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

7th Interim report

November 25, 2014

**CA J.S. Kochar
Member**

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

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

JUSTICE ANIL DEV SINGH COMMITTEE FOR REVIEW OF FEE HIKE

7TH INTERIM REPORT

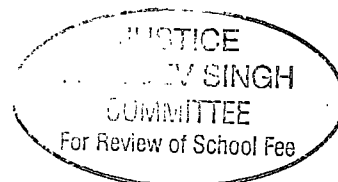
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Determinations

1. This Interim Report deals with 70 schools, out of which 02 schools are in Category 'A', 67 schools are in Category "B" and 01 school is in Category "C". The categories A, B & C are per the classification given in the First Interim Report of the Committee.
2. The summary of recommendations of the Committee in respect of these schools is as follows:

No. of schools where the Committee has found the fee hike to be unjustified, either partially or fully, and hence recommended the refund of excess fee	39
No. of schools where besides, finding the fee hike to be unjustified either partially or fully, the Committee also found their records to be unreliable, and hence the Committee has recommended special inspection in addition to refund of fee. In some cases special inspection has been recommended to verify the actual implementation of the recommendations of the 6 th Pay Commission, while refund has been recommended for unauthorised charge of development fee.	4
No. of schools whose claim for a further hike in fee, over and above that was permitted by order dated 11/02/2009, was found to be justified	Nil
No. of schools where the Committee found the records of the school to be unreliable or the schools did not produce the records before the Committee and hence has recommended special inspection to be carried out by Director of Education	12
No. of schools where the Committee found no reason to interfere qua the fee hike on account of the fact that the hike effected by them was not found to be excessive	15
Total	70

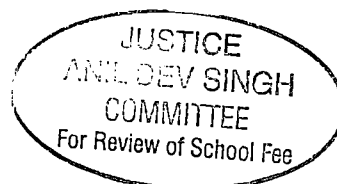


3. Schools in respect of which the Committee has recommended refund of fee.

The Committee has recommended refund of fee unjustly hiked by 43 schools. Among them are 4 schools, where the Committee, besides recommending the refund, has also recommended special inspection to be carried out by the Director of Education.

In respect of **39** schools out of 43 schools, which in view of the Committee, had unjustly hiked the fee, the Committee has found that the hike effected by them in pursuance of the order dated 11/02/2009 issued by the Director of Education was either wholly or partially unjustified as, either:

- (a) the schools had hiked the fee taking undue advantage of the aforesaid order as they had no requirement for additional funds since they were found not to have implemented the recommendations of the VI Pay Commission, for which purpose the schools were permitted to hike the fee, or
- (b) the schools had sufficient funds at their disposal out of which the additional burden imposed by the implementation of VI Pay Commission could have been absorbed, or the additional revenue generated on account of fee hike effected by the schools was more than what



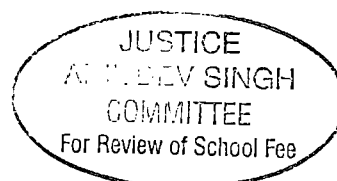
was required to fully absorb the impact of implementation of VI Pay Commission report, or

- (c) the development fee being charged by the schools was not in accordance with the criteria laid down by the Duggal Committee which was upheld by the Hon'ble Supreme Court in the case of Modern School vs. Union of India & ors. (2004) 5 SCC 583.

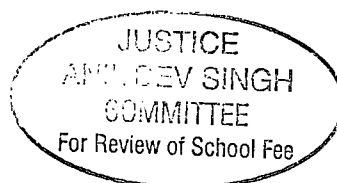
The reasoning and calculations are given in the recommendations made in respect of each individual school which have been made a part of this report and are annexed herewith. The Committee has recommended that the unjustified or unauthorised fee charged by the schools be refunded by them alongwith interest @ 9% per annum, as mandated by the decision of the Hon'ble Delhi High Court in Delhi Abhibhavak Mahasangh vs. Directorate of Education & ors. in WP(C) 7777 of 2009.

The list of these **38** schools where the Committee has recommended refund is as follows: -

S.N.	Category No.	Name & Address of School	Page No.
1	A-49	Himalaya Public Sr. Sec. School, Rohini	9-22
2	B-12	Sunder Public Middle School, Yamuna Vihar	23-28
3	B-17	Oscar Public School, Burari	29-34
4	B-157	Modern School, Barakhamba Road	35-50
5	B-175	M.S. Model School, Karala	51-55
6	B-282	St. Lawrence Public School, Dilshad Garden	56-67
7	B-320	Delhi International Secondary School, Johripur	68-74

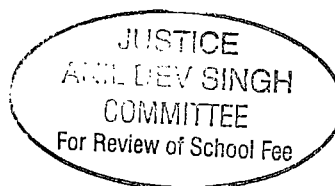


8	B-338	New Oxford Public School, Vivek Vihar	75-79
9	B-351	Suman Vidya Mandir Sec. School, Bhagirathi Vihar	80-85
10	B-372	Malviya Public School, Malviya Nagar	86-91
11	B-377	Ratanjee Modern School, Badarpur	92-97
12	B-388	Mount Carmel School, Dwarka	98-120
13	B-392	Naveen Public School, Nithari	121-126
14	B-393	M.D. Memorial Public School, Nangloi	127-131
15	B-394	S.M. Public School, Nangloi	132-136
16	B-395	Meer Public School, Madanpur Dabas	137-141
17	B-403	Citizen Model School, Budh Vihar	142-148
18	B-417	Sir Chhoturam Public School, Palam Village	149-154
19	B-418	Reeta Public School, West Sagarpur	155-162
20	B-420	Shri Ram Public School, Village Bamnoli	163-167
21	B-426	Rahul Model Public School, Palam Colony	168-175
22	B-433	Sant Hari Dass Sr. Sec. School, Najafgarh	176-183
23	B-452	Shivani Public Sr. Sec. School, Nangloi	184-188
24	B-461	Gagan Bharti Sr. Sec. Public School, Om Vihar	189-195
25	B-462	Convent of Gagan Bharti, Mohan Garden	195A-201
26	B-475	Delhi Public School, Mathura Road	202-219
27	B-477	Spring Meadows Public School, Najafgarh	220-226
28	B-485	Ch. Baldev Singh Model School, Kirari, Nangloi	227-233
29	B-487	Devender Public School, Kirari, Nangloi	234-238
30	B-499	Colonel Child Bloom School, Najafgarh	239-244
31	B-514	Holy Convent Sr. Sec. School, Hastal	245-250
32	B-515	Holy Convent, Uttam Nagar	251-255
33	B-519	Tarawati Memorial Public School, Tahirