incremental Salary in 2009-10 (as per calculation below)	2,322,598	<b>7,526,445</b>

	<b>2008-09</b>	<b>2009-10</b>
Normal/ regular salary	9,622,365	11,944,963
<b>Incremental salary 2009-10</b>	<b>2,322,598</b>	

Thus even if we do not consider the requirement of the school to keep funds in reserve, the school required to recover arrear fee and increase its normal increase so as to yield an additional revenue of **Rs. 71,48,167** (75,26,445 - 3,78,278).

Crescent Public School, Pitampura, Delhi-1100347/B-235

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The additional revenue generated by the school by way of fee hike and recovery of arrear fee amounted to **Rs. 39,91,650** as per the following details:

<b>Additional Recovery for 6th Pay Commission:</b>		
Arrear of tuition fee from 1.1.06 to 31.3.09	3,104,550	
Incremental tuition fee in 2009-10 (as per calculation below)	887,100	<b>3,991,650</b>

	<b>2008-09</b>	<b>2009-10</b>
Normal/ Regular Tuition fee	10,288,240	11,175,340
<b>Incremental tuition fee in 2009-10</b>	<b>887,100</b>	

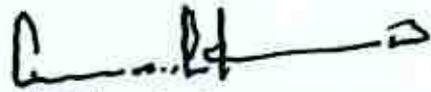
Thus, the school incurred a deficit of **Rs. 31,56,517** (71,48,167 - 39,91,650) on implementation of the recommendations of VI Pay Commission.

The school recovered a sum of Rs. 16,74,400 as development fee in 2009-10 and Rs. 19,72,735 in 2010-11 totaling **Rs. 36,47,135**, which was treated as a revenue receipt by the school and was thus utilised for meeting the deficit on implementation of the recommendations of VI Pay Commission. The Committee is not inclined to recommend the balance of Rs. 4,90,618 that remained with the school after meeting the deficit on account of implementation of the recommendations of VI Pay Commission, in view of the fact that the school had an un-provided liability of Rs. 22,68,100 on account of accrued liability of gratuity as on 31/03/2010.



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Resultantly, the Committee is of the view that no intervention is required to be made with regard to the fee hike effected by the school w.e.f. 01/04/2009 or the recovery of arrear fee or the development fee in pursuance of order dated 11/02/2009 issued by the Director of Education.



Justice Anil Kumar (R)  
(Chairperson)



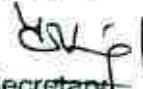
CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Date: 21/02/2018

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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)

**In the matter of:**

**Hans Raj Smarak School, Krishna Nagar, Delhi-110051 (B-368)**

**Order of the Committee**

Present: Sh.Rakesh Kumar Mahajan, UDC of the school.

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, the Committee issued a questionnaire dated 27/02/2012, to all the unaided recognised schools in Delhi (including this school), which was followed by a reminder dated 27/03/2012. The school did not initially respond to the questionnaire or to the reminder. The Committee issued a notice dated 25/05/2012 requiring the school to produce its financial records in the office of the Committee and also file reply to the questionnaire issued by the Committee. The school, under cover of its letter dated 12/06/2012, furnished its reply to the questionnaire and also filed copies of pay bill register from 2008-09 in respect of salaries paid prior to implementation of VI Pay Commission and after its implementation.

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Hans Raj Smarak School, Krishna Nagar, Delhi-110051/B-368



As per the reply filed by the school, it implemented the recommendations of VI Pay Commission and started paying the increased salary to the staff with effect from May, 2009. It also furnished a statement of arrears payable for the period Sept. 2008 to April 2009, the total sum of which amounted to Rs. 8,29,668. It was stated that the arrears have been paid in Sept. 2009. The school also filed copy of the circular issued to the parents of the students with regard to hike in fee pursuant to order dated 11/02/2009 issued by the Director of Education. As per the circular, the school revised the tuition fee and other charges with effect from 1<sup>st</sup> September 2008. The total arrear fee demanded from the students was Rs. 1400 per student for the period 01/09/2008 to 31/03/2009 which reflected an increase of Rs. 200 per month in tuition fee.

The Committee issued a notice dated 15/05/2015, requiring the school to furnish the information regarding the aggregate amounts of fee and salaries for the years 2008-09 to 2010-11, duly reconciled with the financials of the school. Besides, the school was also required to produce the statement of account of the parent society/Trust, details of accrued liability of gratuity and leave encashment. The school was issued a second questionnaire seeking its specific replies to the relevant queries with regard to charging of development fee to examine whether the school was complying with the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the

Hans Raj Smarak School, Krishna Nagar, Delhi-110051/B-368

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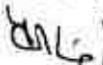
case of Modern School vs. Union of India ( 2004) 5 SCC 583. The school was required to furnish the information and reply to the questionnaire within 10 days. The school furnished the information required by the Committee under cover of its letter dated 06/06/2015. The school also furnished response to the questionnaire regarding development fee charged by the school. As per the reply furnished by the school, it charged development fee in all the five years for which the information was sought by the Committee. It was mainly utilised for repair and maintenance. Development fee was treated as a revenue receipt in the accounts and consequently no earmarked development fund or depreciation reserve fund were maintained by the school. During the years 2009-10 and 2010-11, which is under examination by this Committee, the school received a total amount of Rs. 4,21,520 as development fee in 2009-10 and Rs. 4,91,050 in 2010-11.

The Committee issued a notice dated 29/09/2015 requiring the school to appear before it on 19/10/2015. On this date, Sh. Rajiv Mahajan and Sh. Rakesh Mahajan appeared and were partly heard by the Committee. The Committee examined the information furnished by the school with regard to fee received and salary paid by the school in the years 2008-09 to 2010-11.

It was submitted by the authorized representative who appeared for the school that the school recovered the arrear fee only with effect

Hans Raj Smarak School, Krishna Nagar, Delhi-110051/B-368

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from 01/09/2008 and therefore, paid the arrear salary also with effect from the same date. The arrear salary as well as regular salary was paid by the school by direct bank transfer.

During the course of hearing it appeared that the school also had a separate nursery school and query with regard to this was raised from the authorized representatives. They submitted that the school had a separate nursery school upto 31/03/2009 and separate financials were maintained for that. However, with effect from 1<sup>st</sup> April 2009, the assets and liabilities of the nursery school were transferred to the parent society of the school.

It was submitted by the authorized representatives that the school had taken group policies from Life Insurance Corporation of India to cover its liabilities of gratuity and leave encashment and that since the school was making annual contribution to the gratuity and leave encashment funds, and since the liabilities on these account would be met by LIC, the school did not have any accrued liabilities on account of gratuity or leave encashment.

The authorized representatives also conceded that the school was treating the development fee received by it as a revenue receipt and the same was utilised for meeting routine revenue expenses. Further no earmarked development fund or depreciation reserve fund were maintained.

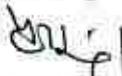


The matter could not be concluded on account of resignation of Justice Anil Dev Singh from the Committee. The reconstituted Committee issued a fresh notice of hearing for 10/10/2017.

The authorized representatives of the school appeared on the date of hearing. They filed certain details. However, the Committee observed that the financials of the school were not audited by the Chartered Accountants as required but were merely compiled from the books of accounts. Accordingly, in order to verify the information furnished by the school, it was required to produce its books of accounts for the year 2008-09 to 2010-11 for verification by the Committee. The same were produced on the next date of hearing. The Committee observed that the information furnished by the school under cover of its letter dated 19/05/2015 and 20/08/2015 were at variance with the books of accounts of the school. The Committee also observed that the fee schedules which the school filed as part of its annual returns under Rule 180 of the Delhi School Education Rules, 1973 did not give the complete detail of the fee charged by the school. It gave information only with regard to the tuition fee while the school charged the fee under various other heads like annual charges, development charges, exams fee, lab. Fee other charges etc., besides tuition fee. The information with regard to fee and salary as furnished by the school to this Committee also was incomplete. Accordingly the school was directed to furnish the complete and correct information. The school furnished the revised information

Hans Raj Smarak School, Krishna Nagar, Delhi-110051/B-368

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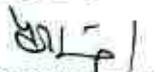


under cover of its letter dated 18/12/2017. The Committee also observed that although it had directed the school to furnish the information in respect of the nursery school also, the information furnished in respect there to was prepared on hypothetical basis and did not tally with the books of accounts of the school. The school was again directed to furnish the correct and complete information duly reconciled with the books of accounts of the school and the Committee directed its audit officer to verify the same from the books of accounts.

On 27/12/2017, the school furnished the revised information in respect of nursery and the middle school before the audit officer, which was verified by her. She recorded that the authorized representatives who appeared before her submitted that separate books of accounts were maintained in respect of nursery and the middle (main) school only upto 2008-09. From 2009-10, they were merged together. However, the financials of the nursery school were merged with the financials of another school run at Dilshad Garden by the same society and not in the financial of this school.

The matter was considered by the Committee and with the consent of the authorized representatives of the school, it was decided that the nursery school will be treated as a branch of the senior secondary school at Dilshad Garden while this school would be treated on stand alone basis.

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Hans Raj Smarak School, Krishna Nagar, Delhi-110051/B-368



Accordingly the Committee prepared the calculation sheet in respect of this school on stand alone basis.

As per the calculations prepared by the Committee, the school did not have any funds available with it at the threshold as on 31/03/2008, as the net current assets + investments were in the negative zone, as would be apparent from the following figures:

Particulars	Amount (Rs.)	Amount (Rs.)
<u>Current Assets + Investments</u>		
Canara Bank	173,280	
Axis Bank	97,406	
FDR - OBC	318,105	
Imprest	15,000	
HRSS Nursery School	37,450	
Advance to Staff	10,000	651,241
<u>Current Liabilities</u>		
Students Security	499,312	
EPF Payable	52,903	
Salary Payable	276,561	
TDS Payable	608	
Expenses payable	20,925	
HRSS Dilshad Garden	188,930	
Sigma Service	8,307	1,047,546
<b>Net Current Assets + Investments (Funds Available)</b>		<b>(396,305)</b>

The additional liabilities that the school was required to discharge on implementation of the recommendations of the 6<sup>th</sup> pay commission amounted to Rs.19,67,149 upto 31.3.2010

<b>Additional Liabilities on implementation of 6th CPC:</b>		
Arrear of Salary for the period from 1.9.08 to 31.3.09	799,105	
Incremental Salary for 2009-10 (as per calculation given below)	1,168,044	1,967,149

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	2008-09	2009-10
Normal/ regular salary & PF	4,033,748	5,201,792
<b>Incremental salary in 2009-10</b>	<b>1,168,044</b>	

The additional revenue generated by the school by way of recovery of arrear fee, increasing the tuition fee w.e.f. 1.9.2008 amounted to 17,58,025 as per details below.

<b>Additional Recovery for 6th CPC:</b>		
Recovery of Arrear tuition fee w.e.f 01.09.08 to 31.03.09	551,130	
<b>Incremental fee for 2009-10 (as per calculation given below)</b>	<b>1,206,895</b>	<b>1,758,025</b>

	2008-09	2009-10
Regular Tuition fee	3,298,670	4,505,565
<b>Incremental tuition fee in 2009-10</b>	<b>1,206,895</b>	

Thus the school incurred a deficit to the tune of Rs.2,09,124 (19,67,149-17,58,025). Accordingly, the Committee is of the view that the fee hike effected by the school as well as the arrear fee recovered by the school pursuant to order dated 11/02/2009 was justified and calls for no intervention.

#### **Development Fee:**

Although the school was not fulfilling any of the pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School ( 2004) 5 SCC 583, the Committee notices that the total recovery of development fee by the school in the years 2009-10 and 2010-11, in pursuance to order dated 11.2.2009 of the Director of Education amounted to Rs.9,12,517. After setting off the shortfall incurred by the school

Hans Raj Smarak School, Krishna Nagar, Delhi-110051/B-368

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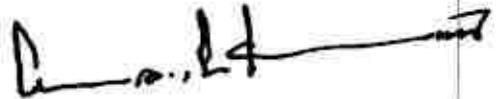


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on implementation of the recommendations of the 6<sup>th</sup> pay commission, there remained a sum of Rs.7,03,446 out of the development fee collection for these two years which normally the school would be required to refund .

However, the Committee is not inclined to make any such recommendation, as while working out the deficit on account of implementation of the recommendations of the 6<sup>th</sup> pay commission, the Committee has not considered the requirement of the school to keep funds in reserve for future contingencies which the Committee, as a norm, has determined to be equivalent to four months salary in the case of all the schools. The same amounts to Rs.17,33,031.

In view of the foregoing observations, the Committee is of the view that no intervention is required to be made either with regard to recovery of arrear fee or with regard to hike in tuition fee with effect from 01/09/2008 or with regard to the recovery of development fee in the years 2009-10 and 2010-11.



Justice Anil Kumar (R)  
(Chairperson)



C. J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

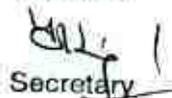
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**BEFORE DELHI HIGH COURT COMMITTEE FOR REVIEW OF  
SCHOOL FEE, NEW DELHI**

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

**In the matter of:**

**Presentation Convent Sr. Sec. School, S.P. Mukherjee Marg, Delhi-**

**110006 (B-533)**

**Order of the Committee**

Present: Sh. J.A. Martins, Chartered Accountant, Sh.Ratan Kumar Mishra, Accounts Officer & Ms. Prema Albuquerque, Office Assistant of the school.

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, the Committee issued a questionnaire dated 27/02/2012, to all the unaided recognised schools in Delhi, which was followed by a reminder dated 27/03/2012. However, this school did not respond to the questionnaire or to the reminder. Accordingly a fresh questionnaire was sent to the school on 28/10/2013, incorporating therein the relevant queries with regard to charging of development fee, its utilisation and maintenance of earmarked development and depreciation reserve funds.

The school submitted its reply under cover of its letter dated 06/11/2013. At the outset, it stated that although the school can increased fee from 1st April of every year to cover the increased DA,



increments payable and other increased expenses, it did not increase any fee for the academic year 2008-09. The school continued to charge the same fee which it was charging in the academic year 2007-08. However, the school did increase the fee with effect from 01/09/2008 in accordance with the order dated 11/02/2009 issued by the Director of Education.

In reply to the specific queries raised in the questionnaire, the school stated as follows:

- (i) The school implemented the recommendations of VI Pay Commission and started paying the increased salary with effect from 01/01/2006 (sic).
- (ii) It paid the arrears of salary to the staff which became due on implementation of the recommendations of VI Pay Commission.
- (iii) It recovered the arrear fee from the students as per the order dated 11/02/2009 issued by the Director of Education.
- (iv) The school charged development fee in all the five years for which information was sought by the Committee i.e. 2006-07 to 2010-11. In particular, the development fee charged by the school pursuant to order dated 11/02/2009 issued by the Director of Education with which this Committee is

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concerned, was Rs. 58,55,245 in 2009-10 and Rs. 64,55,095 in 2010-11.

- (v) The development fee was treated as a capital receipt and was utilised for purchase/upgradation of fixed assets. The total utilisation in 2009-10 was Rs. 22,44,756 and in 2010-11, it was Rs. 8,88,057.
- (vi) The school was maintaining a separate depreciation reserve and fixed deposit towards development fund aggregated Rs. 31,50,184 with Union Bank of India and Rs. 5,03,140 was the balance in a separate saving bank account with Union Bank of India as on 31<sup>st</sup> March 2011. Fixed deposit towards depreciation reserve aggregating Rs. 89,60,823.

The Committee issued a notice dated 25/05/2015 requiring the school to furnish the information regarding the aggregate amounts of fee and salaries for the years 2008-09 to 2010-11, duly reconciled with the financials of the school. Besides, the school was also required to produce the statement of account of the parent society/Trust, details of accrued liability of gratuity and leave encashment and copy of the circular issued to the parents regarding fee hike.

The school furnished the required information under cover of its letter dated 11/07/2015. It was stated by the school that it had increased the fee and recovered the arrear fee only as permitted by the



Director of Education vide order dated 11/02/2009 for the purpose of implementation of the recommendation of VI Pay Commission. It had paid all the arrears and no amount remained to be paid. All payments were made through bank transfer to the staff. The regular salary of the staff is also paid through bank transfer in accordance with the recommendations of VI Pay Commission. It enclosed copies of bank statements in support of these contentions. It also mentioned that the school had a gratuity reserve of Rs. 1,40,73,235 and a leave encashment fund of Rs. 15.00 lacs as on 31/03/2010. It enclosed copy of the circular issued to the parents regarding fee hike and recovery of arrear fee along with its reply.

The school also mentioned that it was recognised as a minority educational institution within the meaning of section 2(g) of the National Commission for Minority Educational Institution Act 2004 and enclosed a copy of the certificate issued by the Secretary, National Commission for Minority Educational Institution, New Delhi in support of its contention. It contended that there were no complaints from the parents of the students with regard to fee hike and that it had a right to administer the institution in terms of the recognition granted by the National Commission for Minorities as it was covered by the Article 30 of the Constitution of India with regard to administration of the school. At any rate, the fee hike effected by the school was justified in view of the funds position of the school prior to fee hike.

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The Committee issued a notice of hearing, requiring the school to appear before it on 17/11/2015, alongwith all its records and offer its justification in support of the fee hike effected by it and arrear fee recovered by it as per order dated 11/02/2009 issued by the Directorate of Education. The hearing was rescheduled to 02/12/2015.

On the date of hearing, Sh. J. A. Martins, Chartered Accountant appeared along with Sh. Ratan Kumar Mishra, Accounts Officer and Ms. Soni Joseph, an LDC of the school.

The Committee noticed that the school had not furnished employee wise details of its accrued liability of gratuity and leave encashment. The school had also not furnished the statement of account of the parent society as appearing in its books. The authorized representatives appearing for the school contended that the school did not have any transaction with its parent society and as such there was no account of the society in the books of the school.

On perusal of the copies of the circulars issued to the parents with regard to fee hike and recovery of arrear fee, the Committee noticed that in so far as the recovery of arrear fee for the period 01/09/2008 to 31/03/2009 consequent to hike with effect from 01/09/2008, the school required the parents to deposit the same at the following rates:

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Class	Monthly hike w.e.f. 01/09/2008		Arrears for seven months i.e. 01/09/2008 to 31/03/2009	
	Tuition Fee (Rs.)	Development Fee (Rs.)	Tuition Fee (Rs.)	Development Fee (Rs.)
KG	200	75	1400	525
I	200	75	1400	525
II to V	200	75	1400	525
VI to XI	300	100	2100	700
XII	300	Nil	2100	Nil

The Committee observed that the hike in development fee was more than 30% of the hike in tuition fee for the aforesaid period when the school was originally charging development fee @ 10% of the tuition fee in 2008-09 and as per clause 15 of the order dated 11/02/2009 issued by the Director of Education, the school could hike the development fee which was consequential to the hike in tuition fee and could not have increased the rate of development fee which the school was charging.

The Committee also noticed that although the regular development fee was treated as a capital receipt by the school by creating a development fund, the utilisation for purchase of eligible fixed assets was not deducted from the development fund. Further, the earmarked investments against development fund and depreciation reserve fund on fixed assets acquired out of development fund, as contended by the school in its reply to the questionnaire, were not manifest from the audited balance sheet of the school. The authorized representatives



sought some time to give a note on these aspects. Accordingly, the matter was adjourned to 15/12/2015. On this date, the school sought further time and a date in the second week of January 2016, which request was declined by the Committee. However, the school was given another opportunity to make submissions with regard to development fund on 23/12/2015. On this date also, the school sought further time and accordingly the matter was directed to be relisted on 26/12/2015. The Chartered Accountant of the school appeared on 26/12/2015 and filed written submissions dated 23/12/2015 with regard to issue of development fee, employee wise details of gratuity and leave encashment were also filed. As per the details filed by the school, its accrued liability for gratuity as on 31/03/2010 was Rs. 2,35,17,878 and that for leave encashment was Rs. 92,47,180.

With regard to fulfillment of pre-conditions for charging development fee as laid down by Duggal Committee which were subsequently affirmed by the Hon'ble Supreme Court, the school sought to give a feeble argument stating that there were some accounting errors in presentation of development fund and assets acquired out of the same in the books of accounts, which were subsequently corrected. With regard to investment of unutilised development fund and depreciation reserve fund, the school could offer no justification and instead relied upon the judgment of the Hon'ble Supreme Court in the case of TMA Pai Foundation & Ors. vs State of Karnataka & Ors. vide which it was held



*"In the case of unaided Pvt. Schools, maximum autonomy has to be with the Management with regard to administration, including the right of appointment, disciplinary powers, admission of students and fees to be charged".*

It was further contended by pressing reliance on the judgment of the Hon'ble Supreme Court in the case of Modern School vs. Union of India that the school enjoyed autonomy without infringement in the matter of fee fixation. The following extract from the judgment was quoted in support of this argument:

*"To sum up, the interpretation we have placed on the provisions of the said 1973 Act is only to bring in transparency, accountability, expenditure management and utilisation of savings for capital expenditure/investment without infringement of the autonomy of the institute in the matter of fee fixation. It is also to prevent commercialisation of education to the extent possible."*

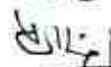
It was further stated with particular reference to the year 2009-10 that the school suffered a loss of Rs. 92,43,945 and the Directorate of Education in its circular of 11/02/2009 as stated at point 12 that the development fee collected from 2006 to August 2008 would be available for payment of arrears. Accordingly, the school did not raise the fees to meet the said loss as there was amount available in the development fee account.



However, the matter could not be finalized on account of the resignation of Justice Anil Dev Singh as Chairperson of the Committee. On reconstitution of Committee, the matter was considered again.

The Committee considered the submissions made by the school with regard to development fee. It was of the view that the school had indirectly admitted that it was not fulfilling the pre conditions prescribed by the Duggal Committee in so far as maintenance of earmarked development fund and depreciation reserve fund were concerned. However, since the Committee is concerned only with the fee charged by the school pursuant to order dated 11/02/2009, it is not examining whether the school was fulfilling the pre conditions for charging development fee in the years 2006-07 to 2008-09. With regard to 2009-10 and 2010-11, the school has already admitted that the development fee was utilised for payment of arrear salary and to cover the loss which arose to it for this reason. Accordingly, the Committee prepared a calculation sheet in order to examine the justifiability of hike in tuition fee w.e.f. 01/09/2008 and consequential recovery of arrear fee from 01/09/2008 to 31/03/2009, lump sum arrear fee for the period 01/01/2006 to 31/08/2008 and development fee for the years 2009-10 and 2010-11 which were recovered pursuant to order dated 11/02/2009 issued by the Director of Education, by including the regular development fee charged by the school in 2009-10 and 2010-11 as a source of revenue to the school for payment of arrears and increased

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salary consequent to implementation of the recommendations of VI Pay Commission. The calculation sheet prepared by the Committee revealed that the school had a sum of **Rs. 4,24,61,136** as funds available with it as on 31/03/2008, i.e. before effecting the fee hike. The details of the same are as follows:

Particulars	Amount (Rs.)	Amount (Rs.)
<u>Current Assets + Investments</u>		
Cash in hand	55,273	
Bank Balance in Savings account	651,248	
Bank Balance in Current account	544,268	
Staff Advance	103,950	
Advance to other	65,460	
TDS recoverable	340,036	
Amount recoverable from contractor	48,181	
FDRs	24,695,567	
Flexi deposits	15,402,630	
Interest accrued on fixed deposits	1,392,852	43,299,465
<u>Current Liabilities</u>		
TDS payable	27,910	
PF Payable	202,384	
Caution money refundable	551,035	
Sony Joseph	2,000	
National Timber Industries Ltd.	5,000	
Security Deposit (Contractor)	50,000	838,329
<b>Net Current Assets + Investments</b>		<b>42,461,136</b>

However, the Committee has taken a view in the case of all the schools that the entire funds available with the school should not be utilised for the purpose of implementing the recommendations of VI Pay Commission but the schools must retain with them funds equivalent to its accrued liability of gratuity and leave encashment besides maintaining a reasonable reserve equivalent to 4 months salary for future contingencies. The requirement of the school to maintain reserves

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for the aforesaid purposes has been worked out by the Committee at **Rs. 4,46,27,463**, as follows:

<b>Reserves required to be maintained:</b>		
for accrued liability towards Gratuity	23,517,878	
for accrued liability towards Leave Encashment	9,247,180	
for future contingencies (equivalent to 4 months salary)	11,862,405	44,627,463

Since the requirement of the school to maintain funds in reserve exceeds the funds available with the school, the Committee is of the view that the school did not have any funds of its own which could have been utilised for implementing the recommendations of VI Pay Commission and therefore the school required to hike the fee and also recover the arrear fee from the students. Whether the quantum of such hike was justified or not is a question to be considered by the Committee.

The total financial impact of implementing the recommendations of VI Pay Commission, as worked out by the Committee was **Rs. 3,50,33,997** as per the following details:

<b>Additional Liabilities on implementation of 6th CPC:</b>		
Arrear of Salary as per 6th CPC from 01.01.06 to 31.03.09	26,143,260	
Incremental Salary in 2009-10 (Calculation given below)	8,890,737	35,033,997
	<b>2008-09</b>	<b>2009-10</b>
Normal/ regular salary	26,696,479	35,587,216
<b>Incremental salary in 2009-10</b>	<b>8,890,737</b>	



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Thus the school required to hike the tuition fee and recover arrear fee to the extent it was necessary to generate additional revenue to the tune of Rs. 3,50,33,997. The arrear of tuition fee and development fee recovered by the school pursuant to order dated 11/02/2009 amounted to Rs. 1,16,89,265 as per the following details:

<b>Additional Recovery for 6th Pay Commission:</b>	
Arrears of tuition fee from 01.01.06 to 31.08.08	6,189,665
Arrears of tuition fee from 01.09.08 to 31.03.09	4,327,850
Arrear of Development fee from 01.09.2008 to 31.03.2009	1,171,750
Incremental Tuition Fee in 2009-10 (as per calculation below)	72,80,301
<b>Total</b>	<b>1,89,69,566</b>

	<b>2008-09</b>	<b>2009-10</b>
Regular Tuition fee	30,090,019	37,370,320
<b>Incremental tuition fee in 2009-10</b>	<b>7,280,301</b>	

Thus the school was in deficit to the tune of Rs.1,60,64,431 (3,50,33,997 – 1,89,69,566) after the implementing the recommendations of VI Pay Commission. The school partially met the aforesaid deficit by utilising the regular development fee recovered by it to the tune of Rs. 58,55,245 in 2009-10 and Rs. 64,55,095 in 2010-11, **still leaving a deficit of Rs. 37,54,091.**

**In view of the foregoing determinations, the Committee is of the view that no intervention is required to be made either with regard to the arrear of tuition fee, lump sum arrear fee and**

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**incremental tuition fee, nor with regard to regular development fee charged in 2009-10 and 2010-11.**

With regard to arrears of incremental development fee for the period 01/09/2008 to 31/03/2009, the Committee is of the view that the school was not authorized to recover the same at a rate exceeding 10% of the arrears of incremental tuition fee for the corresponding period as the clause 15 of the order dated 11/02/2009 did not authorize the school to increase the rate of development fee as a percentage of tuition fee to 15% when the school was charging the same at a rate which was less than 15%. The excess arrears of development fee charged by the school amounted to **Rs. 7,38,965**. The authorized representative appearing for the school makes a submission that since the school was in deficit even after recovering the arrears of development fee at a rate which was higher than the permissible rate and since this Committee has been mandated to also recommend increase in fee over and above what is permitted vide order dated 11/02/2009 of the Director of Education, no adverse inference be drawn against the school in view of the fact that the school has been able to establish that it was in deficit even after recovering the arrears of development fee at a higher rate. He further submitted that since the school did not hike any fee for the academic year 2008-09, the hike in fee pursuant to order dated 11/02/2009 may be spread over to two years i.e. 2008-09 and 2009-10.



The Committee has considered this submission of the authorized representative and is in agreement with the same. The school has been able to establish that despite recovery of arrears of development fee at a rate which was higher than what was permitted, it was still in deficit after implementation of the recommendations of VI Pay Commission. The Committee has also taken a view in case of a few other schools where the school did not hike any fee whatsoever in the year or years immediately preceding 2009-10, that the hike in 2009-10 ought to be spread over to those years. If done so, the small amount of Rs. 7,38,965 is liable to be ignored.

In view of the foregoing discussion, the Committee is of the view that no part of arrears of development fee for the period 01/09/2008 to 31/03/2009 be refunded and recovery of the same at a rate higher than that permitted by order dated 11/02/2009, is ordered to be regularized.



Justice Anil Kumar (R)  
(Chairperson)



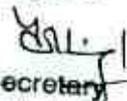
CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Date: 21/02/2018

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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)

**In the matter of:**

**Vivekanand Convent School, Shahdara, Delhi C-189**

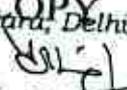
**Order of the Committee**

Present : Sh. R.P. Sharma, Manager and Sh. Kapil Upadhyay,  
Accountant of the school.

The Committee had made recommendations vide its order dated 17/10/2012 by observing that the school had admittedly not implemented the recommendations of VI Pay Commission but had resorted to a fee in hike with effect from 01/04/2009 to the extent of 20.51% for classes I to V and 32.38% for classes Vi to VIII and since the school had not implemented the recommendations of VI Pay Commission, the fee hike effected by the school from that date, to the extent it exceeded 10% of the fee charged in the year 2008-09, ought to be refunded along with interest @ 9% per annum.

The school filed an application for review and contended that the fee hike was not more than 10% of the fee charged by it in 2008-09 and the decision of the Committee was based on its examination of the

Vivekanand Convent School, Shahdara, Delhi/C-189/ Order

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annual returns of the year 2009-10 submitted by the school, in which the fee schedule was incorrectly given. In the application for review, it was contended that the school charged fee @ Rs. 429 per month for classes I to V and Rs. 632 per month for classes VI to VIII as against Rs. 470 per month and Rs. 695 per month respectively, as incorrectly noticed by the Committee.

The Committee on observing that the decision dated 17/10/2012 was taken by it without any notice to the school, allowed the review application since it came in the ambit of a procedural review. Accordingly, the school was issued a notice of hearing dated 13/12/2017 for hearing on 12/01/2018 and information in the format devised by the Committee was sought from the school.

The school furnished the information vide its letter dated 23/01/2018, stating therein that the school had not issued any circular to the parents with regard to fee hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education. The school also furnished a comparative statement of fee received and salary paid by it in 2008-09, 2009-10 and 2010-11. As per the statement submitted by the school, the total recovery of normal tuition fee went down from Rs. 19,34,647 in 2008-09 to Rs. 18,67,433 in 2009-10 but rose again to Rs. 22,47,795 in 2010-11. The school showed no other fee having been recovered during these years.

Vivekanand Convent School, Shahdara, Delhi/C-189/ Order

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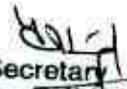
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During the course of hearing, the authorized representatives appearing for the school sought to justify the decline in total collection of tuition fee in 2009-10 inspite of a hike effected in that year on the ground that the school had a great difficulty in collecting the fee from the students and many students did not pay the fee in that year.

The Committee has examined the books of accounts produced by the school and copies of the fee receipts issued to the students. The Committee observes that contrary to the submission made during the course of hearing, the school infact recovered the entire fee from all the students for a particular quarter on a single date in cash. All the fee receipts produced by the school bear the same date for a particular quarter and entries in the books of account are also made on the same date.

The Committee further observes that while making its original recommendations, it had not based its decision on the fee schedules submitted by the school along with its original returns but on the basis of the information filed by the school during the course of verification of its accounts before the Audit Officer of this Committee. The Audit Officer had also retained in the file, copies of sample fee receipts issued by the school in 2008-09 and 2009-10, which were duly signed in token of their correctness, by Sh. Kapil Upadhyay, authorized representative of the

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Vivekanand Convent School, Shahdara, Delhi C-189/ Order



school, who had appeared at the time of verification of accounts on 26/07/2012.

Sh. Kapil Upadhyay is also present today during the course of hearing. He has been confronted with fee receipts bearing no. 5901, 5902, 5903 and 5904 all dated 10/07/2009 in respect of different students of class VII which shows recovery of fee @ Rs. 2325 for the quarter for July to September 2009, which amounts to Rs. 775 per month. The school has contended in the review application as well as during the course of hearing today that it recovered fee @ Rs. 632 per month from students of class VII. Similarly, he has confronted with fee receipt no. 441, 442, 443 and 444 in respect of students of class VIII which also showed the recovery of fee @ Rs. 775 and not Rs. 632 per month, as contended by the school. The authorized representatives were asked to produce the originals of these fee receipts but they are unable to do so. In their place, they seek to produce copies of other fee receipts which accord with the contentions made by them during the course of hearing.

The Committee has examined the records produced by the school and finds that the same appear to be fabricated subsequent to the passing of the order dated 17/10/2012 by this Committee. Further, the contentions made by the school regarding the difficulty in collection of fee are not borne out from the records produced by the school, in as



much as the entire fee for a particular quarter is recovered by the school in cash on a single date. There is no answer as to how copies of fee receipts duly signed by Sh. Kapil Upadhyay during the course of verification on 26/07/2012, show a higher fee than what is being contended by the school now.

In view of the foregoing observations, the Committee is of the view that the order passed by it on 17/10/2012 calls for no modification and the same is hereby confirmed.

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

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

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

**Date: 12/02/2018**

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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)

**In the matter of:**

**Sommerville School, Vasundhara Enclave, Delhi (B145)**

Present: Sh. Romy Chacko, Advocate, Sh. Joby Joseph, Accountant & Sh. Lyril Bacil, Office Asstt. of the school.

**Order of the Committee**

The school submitted copies of returns filed by it under rule 180 of Delhi School Education Act and Rules 1973 to the office of the Dy. Director Education, District East, under cover of its letter dated 01/02/2012 along with statement of fees for the years 2006-07 to 2010-11, in response to a requisition made by the Dy. Director of Education vide letter dated 21/01/2012. Along with the above documents, the school also filed details of salary arrears paid to the staff consequent to implementation of the recommendations of VI Pay Commission as well as details of regular monthly salary paid to the staff before implementation of the recommendations of VI Pay Commission as well as after its implementation. The school also furnished copy of the circular dated 27/03/2009 issued to the parents with regard to fee hike effected by it and the fee arrears recovered by it pursuant to order dated 11/02/2009 issued by the Director of Education. The aforesaid circular when read with the fee statement of the school for the year 2008-09 showed that the school hiked the regular fee of various classes w.e.f. 01/04/2009 as follows:

Sommerville School, Vasundhara Enclave, Delhi-110096/B-145/Order



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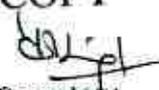
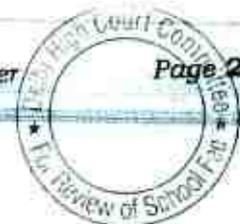
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Class	Monthly tuition fee 2008-09 (Rs.)	Monthly tuition fee 2009-10 (Rs.)	Increase in 2009-10 (Rs.)
Pre Primary to IIIrd	1530	1930	400
IV to X	1680	2080	400
XI & XII	1520	1920	400

Besides hiking the regular monthly fee as above, the school also recovered arrear fee @ Rs. 6,720 per student. The basis of arriving at this figure was not mentioned in the circular issued to the parents. As per the order dated 11/02/2009 issued by the Director of Education, the school was permitted to recover a sum of Rs. 3,500 as lump sum arrears for the period 01/01/2006 to 31/08/2008, Rs. 2,800 as arrears of differential fee for the period 01/09/2008 to 31/03/2009 and Rs. 280 as arrears of differential development fee for the same period, as the school was charging development fee @ 10% of tuition fee. Thus the total arrear fee that the school could have recovered as per the aforesaid order dated 11/02/2009 was Rs. 6,580 as against which the school recovered Rs. 6,720 per student.

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. This was followed by a reminder dated 27/03/2012. However, the school did not respond either to the questionnaire or to the reminder sent by the Committee.

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The Committee issued a notice dated 13/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered 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, copy of the circular issued by the school to the parents regarding fee hike. Since the school had not responded to the questionnaire initially sent by the Committee, a fresh questionnaire was also issued along with the aforesaid notice. The information was required to be furnished within 10 days. However, the school, vide its letter dated 28/05/2015 requested the time to be extended upto 5<sup>th</sup> June, 2015.

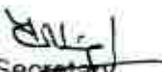
The school furnished the required information which had been sought by the Committee under cover of its letter dated 05/06/2015 along with which it also furnished reply to the fresh questionnaire issued by the Committee. The school stated in its letter that at the time of implementation of VI Pay Commission, the school had collected an amount of Rs. 1,39,60,941 as arrears from the students. However, the arrears of salary paid to the staff amounted to

Rs. 3,15,59,787. The shortfall in payment of salary arrears was made good by the school out of its available reserve fund. All the salary arrears were paid by bank transfers/cheques in evidence of which the school enclosed copies of its bank statements.

In reply to the questionnaire issued by the Committee, the school stated that the school was charging development fee in all the five years for which the information was sought by the Committee. It was treated as a capital receipt in the accounts of the school and the unutilised amount of development fund was kept by the school in an earmarked bank account. However, the school conceded that no separate bank account for the depreciation reserve fund was maintained, as per the information furnished by the school.

As per the information filed along with reply to the questionnaire, the school recovered a sum of Rs. 56,05,672 towards regular development fee in the year 2009-10 and Rs. 88,78,625 in the year 2010-11. Further, the school recovered a sum of Rs. 9,92,880 as arrears of differential development fee for the period 01/09/2008 to 31/03/2009. Also noticeable is the fact that the school recovered arrears of differential development fee @ Rs. 420 per student which corresponds to 15% of the arrears of the tuition fee for the period 01/09/2008 to 31/03/2009 when the school was charging development fee @ 10% of tuition fee in the year 2008-09 as evident from the fee schedules filed by the school.

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In order to provide an opportunity to the school to justify the fee hike effected by it, a notice dated 27/06/2016 was issued to the school requiring it to appear before the Committee on 04/07/2016 and to produce its books of accounts and other relevant records for verification by the Committee.

The school put in its appearance through Sh. Abraham Mathew, Chief Accountant, Sh. Joby Joseph, Accountant and Sh. Cyril Basil, an Assistant of the school. During the course of hearing, the Committee observed that there were two complaints against the school, one of which was filed by Ms. Ayesha S. Templeton, Ex Principal of the school and another by one Sh. L.N. Yadav, apparently a parent of a student of the school. The Committee observed that the complaints had some bearing on the matter being examined by the Committee and therefore, copies of the complaints were provided to the representatives of the school for their response. Notices were also issued to the Complainants for hearing on 9<sup>th</sup> August 2016.

Sh. L.N. Yadav, one of the complainants filed a letter dated 30/07/2016 before this Committee in which he enumerated the various clauses of the order dated 11/02/2009 issued by the Director of Education and requested the Committee to investigate the matter and order the school to return the excess amount of money collected from parents with interest. No specific grievance was raised in this letter. However, he submitted that in Frank Anthony vs. Union of India, the Hon'ble Supreme Court had held that all the schools whether aided, unaided or even the minority schools came under the purview

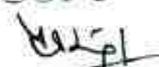
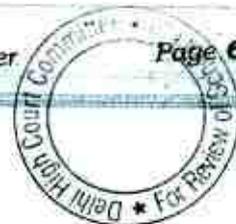
of Delhi School Education Act and the Director of Education had power to regulate their functioning including regulation of fee. He submitted that he was not able to appear before the Committee on account of ill health and personal reasons.

On 09/08/2016, the school was represented by Sh. Romy Chacko, Advocate who filed a reply to the complaint. Mrs. A.S. Templeton, the Complainant also appeared before the Committee and was provided with a copy of the reply filed by the school. She sought some time to go through the reply. The second complainant Sh. L.N. Yadav, although served, did not put in any appearance. The matter was adjourned for 15/09/2016 to enable Ms. Templeton to put forth her submissions.

The gist of the complaint filed by Ms. Templeton in so far as it is relevant for the purpose of the issues being examined by this Committee is as follows:

- (a) The school had transferred an amount of Rs. 2,19,56,420 to Somerville School, Sector 132, Noida, without approval of the Managing Committee, which is contrary to clause 8 of order no. DE. /15 /ACT / Duggal.Comm. / 203/ 99/ 23039-23988 dated 15/12/1999 which reads as "No amount shall be transferred from the Recognised Unaided School Fund of a school to the society or the trust or any other school run by the Society". This was also objected to by school PTA which contended that when the school had funds available with it which were transferred to other branches of the school run by

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the same society, it should meet its liabilities on account of Pay Commission arrears payable to the staff out of its own fund instead of increasing the fee of the students. However, even the Dy. Director of Education (East), who was the nominee of Director of Education on the school management agreed on the fee hike proposed by the school, disregarding the resolution passed by the PTA. The PTA took the matter to the Chairman but he was non responsive to the representation. The PTA then took the matter to the fee anomaly Committee headed by DDE (East) but to no avail.

- (b) Somerville pre-school is running illegally in the premises of Somerville School (Sr. Secondary). This school is directly run by the Parent Society i.e. Lott Carey Baptist Mission in India and has a separate school account. The entire running cost of pre school is borne by Somerville School (Sr. Secondary)
- (c) The Parent Society of the school was running another pre-school at Darya Ganj, which was closed in February/March 2009 and the students and staff of that school were transferred to this school which resulted in additional financial burden on this school, presumably on account of the fact that the surplus funds of the Darya Ganj school remained with the Parent Society and were not brought into the account of this school.

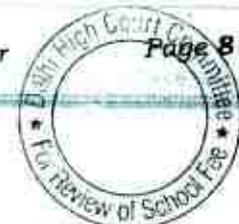
The school, in its reply dated 09/08/2016, submitted that the complainant Ms. A.S. Templeton was dismissed from service by the

Management of the school on 23/07/2010 as she was found guilty of misappropriation of funds, destruction of school records, detention of students etc. Though she challenged the termination order before various fora, she has not been able to secure any relief. The present complaint is filed with ulterior motives to settle scores with the Management.

Controverting the complaint on merits, the school submitted that it had hiked the fee in terms of order dated 11/02/2009 of the Director of Education after following due process and the Hon'ble Delhi High Court had held that no approval of PTA is required for fixing or increasing the fee of the school.

With regard to transfer of the amount of Rs. 2,19,56,420 to Somerville School, Sector 132, Noida, it contended that the Hon'ble Supreme Court has held in Action Committee Unaided Pvt. School & Ors. vs. Director of Education 2009 (11) 7 (sic) that Delhi School Education Act & the Rules framed thereunder cannot come in the way of the Management to establish more schools and that transfer of funds from one institution to another under the same Management is permissible and the same cannot be objected to by the Department of Education.

With regard to the pre-school being run illegally in the premises of Somerville School (Sr. Secondary), the school submitted that the allegation is beyond the jurisdiction of this Committee and so is liable to be rejected. However, without prejudice, it submitted that the allegation that the senior school is bearing the cost of running the pre-school is wrong. The salary and



other revenue expenditure were met from the pre-school accounts only. The school furnished copies of the balance sheet of the pre-school to substantiate its contention. It was submitted that the proportionate expenses incurred by the pre-school is recovered from the main school every year. Further, there is no prohibition anywhere for running a pre-school in the premises of Sr. Secondary school and the same is also evident from the judgment of the Hon'ble Delhi High Court in Social Jurist vs Govt. of NCT of Delhi and another in WP (C) No. 7802 dated 18/01/2012 wherein it had been held as follows:

*"The aforesaid discussion leads to the conclusion that in those schools where pre school education is imparted, it has to be treated as entry level and entry level would not start from Pre Primary in respect of such schools. A fortiori, children admitted at Pre school at the age of 3+ will get promotion to Pre Primary in the next year and for that they will not have to undergo the admission process all over again."*

With regard to transfer of Somerville School, Daryaganj along with its student and staff to this school, it was once again contended that the matter was outside the jurisdiction of this Committee. However, without prejudice, it was submitted that the school at Darya Ganj was run in a small old building and was shut down due to lack of space and its location in a narrow street. The student and staff were shifted to this school till the new school was built in Sector 132, Noida.

However on 15/09/2016, the Committee received an email from Ms. A.S. Templeton stating that she would not be able to appear for the hearing scheduled for that date. She added she would not be attending any future

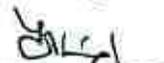


hearing also as she had nothing new to add to the complaint she had already made.

On 15/09/2016, the authorized representatives of the school appeared. The Committee perused the complaints filed by Ms. A.S. Templeton and Sh. L.N. Yadav, as well as the reply filed by the school. The Committee noted that the school did not dispute the transfer of Rs. 2,19,56,420 to Somerville School, Sector 132, Noida. It also noted that the school did not dispute the fact that it had two pre primary schools, one at Vasundra Enclave, which was situated in the same premises from where the Sr. Secondary school was being run and the other at Darya Ganj. The authorized representatives also accepted that these two schools were run as feeder schools to the main school i.e. they were entry level schools.

Accordingly, the Committee directed the school to file information sought by the Committee vide its notice dated 13/05/2015 for all the three schools in a consolidated manner, giving break up for the respective schools so as to tally with the audited financials of all the three schools. This direction was given by the Committee in view of the fact that the pre primary schools were considered as part of the main school as per circular No. 15072-15871 (Act Branch) dated 23/03/1999 of the Directorate of Education, Govt. of Delhi, which was issued in pursuance of directions of the Hon'ble High Court of Delhi in CWP No. 3723/97.

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The said circular is statutory in nature as it is issued under sub section (1) of Section 3 of the Delhi School Education Act, 1973, read with Rule 43 of the Delhi School Education Rules, 1973. It reads as follows:

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

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

(emphasis supplied by us)

Subsequently the school filed a letter dated 10/10/2016, vide which it was stated that the Darya Ganj branch of the school was recognised by Municipal Corporation of Delhi w.e.f. 19/03/1993 but was closed on w.e.f. 01/04/2009 due to declining enrolment of students every year. The teachers who were on roll and the remaining students were gradually accommodated in Somerville School, Vasundra Enclave branch as decided by the Parent Society of the school. The teachers and staff of Darya Ganj branch were paid salary

arrears of VI Pay Commission amounting to Rs. 3,90,000 during the financial year 2008-09. The revised salary along with balance arrears as per VI Pay Commission were paid by the schools where their services were transferred. However, the increased tuition fee as well as arrear fee were not collected from the students of Darya Ganj branch. The school also furnished copies of the audited financials of the Darya Ganj branch.

With regard to Somerville Pre school, Vasundra Enclave, the school relied upon Section 2(u) of the Delhi School Education Act, 1973 to contend that pre school is not part of the main school. The Society runs nursery classes in a separate block in the school premises and it is a separate entity which is directly managed by the society and the savings made from this school go directly to the society.

Surprisingly, the school then went on to quote the definition of "CLASS" as given in the notification no. 15(172)/DE/ACT/2010/69 dated 07/01/2011 issued by the Lt. Governor of the National Capital Territory of Delhi. Clause 2 (b) of the said notification gives the following definition of CLASS:

***"Class includes the entry level class such as pre school or first class as the case may be"***

The school then contended that the notification was issued in exercise of the powers conferred by sub section (1) of section 3 of the Delhi School Education Act, 1973 and the exercise of such power by the Administrator (i.e. Lt. Governor) was of doubtful nature as the power was conferred on him to

Somerville School, Vasundhara Enclave, Delhi-110096/B-145/Order

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regulate education in all the SCHOOLS in Delhi in accordance with the provisions of the Delhi School Education Act, 1973 and the Rules made thereunder. Here the school meant the SCHOOL defined under section 2(u) of the Act which does not include pre school. The sum and substance of the contention of the school was that there was a distinction between a pre-school and a pre primary school. While the pre primary school would be considered a part of the Senior Secondary School, being covered by the definition of the term "School" as per section 2(u) of the Delhi School Education Act, 1973, the pre school which was running from the same premises as that of the Senior Secondary school could not be treated as part of the Senior Secondary school and hence the Committee was not justified in asking for the financials of the pre-school. Surprisingly, as noted supra, the school had itself relied upon the judgement of the Hon'ble Delhi High Court in WP(C) no. 7802 of 2011 to contend that there is no prohibition anywhere for running a pre-school in the premises of Sr. Secondary school. The school stated that the said judgment was not applicable to Unaided Minority Schools. The school cannot blow hot and cold to suit its convenience. It cannot contend that a particular judgment of the High Court would apply where it suited it and would not apply where it did not. The school then relied upon the judgments of the Hon'ble Supreme Court in the case of Society for Unaided Pvt. Schools of Rajasthan vs. Union of India & Ors. {WP (C) no. 95 of 2010} to contend that the RTE Act 2009 infringes the fundamental freedom guarantee to unaided minority school under article 31 and did not apply to such schools. It also relied upon the judgment of the

Hon'ble Supreme Court in the case of Pramati Educational & Cultural Trusts & Ors vs. Union of India & Ors. WP(C) no. 416 of 2012 to contend that the RTE Act, in so far as it applied to Minority schools covered under clause 1 of article 30 of the constitution is ultra virus the constitution.

**In view of its aforesaid submissions, it did not submit the audited financials of the pre-school before this Committee.**

It was next contended by the school that the Somerville International School, Sector 132, Expressway, Noida, was also established and administered by Lott Carey Baptist Mission in India which also runs Somerville School, Vasundra Enclave i.e. the school which is being examined by the Committee. It contended that there was no illegality in the matter of transferring the funds to Somerville International School, Sector 132, Noida and relied upon the judgment of the Hon'ble Supreme Court in the case of Action Committee Unaided Pvt. Schools & ors. vs. Director of Education of Delhi & ors. {Review Petition (c) no. 1368 of 2004 in Civil Appeal No. 2700 of 2001}. It cited the following extract from this judgment:

*"There is merit in the argument advanced on behalf of the Action Committee/Management. The 1973 Act and the Rules framed thereunder cannot come in the way of the Management to establish more schools. So long as there is a reasonable fee structure in existence and so long as there is transfer of funds from one institution to the other under the same*



*management, there cannot be any objection from the Department of Education."*

On 03/11/2016, the scheduled date of hearing, Mr. Joby Joseph, Accountant, Mr. Cyril Basil, Office Asstt., Mrs. T. Gulshan, Accounts Clerk of the school appeared.

The Committee noted that the school had furnished the required information with regard to fee and salary giving the necessary break up, under cover of its letter dated 05/06/2015. The school had also furnished copies of bank statements showing that all the arrears were paid either by direct bank transfer or by account payee cheques. The school had also furnished the information with regard to the primary school at Darya Ganj, which it accepted to be a branch of the Senior Secondary School at Vasundra Enclave and to which the funds and other assets of the school were transferred after its closure.

**The Committee, during the course of hearing, raised a query from the authorized representatives who appeared for the school and in response they submitted that the pre-school at Vasundra Enclave was indeed the entry level school and the students passing from the pre school automatically move to pre primary class which is part of the Senior Secondary school. The initial admission of the students is made in the pre school itself.**

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Considering this position, the school was given another opportunity to file required information pertaining to the pre-school at Vasundra Enclave and accordingly the hearing was adjourned for 02/12/2016 (postponed to 22/12/2016). On this date, again the authorized representatives submitted that the school was of the view that it was not mandatory for it to submit the accounts of the pre-school before this Committee.

**Issues :**

In the above background, the Committee is required to decide the following preliminary issues:

1. Whether the order dated 11/02/2009 issued by the Director of education allowing the schools to hike the fee and recover the arrear fee for the purpose of implementation of the recommendations of VI Pay Commission applies to Recognised Unaided Minority schools in Delhi or not.
2. Whether, this Committee in exercise of its mandate given by the Hon'ble Delhi High Court in WP (C) 7777 of 2009, is required to examine the records of the pre schools, which are admittedly entry level schools and particularly situated within the premises of the main Senior Secondary School, to determine whether the school had sufficient funds of its own from which it could have met its additional expenditure on account of implementation of the recommendations of VI Pay Commission.

3. If the answer to issue no. 2 is in affirmative, what would be the effect of the school not furnishing the required financial information with regard to its pre school.

**Issue No. 1:**

There is nothing in the order dated 11/02/2009 issued by the Director of Education which forbids its application to the Pvt. Unaided Minority Schools. In fact, there is not even a whisper in the said order about any Minority school being treated differently from the other schools. In the PIL filed by the Delhi Abhibhavak Mahasangh (WP(C) 7777 of 2009) in which this Committee was constituted, some Minority Schools had raised this issue. In deciding the various questions that came up for determination by the Hon'ble Delhi High Court, the Court had framed as many as five main issues enumerated as (a) to (e) in para 57 of the judgment. One of the issues framed by the Hon'ble Delhi High Court was with regard to the Minority Schools. This was as follows:

***(e) Whether the order dated 11.02.2009 of the Government impinge upon the rights of Minority Schools thereby violating the protection granted to these minority institutions under Article 30 of the Constitution of India?***

This issue was decided by the Hon'ble High Court in the following terms:

**Minority Educational Institutions:**

68. No. doubt, in TMA Pai while answering Question No. 5 (C), the Supreme Court held that "fees to be charged by unaided institutions cannot be regulated" but also added "but no institution should charge capitation, etc." Further in the case of Modern School (supra) itself which

discussed the fee issue of schools in Delhi with reference to Delhi School Education Act and Rules categorically held that even the minorities would not be entitled to indulge in commercial exploitation and the mechanism of Regulation at the hands of Department of Education would apply. We cannot accept the argument of the learned Counsel appearing for the minorities schools that the view taken in Modern School cannot prevail in view of TMA Pai. It is stated at the cost of repetition that while taking the aforesaid view in Modern School, the Supreme Court took into consideration TMA Pai Foundation as well. This legal position was reiterated in Action Committee Unaided Pvt. Schools and Ors. judgments.

69. The reasons given by us holding para 7 of the notification dated 11.02.2009 to be valid would prompt us to further hold that such an order would be applicable to the minority schools as well and does not impinge upon their minority rights. It is for the reason that the principle laid down by the Apex Court to the effect that schools are not to be converted into commercial ventures and are not to resort to profiteering is applicable to minority schools as well.

(emphasis supplied by us)

In view of the above decision, there is no doubt in our mind that the order dated 11/02/2009 issued by the Director of Education, applied to Minority schools also. The reliance placed by the school on the judgment of Hon'ble Supreme Court in the cases of Society for Unaided Private Schools of Rajasthan and Pramati Educational and Cultural Trusts is misplaced, as of its own submission, the Hon'ble Supreme Court in these cases held that the RTE Act of 2009 would not apply to Minority Schools. These were not in relation to the hike in fee pursuant to order dated 11/02/2009 of the Director of Education which permitted schools to hike fee for the purpose of implementation of the recommendations of VI Pay Commission

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**Issue No. 2:**

This Committee derives its mandate from the judgment of the Hon'ble Delhi High Court in WP (C) 7777 of 2009. The background of the constitution of this Committee can be traced on reading the said judgment particularly para 79 to 83. For the sake of convenience, the same are reproduced hereunder:

79. *The case at hand, however, demonstrates that because of the adhocism, we have not found a permanent solution. Result is that both the sides, viz., schools on the one hand and parents on the other hand are unhappy with the prevailing situation. Whereas some of the schools feel that they have not been allowed to increase the fee substantially to cover even the expenses, parents bodies on the other hand, have the grievance that hike of fee in certain schools is much more than justified. Such a problem would not arise if provisions of the School Education Act as well as the Rules are strictly adhered to by the schools, particularly, relating to the preparation of accounts, etc. and the increase in fee, if at all, based on the financial health of the schools. It would not arise if the DoE along with Comptroller and Auditor General discharge their duties sincerely undertaking the scrutiny of accounts and records to find out as to whether increase in fees is justified or not. Whether it is because of the reason that it is huge and onerous task for which DoE has no appropriate infrastructure and for any other reasons, fact remains that the DoE has not performed its task quite well giving rise to such situations. If a Regulatory body is established either by appropriate amendments in the Delhi School Education Act or by making a separate legislation or by administrative orders issued under the existing provisions, if so permissible, that may solve the problem once for all.*

80. *We, therefore, recommend that the Government should consider this aspect. If necessary, an expert Committee be constituted which can go into feasibility of establishing a Regulatory body for unaided/aided and recognized private schools in Delhi and recommend the changes that are required to be made in the existing law or to suggest separate legislation if that is required.*

81. *The Central Government may even consider the feasibility of formulating "National Policy on Fee".*

82. *If and when such measures are adopted that may provide lasting solution to the problem. However, even when the Government is willing*

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this process is likely to take substantial time. In the integerrum, neither the deserving schools who need to increase fee but are not permitted, nor the poor parents who may be coughing out much more fee than what is justified and charged by certain schools cannot be left in lurch. Since we have held that fee hike in the orders dated 11.02.2009 is to be construed as an interim measure, to resolve the matter finally, this exercise is to be completed and taken to its logical end. We are, therefore, of the opinion that for this purpose, a Committee be constituted in the same manner in which this Court had earlier appointed Justice Santosh Duggal (Retired). Accordingly, we appoint a Committee of Three Members, which shall comprise of Justice Anil Dev Singh, retired Chief Justice, Rajasthan High Court. He will be assisted by Shri J.S. Kochar, Chartered Accountant (Cell No. 9810047401 and another Member can be from the field of Education, who shall be nominated by the Chief Secretary, Govt. of NCT, Delhi. All the schools shall render full cooperation to the Committee in order to enable the Committee to undertake its job effectively and speedily. This Committee will be for the period covered by the impugned order dated 11.02.2009 and specifically looking into the aspect as to how much fee increase was required by each individual schools on the implementation of the recommendation of VIth Pay Commission, i.e., it would examine the records and accounts, etc. of these schools and taking into consideration the funds available, etc. at the disposal of schools at that time and the principles laid down by the Supreme Court in Modern School and Action Committee Unaided Pvt. Schools as explained in this judgment.

83. We reiterate that the fee hike contained in orders dated 11.02.2009 was by way of interim measure. There is a need to inspect and audit accounts of the schools to find out the funds to meet the increased obligation cast by the implementation of VIth Pay Commission and on this basis, to determine in respect of these schools as to how much hike in fee, if at all, is required. On the basis of this exercise, if it is found that the increase in fee proposed, orders dated 11.02.2009 is more the same shall be slided down and excess amount paid by the students shall be refunded along with interest @ 9%. On the other hand, if a particular school is able to make out a case for higher increase, then it would be permissible for such schools to recover from the students over and above what is charged in terms of Notification dated 11.02.2009.

(emphasis supplied by us)

In simple words, this Committee was constituted to examine the justifiability of the fee hike effected by the schools pursuant to order dated

11/02/2009 of the Director of Education and for this purpose, it had to take into consideration the funds available with the school, keeping in view principles laid down by the Hon'ble Supreme Court in the cases of **Modern School and Action Committee Unaided Pvt. Schools.**

In order to examine whether the Committee is competent to examine the financials of the pre schools which serve as entry level schools in order to determine the level of funds which were available with the school prior to fee hike, it is necessary to keep in view the ratio laid down by the Hon'ble Supreme Court in the aforesaid two cases.

The Hon'ble Supreme Court in the case of **Modern School** (supra) observed as follows:

*"14. At the outset, before analyzing the provisions of 1973 Act, we may state that it is now well settled by catena of decisions of this Court that in the matter of determination of the fee structure the unaided educational institutions exercises a great autonomy as, they, like any other citizen carrying on an occupation are entitled to a reasonable surplus for development of education and expansion of the institution. Such institutions, it has been held, have to plan their investment and expenditure so as to generate profit. What is, however, prohibited is commercialization of education. Hence, we have to strike a balance between autonomy of such institutions and measures to be taken to prevent commercialization of education. However, in none of the earlier cases, this Court has defined the concept of reasonable surplus, profit, income and yield, which are the terms used in the various provisions of 1973 Act.*

*15. As far back as 1957, it has been held by this Court in the case of State of Bombay v. R.M.D. Chamarbaugwala reported in MANU/SC/0019/1957 : (1957) 1 SCR 874 that education is per se an activity that is charitable in nature. Imparting of education is a State function. The State, however, having regard to its financial constraints is not always in a position to perform its duties. The function of imparting education has been to a large extent taken over by the citizens*

themselves. In the case of *Unni Krishnan J.P. v. State of A.P. (supra)*, looking to the above ground realities, this Court formulated a self-financing mechanism/scheme under which institutions were entitled to admit 50% students of their choice as they were self-financed institutions, whereas rest of the seats were to be filled in by the State. For admission of students, a common entrance test was to be held. Provisions for free seats and payment seats were made therein. The State and various statutory authorities including Medical Council of India, University Grants Commission etc. were directed to make end or amend Regulations so as to bring them on par with the said Scheme. In the case of *TMA Pai Foundation v. State of Karnataka* reported in MANU/SC/1050/2002 : MANU/SC/0905/2002 : (2002) 8 SCC 481a, the said scheme formulated by this Court in the case of *Unni Krishnan (supra)* was held to be an unreasonable restriction within the meaning of Article 19(6) of the Constitution as it resulted in revenue short-falls making it difficult for the educational institutions. Consequently, all orders and directions issued by the State in furtherance of the directions in *Unni Krishnan's* case (*supra*) were held to be unconstitutional. This Court observed in the said judgment that the right to establish and administer an institution included the right to admit students; right to set up a reasonable fee structure; right to constitute a governing body, right to appoint staff and right to take disciplinary action. *TMA Pai Foundation's* case for the first time brought into existence the concept of education as an "occupation", a term used in Article 19(1)(g) of the Constitution. It was held by majority that Articles 19(1)(g) and 26 confer rights on all citizens and religious denominations respectively to establish and maintain educational institutions. In addition, Article 30(1) gives the right to religious and linguistic minorities to establish and administer educational institution of their choice. However, right to establish an institution under Article 19(1)(g) is subject to reasonable restriction in terms of Clause (6) thereof. Similarly, the right conferred on minorities, religious or linguistic, to establish and administer educational institution of their own choice under Article 30(1) is held to be subject to reasonable Regulations which inter alia may be framed having regard to public interest and national interest. In the said judgment, it was observed vide para 56 that economic forces have a role to play in the matter of fee fixation. The institutions should be permitted to make reasonable profits after providing for investment and expenditure. However, capitation fee and profiteering was held to be forbidden. Subject to the above two prohibitory parameters, this Court in *TMA Pai Foundation's* case held that fees to be charged by the unaided educational institutions cannot be regulated. Therefore, the issue before us is as to what constitutes reasonable surplus in the context of the provisions of the 1973 Act. This issue was not there before this Court in the *TMA Pai Foundation's* case.



16. The judgment in TMA Pai Foundation's case was delivered on 31.10.2002. The Union of India, State Governments and educational institutions understood the majority judgment in that case in different perspectives. It led to litigations in several courts. Under the circumstances, a bench of five Judges was constituted in the case of Islamic Academy of Education v. State of Karnataka reported in MANU/SC/0580/2003 : AIR 2003 SC 3724 so that doubts/anomalies, if any, could be clarified. One of the issues which arose for determination concerned determination of the fee structure in private unaided professional educational institutions. It was submitted on behalf of the managements that such institutions had been given complete autonomy not only as regards admission of students but also as regards determination of their own fee structure. It was submitted that these institutions were entitled to fix their own fee structure which could include a reasonable revenue surplus for the purpose of development of education and expansion of the institution. It was submitted that so long as there was no profiteering, there could be no interference by the Government. As against this, on behalf of Union of India, State Governments and some of the students, it was submitted, that the right to set-up and administer an educational institution is not an absolute right and it is subject to reasonable restrictions. It was submitted that such a right is subject to public and national interests. It was contended that imparting education was a State function but due to resource crunch, the States were not in a position to establish sufficient number of educational institutions and consequently the States were permitting private educational institutions to perform State functions. It was submitted that the Government had a statutory right to fix the fees to ensure that there was no profiteering. Both sides relied upon various passages from the majority judgment in TMA Pai Foundation's case. In view of rival submissions, four questions were formulated. We are concerned with first question, namely, whether the educational institutions are entitled to fix their own fee structure. It was held that there could be no rigid fee structure. Each institute must have freedom to fix its own fee structure, after taking into account the need to generate funds to run the institution and to provide facilities necessary for the benefit of the students. They must be able to generate surplus which must be used for betterment and growth of that educational institution. The fee structure must be fixed keeping in mind the infrastructure and facilities available, investment made, salaries paid to teachers and staff, future plans for expansion and/or betterment of institution subject to two restrictions, namely, non-profiteering and non-charging of capitation fees. It was held that surplus/profit can be generated but they shall be used for the benefit of that educational institution. It was held that profits/surplus cannot be diverted for any other use or purposes and cannot be used for personal gains or for other business or enterprise. The Court noticed that there were various statutes/Regulations which

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governed the fixation of fee and, therefore, this Court directed the respective State Governments to set up committee headed by a retired High Court Judge to be nominated by the Chief Justice of that State to approve the fee structure or to propose some other fee which could be charged by the institute.

17. In the light of the judgment of this Court in the case of Islamic Academy of Education (supra) the provisions of 1973 Act and the rules framed there under may be seen. The object of the said Act is to provide better organization and development of school education in **Delhi** and for matters connected thereto. Section 18(3) of the Act states that in every recognized unaided school, there shall be a fund, to be called as Recognized Unaided School Fund consisting of income accruing to the school by way of fees, charges and contributions. Section 18(4)(a) states that income derived by unaided schools by way of fees shall be utilized only for the educational purposes as may be prescribed by the rules. Rule 172(1) states that no fee shall be collected from any student by the trust/society running any recognized school; whether aided or unaided. That under Rule 172(2), every fee collected from any student by a recognized school, whether aided or not, shall be collected in the name of the school. Rule 173(4) inter alia states that every Recognized Unaided School Fund shall be deposited in a nationalized bank. Under Rule 175, the accounts of Recognized Unaided School Fund shall clearly indicate the income accruing to the school by way of fees, fine, income from rent, income by way of interest, income by way of development fees etc. Rule 177 refers to utilization of fees realized by unaided recognized school. Therefore, Rule 175 indicates accrual of income whereas Rule 177 indicates utilization of that income. Therefore, reading Section 18(4) with Rules 172, 173, 174, 175 and 177 on one hand and Section 17(3) on the other hand, it is clear that under the Act, the Director is authorized to regulate the fees and other charges to prevent commercialization of education. Under Section 17(3), the school has to furnish a full statement of fees in advance before the commencement of the academic session. Reading Section 17(3) with Section 18(3)&(4) of the Act and the rules quoted above, it is clear that the Director has the authority to regulate the fees under Section 17(3) of the Act."

(emphasis supplied by us)

The school has tried to resort to hair splitting by drawing a distinction between a pre-school and a pre primary school. It has conceded that so far a pre primary school is concerned, the Committee is competent to examine its

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records as the same is covered in the definition of the term School as given in section 2(u) of the Delhi School Education Act, 1973. However, it has contended that examination of the financials of the pre-school is not within the scope of this Committee as the Parent Society is competent to run it as an independent entity. However, it does not dispute the fact that the pre-school is also running from the same premises from which the Senior Secondary School is running.

Ms. A.S. Templeton in her complaint dated 01/12/2012 had stated as follows:

*(V) Somerville Pre School is running illegally in the Premises of Somerville School (Sr. Sec.). The land has been allotted to run Senior Secondary School. The Society Lott Carey Baptist Mission in India directly runs the school. Somerville Pre School has a separate school account. The entire running cost of the Pre School is borne by the Somerville School (Sr. Sec.). Five rooms meant and shown in the Building Plan of the main school (SSVE) are being used by the Pre School, while the students of the main school are using Porta Cabins. Somerville Pre School does not pay Electricity Bill, Telephone Bill etc. Neither does it pay for Educational Aids and other utility items of daily use.*

The school in its reply dated 09/08/2016 did not dispute the fact that the pre-school was being run from the premises of the Senior Secondary School and that the land was allotted for running a Senior Secondary School and that the revenues of the pre-school were not enuring to the benefit of Senior Secondary School but were being credited to the account of the Parent Society i.e. Lott Carey Baptist Mission in India. On the contrary, it offered justification by relying upon the judgment of the Hon'ble Delhi High Court in WP (C) 7802



of 2011, although later on the school said that the judgment did not apply in this case.

The issue that perturbs this Committee is that the Parent Society was utilising the land given to it and the building constructed thereon for running a Senior Secondary School for running a pre-school. When the school was allotted land, the policy of DDA was to allot land to schools at institutional rates which were highly concessional rates as compared to the market rates. This was done in view of the fact that the schools would be imparting education to the students at reasonable fees. The expectation obviously was that the school would not resort to commercialisation and profiteering.

The question is when the Society utilises a portion of such land and building constructed thereon for running a pre-school whose revenues do not enure to the Senior Secondary School but are appropriated by the Parent Society itself, will it not amount to commercialisation and profiteering. The Hon'ble Supreme Court in the case of Modern School (Supra) observed that in TMA Pai's case, ***"It was held that surplus/profit can be generated but they shall be used for the benefit of that educational institution. It was held that profits/surplus cannot be diverted for any other use or purposes and cannot be used for personal gains or for other business or enterprise"***.

This is a case where the profits/surplus generated by the pre-school which was being run by exploiting the assets of the Senior Secondary School, were not being used for the benefit of the Senior Secondary School but for the

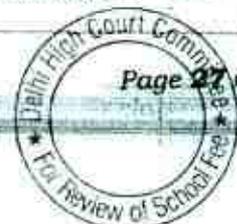


benefit of the Parent Society, which as we have noticed was running other schools also and was in the process of establishing another Senior Secondary School, outside the Union Territory of Delhi (Noida), to which the provisions of Delhi School Education Act, 1973 do not extend.

In view of the foregoing facts, the Committee is of the view that running a pre-school or any other institution from the land allotted at highly subsidized rates for the purpose of running a Senior Secondary School and appropriating its revenues would definitely amount to running a commercial establishment giving rise to profiteering at the expense of the students of the Senior Secondary School.

The Committee has already noticed that the school accepted the fact that even the Senior Secondary School had diverted its funds to the tune of Rs. 2,19,56,420 to the school being set up at Noida. However, it sought to justify its action by relying on the judgment of the Hon'ble Supreme Court in the case of Action Committee, Un-Aided Pvt. Schools & Ors. Versus Director of Education, Delhi & Ors. 2009 (11) SCALE 77. This issue was dealt with by the Hon'ble Supreme Court as follows:

*"S/Shri Soli J. Sorabjee and Salman Khurshid, learned senior counsel appearing on behalf of the Action Committee and other review petitioners, submitted that clause 8 of the Order issued by DoE dated 15.12.1999 is causing administrative difficulties which needs to be clarified. This Court vide majority judgment has held that clause 8 is in consonance with rule 177 of Delhi School Education Rules, 1973. Rule 177 has been quoted hereinabove. Under clause 8, DoE has stipulated that "no amount whatsoever shall be transferred from the recognized unaided school fund of a school to the society or the trust or any other institution." According to*



the learned senior counsel, a rider needs to be introduced in clause 8, namely, "except under the management of the same society or trust". Thus, according to the learned counsel, if the suggested rider is added in clause 8 then the Management would have no grievance with the majority view. Thus, according to the learned counsel, clause 8 should be read as follows: "No amount whatsoever shall be transferred from the recognized unaided school fund of a school to the society or the trust or any other institution except under the management of the same society or trust" According to the learned counsel, if the suggested rider is added to clause 8 then it would subserve the object underlying the 1973 Act. 20.

There is merit in the argument advanced on behalf of the Action Committee/Management. The 1973 Act and the Rules framed thereunder cannot come in the way of the Management to establish more schools. So long as there is a reasonable fee structure in existence and so long as there is transfer of funds from one institution to the other under the same management, there cannot be any objection from the Department of Education.

As is clear, the Hon'ble Supreme Court was considering clause 8 of the order dated 15/12/1999 issued by the Director of Education, permitting the schools to hike the fee for the purpose of implementation of the recommendations of V Pay Commission, in light of the provisions of Rule 177 of the Delhi School Education Rules, 1973. It would be worthwhile to reproduce herebelow clause 8 of the aforesaid order as well as Rule 177.

Para 8 of the order dated 15/12/1999 read as follows:

8. Fees/Funds collected from the parents/students shall be utilised strictly in accordance with rules 176 and 177 of the Delhi School Education Rules, 1973. No amount whatsoever shall be transferred from the recognised unaided school fund of a school to the society or the trust or any other institution.

Rule 177 of the Rules reads as follows:

**177. Fees realised by unaided recognised schools how to be utilised—**



(1) *Income derived by an unaided recognised school by way of fees shall be utilised in the first instance, for meeting to pay, allowances and other benefits admissible to the employees of the school.*

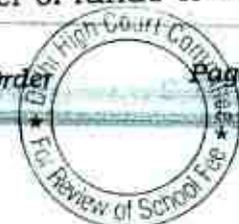
*Provided that savings, if any from the fees collected by such school may be utilised by its managing committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely:-*

- a) *Award of scholarship to students;*
- b) *Establishment of any other recognised school; or*
- c) *Assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run.*

What the Hon'ble Supreme Court did in the Action Committee case (supra) was that it lifted the absolute bar imposed by clause 8 of the order dated 15/12/1999 on transfer of school fund of a school to the society or the trust or any other institution. It allowed *transfer of funds from one institution to the other under the same management, so long as there is a reasonable fee structure.*

So firstly, the school has to establish that there was a reasonable fee structure in place. Secondly, it has to show that the transfer of funds was made out of *savings from the fees collected by it.* (Proviso to Rule 177 (1)). The term 'savings' used in Rule 177 is not a generic term but the manner of its calculation has been specifically given in sub rule (2).

The school has not been able to show that there was a reasonable fee structure as it consciously withheld the financials of the pre-school from the scrutiny of the Committee by raising untenable pleas. The school has not even contended that the transfer of funds to the school at



Noida came from the savings calculated in the manner prescribed by sub rule (2) of Rule 177.

Therefore, the reliance placed by the school on the judgment of the Hon'ble Supreme Court in the case of Action Committee is misplaced as it has not shown that the necessary ingredients for application of the judgment to its case existed.

Thus, the Committee is of the view that the school did not produce the financials of the pre-school run by it from the land and building of the Senior Secondary School as the school did not want the Committee to evaluate its funds position before effecting the fee hike pursuant to order dated 11/02/2009 issued by the Director of Education. The examination of the records of the pre-school run by the Parent Society from the premises of the Senior Secondary School to whom the land had been allotted for running a Senior Secondary School alone, is very much in the purview of this Committee, as per the mandate of the Hon'ble Delhi High Court in WP(C) 7777 of 2009 as the Committee is required to ensure that the school is not resorting to commercialisation and profiteering, which is forbidden in terms of the judgment of the Hon'ble Supreme Court in the case of Modern School, which the Committee is required to keep in view to determine the funds position of the school prior to effecting the fee hike.

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**Issue No. 3**

The inescapable conclusion of the refusal of the school to produce the financials of pre-school before this Committee is that the school possessed sufficient funds of its own when the decision to hike the fee was taken and that would have become apparent if the financials of the pre-school were produced before the Committee.

The Committee, therefore, is of the view that the school neither required to hike the tuition fee and development fee w.e.f. 01/09/2008 nor to collect the arrear fee for the period started from 01/01/2006 as it had sufficient funds of its own from which it could have met the additional liability that befell upon it on implementation of the recommendation of VI Pay Commission.

In the information furnished by the school itself under cover of its letter dated 05/06/2015, the Committee observes that the school admitted that it recovered a sum of Rs. 75,99,341 as arrear fee for the period 01/01/2006 to 31/08/2008 and Rs. 63,61,600 for the period 01/09/2008 to 31/03/2009. Further, its normal tuition fee rose from Rs. 4,32,65,690 in 2008-09 to Rs. 5,87,43,547 in 2009-10 when the school hiked it in terms of order dated 11/02/2009. Thus the incremental tuition fee that accrued to the school as a result of fee hike was Rs. 1,54,77,857 (5,87,43,547 - 4,32,65,690). Further, in reply to the questionnaire issued by the Committee, the school admitted that it had recovered a sum of Rs. 9,92,880 towards arrears of differential development fee w.e.f 01/09/2008 to 31/03/2009.

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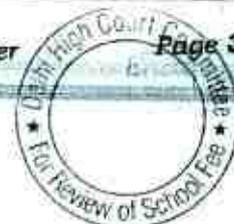
In view of the above discussion, the Committee is of the view that the school ought to refund the entire amount of arrear fee, incremental tuition fee and incremental development fee recovered by it pursuant to order dated 11/02/2009 issued by Director of Education, along with interest @ 9% per annum from the date of collection to the date of refund.

**Regular Development Fee:**

As per the information filed along with reply to the questionnaire, the school recovered a sum of **Rs. 56,05,672** towards regular development fee in the year 2009-10 and **Rs. 88,78,625** in the year 2010-11. We have already noticed that in its reply to the questionnaire issued by the Committee, the school stated that the school was charging development fee in all the five years for which the information was sought by the Committee. Though the development fee was treated as a capital receipt in the accounts of the school and the unutilised amount of development fund was kept by the school in an earmarked bank account but no earmarked account for the depreciation reserve fund was maintained.

The Hon'ble Supreme Court, while considering the issue whether the Unaided Recognised Private Schools in Delhi could charge development fee, 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."*

(emphasis supplied by us)

It is apparent that maintenance of an earmarked depreciation reserve fund was a necessary pre condition to be fulfilled by the school before it could charge any development fee. As the school admittedly was not maintaining earmarked depreciation reserve fund account, the Committee is of the view that the school was not justified in charging even the regular development fee in the years 2009-10 and 2010-11, which it collected pursuant to order dated 11/02/2009. Even clause 14 of this order stated in no unmistakable terms that maintenance of depreciation reserve fund was a necessary pre condition for charging development fee.

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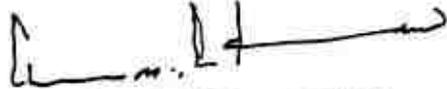
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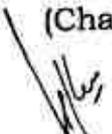
The Committee is therefore of the view that the school ought to refund the development fee charged by it in the years 2009-10 and 2010-11 amounting to Rs. 56,05,672 and Rs. 88,78,625 respectively along with interest @ 9% per annum from the date of collection to the date of refund.

**Summary of recommendations:**

The final recommendations of the Committee are that the school ought to refund the following amounts along with interest @ 9% per annum from the date of collection to the date of refund:

S.No.	Particulars	Amount
1.	Lump sum Arrear Fee for the period 01/01/2006 to 31/08/2008	75,99,341
2.	Arrear of incremental tuition fee for the period 01/09/2008 to 31/03/2009	63,61,600
3.	Arrear of incremental development fee for the period 01/09/2008 to 31/03/2009	9,92,880
4.	Incremental regular tuition fee for the period 01/04/2009 to 31/03/2010	1,54,77,857
5.	Regular Development Fee for the year 2009-10	56,05,672
6.	Regular Development Fee for the year 2010-11	88,78,625
	<b>Total</b>	<b>4,49,15,975</b>

  
Justice Anil Kumar (R)  
(Chairperson)

  
CA J.S. Kochar  
(Member)

  
Dr. R.K. Sharma  
(Member)

Dated :- 15/03/2018

000110

**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:**

**Bharti Public School, Kondli, Mayur Vihar New Delhi (B-301)**

Present: Sh. Puneet Batra, Advocate, Sh. Mridul, A.O. and Sh. H.C. Batra,  
President, B.E.T. 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. In reply, the school, vide its letter dated 10/05/2012 stated that:

- (i) It had increased the salaries of the staff w.e.f. 01/04/2009.
- (ii) The school paid arrear salary to the staff on account of the retrospective applicability of increased salary consequent to implementation of the recommendations of VI Pay Commission.
- (iii) The school hiked the tuition fee as per order dated 11/02/2009 issued by Director of Education and also collected arrear fee.

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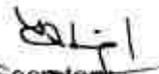
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The Committee issued a notice dated 14/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and 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, copy of the circular issued by the school to the parents regarding fee hike. The school was also issued a supplementary questionnaire regarding charging of development fee, its utilisation and maintenance of earmarked development fund and depreciation reserve fund in order to examine whether the school was fulfilling the pre conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583.

The information was submitted by the school under cover of its letter dated 01/06/2015. The school also submitted its reply to the supplementary questionnaire issued by the Committee regarding development fee. As per the reply submitted by the school, the school charged development fee in all the

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five years for which the information was sought by the Committee. The development fee recovered by the school in 2009-10 amounted to Rs. 36,21,370 while that in 2010-11 it amounted to Rs. 39,05,945 (the Committee is concerned with these two years as the fee for these years was recovered pursuant to the aforesaid order dated 11/02/2009).

It was further stated that the development fee was treated as a capital receipt w.e.f. 01/04/2009, but prior to 01/04/2009, it was treated as a revenue receipt.

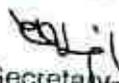
It was conceded by the school that it did not maintain a depreciation reserve fund in respect of assets acquired out of development fee. Further, no earmarked account was maintained by the school to park the unutilised development fund. In fact, it was contended that the school did not have any unutilised development fund as it was fully spent.

In order to provide an opportunity to the school to justify the fee hike effected by it in pursuance of the order dated 11/02/2009 issued by the Director of Education, a notice dated 29/06/2016 was issued to the school, requiring it to appear before the Committee on 18/07/2016, and to produce its books of accounts and other relevant records for verification by the Committee.

On 18/07/2016, the authorized representatives appeared and the records which were produced by the school were examined by the Committee. The authorized representatives of the school were also partly heard by the Committee.

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The Committee perused the statement of fee and salary giving the break up of mode of payment as well as student strength in the years 2008-09 and 2009-10. The Committee observed that in 2008-09 the student strength of the school was 1298 while in 2009-10 it rose to 1414.

The number of teachers employed by the school upto June 2009 were between 42 and 46 but in July 2009, the number of teachers rose to around 62. The component of salary paid in cash or by bearer cheque rose from Rs.1,41,566 in June 2009 out of a total of Rs. 12,54,804 to Rs. 4,14,026 in July 2009 out of a total of Rs. 14,08,157. In October 2009, the component of salary paid in cash or by bearer cheques, further went upto Rs. 6,54,331 out of total of Rs. 19,44,601. Thereafter it remained around Rs. 4.00 lacs per month out of a total of around Rs. 15.00 lacs per month.

The authorised representatives who appeared for the school sought to explain that in 2009-10, the school got upgraded from class VIII to class XII and therefore had to employ new teachers. It was further stated by them that the new teachers were generally paid salary in cash or by bearer cheques. When asked to identify the new teachers who had been employed in 2009-10, the authorized representatives were not able to do so immediately and sought time to furnish the details in this regard. At his request, the school was granted further time to furnish these details and further opportunity of hearing was scheduled for 24/08/2016. The school was directed to file a copy

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of the letter of upgradation received by the school from the Directorate of Education.

On 24/8/2016 the school did not file the details of new teachers appointed during the year 2009 as required by the Committee's order dated 18/07/2016. The school sought further time to furnish the detail as far as the abnormal increase in number of teachers in July 2009 as reflected in the statement filed by the school. With regard to upgradation of the school, the school made a volte face and stated that the school got upgraded from 10th to 12th class in the year 2006-07 itself and not in 2009-10 which necessitated employment of more teachers in that year. The school sought time to give explanation in this regard.

On examination of the bank statements of the school for the period in which arrears were claimed to have been paid, the Committee observed that only two teachers were paid through direct bank transfers. The remaining teachers were allegedly paid through individual cheques. The school was directed to file an affidavit as to whether the individual cheques which were purportedly issued to the teachers, were payable to bearer or to the account of payee. The school was also directed to furnish a certificate from its bank regarding the mode of withdrawal of money in respect of such individual cheques. The matter was accordingly adjourned for further hearing on 06/10/2016.

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The school furnished an affidavit of Ms. Shalini Sabharwal, Principal of the school on 28/09/2016, vide which it was averred that mode of payment of cheques of arrear salary was as per the bank certificate which was enclosed with the affidavit. The school also furnished a detail of salary of individual staff members for the months of March 2009 and April 2009 to show the extent of increase in the monthly salaries pursuant to the purported implementation of the recommendations of VI Pay Commission w.e.f. April 2009. As per the statement filed by the school, the salary of staff in March 2009 was Rs. 7,47,706, which rose to Rs. 12,33,608 in April 2009. It was submitted that the total increase in salary in 2009-10 was Rs. 91,90,129 as compared to 2008-09, as a total expenditure of salary rose from Rs. 94,24,906 to Rs. 1,86,15,035.

The affidavit along with the bank certificate of Canara Bank, Laxmi Nagar Branch, as well as the comparative statement of salaries for the month of March 2009 and April 2009 were examined by the Committee during the course of hearing on 06/10/2016. The Committee observed that in the first installment of arrear salary that was paid by the school on 28/04/2009, **out of total amount of Rs. 25,53,755, as much as Rs. 23,59,419 was paid by way of bearer cheques.** The Committee inquired from the authorized representatives who appeared for the school as to how the regular salary to the staff was paid in the month of April 2009. They submitted that the regular salary that was paid for the month of April 2009 was **through account payee cheques.**

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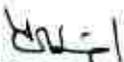
As per the bank certificate, out of a total sum of Rs. 18,94,338 paid on 06/02/2010 towards second installment of arrear salary, a sum of **Rs. 4,27,657 was paid by bearer cheques**. However, in third installment of arrear salary paid on 07/05/2010, no amount was paid by bearer cheques out of total sum of Rs. 13,26,024.

On 6/10/2016, the school filed a list of new staff appointed during the year 2009-10. On checking the mode of payment of salary to the new appointees, the Committee observed that most of the new teachers were paid salary through cheque from the very first month of their joining. This was contrary to the explanation given by the school that new teachers were generally paid salary in cash. Hence there was still no explanation for the abnormal increase in regular salary that were paid in cash in the year 2009-10, in which the school claimed to have implemented the recommendations of VI Pay Commission. The counsel for the school submitted that he would file a complete detail of salary paid in 2008-09 and 2009-10 individually in respect of all the teachers, showing mode of payment. Accordingly, the matter was adjourned further for hearing on 15/11/2016.

On 10/11/2016, the school furnished a month wise detail of salaries paid to individual staff members showing the mode of payment to each of them.

The position that emerged from these statements is as follows:

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Month & Year	Salary F.Y. 2008-09 (Rs.)		
	Salary paid by a/c payee cheque/bank transfer	Salary paid in cash or through bearer cheques	Total salary for the month
Apr-08	209,582	1,356,652	1,566,234
May-08	178,109	579,977	758,086
Jun-08	148,549	593,068	741,617
Jul-08	111,656	702,100	813,756
Aug-08	124,100	671,670	795,770
Sept. 2008	124,100	711,020	835,120
Oct. 2008	124,100	686,842	810,942
Nov. 2008	154,100	659,584	813,684
Dec. 2008	129,100	683,523	812,623
Jan. 2009	129,100	662,777	791,877
Feb. 2009	99,100	621,508	720,608
Mar-09	159,100	588,662	747,762
Total	1,690,696	8,517,383	10,208,079
Percentage of total salary	17%	83%	100%

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Month & Year	Salary F.Y. 2009-10 (Rs.)		
	Salary paid by a/c payee cheque/bank transfer	Salary paid in cash or through bearer cheques	Total salary for the month
Apr-09	187,671	1,045,937	1,233,608
May-09	188,634	1,111,144	1,299,778
Jun-09	213,792	1,041,012	1,254,804
Jul-09	184,272	1,301,309	1,485,581
Aug-09	184,272	1,367,843	1,552,115
Sept. 2009	189,443	1,358,712	1,548,155
Oct. 2009	282,565	1,662,036	1,944,601
Nov. 2009	879,726	753,883	1,633,609
Dec. 2009	879,726	753,883	1,633,609
Jan. 2010	879,726	730,656	1,610,382
Feb. 2010	879,726	740,126	1,619,852
Mar-10	1,066,619	699,860	1,766,479
Total	6,016,172	12,566,401	18,582,573
Percentage	32%	68%	100%

The aforesaid tables speak for themselves. Besides the various turn arounds made by the school during the course of hearing, the final picture that emerges is that while the school claims that it implemented the recommendations of VI Pay Commission w.e.f. 01/04/2009 and also paid the arrear salary to the staff for which it recovered the arrear fee as well as hiked

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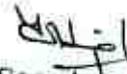
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the regular fee w.e.f. 01/04/2009, the claim of implementation of the recommendations of VI Pay Commission is seriously in doubt as even after the purported implementation of the recommendations of VI Pay Commission in the year 2009-10, the school continued to pay only a miniscule portion of its salary by account payee cheques or bank transfers as per the statements filed by the school itself. After the implementation of the recommendations of VI Pay Commission, the salary of each individual staff member was not less than Rs. 25,000 per month. It defies logic that when the school could issue cheques to them, why the cheques had to be bearer. In 2008-09, the proportion of salaries that were paid in cash or by bearer cheques was as high as 83% of the total salary. Though such proportion decreased to 68% in 2009-10, still it was a very high proportion. Even for the first two installments of payments of arrear salaries, the school issued bearer cheques for as high an amount as Rs. 79,231. In fact, almost the entire amount of Rs. 25,53,755 paid by the school in the first installment of arrear on 28/04/2009 was through bearer cheques. Such actions on part of the school do not lend credibility to the claim of the school that it actually paid the amount that is shown to have been paid to the staff in the books of the school. In the written submissions dated 10/11/2016 filed by the school, while giving the explanation regarding the reason of payment of salary through bearer cheques, it submitted that staff had been paid through bearer cheques till October 2009 as they had no accounts in the banks. This submission is contrary to the submission made by the school on an earlier date of hearing. Further, the explanation given by the school is extra

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ordinary and incredible as it would be too far fetched to believe that teachers who come from an educated strata of the society and who draw handsome salary, would not have bank accounts of their own. The reasonable inference which can be drawn is that the salaries which are shown to have been paid in the books, were not paid or were paid partially and the recommendations of 6<sup>th</sup> Pay Commission were not implemented fully by the school.

Considering the aforesaid facts, the Committee is of the view that the school did not implement the recommendations of VI Pay Commission, which it claims to have done, atleast not upto 31/03/2010.

The Committee has perused the circular dated 28/02/2009 issued by the school to the parents of the students regarding fee hike and recovery of arrears in pursuance of order dated 11/02/2009 issued by the Director of Education. As per the circular, the school hiked the tuition fee for all the classes by Rs.300 per month and development fee by Rs. 45 per month. w.e.f 01/09/2008 and accordingly recovered arrears of tuition fee amounting to Rs. 2100 and development fee amounting to Rs.315 up to 31.3.2009. Besides, the school also recovered arrear fee @ Rs.3000 per student for the period 01/01/2006 to 31/08/2008. Further, the Committee perused the fee schedules for the years 2008-09 and 2009-10, which the school had filed as part of its annual returns under Rule 180 of the Delhi School Education Rules 1973. The same showed that the school hiked tuition fee by further amount of Rs.290 in respect of classes pre-school to pre primary. As per the order

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dated 11/02/2009, the schools could not have increased any further tuition fee in the year 2009-10 apart from the hike allowed to it w.e.f. 01/09/2008. The Committee also observes that in the year 2008-09, the school was charging development fee @ 10% of the tuition fee but while recovering the arrears for the period 01/09/2008 to 31/03/2009 the school recovered the arrears of development fee @ 15% of tuition fee.

In view of the inference drawn by the Committee on the basis of preponderance of probabilities, in the facts and circumstances of the case it is apparent that the school did not implement the recommendations of the 6<sup>th</sup> Pay Commission. The Committee is of the view that the fee hike effected by the school w.e.f. 01/04/2009 and the recovery of arrears of tuition fee and development fee for the period 01/09/2008 to 31/03/2009 and also the recovery of lump sum arrear fee for the period 01/01/2006 to 31/08/2008 was not justified as the basis of allowing the school to hike the fee and recover the arrear fee was that the school would implement the recommendations of VI Pay Commission and pay the arrear salary to the staff as per its recommendations. The hike in fee that was allowed to the school was meant for the purpose of meeting its additional expenditure on salaries on account of implementation of the recommendations of 6<sup>th</sup> Pay Commission. When, in view of the Committee, the recommendations of the 6<sup>th</sup> Pay Commission were not implemented, the school was not justified in hiking the tuition fee as provided in the aforesaid order. It could have, at best, hiked the tuition fee by 10%, which would have



covered additional expenditure on the salary on account of annual increments and increase in other expenses on account of inflation.

**In view of the foregoing reasons, the Committee is of the view that the school ought to refund the hiked tuition fee for the year 2009-10, which was hiked in excess of 10% over the fee for the year 2008-09. Further, the school ought to refund the entire amount of arrear fee collected by it for the periods 01/01/2006 to 31/08/2008 and for the period 01/09/2008 to 31/03/2009. All the aforesaid refunds ought to be made alongwith interest @ 9% per annum from the date of collection to the date of refund.**

#### **Regular Development Fee**

As per the reply to the questionnaire, the school recovered development fee, without maintaining earmarked Development Fund or Depreciation Reserve Fund accounts. The development fee was allowed to be collected by unaided Private Schools, for the first time vide order dated 15/12/1999 issued by the Director of Education in pursuance of the recommendations of Duggal Committee. The exact recommendation of the Duggal Committee, 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 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)

The report of the Duggal Committee came up for consideration before the Hon'ble Supreme Court in the case of Modern School (supra). One of the issues admitted for determination by the Hon'ble Supreme Court was with regard to development fee. The exact issue framed by the Court was:

*"Whether managements of Recognized unaided schools are entitled to set-up a Development Fund Account under the provisions of the Delhi School Education Act, 1973?"*

On this issue, the Hon'ble Supreme Court 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*

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*the management of recognized unaided schools should be permitted to charge development fee not exceeding 15% of the total annual tuition fee."*

**\*Direction no. 7 of the Order dated 15/12/1999 issued by the Director of Education.**

The school, of its own showing was not maintaining any earmarked depreciation reserve fund or development fund accounts. These are essential pre requisites for the schools to charge development fee. As per the reply to the questionnaire issued by the Committee, the development fee recovered by the school in 2009-10 amounted to Rs. 36,21,370 while that in 2010-11 it amounted to Rs. 39,05,945. Thus a total amount of Rs. 75,27,315 was charged by the school as development fee in these two years without fulfilling the essential pre conditions. The 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). As the Committee is to examine the issue of fee charged by the school in pursuance of order dated 11/02/2009, it is restricting its recommendations to the development fee charged in the years 2009-10 and 2010-11 only.

**Accordingly, the Committee is of the view that the school ought to refund the aforesaid amount of Rs. 75,27,315 charged by it as development fee in the years 2009-10 and 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund. This is in addition to the recommendation of the Committee with regard to refund**

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of lump sum arrear fee for the period 01/01/2006 to 31/08/2008, arrear of tuition fee and development fee for the period 01/09/2008 to 31/03/2009 and the increased tuition fee in the year 2009-10, as recommended supra.



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



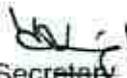
**J.S. Kochar**  
(Member)



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

Dated 20/03/2018

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Secretary

000126

**OBEFORE 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:**

**Sant Nirankari Public School ,Sant Nirankari Colony , Delhi (B-541)**

Present: Sh. Vijay Batra, Member CMC, Ms. Poonam Syal, Principal and Ms. Sonia, Office Incharge of the school.

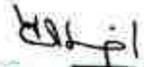
**Order of the Committee**

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. This was followed by a reminder dated 27/03/2012. However, the school did not submit any reply. A revised questionnaire was sent to the school through e-mail on 17/10/2013. In response, the school submitted its reply vide its letter dated 24/10/2013. As per the reply to the questionnaire:

- (i) The school had implemented the recommendations of VI Pay Commission and increased the salaries of the staff w.e.f.

01/04/2010.

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- (ii) The school did not pay any arrear salary to the staff which became due on account of retrospective application of the recommendations of VI Pay Commission w.e.f. 01/01/2006 as the school did not collect any arrear fee from the parents.
- (iii) The school did not hike the tuition fee as per the aforesaid order dated 11/02/2009 issued by the Director of Education.
- (iv) The school charged development fee from the students, which however, was treated as a revenue receipt even for the financials years 2011-12 and 2012-13. The development fee recovered by the school in 2009-10 amounted to Rs. 13,33,870 while that in 2010-11 it amounted to Rs. 15,63,485.
- (v) The development fee was partially utilised for the purpose of building maintenance and upkeep expenses.
- (vi) The school did not maintain any depreciation reserve fund in respect of assets acquired out of development fee and no earmarked account was maintained by the school to park the unutilised development fund and the depreciation reserve fund.

*It is obvious from the reply submitted by the school to the questionnaire issued by the Committee that the school was not fulfilling any of the pre conditions laid down by the Duggal Committee, on fulfillment of which alone, the school was entitled to charge development fee. It is to be noted that the pre conditions laid down by the Duggal Committee were affirmed by the Hon'ble*

*Supreme Court in the case of Modern School vs. Union of India ( 2004) 5 SCC 583.*

Since the school stated that it had not recovered any arrear fee for the period prior to 01/04/2009, the only issue that the Committee was required to examine, besides the issue of charging development fee, was to see whether the regular fee hike effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education was justified to meet the increased burden of salary that arose on account of prospective implementation of the recommendations of VI Pay Commission.

Here also, it is apparent from the reply submitted by the school to the questionnaire issued by the Committee that there was ostensibly no additional burden on the school in the year 2009-10 on prospective implementation of the recommendations of VI Pay Commission as the school itself admitted that it had increased the salaries in accordance with the recommendations of VI Pay Commission w.e.f. 01/04/2010 only. However, the school also stated that it had not increased any fee w.e.f. 01/04/2009 pursuant to order dated 11/02/2009 issued by the Director of Education.

Thus the exercise which the Committee was required to undertake was to examine whether the statement of the school to the effect that it had not recovered any arrear fee and that it had not increased its regular fee pursuant to order dated 11/02/2009 was correct or not. For this purpose, the Committee issued a notice dated 25/05/2015 seeking information about the

aggregate amounts of regular tuition fee, arrear fee recovered 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, copy of the circular issued by the school to the parents regarding fee hike.

The school submitted the information vide its letter dated 29/05/2015. As per the information furnished by the school, it was reiterated that the school did not recover any arrear fee for the period 01/01/2006 to 31/08/2008. However, the aggregate tuition fee recovered by the school in 2009-10 rose to Rs. 90,08,620 as compared to Rs. 70,62,155 in 2008-09. This represented an increase of 27.56% in the year 2009-10. Besides, the school also recovered fee under various other heads, the aggregate of which amounted to Rs. 46,48,223 in 2008-09 which rose to Rs. 57,46,242 in 2009-10. This represented an increase of 23.62%. Apparently, the statement of the school that it did not hike the fee in accordance with order dated 11/02/2009 of the Director of Education was a little suspect as the fee hike proposed in the order

for the year 2009-10 was to the tune of 20% approximately under various slabs.

In order to provide an opportunity to the school to justify the fee hike effected by it, a notice dated 20/09/2016 was issued to the school requiring it to appear before the Committee on 07/10/2016 and to produce its books of accounts and other relevant records for verification by the Committee.

On 07/10/2016, Ms. Poonam Syal, the Principal of the school appeared along with others and conceded that the school had in fact hiked the fee w.e.f. 01/04/2009 in terms of order dated 11/02/2009 issued by the Director of Education but such hike was effected after getting it approved in the meeting of Parent Teacher Association. She also conceded that the school implemented the recommendations of VI Pay Commission only w.e.f. 01/04/2010. However, she submitted that about 11 teachers of the school had filed a writ petition in the High Court of Delhi, by which they were claiming arrears arising on account of implementation of Sixth Pay Commission. She further submitted that in the subsequent years the fee hike was restricted to 10% over the fee charged in the previous years, and the school was facing a huge liability on account of the arrears which would be payable to the staff. She submitted that the school was contesting the claim on account of paucity of funds available with the school. However, the school was willing to pay the arrears w.e.f. 01/04/2008. The case had been listed in the regular category and has not come for final hearing.

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With regard to development fee, she conceded that the school treated development fee as a revenue receipt for the years even for 2011-12 & 2012-2013. She further conceded that the school was not maintaining any earmarked development fund or depreciation reserve fund accounts.

### Discussion

The Committee has perused the fee schedules filed by the school with the Directorate of Educations for the years 2008-09 onwards. As per the fee schedules, the school charged tuition fee in the years 2008-09 and 2009-10 as follows:

Class	Tuition fee Per Month (Rs.)		
	2008-09	2009-10	Increase in 2009-10
Pre Primary	400	500	100
1 <sup>st</sup> & 2 <sup>nd</sup>	550	700	150
3 <sup>rd</sup> to 5 <sup>th</sup>	600	700	100
6 <sup>th</sup> to 8 <sup>th</sup>	600	800	200
9 <sup>th</sup> & 10 <sup>th</sup>	800	1000	200
11 <sup>th</sup> & 12 <sup>th</sup>	1000	1200	200

The other activity charges recovered by the school in 2008-09 and 2009-10 were as follows:

Class	Other Activity Charges Per Month (Rs.)		
	2008-09	2009-10	Increase in 2009-10
Pre Primary	100	250	150
1 <sup>st</sup> & 2 <sup>nd</sup>	200	300	100
3 <sup>rd</sup> to 5 <sup>th</sup>	200	300	100
6 <sup>th</sup> to 8 <sup>th</sup>	200	300	100
9 <sup>th</sup> & 10 <sup>th</sup>	200	300	100
11 <sup>th</sup> & 12 <sup>th</sup>	200	300	100

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The Committee is of the view that the other activity charges are nothing but a part of tuition fee, as the school has not specified the activity for which it is charged and whether the school was at all organizing any other activity besides imparting of Education. Therefore, for the purpose of examining the fee hike, the aggregate of fee charged as tuition fee and as other activity fee, ought to be considered.

Class	Total of Tuition Fee & Other Activity Charges Per Month (Rs.)			Maximum hike allowed as per order dated 11/02/2009 (Rs.)	Percentage increase in 2009-10
	2008-09	2009-10	Increase in 2009-10		
Pre Primary	500	750	250	100	50.00%
1 <sup>st</sup> & 2 <sup>nd</sup>	750	1000	250	200	33.33%
3 <sup>rd</sup> to 5 <sup>th</sup>	800	1000	200	200	25.00%
6 <sup>th</sup> to 8 <sup>th</sup>	800	1100	300	200	37.50%
9 <sup>th</sup> & 10 <sup>th</sup>	1000	1300	300	300	30.00%
11 <sup>th</sup> & 12 <sup>th</sup>	1200	1500	300	300	25.00%

From above it is apparent that the school hiked the fee in 2009-10 even beyond the maximum hike permitted vide order dated 11/02/2009 issued by the Director of Education in respect of classes pre primary, 1<sup>st</sup>, 2<sup>nd</sup>, 6<sup>th</sup>, 7<sup>th</sup> & 8<sup>th</sup>. However, since the school admittedly did not implement the recommendations of 6<sup>th</sup> pay commission in 2009-10, it was not entitled to hike the fee even in accordance with the order dated 11/02/2009 as the fee hike that was permitted to the school was contingent upon the school implementing the recommendations of VI Pay Commission. Since the school did not implement the recommendations of VI Pay Commission in the year 2009-10, it

would at best have hiked the fee by 10% to cover the routine normal incremental salary and increase in other expenses.

The argument of the school that some teachers have filed a case in the High Court claiming arrears and for this reason, the school was justified in hiking the fee, is speculative in nature. The school cannot predict the outcome of the case and keep funds in reserve for an eventuality which may or may not arise. If and when the school is made to incur additional expenditure on account of payment of arrears to the litigating staff, the school may consider recovering additional fee in that year.

**For the foregoing reasons, the Committee is of the view that the school ought to refund the hiked tuition fee and other activity fee for the year 2009-10, which was in excess of 10% over the corresponding fee charged by it in the year 2008-09, along with interest @ 9% per annum.**

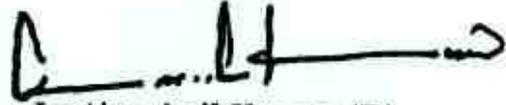
**Development Fee:**

The development fee charged by the school in 2009-10 & 2010-11 was Rs.13,33,870 and Rs. 15,63,485 respectively.

We have already discussed above that the school was concededly not fulfilling any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School (supra). The Committee is therefore of the view that the school

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ought to refund the development fee amounting to Rs. 28,97,355 which it recovered from the students in the years 2009-10 and 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund.



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



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



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

Dated : 21/03/2018

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000135

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

**Cause List for Wednesday, 7th February 2018**

S. No.	Cat. No.	School Name & Address
1	B-63	Tagore School, Maya Puri
2	B-335	Bhai Parmanand Vidya Mandir, Surya Niketan
3	B-340	Preet Public School, Preet Vihar
4	B-295	Lions Public School, Ashok Vihar
5	B-604	Lal Bahadur Shastri Smarak School, R.K. Puram

**Cause List for Thursday, 8th February 2018**

S. No.	Cat. No.	School Name & Address
1	B-564	Columbia Foundation School, Vikas Puri
2	B-588	Tagore International School, Vasant Vihar
3	B-346	St. Mary's School, Mayur Vihar Phase-II

**Cause List for Monday, 12th February 2018**

S. No.	Cat. No.	School Name & Address
1	B-408	Vasant Valley School, Vasant Kunj
2	B-409	The Air Force School, Subroto Park
3	C-189	Vivekanand Convent School, Shahdara
4		

**Cause List for Tuesday, 13th February 2018**

S. No.	Cat. No.	School Name & Address
1	B-584	General Raj's School, Hauz Khas
2	B-589	Ramjas School, R.K. Puram
3	B-172	Ganga International School, Saavda Ghevra
4	B-677	Ganga International School, Hiran Kudna

**Cause List for Friday, 16th February 2018**

S. No.	Cat. No.	School Name & Address
1	B-464	St. Francis De Sales School, Janak Puri
2	B-544	Queen Mary's School, Model Town-III
3	B-623	Col. Satsangi's Kiran Memorial School, Chhatarpur
4	B-597	St. Margaret's Sr. Sec. School, Prashant Vihar

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**Cause List for Tuesday, 20th February 2018**

S. No.	Cat. No.	School Name & Address
1	B-159	Review - Faith Academy, Prasad Nagar
2	B-615	Maxfort School, Parwana Road, Pitmpura
3	B-407	Saraswati Vidyalaya Sr. Sec. School for Girls, Darya Ganj

**Cause List for Wednesday, 21st February 2018**

S. No.	Cat. No.	School Name & Address
1	B-533	Presentation Convent School, SP Mukherjee Marg
2	B-235	Crescent Public School, Pitampura
3	B-277	Hans Raj Smarak School, Dilshad Garden
4	B-368	Hans Raj Smarak School, Krishna Nagar
5	B-469	St. Peter's Convent, Vikas Puri
6	B-286	Mount Abu Public School, Sect.5, Rohini
7	B-294	Mount Abu Sr. Sec. School, Sect.18, Rohini

**Cause List for Friday, 23rd February 2018**

S. No.	Cat. No.	School Name & Address
1	B-662	DAV Model School, Yusuf Sarai
2	B-379	DAV Public School, East of Kailash
3	B-60	The Heritage School, Sector-23, Rohini

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

**Cause List for Monday, 5th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-335	Bhai Parmanand Vidya Mandir, Surya Niketan
2	B-295	Lions Public School, Ashok Vihar
3	B-588	Tagore International School, Vasant Vihar

**Cause List for Tuesday, 6th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-63	Tagore School, Maya Puri
2	B-564	Columbia Foundation School, Vikas Puri
3	B-584	General Raj's School, Hauz Khas

**Cause List for Thursday, 8th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-631	CRPF Public School, Rohini
2	B-686	Arunodaya Public School, Karkardooma
3	B-172	Ganga International School, Saavda Ghevra

**Cause List for Friday, 9th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-650	St. Columba's School, Ashok Place
2	B-683	The Baptist Convent School, Patparganj
3	B-677	Ganga International School, Hiran Kudna

**Cause List for Thursday, 15th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-414	Jindal Public School, Dashrathpuri
2	B-464	St. Francis De Sales School, Janak Puri
3	B-231	Vivekanand Public School, B-Block, Anand Vihar

**Cause List for Friday, 16th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-120	The Heritage School, Vasant Kunj
2	B-148	Venkateshwar International School, Dwarka
3	B-544	Queen Mary's School, Model Town-III

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**Cause List for Tuesday, 20th March 2018**

S. No.	Cat. No.	School Name & Address
1	B-151	G D Goenka Public School, Vasant Kunj
2	B-285	Mann Public School, Holambi Kalan
3	B-623	Col. Satsangi's Kiran Memorial School, Chhatarpur

**Cause List for Wednesday, 21st March 2018**

S. No.	Cat. No.	School Name & Address
1	B-159	Review - Faith Academy, Prasad Nagar
2	B-255	Review - Banasthali Public School, Vikas Puri
3	B-560	Review - Mamta Modern School, Vikas Puri
4	B-409	The Air Force School, Subroto Park
5	B-446	Deep Public School, Vasant Kunj

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07.02.2018

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B-63

Tagore School, Maya Puri, Delhi

Present: Sh.Kamal Kishore, A.O. of the school.

The authorized representative appearing for the school submits that out of the arrear fee that was not disbursed as arrear salary amounting to Rs.2,91,282, the school has since paid the arrears to two teachers namely Ms. Bhawna Mehrotra and Ms.Hema Verma. The amount paid to them amount to Rs.95,299. However, the school has still to pay a sum of Rs.1,90,837 to the following teachers:

Reena Bakshi	43,584
Renu Pakhreta	26,545
Sonika Sharma	26,545
Anshu Kishore	49,481
Poonam Sharma	44,682
Total	1,90,837

The authorized representative further submits that the school will clear the dues of the above mentioned teachers by the end of this month and as such the Committee may not order the school to refund the arrear fee still remaining with the school.

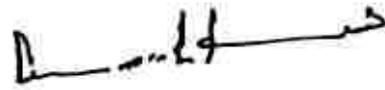
The matter is adjourned to 6<sup>th</sup> March 2018 and the school will produce the evidence of having made the payments to the aforementioned teachers.



Dr. R.K. SHARMA  
MEMBER

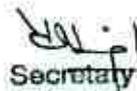


J.S.KOCHAR  
MEMBER



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



07.02.2018

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B--335

Bhai Parmanand Vidya Mandir, Surya Niketan, Delhi

Present : Sh.Brij Bhushan Ojha, Accountant of the school.

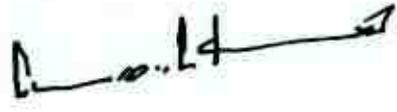
The Committee has prepared a calculation sheet to examine the justifiability of the collection of arrear fee and the hike in tuition fee/annual charges and it appears that the school recovered more fee than that was required in order to implement the recommendations of the 6<sup>th</sup> Pay Commission. 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, before the next date of hearing. Matter will be taken on 5<sup>th</sup> March 2018 at 11.00 A.M.



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

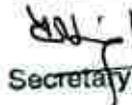


**J.S. KOCHAR**  
**MEMBER**



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

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Secretary



07.02.2018

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B-340

Preet Public School, Preet Vihar, Delhi

Present: Sh. Rahul Kumar, Accountant & Sh. Lokendra Singh, Accountant of the school.

The school has furnished the latest status of the refund cheques which were issued by the school in respect of the students who had deposited the arrear fee. As on date, out of cheques aggregating to Rs.1,81,891 which were issued by the school towards refund of fee, cheques amounting to Rs.86,811 have since been cleared. The school has filed a copy of its bank statement in evidence. As noticed in the order dated 10.1.2018, the school had received the cheques amounting to Rs.65,482 undelivered. At the instance of the Committee the school has issued public notice to the parents in the Hindi and English editions of the pioneer newspaper on 31.1.2018 to collect the cheques from the office of the school. It is stated that till date no parent has turned out to collect the cheque. In respect of the remaining sum of Rs.29,598, the school claims that the cheques have been delivered but not yet encashed.

In view of the above, nothing more is required to be done by the school except that it should deliver the cheques to the parent who come and claim the same in response to the public notice.

The Committee has prepared a calculation sheet in order to examine the justifiability of the hike in tuition fee w.e.f. 1.4.2009 for the purpose of implementation of the recommendations of the 6<sup>th</sup> pay commission w.e.f. the same date. The Committee observes that the school did not have sufficient funds even after increasing the fee, if the requirement of the school to keep funds in reserve for meeting its accrued liability of gratuity and leave encashment are considered. Further though the school was not fulfilling the pre condition for charging development fee, the total collection on account of development fee was less than the amount required by the school to keep funds in reserve for future contingencies which the Committee has a norm to allowing the schools to keep equivalent to four months salary.

In the aforesaid circumstances, the Committee is of the view that no intervention is requirement to be made with regard to hike in tuition fee or recovery of development in pursuant to order dated 11.2.2009 issued by the Director of Education.

Detailed order to be passed separately.

*[Signature]*

Dr. R.K. SHARMA  
MEMBER

*[Signature]*

J.S.KOCHAR  
MEMBER

*[Signature]*

JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



07.02.2018

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**B-295**

**Lions Public School, Ashok Vihar, Delhi**

Present: Sh.Harish Oberoi, Manager of the school.

The authorised representative appearing for the school has today filed copies of Income and Expenditure Accounts and Balance Sheets of the parent society i.e. Montessori Education Society for the years 2008-09, 2009-10 & 2010-11. He submits that this represents the consolidated Balance Sheet of the Senior school as well as the Nursery school and the society has no other activity apart from running of these two schools. He has also filed the fee and salary statement for the two schools in a consolidated manner. He further submits that the school has taken a group gratuity policy from LIC and as such the school has no accrued liability on account of gratuity. He further submits that the school, as a matter of policy, does not pay any salary for encashment of leave and as such its liability on this account may also be considered as nil.

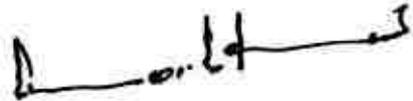
Calculation sheet to be prepared on the basis of the consolidated balance sheet of the parent society and the salary and fee information furnished in a consolidated form. Matter will come up for further hearing on 5<sup>th</sup> March 2018 at 11.00 A.M.



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



**J.S.KOCHAR  
MEMBER**



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

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Secretary

07.02.2018

000143

B-604

**Lal Bahadur Shastri School, R.K.Puram, Delhi**

Present: Sh.Devender Kumar, Accountant, Sh/.A.Ghosh, Admn.Officer & Sh.K.K.Arora, Consultant of the school.

In compliance with the direction given by the Committee on 31.3.2018, the school filed revised statement giving details of accrued liabilities in respect of gratuity and leave encashment as on 31.3.2010. As per the revised statement, the school had an accrued liability of Rs.59,24,461 towards gratuity and Rs.42,46,525 towards leave encashment as on 31.3.2010. The same has been perused by the Committee and appears to be in order.

Taking the aforementioned liabilities into consideration and also the requirement of the school to keep funds in reserve for future contingencies, the Committee is of the view that no intervention is required to be made either with regard to the arrear fee recovered by the school or with regard to the fee hike effected by it w.e.f. 1.4.2009 in pursuant to order dated 11.2.2009 issued by the Director of Education. In respect of development fee, the Committee observes that the school was not fulfilling any of the pre conditions laid down by the Duggal Committee. However, the total amount collected in 2009-10 & 2010-11 amounted to Rs.47,77,400 while the deficit incurred by the school on implementation of the recommendations of the 6<sup>th</sup> pay commission, after accounting for the requirement of the school to keep funds in reserve, exceeded the collection of development fees in these two years. As such, the Committee is not inclined to recommend refund of any part of development fee recovered by the school in these two years.

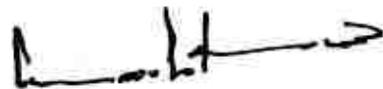
Detailed order to be passed separately.



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



**J.S.KOCHAR**  
MEMBER



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

TRUE COPY

401-1  
Secretary



08.02.2018

000144

B-564

**Columbia Foundation School, Vikas Puri, Delhi**

Present: Sh.S.K. Saini, Accountant, Sh.Pradeep Singh, Head Clerk, Sh.Gigy Varghese, Clerk of the school.

On the last date of hearing the Committee had observed that the school had recovered arrears of incremental development fee for the period 1.9.2008 to 31.3.2009 at a rate which was around 40% of the arrears of incremental tuition fee for that period. The school in its written submissions dated 10.12.2015 has given the details how the amount of arrears of development fee has been worked out for different classes. The Committee has perused the same and finds that while the school was originally charging development fee at a rate which was around 7.528% of tuition fee, it recovered arrears of development fee @ 15% of the increased tuition fee w.e.f. 1.9.2008. Moreover, the Committee observes that in the information regarding break up of fee and salary given by the school vide its written submissions dated 08/06/2015, the school has shown recovery of a paltry sum of Rs.24,040 as arrears of development fee and that too only in 2008-09 while the arrears of tuition fee for the same period amount to Rs.41,66,468. On the face of it the information furnished by the school vide its written submissions dated 8.6.2015 is incorrect. The school is required to furnish a correct and complete breakup of the fee and salary as per the format given in the Committee notice dated 25.5.2015.

On the last date of hearing the Committee had also observed that while part of the arrears of salary paid by the school on account of implementation of the recommendations of the 6<sup>th</sup> pay commission by means of direct bank transfer, a significant portion of such arrears was paid by means of individual cheques which on the face of it did not appear to be crossed account payee cheques. In this context, the school was required to furnish certificates from the bank certifying the mode of payment of individual cheques in respect of arrears paid in all the years in which they were paid as well as the regular salary paid in the year 2009-10. Although the school has furnished certificates from the banks with regard to payment of arrear salary, the same do not certify the mode of payment of individual cheques. No certificate has been filed in respect of payment of regular salary by individual cheques in the year 2009-10.

The notice of hearing for today which was issued to the school required the school to produce the books of accounts for the years 2006-07 to 2010-11 in a laptop as the same was maintained in Tally software. However the school has not produced the same at the time of hearing. The school is required to do the needful on the next date of hearing which is fixed for 6<sup>th</sup> March 2018 at 11.00 A.M.



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

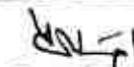


**J.S. KOCHAR**  
MEMBER



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

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Secretary



08.02.2018

000145

B-588

Tagore International School, Vasant Vihar, Delhi

Present: Sh.Vedanta Varma, Advocate, Sh.Nalin Chester Member of Society, Sh.Sandeep Garg, C.A. & Sh. Rajeev Agarwal, Accountant of the school.

The authorized representative appearing for the school request for adjournment as they submit that the accounts of the school are being maintained in a software which operates in DOS operating system are being converted into software which operate windows. The school may produce the printout of all the accounts which the Committee has asked for instead of producing them in lap top in view of the difficulty expressed by the authorized representative. Further the Committee observes that the school had submitted the letter dated 21.10.2015 vide which it had corrected the information giving break up of salary for the year 2008-09. After carrying out the necessary corrections the Committee observes that the total salary paid by the school in the year 2008-09 was Rs.2,11,84,003 and it rose to Rs.2,31,84,397 only in 2009-10. Apparently it appears that the school did not implement the recommendations of the 6<sup>th</sup> pay commission at least in the year 2009-10.

In view of this, the school is required to first satisfy the Committee that it actually implemented the recommendations of 6th pay commission w.e.f. March 2009 as it claimed by the school in its reply to the questionnaire, issued by the Committee. In case it is found that the information furnished by the school vide letter dated 20.10.2015 requires to be revised, the same may be done before the next date of hearing. The matter is accordingly adjourned to 5<sup>th</sup> March 2018 at 11.00 A.M.



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

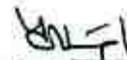


**J.S. KOCHAR**  
MEMBER



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

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Secretary



08.02.2018

000146

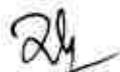
B-346

St. Mary's School, Mayur Vihar-II, Delhi

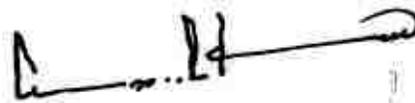
Present : Ms.Lizy Jobi, Head Clerk & Sh.Devender Kumar, Accounts Assistant of the school.

The Committee has prepared a calculation sheet in order to examine the justifiability of the hike in tuition fee, development fee and recovery of arrear fee as per order dated 11.2.2009 issued by the Director of Education. As per the calculations, the Committee observes that the school incurred a deficit on implementation of the recommendations of the 6<sup>th</sup> pay commission if the requirement of the school to keep, funds in reserve for meeting its accrued liabilities of gratuity leave encashment and for future contingencies is taken into account. With regard to regular development fee charged by the school, the Committee is satisfied that the school was fulfilling the preconditions laid by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern school. As such no interference is required either with regard to the recovery of arrear fee, development fee or the fee hike effected by the school in pursuant to order dated 11.2.2009. issued by the Director of Education.

Detailed order to be passed separately.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



12.02.2018

000147

B-409

The Air Force School, Subroto Park, Delhi

Present: Gp Capt. S.M. Sachdev, Admn. Officer, Sh. A.K. Singh, Office Supdt., Sh. D. Kaushik, UDC-Acctts, Sh. P. Manograban, LDC-Acctts, And Sh. Deepak, LDC -Acctts of the school.

The Committee has examined the details of different components of fee charged and salary paid by the school as submitted vide letter dated 01/07/2015 by the school and observes that as per the figures given therein the school recovered a sum of Rs. 74,93,575 as arrears of development fee for the period 01/09/2008 to 31/03/2009 and a sum of Rs. 1,17,19,590 as arrears of tuition fee for that period. Apparently, the school recovered arrears of development fee @ 64% of arrears of tuition fee as per the figures submitted by the school. Further the school has shown that its regular tuition fee rose from Rs. 3,84,43,713 in 2008-09 to Rs. 9,26,53,008. These figures are incorrect on the face of it and do not tally with the audited Income & Expenditure Account of the school for the year 2009-10. The authorized representatives appearing for the school admits that these figures are incorrect ex facie and undertake to file a revised chart, duly tallied with the respective Income & Expenditure Account for the respective years. The same may be done within two week. The figures of regular salary and arrear salary may also be revisited and revised if necessary to reconcile with the audited financials of the school.

With regard to regular development fee charged by the school, it is submitted that the school was fulfilling all the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School. It is submitted that the development fee was treated as a revenue receipt upto the year 2008-09 but from 2009-10, it was treated as a capital receipt and was utilized only for permitted purposes. The unutilized development fund as well as depreciation reserve fund on asset created out of development fund are kept in earmarked investment which the school owns with the Indian Airforce Benovering Association. The school is required to explain as to how investment with such institution was permitted in view of the provision of Rule 173 of the Delhi School Education Rules, 1973.

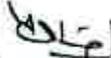
Matter will come up for further hearing on 21/03/2018.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S.KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



12.02.2018

000143

B-408

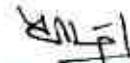
**Vasant Valley School, Vasant Kunj, Delhi**

Present: Ms. Shilpa Vedia, Chartered Accountant, Sh. Vedanta Verma, Advocate, Sh. A.P. John, Manager and Sh. Ramesh Chandra, Accountant of the school.

The Ld counsel appearing for the school has been heard. It is submitted that the school made a representation before the Grievance Redressal Committee constituted by the Dte. of Education vide its order dated 11/02/2009, making a request to the effect that the school would be in deficit even after recovering the arrear fee and hiking the tuition fee w.e.f. 01/09/2008 as for the scales laid down in that order and consequently the school ought to be allowed a further hike in tuition fee to the tune of Rs. 540 per month w.e.f. Sept. 2008 and an additional one time amount of Rs. 15,000 per student towards the payment of arrears. However, the representation made by the school did not find favour with Grievance Redressal committee and vide order dated 19/12/2009, the request of the school was declined as the Grievance Redressal Committee worked out that instead of a deficit as projected by the school, the school in fact had a surplus after the funds available with the school before the fee hike. The ld counsel relies upon para 83 of the judgment of the Hon'ble Delhi High Court in WPC 7777 of 2009 and submits that in appropriate cases where the Committee determines that the school required a further fee hike in order to give effect to the recommendations of VI Pay Commission, it can also give an appropriate recommendation, allowing the school to collect additional fee over and above the fee that the school raised as per the order dated 11/02/2009 of the Director of Education. It is further submitted that the school made another representation dated 24/012/2009 to the Director of Education in which it pointed out the shortcomings in the calculations made by the Grievance Redressal Committee and reiterated that the school ought to be allowed a further increase of Rs. 540 per month w.e.f. Sept. 2008 and a sum of Rs. 14,783 per student as one time additional increase in fee. However, the school has not got any reply to this representation. It is submitted that in case the Committee determines that the school had a deficit after implementation of the recommendations of VI Pay Commission, the school ought to be allowed appropriate amount of further fee hike to cover up the deficit.

The Committee had noticed vide its order dated 02/09/2015 that the school recovered arrears of development fee @ 15% of arrears of tuition fee for the period 01/09/2008 to 31/03/2009, while the school was originally charging development fee @ 10% of tuition fee as per the schedule of fee filed by the school under section 17 (3) of the Delhi School Education Act, 1973. The Ld. Counsel appearing for the school submits that the terms of reference of the Committee are limited to examining the hike in tuition fee as the salaries are sourced only from tuition fee as per the recommendations of Duggal Committee and therefore any additional hike in development fee over and above what was permitted by para 15 of the order dated 11/02/2009 of the Director of Education falls beyond the terms of reference of this Committee. Without prejudice he submits that in case the Committee determines

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12.02.2018

000149

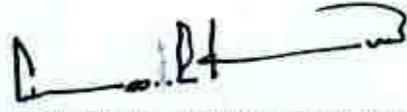
that the school incurred a deficit on implementation of the recommendations of VI Pay Commission, the ostensibly excess recovery of incremental development fee may be set off against such deficit.

He further submits that as per the judgment of Hon'ble Delhi High Court the determinations made by the Grievance Redressal Committee are not conclusive and are subject to corrections or modification by this Committee. He seeks to file written submissions covering all the aspect of this case. Liberty is granted to do so within one week.

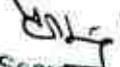
Recommendations reserved.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



13.02.2018

000150

B-584

General Raj's School, Hauz Khas, Delhi

Present: Sh.Santosh Bhardwaj, Accounts Clerk of the school.

An application has been filed on behalf of the school seeking adjournment on the ground that authorized representative is not available today.

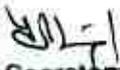
Sh. ~~Santosh~~ Bhardwaj, Accounts Clerk of the school who is present on behalf of the school has been given a copy of the preliminary calculation sheet prepared by the Committee as it appears that the school recovered more fee than was required for implementation of the recommendations of the 6<sup>th</sup> pay commission. The school may file its rebuttal on or before the next date of hearing. Matter to be listed for further hearing on 6<sup>th</sup> March 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



13.02.2018

000151

B-589

Ramjas School, R.K.Puram, Delhi

Present: Ms.Rachna Pant, Principal, Sh. J.P. Bhatt, UDC and Sh.UK Pandey Comp. Coordinator of the school.

The Committee has examined the audited financials alongwith the information submitted by the school in response to various communication by the Committee particularly the information submitted under cover of its letter dated 10<sup>th</sup> June 2015. The Committee had vide its order dated 3.12.2015 made an observation that the school recovered arrears of incremental development fee @ Rs.770 per student as against the arrears of tuition fee which were at Rs.2100 per student for the period 1.9.2008 to 31.3.2009. Apparently the recovery of incremental development fee as a percentage of incremental tuition fee worked out to 36.67%. The school was originally charging development fee @ 10% of tuition fee as per the schedule of fee filed by it u/s 173 of the Delhi School Education Act 1973. The school had responded vide its letter dated April 2015 in which it gave calculation of the arrears of development fee recovered by it from September 2008 to March 2009. On perusal of the calculation given by the school it is 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 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 is present at the time of hearing submits that the matter will be discussed with the management and if so directed, 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 quarters fee or by way of cash refunds to the students who have already left. She request for a date in the month of April 2018 by when the fee of the next quarter will be recovered.

The school has recovered arrears of development fee as aforesaid @ Rs.770 per student whereas it was entitled to recover Rs.315 per student as per clause 15 of order dated 11.2.2009 issued by the Director of Education.

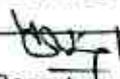
The school may take firm decision on refund of the excess fee recovered by it and in case it decides to refund, evidence of refund thereof will be produced on the next date of hearing. Next date of hearing is 20<sup>th</sup> April 2018.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



13.02.2018

000152

B-172

Ganga International School, Saavda Ghevra, Delhi

Present : Dr.B.K. Yadav, Principal, Sh.Vipul, Accountant, Sh.Agasti Kumar, Accountant & Sh.Rohit Arora, Accountant of the school.

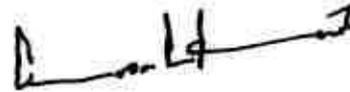
On the last date of hearing the school was required to file the statement of salary in the years 2008-09 and 2009-10 giving break up of the amount paid by cash /bearer cheques , account payee cheques or bank transfer for each month. However, the statement filed by the school does not give such break up, the authorized representative appearing for the school request for another date for this purpose. Matter will come up for further hearing on 8<sup>th</sup> March 2018 at 11.00 A.M. Further the information required to be given only in respect of the regular staff employed by the school who have been paid salaries as per the recommendations of the 6<sup>th</sup> pay commission.



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

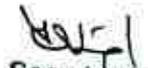


**J.S.KOCHAR  
MEMBER**



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

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**Secretary**



13.02.2018

000153 B-677

**Ganga International School, Hiran Khunda, Delhi**

Present : Sh.R.K.Narang, Accounts Officer, Sh.Rohit Arora, Accounts Officer & Sh. Rakesh Kumar, Accounts Assistant of the school.

The school has filed the following documents/details during the course of hearing today:

- A. Year wise breakup of arrears paid viz a viz total arrears due consequent to the revision of salaries on account of implementation of 6<sup>th</sup> pay commission report.
- B. Copies of authorization letters of staff whose arrear salary adjusted against notice paid payable by them.
- C. Copies of cash payment vouchers in respect of arrears paid to Sh.Rakesh Khatri.
- D. Details of accrued liability of gratuity aggregating Rs. 23,50,364 as on 31/03/2010
- E. Details of accrued liability of leave encashment aggregating Rs. 9,09,146 as on 31/03/2010
- F. Details of addition to fixed assets during the period 01/04/2008 to 31/03/2011.
- G. Receipt and Payment Accounts for the years 2008-09 to 2010-11.

As per the details now submitted the school claims to have paid arrears to the staff as follows:

Financial Year	Amount Paid
2008-09	0
2009-10	9,57,483
2010-11	1,81,634
2011-12	1,97,500
2012-13	7,55,902
2013-14	6,71,090
2014-15	16,61,934
Total	44,25,543

However, on examination of books of accounts which the school has produced in a lap top, the Committee observes that the actual payment made in the year 2014-15 amounts to Rs.15,10,999 as against Rs.16,61,934 claimed by the school. Thus as per the books of accounts the total arrear payment amounts to Rs.42,74,608. The authorization representatives appearing for the schools are unable to offer any explanation for this difference.

The Committee has also examined the books of accounts for the years in which the arrears are claimed to have been paid. The following position emerges with regard to the profitability of the school in those years.

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Secretary



13.02.2018

000154

Financial Year	Net Profit	Depreciation charge to revenue	Total cash accrual
2009-10	9,17,760	20,74,894	29,92,654
2010-11	2,81,288	21,99,863	24,81,151
2011-12	48,73,560	0	48,73,560
2012-13	8,61,235	0	8,61,235
2013-14	8,25,520	0	8,25,520
2014-15	24,24,684	0	24,24,684
2015-16	70,27,653	18,22,027	88,49,680

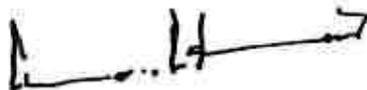
The aforesaid figures of profit have been arrived at after accounting for only the current years revenues and expenses for those years. The receipt of arrear fee is treated as a current liability for the purpose of payment of arrear salary. The school still had a sum of Rs.3,57,444 as the balance of arrear fee received which has not been disbursed towards payment of arrear salary although a large amount of Rs.99,12,762 is still payable to the staff as on 31.3.2016 as per the statement filed by the school. The school has not furnished the audited financials for the years in which it claims to have paid the arrear salaries. The school is required to file the audited financials (including receipt and payment accounts) for the years 2011-12 to 2016-17, to ascertain the source of funds from which the payment of arrear salary has been made in those years.

Even in respect of the financial years 2006-07 and 2007-08 the school has not filed the receipt and payment accounts despite clear direction given to the school on 18.1.2018. The school will furnish the same also alongwith the aforementioned documents.

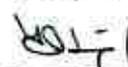
Matter will come up further examination of the accounts and the information furnished by the school on 09/03/2018. The school will keep the accounts handy in a laptop including for the years 2016-17 and 2017-18.

  
Dr. R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

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Secretary



16.02.2018

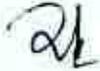
000155

B-464

St. Francis De Sales School, Janak Puri, Delhi

Present: Sh. Tomas Isac, Accountant of the school.

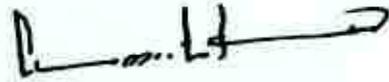
Request has been made on behalf of the school seeking adjournment on account of indisposition of their C.A. Sh.K.K. George. As requested matter will come up for hearing on 15.3.2018 at 11.00 A.M.



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

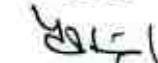


**J.S. KOCHAR**  
MEMBER



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

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Secretary

**16.02.2018**

000156

**B-544**

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

Present: Sh.Pradeep Kumar Verma, UDC of the school  
and  
Sh.Rohit Handa, Complainant.

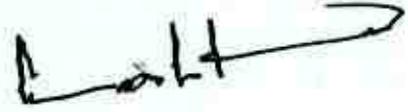
A copy of the calculation sheet prepared by the Committee has been given to the authorized representative appearing for the school as well as to the complainant. They may submit the rebuttal, if any within 3 weeks. Matter will come up for further hearing on 16<sup>th</sup> March 2018 at 11.00 A.M.



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



**J.S.KOCHAR  
MEMBER**



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

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**Secretary**

**16.02.2018**

000157

**B-623**

**Col.Satsangi's Kiran Memorial School, Chhatarpur, Delhi**

Present : Sh.Sanjeew Aggarwal, C.A., Sh.Krishna, Consultant, Sh.Ram Lal Pandit, Sr. Accountant, Sh.Surendra Prashad, Asst. Manager & Sh. Sunil Kohli, Accountant of the school.

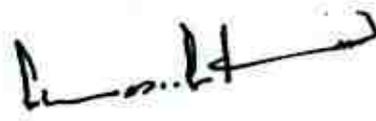
A copy of calculation sheet prepared by the Committee has been given to the school as it appears that the school did not need to hike any fee for the purpose of implementation of the recommendations of the 6<sup>th</sup> pay commission as the school had sufficient funds of its own prior to the fee hike. The school may submit its rebuttal, if any, within four weeks. Matter will come up for further hearing on 20<sup>th</sup> March 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



16.02.2018

000158

B-597

St. Margaret's Sr. Sec. School, Prashant Vihar, Delhi

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

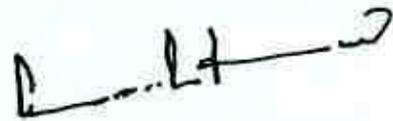
Request has been made on behalf of the school seeking adjournment. As requested matter will come up for hearing on 11.4.2018 at 11.00 A.M.



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



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



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

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20/02/2018

000159

**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**

**Faith Academy School  
Prasad Nagar Delhi (B-159)**

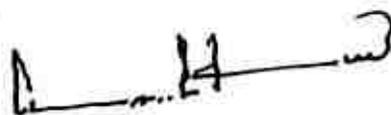
**And in the matter of**

**Application dated 15.06.17 for  
reconsideration / review of  
recommendations dated 09.11.13  
in the matter of school.**

Present: Dr. M.Kannan, Principal, Sh.S.Robert, Hon. Manager, Sh. Rakesh Mediratta, C.A. Auditor & Sh. Anil Lal, Sr. Admn. Officer of the school.

Arguments partly heard. The school was directed to disclose whether it had disclosed in CM 27358 of 2017 in writ petition (C) 5991 of 2017 titled Faith Academy Vs. Govt. of NCT of Delhi and Ors., the fact that the Committee had sought permission to consider the review application of the school before the Division Bench and the same was not accepted by the Division Bench.

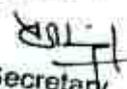
The learned authorized representative appearing for the school states that he does not have a copy of the writ petition which was filed. According to him the copy of the Writ Petition is with the Counsel. On the next date of hearing the school is to disclose whether this fact was disclosed before the Hon'ble Single Bench in 5991 of 2017 or not. The school will also file a copy of the aforesaid writ petition. Matter to come up on 21<sup>st</sup> March 2018 at 11.00 A.M. for further hearing.

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

  
**J.S. KOCHAR  
MEMBER**

  
**R.K. SHARMA  
MEMBER**

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Secretary



20/02/2018

000160 B-165

Maxfort School, Parwana Road, Pitampura, Delhi.

Present: Sh.Naresh Mahajan, C.A. & Sh.Manish, Accountant of the school.

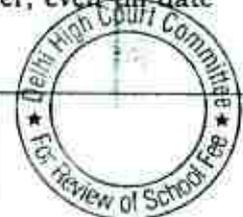
The school has filed written submissions dated 15.2.2018 vide which it has given details of the fee charged in 2008-09 vis a viz 2009-10 under different heads. It is contended that the overall fee hike effected by the school in 2009-10 as compared to 2008-09 was 11.47%. and the incremental tuition fee in 2009-10 was less than what was permitted vide order dated 11.2.2009 issued by the Director of Education. As per this order the school could have increased the tuition fee by Rs.500 per month but it increased the same by only Rs.315 per month. The rate of regular development fee charged by the school was 10% approximately in 2008-09 which was increased to 15% approximately in 2009-10 and the same was well within clause 14 of the aforesaid order dated 11.2.2009. It is further submitted that the Committee has taken a view, in the case of certain schools that have effected the overall fee hike around 10% in 2009-10, that no interference should be made with regard to that.

With regard to development fee the school has given details of the development fee charged in 2009-10 & 2010-11 and also details of fixed assets purchased during these two years. The school has admitted that it was not fulfilling the pre conditions laid down by the Duggal Committee with regard to maintenance of depreciation reserve fund account and funds earmarked against them. However, it started following the pre conditions laid down w.e.f. financial year 2015-16 and has relied upon the decision of this Committee in the case of Delhi Public School, Vasant Kunj in which similar facts and situation prevailed but the Committee did not order refund of development fee. The school has also furnished details of the order passed by this Committee in which, it is submitted, that only the excess of development fee over 15% of tuition fee should be refunded. A further submission has been made that as per the mandate of the Hon'ble High Court in WP (C) 7777 of 2009, the Committee was required to look into aspect whether the fee collected by the school was sufficient for the recommendations of the 6<sup>th</sup> pay commission or not and the issue of development fee cannot be looked into by this committee.

The Committee notices that the original recommendations made by it on 19.10.2015 was without any representation made on behalf of the school particularly to the notice dated 20.8.2015 which was issued to the school to provide information with regard to arrear fee, arrear salary, normal tuition fee, normal salary in the years 2008-09, 2009-10 & 2010-11 as the same was not responded to by the school. The review application of the school was allowed on procedural grounds and as the school contended that it had not been served the aforesaid notice dated 20.8.2015. However, even till date

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20/02/2018

000161

the school has not furnished its reply to the notice dated 20.8.2015 issued by the Committee.

The school is required to comply with the aforesaid notice dated 20.8.2015 issued by the Committee and furnish the information called for in the format given in the notice, besides other information mentioned therein. A similar notice dated 26.5.2015 issued earlier also remained uncomplied. The needful may be done within 2 weeks. Matter will come up for further hearing on 5<sup>th</sup> April 2018 at 11.00 A.M.

*R.K.*

**R.K. SHARMA  
MEMBER**

*J.S.*

**J.S. KOCHAR  
MEMBER**

*A. K.*

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

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*Secretary*  
Secretary



20/02/2018

000162

B-407

Saraswati Vidyalaya S.S.School, Darya Ganj, Delhi.

Present: Mrs. Geeta K. Pruthi, Administrator and Sh. M.D. Sanwal,  
Chief Accountant of the school.

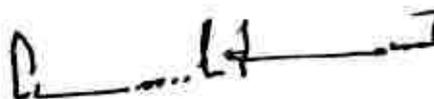
Mrs. K Pruthi Administrator of the school who is present submits that the school has already refunded a total sum of Rs.119900 out of Rs.145525 which was refundable to the students and the process of the refund is still on. She submits that it take another month or so to complete the process. In view of that submission made by her the matter is adjourned to 17<sup>th</sup> April 2018 at 1100.A.M.



**R.K. SHARMA**  
MEMBER

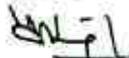


**J.S. KOCHAR**  
MEMBER



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

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Secretary

21/02/2018B-533Presentation Convent School, SP Mukherjee Marg, Delhi

Present: Sh. J.A.Martins, Auditors, Sh.Ratan Kumar Mishra, Accounts Officer & Sh. Prema, Office Assistant of the school.

The Committee has prepared a calculation sheet in order to examine the justifiability of the recovery of arrear fee and the hike in tuition fee, development fee in pursuance of order dated 11.2.2009 issued by the Director of Education. The Committee notices that the school increased tuition fee @ Rs.200 per month for classes KG to 5<sup>th</sup> and @ Rs.300 per month for classes 6<sup>th</sup> to 12<sup>th</sup>. In addition the school also recovered the lump sum arrear fee for the period 1.1.2006 to 31.8.2008 at the prescribed rates and also arrears of incremental tuition fee and incremental development fee for the 7<sup>th</sup> months period of 1.9.2008 to 31.3.2009.

The Committee notices that the school utilized the regular development fee for the years 2009-10 and 2010-11 also for the purpose of meetings its increased obligations arising on account of implementation of the recommendations of 6<sup>th</sup> pay commission. The calculations made by the Committee show that even after so utilizing the development fee and the arrear fee as stated above, and increasing the tuition fee for the year 2009-10, the school remained in deficit, if the requirement of the school to keep funds in reserve for meetings its accrued liability of gratuity and leave encashment and for future contingencies is factored in. Therefore, so far as the recovery of lump sum fee arrears and incremental tuition fee arrears for the period 1.9.2008 to 31.3.2009 and also the incremental tuition fee for the year 2009-10 or the development fee charged by the school in 2009-10 and 2010-11 are concerned, the committee is of the view that no intervention is required to be made therein.

However, so far as the arrears of development fee for the period 1.9.2008 to 31.3.2009 are concerned, the Committee finds that the school recovered the same @ 15% of tuition fee when the school was actually charging development fee @ 10% of tuition fee in the year 2008-09. Prima facie it appears that the school would be required to make a refund of Rs.7,38,965 towards the excess recovery of arrears of development fee. However, at this stage the authorized representative appearing for the school draws the attention of the Committee to the letter dated 6.11.2013 given by the school alongwith its reply to the questionnaire issued by the Committee wherein it is stated that the school did not increase fee under any head in the year 2008-09 and as such the apparent refund required to be made may not be ordered to be made.

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Secretary The Committee has examined that fee schedules for the years 2007-08 and 2008-09 and observes that there was actually no hike in fee under any head in 2008-09 as compared to 2007-08. The Committee has taken a view in a few cases i.e. Sardar Patel Vidyalaya and some others where the school did not hike any fee



21/02/2018

the immediately preceding year or years, the fee hike effected by the school in 2009-10 ought to be spread over to the years in which the school did not hike any fee. Drawing the same analogy, the Committee is of the view that since the school did not hike any fee in 2008-09 which it could have done upto 10% of the fee charged by it in 2007-08, resultant increased revenue would have been around 42 lakhs in the year 2008-09, the school need not make any refund on account of the excess recovery of arrears of development fee for the period 1.9.2008 to 31.3.2009, which is a small amount of Rs.7,38,965.

Accordingly, the Committee is of the view that no intervention is required to be made with regard to the recovery of development fee for the period 1.9.2008 to 31.3.2009 also.

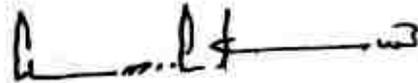
Detailed order to be passed separately.



**R.K. SHARMA**  
MEMBER

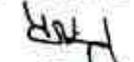


**J.S. KOCHAR**  
MEMBER



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

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Secretary


21/02/2018B-235Crescent Public School, Pitam pura, Delhi

Present: Sh.Puneet Batra, Advocate of the school.

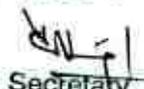
The Committee has prepared a calculation sheet in order to examine the justifiability of fee hike effected by the school as well as arrear fee recovered by it in pursuance of order dated 11.2.2009 issued by the Director of Education. As per the calculations made by the Committee, it is determined that the school had a small amount of funds amounting to Rs.3,78,278 available with it before the fee hike. The additional liabilities that withheld on the school on account of implementation of recommendations of the 6<sup>th</sup> pay commission upto 31.3.2010 amounted to Rs.62,64,613 while the recovery made by the school on account of arrear fee and increased tuition fee upto 31.3.2010 was only Rs.39,91,650. Thus the school incurred a deficit to the tune of Rs.18,94,685.

With regard to development fee, the Committee notices that the school was not fulfilling of any of the pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School. The total amount of development fee recovered by the school for the years 2009-10 and 2010-11, in pursuant to order dated 11.2..2009 amounted to Rs.36.47,135. After adjusting the short fall in tuition fee, apparently a sum of Rs.17,52,450 out of the development fee for the year 2010-11 would be refundable. However the Committee is not inclined to make any such recommendations in view of the fact that the school had accrued liability of gratuity to the tune of Rs.22,68,100, besides accrued liabilities for leave encashment which was Rs.11,41,886.

In view of the above observations, the Committee is of the view that no intervention is required to be made as with regard to the arrear fee or with regard to the incremental tuition fee w.e.f 1.9.2008 or with regard to development fee charged by the school in the years 2009-10 and 2010-11.

Detailed order to be passed separately.

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Secretary



**R.K. SHARMA**  
MEMBER



**J.S. ROCHAR**  
MEMBER



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

21/02/2018

000166

B-277

Hans Raj Smarak School, Dilshad Garden, Delhi.

Present: Sh. Rajiv Gupta, Accountant of the school

The Committee has prepared a calculation sheet in order to examine the justifiability of fee hike and recovery of arrear fee in pursuance to order dated 11.2.2009 of Director of Education. A copy of the calculation sheet has been given to the authorized representative appearing for the school. Prima facie, it appears that the school may be required to make a refund.

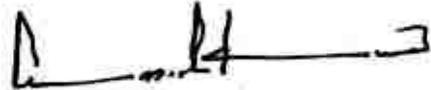
The school may file its rebuttal, if any, on or before the next date of hearing. Matter will come up for further hearing on 5<sup>th</sup> April 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**

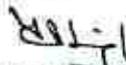


**J.S. KOCHAR  
MEMBER**



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

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Secretary



21/02/2018

000167

B-368

Hans Raj Smarak School, Krishna Nagar, Delhi.

Present: Sh. Rakesh Kumar Mahajan, UDC of the school.

The Committee has prepared a calculation sheet in order to examine the justifiability of fee hike effected by the school in pursuance to order dated 11.2.2009 of Director of Education and also the recovery of arrear fee and development fee. As per the calculations made by the Committee, the school did not have any funds in its entity before the fee hike. In fact the net current assets were in the negative zone. The additional liabilities that the school was required to discharge on implementation of the recommendations of the 6<sup>th</sup> pay commission amounted to Rs.19,67,149 upto 31.3.2010 as against which the additional revenue generated by the school by way of recovery of arrear fee, increasing the tuition fee w.e.f. 1.9.2008 amounted to 17,58,025. Thus the school incurred a deficit to the tune of Rs.2,09,124.

Although the school was not fulfilling any of the pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School, with regard to development fee the Committee notices that the total recovery of development fee by the school in the years 2009-10 and 2010-11, in pursuance to order dated 11.2.2009 of the Director of Education amounted to Rs.9,12,517. After seeing the shortfall incurred by the school on implementation of the recommendations of the 6<sup>th</sup> pay commission, there remained a sum of Rs.7,03,446 out of the development fee collection for these two years which apparently the school ought to refund. However, the Committee is not inclined to make any such recommendations as while working out the deficit on account of implementation of the recommendations of the 6<sup>th</sup> pay commission, the Committee has not considered the requirement of the school to keep funds in reserve for future contingencies which the Committee as a norm has determined to be equivalent to four months salary in the case of all the schools. The same amounts to Rs.17,33,031.

In view of the foregoing observations, the Committee is of the view that no intervention is required to be made with regard to recovery of arrear fee, hike in tuition fee w.e.f 1.9.2008 or the recovery of development fee in the years 2009-10 and 2010-11.

Detailed order to be passed separately.

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Secretary



R.K. SHARMA  
MEMBER

J.S.KOCHAR  
MEMBER

JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

21/02/2018

000168

**B-469**

**St. Peter's Convent School, Vikas Puri, Delhi.**

Present: Sh. Rohit Kumar, Trainee of CA of the school.

The school has furnished a statement showing its accrued liability of gratuity and leave encashment as on 31.3.2010. As per the statement, the school did not have any liability towards leave encashment but a sum of Rs.21,71,054 has been projected to be its accrued liability for gratuity. A request is made on behalf of the school for an adjournment. The same is allowed and the matter will come up for hearing on 5<sup>th</sup> April 2018 at 11.00 A.M.

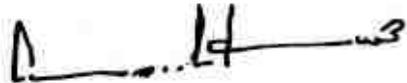
The Committee has observed that the information furnished by the school with regard to different component of fee and salary vide its letters dated 19.8.2015 and 20.8.2016 does not match with the audited financials of the school. In order to verify the same the school will produce its books of accounts, which are maintained in Tally software for the years 2006-07 to 2010-11 in a lap top.



**R.K. SHARMA  
MEMBER**

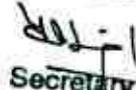


**J.S. KOCHAR  
MEMBER**



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

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21/02/2018

000169

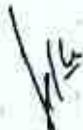
B-286

Mount Abu Public School, Sector-5, Rohini, Delhi

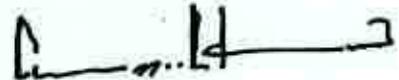
Sh.Puneet Batra Counsel for the school has filed an application for adjournment on account of personal difficulty. As requested matter will be come up on 11<sup>th</sup> April 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER

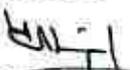


**J.S. KOCHAR**  
MEMBER



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

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21/02/2018

000170

B-294

Mount Abu Sr.Sec. School, Sector-18, Rohini, Delhi

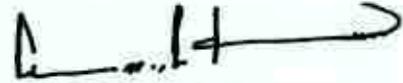
Sh.Puneet Batra Counsel for the school has filed an application for adjournment on account of personal difficulty. As requested matter will be come up on 11<sup>th</sup> April 2018 at 11.00 A.M.



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

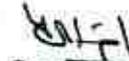


**J.S. ROCHAR**  
**MEMBER**



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

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**Secretary**

23/02/2018

000171

B-662

**DAV Model School, Yusuf Sarai, Delhi**

Present : Sh.Prafulla Mahapatra, UDC (Accounts) and Sh.Surendra Kumar, UDC (Accounts) of the school.

In this case the hearing had been concluded on 8.10.2015. However, the recommendations could not be finalized on account of the change in constitution of the Committee due to resignation of Justice Anil Dev Singh as Chairman of the Committee.

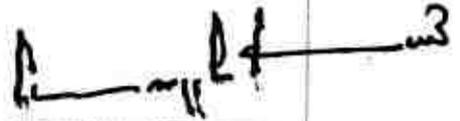
In the meantime, the Committee has prepared a calculation sheet to examine the justifiability of fee hike effected by the school pursuant to order dated 11.2.2009 issued by the Director of Education. The calculations, prima facie show that the school may be required to refund a part of the fee hiked by it pursuant to the aforesaid order. Accordingly, a copy of calculation sheet has been given to the authroised representative appearing for the school for rebuttal, if any. The matter will come up for further hearing on 6<sup>th</sup> April 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**

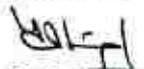


**J.S.KOCHAR  
MEMBER**



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

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Secretary



23/02/2018

000172

B-379

DAV Public School, East of Kailash, Delhi

Present : Sh.Santosh Kumar, Assistant Accountant of the school.

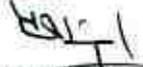
Sh. Santosh, Assistant Accountant of the school has filed a letter signed by the principal requesting for another date in mid March 2018 on account of non availability of the Office Superintendent who is retired. The Committee has prepared a calculation sheet based on the audited financials of the school and the information given by it in response to various communications from this Committee. Prima facie it appears that the school had sufficient funds of its own and did not require to hike any fee for implementation of the recommendations of the 6<sup>th</sup> pay commission. Further, the school was not fulfilling the pre-conditions laid down by the Duggal Committee which was affirmed by the Hon'ble Supreme Court in the case of Modern School. A copy of the calculation sheet has been given to Sh.Santosh. The school may file its rebuttal on or before the next date of hearing and also produce its books of accounts for the years 2006-07 to 2010-11. The matter will come up for further hearing on 6<sup>th</sup> April 2018 at 11.00 A.M.

  
**R.K. SHARMA**  
MEMBER

  
**J.S. KOCHAR**  
MEMBER

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

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Secretary



23/02/2018

000173

B-60

The Heritage School, Sector-23, Rohini, Delhi

Present : Sh.Pulkit Malhotra, Advocate of the school.  
Present: for the complainant- None

The Counsel appearing for the school has filed a reply to the complaint lodged by one of the parents. Nobody is present on behalf of the complainant. The Counsel appearing for the school undertakes to send copy of the reply to the Counsel of the complainant.

With regard to the objections filed by the school to the calculation sheet, the Counsel submits that certain issues have framed by the Hon'ble Delhi High Court in WPC 7777 of 2009 vide order dated 27.10.2017 and the matter is being presently heard by the High Court. He submits that the decision of Hon'ble High Court will have implications in the case of this school also and accordingly submits that the matter be taken after the final decision of Hon'ble High Court.

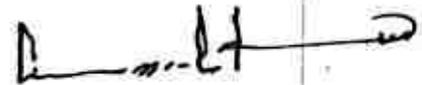
Accordingly, matter is adjourned to 16th<sup>th</sup> April 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**

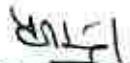


**J.S. KOCHAR  
MEMBER**



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

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Secretary



05.03.2018

B-355

Bhai Parmanand Vidya Mandir, Surya Niketan, Delhi

000174

Present: Sh. Braj Bhushan Ojha, Accountant of the school.

The school has filed written submissions dated 05/03/2018 in rebuttal to the calculation sheet prepared by the Committee. The same is taken on record. The authorized representatives appearing for the school submits that the Committee ought to provide the basis on which it has arrived at the figure of Rs. 1,72,26,911 as funds diverted. However, the Committee notes that the relevant calculation in respect of this figure was provided to the school along with the calculation sheet and the figures are arrived from the Receipt and Payment account of the school. Apparently the school has nothing to say to controvert this figure.

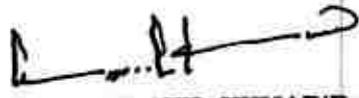
The further submission made by the school is that the unsecured loans ought to be treated as a current liability while making the calculation with regard to funds availability with the school prior to fee hike.

Further the school has submitted that it was fulfilling all the pre conditions with regard to charging of development fee and therefore, the Committee ought not to take an adverse view with regard to that.

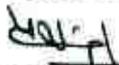
Arguments heard. Recommendations reserved.

  
**R.K. SHARMA**  
MEMBER

  
**J.S. KOCHAR**  
MEMBER

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

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Secretary



28/02/2018

05/03/2018

000175

B-295

Lions Public School, Ashok Vihar, Delhi

Present : Sh. Harish Oberoi, Manager of the school.

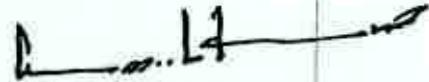
A copy of the calculation sheet has been given to the Manager of the school for rebuttal, if any. Matter will be taken up for further hearing on 6<sup>th</sup> April 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER

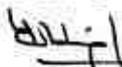


**J.S. KOCHAR**  
MEMBER



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

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Secretary



05.03.2018

B-588

Tagore International School, Vasant Vihar, Delhi

000176

Present : Sh.Vedanta Varma, Advocate, Sh.Sandeep Garg, C.A. & Sh. Rajeev Agarwal, Accountant of the school.

The school has again revised the statement of fee and salary for the years 2008-09, 2009-10 & 2010-11. On examining the same alongwith the audited financials of the school and books of accounts, the Committee has arrived at the following figures which are relevant for the purpose of making calculations.:

Particulars	F.Y.2008-09	F.Y.2009-10	Effect of Sixth Pay Commission
Arrear salary from 1.1.2006 to 31.8.2008	1,04,32,171		1,04,32,171
Arrear Salary for the period 1.9.2008 to 28.2.2009 + Incremental salary of March 2009	89,70,671+9,33,942 =99,04,613		99,04,613
Regular Salary for the whole year Less incremental salary for March 2009 on account of Sixth Pay Commission Net salary without taking effect of Sixth Pay Commission	2,11,84,003 9,33,942 2,02,50,061	3,41,72,961	1,39,22,900

The Committee has examined the information furnished by the school with regard to payment of arrears along with the corresponding bank statements under cover of its letter dated 20/10/2015 and observes that out of a total amount of Rs. 89,70,671 provided for the period 01/09/2008 to 28/02/2009, the school has paid a sum of Rs. 53,67,597 only. The balance of **Rs. 36,03,074** is apparently still payable. Likewise, out of the total amount of Rs. 1,04,32,171 provided for the period 01/01/2006 to 31/08/2008, only a sum of Rs. 96,26,926 has been paid. The balance of **Rs. 8,05,245** is apparently still payable. The school has not been able to furnish any justifiable reason for non payment of the aforesaid amount of arrears, although it has provided for the same in its books of accounts. This could be on account of the fact that the school has made provision of its liabilities on account of payment of arrears, consequent to implementation of recommendations of VI Pay Commission.

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Secretary



05.03.2018

000177

With regard to fee, the Committee has examined the figures furnished by the school and verified the same from the audited financials. They appear to be in order. As such, they would be considered for making the relevant calculations.

The Committee has examined the circulars issued by the school regarding fee hike effected by it, pursuant to order dated 11/02/2009 issued by the Director of Education and observes that the hike was made at the maximum rates which the school was apparently permitted to make. However, the funds position of the school before the fee hike needs to be examined based on the audited balance sheet as on 31/03/2008.

With regard to regular development fee, the school submits that it started charging the same from the students who were admitted in the academic year 2008-09 at the entry level. From the older students, no development fee was charged. However, the Committee notes that contrary to the submission of the school that the development fee was treated as a capital receipt in its reply to the questionnaire, the audited financials revealed that the same was treated as a revenue receipt. The counsel appearing for the school has also admitted this fact but submits that the development fee was utilized only for permitted purposes. With regard to maintenance of earmarked development fund and depreciation reserve fund accounts, he concedes that they were not maintained.

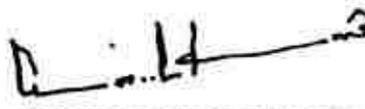
Calculation sheet to be prepared. Matter will come up for further hearing on 20/04/2018 at 11.00 a.m.



**R.K. SHARMA**  
MEMBER

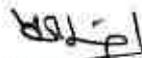


**J.S. KOCHAR**  
MEMBER



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

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Secretary

06.03.2018B-63Tagore School, Maya Puri, Delhi

Present: Sh. Kamal Kishore Khattar, A.O., Sh. Pramod Kumar,  
representative of the school.

The school has filed a letter dated 06/03/2018 enclosing therein proof of having paid a sum of Rs. 44,682 to Ms. Poonam Sharma. It has also enclosed copy of letter sent to Ms. Sonica Sharma, requesting her to collect the cheque for Rs. 23,810 from the office of the school. The school may send the cheque to her by speed post instead of asking her to collect it from the school.

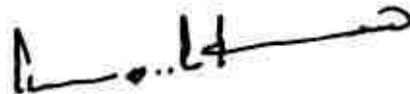
After taking into consideration, the aforesaid payments made towards arrear salary, calculation sheet to be prepared to examine the justifiability of the hike in regular fee and recovery of development fee pursuant to order dated 11/02/2009 issued by the Director of Education. Matter to come up for further hearing on 10/04/2018 at 11.00 a.m.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary


06.03.2018

B-564

Columbia Foundation School, Vikas Puri, Delhi

Present : Sh. Pradeep Singh, Head Clerk, Sh. Subhas Kumar, Accountant and Sh. Gigy Vargese clerk of the school.

The school has filed a revised statement of fee and salary under cover of its letter dated 05/03/2018. The school has also produced its books of accounts maintained in tally software in a laptop for the years 2008-09 to 2010-11. The Committee has examined the aforesaid statement with reference to books of accounts as well as the audited financials of the school. The Committee has observed that the regular salary paid by the school including employees provident fund amounted to Rs. 1,11,71,244 in 2008-09 as against Rs. 1,15,74,930 reported by the school in the statement. Similarly, the correct figure as per books of accounts for the year 2009-10 is Rs. 1,37,23,382 as against Rs. 1,39,92,120 reported by the school. The authorized representatives appearing for the school submit that certain other expenses like staff welfare has also been included in the figures reported by the school and the difference is on that account.

Further, as per the revised statement filed today, the school collected a sum of Rs. 2,60,450 as arrear fee in the year 2008-09 and another sum of Rs. 39,06,018 in the year 2009-10. Thus totaling Rs. 41,66,468. Out of this, only a sum of Rs. 15,79,355 was disbursed to the staff as arrear salary in the year 2009-10. While the collection in 2008-09 amounting to Rs. 2,60,450 was appropriated by the school as its own income in 2008-09 itself, the remaining balance of Rs. 23,26,663 was carried as a liability to be paid to the staff in subsequent years. This payment was made by the school in the year 2012-13. In the meantime, the school earned cash profit of Rs. 39.06 lacs in 2010-11, and Rs. 44.05 lacs in 2012-13 while it incurred a cash deficit of Rs. 13.59 lacs in 2011-12. Thus the school earned a cash profit of Rs. 69.52 lacs in the three years period of 2010-11 to 2012-13. It is obvious that the arrear payment amounting to Rs. 23.26 lacs in the year 2012-13 was not made out of the arrear fee collected by the school but from the profits earned by the school in the subsequent years. The total liquid assets held by the school in the shape of FDRs, cash and bank balances showed a similar accrual in these years.

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The school has filed certificates from Vijaya Bank to the effect that the individual cheques paid towards arrear salary were account payee in nature.

Calculation sheet to be prepared to examine the justifiability of fee hike and recovery of arrear fee and development fee pursuant to



**06.03.2018**

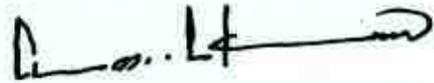
Committee will exclude the sum of Rs. 23,26,663 paid as arrear salary in 2012-13 from the calculations for the aforesaid reasons. Matter to come up for further hearing on 17/04/2018 at 11.00 a.m.



**R.K. SHARMA  
MEMBER**

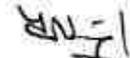


**J.S. KOCHAR  
MEMBER**



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

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Secretary



000181

06.03.2018

B-584

General Raj's School, Hauz Khas, Delhi

Present : Sh. Rakesh Sharma, Director, Admn. And Sh. Santosh Bhardwaj, Accountant of the school.

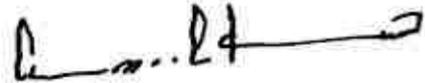
An oral request has been made by the authorized representatives appearing for the school for adjournment for filing a rebuttal to the preliminary calculation sheet. The request is granted Matter to come up for hearing on 13/04/2018 at 11.00 a.m.



**R.K. SHARMA**  
MEMBER

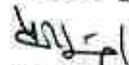


**J.S. KOCHAR**  
MEMBER



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

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Secretary

08.03.2018

000182

B-631

CRPF Public School, Rohini, Delhi

Present: Ms. Suguna, UDC (Accounts), Ms. Anu Anand, Asstt. Programmer of the school.

The school has produced the print outs of relevant ledger accounts of different components of fee and salary for the period 2008-09 only. The same have been verified by the Committee with reference to the revised information filed by the school under cover of its letter 08/12/2015.

The information with regard to different components of fee as reflected in the statement, seems to be in order. However with regard to regular salary, the Committee observes that the school has also included salaries paid on various accounts like those paid to daily wagers, honorarium to guest faculty and salary to adhoc staff also in the total figure of Rs. 2,21,43,146. Since these payments have no relation with the implementation of VI Pay Commission, these will be excluded from the relevant calculations to be made by the Committee.

Further, the information with regard to arrear salary as furnished by the school for the years 2008-09 and 2009-10 also does not appear to be correct. As per the audited financials of the school, it made a provision of Rs. 1,92,70,301 for payment of arrear salary to the staff in 2008-09. The payments made in 2009-10 and 2010-11 appear to have been reduced from this provision. However, there still remain a balance of Rs. 4,58,432 in the balance sheet of 2010-11 indicating that this sum was still outstanding. The authorized representatives appearing for the school submits this has also been paid in the subsequent years. The school will produce the ledger account for provision for arrear salary from 2008-09 upto the date it has been fully scared up along with the bank statement showing the relevant payments. The school will also produce the print outs of the relevant ledger accounts for the year 2009-10 in respect of different components of fee and salary as reflected in the statement filed by the school. Matter will come up for further hearing on 17/04/2018 at 11.00 a.m.



**R.K. SHARMA  
MEMBER**

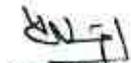


**J.S. KOCHAR  
MEMBER**



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

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Secretary



08.03.2018

000183

B-686

Arunodaya Public School, Karkardooma, Delhi

Present : Sh. Kunal Bansal, Chartered Accountant and Sh. Bhagsar Singh, Accountant of the school.

The accounts of the school have been examined by the audit officer of the Committee who has confirmed that the school collected a sum of Rs. 19,45,750 towards its arrear fee but disbursed only a sum of Rs. 15,08,800 towards arrear salary and the last payments were made in the year 2012-13. The authorized representatives appearing for the school, during the course of hearing state that the balance of Rs. 4,36,950 out of the arrear fee collection is still available with the school and has not been paid till date, although the school has a liability to pay the arrears to the staff which is more than the aforesaid amount of Rs. 4,36,950. They submit that they may be given about one months time during which they will make the requisite payments.

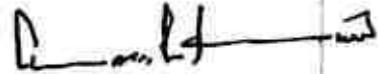
As requested, the matter is adjourned to 13/04/2018 at 11.00 a.m. on which date, the school will file a complete list of the arrears of salary which were due to be paid to the staff for the period 01/01/2006 to 31/03/2009 and mentioned there against the dates and amount of such payments and the balance still left to be paid. The school will produce evidence of such payment in the shape of acknowledgements from the staff and copy of the bank statement showing such payments.



**R.K. SHARMA  
MEMBER**

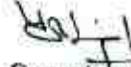


**J.S. KOCHAR  
MEMBER**



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

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Secretary



08.03.2018

000184

B-172

Ganga International School, Saavda Ghevra, Delhi

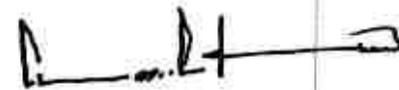
Present : Sh. A.K. Beheva, and Sh. Vipul, Accountants of the school.

The school has filed statement showing mode of payment of salary in the years 2008-09 and 2009-10. As per the statement, while in 2008-09, the school was paying salary both by means of direct bank transfer and account payee cheques, in the year 2009-10, almost the entire salary is showed to have been paid by means of bank transfer. The statement itself reflects that no salary was paid for the month of Nov. 2009 but in the subsequent month, it was paid for the two months together. Further the Committee has observed that while the school shows payments in its books of accounts on or about 7<sup>th</sup> of every month, the actual encashment of cheques takes place after a considerable period stretching even upto two months. The authorized representatives appearing for the school submits that the entry in the books are made on the date the cheques are prepared and not on the dates they are issued to the staff for payment. This indicates that the cheques after being prepared are withheld by the school for long time. Even at a close of the year, the salary for two months was outstanding i.e. Feb. and March 2010.

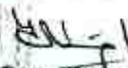
The school will submit the detailed print outs of salary payable accounts for the years 2008-09 and 2009-10 and marked against each entry the actual date of encashment of cheques from the banks. This may be done within 10 days. Matter will come up for further hearing on 13/04/2018 at 11.00 a.m.

  
**R.K. SHARMA**  
MEMBER

  
**J.S. KOCHAR**  
MEMBER

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

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Secretary



09.03.2018

000185

B-650

St. Columbia's School, Ashok Vihar, Delhi

Present: Sh. Samuel George, Accountant & Ms. Renu Rana, P.A. to the Principal of the school.

The Committee has perused the circular dated 20.2.2009 and 24.2.2009 issued to the parents of the students regarding arrears of fee to be recovered from them in pursuant to order dated 11.2.2009 issued by the Director of Education. As per the circulars the school recovered arrears of tuition fee for the period 1.9.2008 to 31.3.2009 at a uniform rate of Rs.300 per month, thus totaling Rs. 2100 for the aforementioned period. However, besides tuition fee arrears the school also recovered arrears of development fee for the same period which were at varying rates for different classes. For classes KG to IIIrd the arrears of development fee were collected @ 147 per month i.e. Rs.1029 for 7 months. For classes 4<sup>th</sup> to 8<sup>th</sup> it was collected @ Rs.154 per month i.e. Rs.1078 for 7 months. For classes 9<sup>th</sup> & 10<sup>th</sup> it was collected @ Rs.164 per month i.e. 1120 for 7 months and for classes 11<sup>th</sup> & 12<sup>th</sup> it was collected @ Rs.176 per month i.e. 1232 for 7 months. The circulars do not mention anything about recovery of lump sum arrear fee for the period 1.1.2006 to 31.8.2008. It is submitted by the authorized representative appearing for the school that the school did not collect any arrears for that period. Although it was entitled to collect the same @ Rs.3000 per student.

Discernable from the above figures is the fact that the school recovered arrears of development fee for the period 1.9.2008 to 31.3.2009 at a rate which was between 49% and 58% of the arrears of tuition fee. The Committee has examined the fee schedule for the year 2008-09 and observes that the school was charging a fixed amount of development fee for all the classes @ Rs.255 per quarter while the tuition fee varying from Rs.3735 to Rs.4320 per quarter for different classes. It is evident that the development fee charged by the school was not at a fixed percentage of tuition fee.

The information filed by the school under cover of its letter dated 21.9.2015 with regard to different components of fee and salary for the years 2008-09, 2009-10 & 2010-11 is not verified from the audited financials of the school as the same contained only the consolidated amounts without any break up. The school has also not produced its books of accounts for these years. The authorized representative appearing for the school submits that the accountant of the school retired and the school has not been able to print out of the ledger accounts of those years. They seek sometime to trace out the same and produce before the Committee.

As requested the matter is adjourned to 1<sup>st</sup> May 2018. The school will also provide the basis of the figures of different component

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09.03.2018

000186

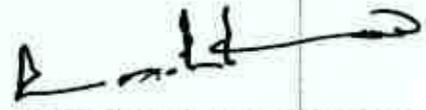
of fee and salary as furnished by it vide its letter dated 21.Sept. 2015 in case there is variance with the figures emanating from books of accounts.



**R.K. SHARMA  
MEMBER**

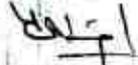


**J.S. KOCHAR  
MEMBER**



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

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Secretary

09.03.2018

000187

B-683

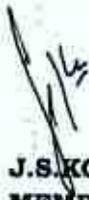
The Baptist Convent School, Patparganj, Delhi

Present : Sh.Puneet Batra, Advocate of the school.

The Counsel appearing for the school has filed his Power of Attorney and states that he is engaged in the matter and need some time to prepare the case. As requested by him, matter is adjourned to 1<sup>st</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**



**J.S. KOCHAR  
MEMBER**



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

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Secretary

09.03.2018

000188

B-677

Ganga International School, Hiran Kunda, Delhi

Present : Sh.R.K. Narang, Accounts Officer & Sh. Vinay Batra,  
Accountant of the school.

The school has filed the documents which were required to be filed by order dated 13.2.2018. The same has been perused by the Committee. The school has also filed the revised detail of receipt of arrear fee and payment of arrear salary after making the necessary corrections. As per the details filed today the school recovered a total sum of Rs.51,07,962 towards arrear fee but admittedly paid only a sum of Rs.42,68,608 towards arrear salary. As per the statement of total arrear salary payable viz. a viz that the school still has a liability to pay sum of Rs.1,00,69,697 towards arrear salary payable for the period 1.1.2006 to 31.3.2009. It is not intelligible that when the school has such a large outstanding liability, why it has not paid even the full amount of arrear fee collected from the students.

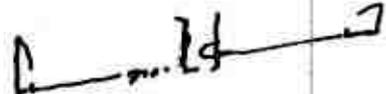
Be that as it may, calculation sheet to be prepared. Matter will come up for further hearing on 4<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary

15.03.2018

000189

B-414

Jindal Public School, Dashrathpuri, Delhi

Present: Sh.Uttam Singh, Principal, Sh. Manava Prem C.A., Sh. Banne Singh, UDC & Sh. Sansar Chand, Accountant of the school.

As per the previous order of the Committee the school had produced its fee and salary records before the Audit Officer of the Committee which were examined by her and she has recorded her observations on 12.4.2017 and 2.5.2017. The same will be considered while preparing the calculation sheet.

With regard to increase in development fee w.e.f. 1.9.2008 the authorised representatives contend that the observations made by the Committee in its order dated 6.4.2016 are not wholly correct. In fact the school did not increase the development fee from 1.4.2008 to 31.8.2008 from 10% to 15% but increased it to 15% of tuition fee only w.e.f. 1.9.2008. He has brought the attention of the Committee to the justifications submitted by the school on 6.12.2016 in which the school has given the calculation of the arrears of development fee recovered by the school for the period 1.9.2008 to 31.3.2009.

The mute question is whether the school which was charging development fee @ 10% of tuition fee for the academic year 2008-09, as per the schedule of fee filed by the school under section 17 (3) of the Delhi School Education Act 1973, could have increased it 15% of tuition fee w.e.f. 1.9.2008, without specific approval from the Director of Education. The authorized representative submits that the school could have done so in view of clause 14 of the circular dated 11.2..2009 issued by the Director of Education.

Calculation sheet to be prepared. Matter will come up for further hearing on 1.5.2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER

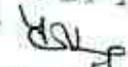


**J.S. KOCHAR**  
MEMBER



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

TRUE COPY

  
Secretary



15.03.2018

000190

B-464

St. Francis De Sales School, Janakpuri, Delhi

Present : Sh.K.K.George, C.A. & Sh.Thomas Isac Accountant of the school.

The school has filed information in respect of implementation of recommendations of Sixth Pay Commission along with details of salary arrears paid. The school had earlier also furnished such information and it is submitted by the authorized representative that the information now submitted by the school only gives the detailed breakup of the information submitted earlier.

The Committee has checked the information submitted today with the preliminary calculation sheets which had prepared on its own with reference to the information furnished by the school and the audited financials of the school. It observes that the figure with regard to arrear salary paid by the school, which was furnished earlier including a sum of Rs.61,51,324 which the school gave as arrears for the period 1.4.2009 to 31.8.2009 as the school implemented the recommendations of the 6<sup>th</sup> pay commission w.e.f. 1.9.2009. However, this figure needs to be treated as part of the regular salary for the year 2009-10 and not as part of the arrears paid by the school pursuant to order dated 11.2.2009 as the same envisaged payment of arrear salary only upto 31.3.2009. Accordingly necessary corrections will be made in the preliminary calculation sheets prepared by the Committee.

The authorized representative appearing for the school reiterates its contention made earlier on 9.9.2015 that the school incurred deficit on account of implementation of the recommendations of the 6<sup>th</sup> pay commission and in order to bridge that gap, the school recovered arrears of development fee for the period 1.9.2008 to 31.3.2009 at the differential amount of development fee calculated @ 15% of tuition fee for the year 2008-09 and the development fee actually recovered by the school. He submits that in view of the deficit incurred by the school on implementation of recommendations of 6<sup>th</sup> pay commission the same ought to be ignored by the Committee.

Arguments heard. Recommendations reserved.



TRUE COPY

*[Signature]*  
Secretary

*[Signature]*  
R.K. SHARMA  
MEMBER

*[Signature]*  
J.S.KOCHAR  
MEMBER

*[Signature]*  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

15.03.2018

000191

B-231

Vivekanand Public School, Anand Vihar, Delhi

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

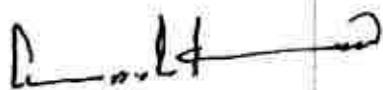
The notice issued to the complainant has been returned unserved. The school in compliance with the order dated 5.7.2016 of the Committee filed details of expenditure under the head expenses repaired, maintenance expenses, stationary and printing expenses and produced the vouchers before the Audit Officer of the Committee who has recorded her observations on 27.12.2016 and 30.1.2017. The details filed by the school have perused by the Committee. The Committee notices that the school incurred huge expenses under the heads building maintenance, picnic expenses during the years 2007-08 to 2010-11. The aggregate amount of such expenses was Rs.13.40 lakhs in 2007-08, Rs.13.31 lakhs in 2008-09, Rs.17.02 Lakhs in 2009-10 and Rs.4.00 lakhs in 2010-11. On perusal of the details the Committee notices that the expenditure incurred under this head are in respect of the school tours, purportedly organized for the students, not only local but the places like Goa, Dalhousie, Kulu Manali, Jaipur, Alipur, Agra, Nainital, Nimrana Fort etc. The Committee has also perused the audited financials of the school and finds that no receipt from the students in respect of these picnics and tours has been reflected therein in any of the years. The authorized representative appearing for the school is not in a position to rebut this finding.

The Committee also observes that the school incurred huge expenditure under the head Building and other repair and maintenance as already recorded in the order dated 22.7.2016. The level of expenditure incurred particularly on building repair year after year shows that the same cannot be routine maintenance on buildings.

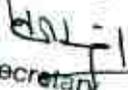
Calculation sheet to be prepared. Matter to come up for 2<sup>nd</sup> May 2018 at 11.00 A.M.

  
**R.K. SHARMA**  
MEMBER

  
**J.S. KOCHAR**  
MEMBER

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

TRUE COPY

  
Secretary



16.03.2018

B-120

The Heritage School, Vasant Kunj, Delhi

000192

Present: Ashraf Ullah Khan, Admin Assistant of the school.

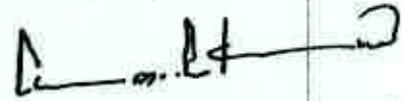
An application has been received from the school requesting for another date as the staff is preoccupied with the inspection of the school being conducted by the Dy. Director, Education. As requested the matter will be relisted on 2<sup>nd</sup> May 2018 at 11.00 A.M.



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

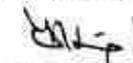


**J.S. KOCHAR**  
**MEMBER**



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

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Secretary

16.03.2018

000193

B-148

Venkateshwar International School, Dwarka, Delhi

Present : Sh.Kamal Solanki, Finance Director, Sh. Harish Sharma, Admn. Officer & Sh. Gauri Shankar, Accounts Officer of the school.

The Committee has perused copies of the two circulars dated 25/02/2009 and 16/03/2009 which were issued to the parents regarding fee hike and recovery of arrear fee pursuant to order dated 11/02/2009 issued by the Director of Education for implementation of the recommendations of VI Pay Commission. As per the circulars, the school recovered arrears of tuition fee @ Rs. 2800 per student of classes I to V and @ Rs. 3500 per student of classes VI to XII for the period 01/09/2008 to 31/03/2009, representing an increase of Rs. 400 per month and Rs. 500 per month respectively w.e.f. 01/09/2008. Besides, the parents were also required to pay the sum of Rs. 3,500 in respect of students of classes I to V and Rs. 4,500 in respect of students of classes VI to XII.

The Committee has also examined the information sheet provided by the school with regard to the different component of fee and salaries for the years 2008-09 to 2010-11 and verified the same from the books of accounts produced by the school.

As per the information furnished by the school, it collected a total sum of Rs. 1,38,61,572 towards arrear fee for the period 01/01/2006 to 31/03/2009. Out of the aforesaid sum, the school paid arrears of salary which became due to the staff on account of implementation of VI Pay Commission to the extent of Rs. 1,30,68,115, out of which the school has not been able to show payment to the tune of Rs. 6,56,415 in 2010-11 and Rs. 59,688 in 2009-10 from its bank account. Thus the school still retains a sum of Rs. 7,93,457 out of the arrear fee collected by it. The authorized representatives appearing for the school submit that some amount of arrears are still payable to the ex staff who have not come to claim the same. However, the authorized representatives conceded that the aforesaid sum of Rs. 7,93,457 has been appropriated by the school as its income in the years subsequent to 2010-11 when the last payment towards arrears salary was made.

The additional fee revenue generated by the school in the year 2009-10 on account of fee hike effected by the school pursuant to order dated 11/02/2009 was to the tune of Rs. 1,47,30,735 while the additional financial burden that the school was made to bear on account of implementation of recommendation of VI Pay Commission amounted to Rs. 1,68,62,290 in the year 2009-10 as the total salary paid by the school increased from Rs. 2,26,10,924 to Rs. 3,94,73,214, although the school claims that the total expenditure on salary rose from Rs. 3,39,50,680 in 2008-09 to Rs. 5,76,11,340 in 2009-10. However, on verification of this claim from the books of accounts of the school, the Committee finds that the school has included in aforesaid figures an amount of Rs. 1,13,39,756 in the year 2008-09 which it

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Secretary



000194

16.03.2018

spent on outsourced manpower. The expenditure in 2009-10 on this account amounted to Rs. 1,59,33,492. Besides, in 2009-10, the school also included a sum of Rs. 22,04,634 which was spent on staff welfare. Both these expenses i.e. expenditure on outsourced manpower and staff welfare have no bearing on the additional burden that the school was made to incur on account of implementation of the recommendations of VI Pay Commission.

The Committee also notes that as per the figure furnished by the school, it recovered a sum of Rs. 42,37,100 towards annual charges in 2008-09 and Rs. 44,87,267 in 2009-10. However, on verification from the books of accounts, the Committee finds that these figures are only 50% of the total collection of fee under the head Annual Charges. The actual collection amounted to Rs. 84,74,195 in 2008-09 and Rs. 89,74,535 in 2009-10. The balance 50% of annual charges has been transferred by the school to its parent society. This has been the practice of the school for a number of years. The school claims that out of this amount, the parent society paid ground rent and property tax. However, as per the details filed by the school, besides the aforesaid expenses, the society also made repayment of loans and interest thereon which is raised from the banks. The society also pay salary to its staff out of the annual charges transferred to it by the school.

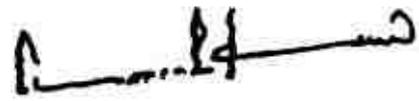
The authorized representatives appearing of the school submit that the school did not have pre primary branch and the entry level class of the school was class I. The school will furnish the details of new admissions made during the years 2008-09 to 2010-11, which were submitted to the Directorate of Education. The school will also file consolidated balance sheet of the parent society for the years 2006-07 to 2010-11, as it claims that the parent society has no other activity apart from running of this school. These documents may be filed within one week. Thereafter calculation sheet will be prepared to examine the funds position of the school prior to effecting the fee hike. Matter will come up for further hearing on 04/05/2018 at 11.00 a.m.



**R.K. SHARMA**  
MEMBER

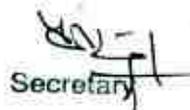


**J.S. KOCHAR**  
MEMBER



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

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Secretary



16.03.2018

000195

B-544

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

Present : Sh.Pradeep Kumar Verma, UDC of the school.  
Complainant: Sh.Rohit Handa, Sh.Brijesh Goswami, Ms. Anu Dewan,  
Sh.Praveen Kapoor and Ms. Harleen Kaurm, Parents.

Sh.Pradeep Kumar Verma, UDC of the school is appeared with authority from the Principal. He submits that the school has no objection to the refund that has been determined by the Committee in it preliminary calculation sheet. A copy of which was supplied to the school on 16.2.2018.

Sh.Rohit Handa the complainant has filed written submissions dated 9<sup>th</sup> March 2018 wherein he has inter alia pointed out that there is an apparent calculation mistakes in the calculation sheet. He has also raised certain other issues in the written submissions, which will be considered by the Committee while making the final recommendations.

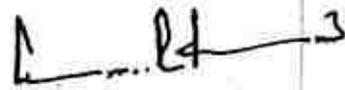
The Committee has gone through the preliminary calculation sheet and observes that there is indeed a calculation mistake in arriving at the amount refundable by the school to the students. Instead of Rs. 3,70,990, prima facie it appears that the school has to make a refund of Rs.52,17,375. Copies of revised calculation sheet have been provided to the authorized representative of the school as well as to the complainant. The compliant has been finally heard. The school may respond to the revised calculation sheet on or before the next date of hearing. The matter will now be heard on 2<sup>nd</sup> May 2018 at 11.00 A.M.



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

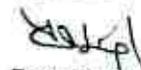


**J.S. HOCHAR**  
**MEMBER**



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

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Secretary

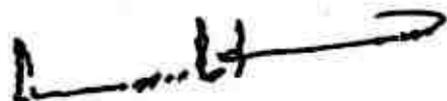
**20.03.2018****B-151****G.D.Goenka Public School, Vasant Kunj, Delhi**

Present: Sh. John Emmanvel, Dy. Administrator of the school.

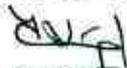
An application seeking adjournment of hearing received from the school on the ground that the staff of the accounts department is pre occupied with preparation of budget, nursery admission etc. As requested the matter is adjourned to 4<sup>th</sup> May 2018 at 11.00 A.M. and the school will produce its books of accounts which are said to be maintained in tally software in a laptop for the years 2006-07 to 2010-11. The school will also keep its fee and salary records handy for these years along with bank statements for verification.

  
**R.K. SHARMA**  
MEMBER

  
**J.S. KOCHAR**  
MEMBER

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

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Secretary



20.03.2018

000197

B-285

Mann Public School, Holambi Kalan, Delhi

Present : Sh.S.M.Surana, C.A. & Sh.Brijesh, Accountants of the school.

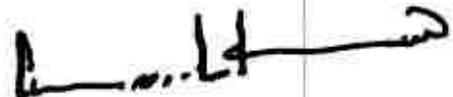
The school has not furnished complete information in response to notice dated 22<sup>nd</sup> June 2017 issued by the Committee. The partial information that has been furnished by the school on 21.7.2017 does not agree books of accounts produced by the school during the course of hearing . Further the school has also not produced copy of the circular that was issued to the parents for making fee for the purpose of implementation of the recommendations of 6<sup>th</sup> pay commission. The authorized representative appearing for the school submits that some more time is to be given to the school to furnish complete calculative information in response to the notice dated 22. 6. 2017. Accordingly the school is directed to furnish the same within 3 weeks. Matter will come up for next hearing on 7<sup>th</sup> May 2018 at 11.00 A.M. The school will keep its accounts, fee and salary records and bank statements for the years 2006-07 to 2010-11 handy for examination by the Committee.



**R.K. SHARMA  
MEMBER**

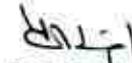


**J.S. KOCHAR  
MEMBER**



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

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Secretary



20.03.2018

000198

B-623

Col.Satsangi's Kiran Memorial School, Chhatarpur, Delhi

Present : Dr.Shakuntla S.Jaiman Principal, Sh.S.Krishna, Consultant, Sh.Kishan Rawat, Advocate, Sh.Surendra Prasad, Asstt. Manager, Sh. Ram Lal Pandit, Sr. Accountant & Sh. Sunil Kohli, Accounts Supervisor of the school.

The school has filed a detailed rebuttal dated 16.3.2018 controverting the preliminary calculation sheet prepared by the Committee, a copy of which was given to the school. The school has also filed its own calculation sheet at pages 138 and 139 of the written submissions with the help of this calculation sheet it has put forth its views with regard to individual items taken by the Committee in its calculation sheet. The calculation sheet has been controverting on the following issues:

- a. The school has contended that the advance given by it to the Little Flower school ought not be considered to be part of funds available with the school as on 31.3.2008. The amount that is sought to be excluded by the school is Rs. 1,03,10,741. It has been submitted by the principal of the school who is present at the time of hearing that this amount was given as a loan to this school whose management was taken over by the promoters of the parent society running Col.Satsangi Kiran Memorial School. However the same was subsequently recovered by the school in the year 2015-16.
- b. The next item on which the school has disputed the calculation sheet is the inclusion of land advanced to Surya Estate amounting to Rs.61,01,890 from the figure of funds available as on 31.3.2008. It is intended by the school that this advance was given for acquiring land at village Nainwal, district Manesar, Haryana, in the years 1996 & 1997 but the land could not be acquired and the amount was written off by the school in its books in the year 2015-16.
- c. The school contends that the sum of Rs.7cr.93 lakhs deposited against a disputed demand raised by the Income Tax Department, ought not be considered as part of the funds submitted as on 31.3.2008 as there was an actual outgo of funds and the school did not have this amount available with it which could be utilized for meeting its additional liabilities on account of implementation of sixth pay commission. The aforesaid amount came to be refunded by the Income Tax Department only in the year 2013-14.
- d. The school has also conceded that its accrued liability of gratuity as on 31.3.2008 was Rs.1,26,20,403 instead of Rs.45,45,607. It is the contention of the school that this amount was the differential amount between the total accrued liability and the funded liability.
- e. It is further contended that the Committee had not taken into consideration a loan of Rs.2,51,33,002 taken by the school

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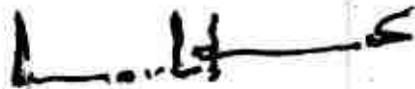
against its FDRs of the society while calculating the funds available as on 31.3.2008. On a query raised by the Committee as to for what purpose the loan was taken the authorized representatives appearing for the school are unable to give a spot answer. They contend that they need to verify the same from the books. Accordingly the school will produce its books of accounts in a laptop on the next date of hearing for examination by the Committee

- f. The school also contends that the Committee ought also to have considered the capital expenditure incurred by the school amounting to Rs.8,61,65,465 which represents accumulated depreciation on all the fixed assets of all the three schools being run by the society upto 31.3.2008.
- g. Its next contention is that the Committee also ought to consider the deficit of the two other schools run by the society outside Delhi while calculating the funds available with this school as on 31.3.2008. The amount that is sought to be deducted is Rs.64.32.417, as per the calculation given by the school at pages 105 and 106.
- h. It is contended that the Committee has committed an error while taking the amount of additional revenue generated by the school on account of recovery of arrear fee to the extent of Rs.68,78,960 which has been taken as excess of the actual amount. The Committee has examined this fact during the course of hearing and agrees with the contention of the school on this point.

The school has lastly contended that if the figures are revised in a calculations as per the above submissions of the school, the net result could be the school incurred a deficit of Rs.8,97,14,323 after implementation of the recommendations of 6<sup>th</sup> pay commission and therefore the fact that the school treated the development fee received by it in 2009-10 & 10-11 which amounted to only Rs.56,15,018, ought to be ignored. The matter will come up for further hearing on 7<sup>th</sup> May 2018 at 11.00 A.M.

  
R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

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Secretary



21.03.2018

000203

**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**

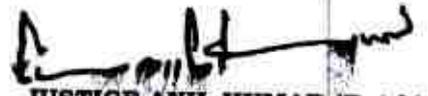
**Faith Academy,  
Prasad Nagar, Delhi (B-159)**

**And in the matter of**

**Application dated 15.06.17 for  
reconsideration / review of  
recommendations dated 07.11.13  
in the matter of school.**

Present: Sh.S.Robert. Hon. Manager, Sh.R. Mehdiratta, CA Auditor &  
Sh. Anil Lal, Sr. A.O. of the school.

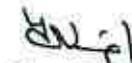
After some arguments the learned counsel for the school seeks time to produce document for plead regarding CM No. 22316 of 2017 W.P.(C ) 7777 2009 which is relevant for consideration whether the school has mislead the Hon'ble High Court. Needful be done within 2 weeks. The school has filed a copy of the writ petition W.P.(C )No.5991 of 2017 decided on 18<sup>th</sup> July 2017. List on 20<sup>th</sup> April 2018 at 11.00 A.M.

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

  
**J.S. KOCHAR  
MEMBER**

  
**R.K. SHARMA  
MEMBER**

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Secretary



21.03.2018

000201

**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**

**Banasthall Public School,  
Vikas Puri, Delhi (B-255)**

**And in the matter of**

**Application dated 06.03.18 for  
reconsideration / review of  
recommendations dated 10.11.16  
in the matter of school.**

Present: Dr.V.K.Goyal, Chairman, Ms.Anubha Goyal, Principal &  
Ms.Seema Malik Vice Principal of the school.

Another copy of the representation dated 21.3.2018 alongwith  
some documents has been filed by the school

Arguments heard. Order reserved.

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

**J.S. KOCHAR  
MEMBER**

**R.K. SHARMA  
MEMBER**

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Secretary



21.03.2018

000202

**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**

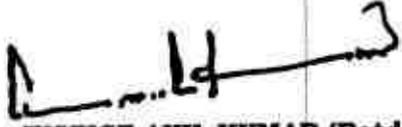
**Mamta Modern School,  
Vikas Puri, Delhi (B-560)**

**And in the matter of**

**Application dated 08-03-18 for  
reconsideration / review of  
recommendations dated 02-06-17  
in the matter of school.**

Present: Sh. Manoj Sharma, Manager, Sh. R.S. Sharma, Vice Chairman,  
Sh. Promod Gupta, Advocate, Sh. Rajesh Sharma, Accountant and Sh.  
Ajay Lal Accountant of the school.

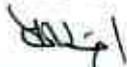
The application for review dated 20.03.2018 has been filed on  
behalf of the school by the learned Counsel after representation dated  
8<sup>th</sup> March 2018 was filed. The learned counsel of the school on  
instruction seeks to file the additional affidavit within 3 weeks. List  
on 20<sup>th</sup> April 2018 at 11.00 A.M.

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

  
**J.S. KOCHAR  
MEMBER**

  
**R.K. SHARMA  
MEMBER**

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Secretary



21.03.2018

000203

B-409

The Air Force School, Subroto Park, Delhi

Present: Sh.Devendra Kauhsik, UDC & Sh.Deepak Pandey, LDC of the school.

An application has been received from the school seeking a fresh date after 27<sup>th</sup> April 2018. As requested the matter will come up for hearing on 7<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**

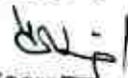


**J.S. KOCHAR  
MEMBER**



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

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Secretary



21.03.2018

000204

B-446

Deep Public School, Vasant Kunj, Delhi

Present : Sh. Lal Chand Aggarwal, Asstt. Accountant of the school.

The chairman of the school has filed a letter dated 21.3.2018 stating that the records of the school for the years 2006-07 to 2010-11 were destroyed in fire that broke out in the school store room on 14.3.2015. A copy of an intimation letter given to the SHO Vasant Kunj Police Station has also been filed. The authorized representative appearing for the school submits that he is not aware whether the police registered an FIR or not. On the basis of the intimation given by the school on above that Fire department was intimated about the fire, the Committee may take an appropriate decision on the basis of records which have already been produced by the school on previous occasions. Arguments heard recommendations reserved.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary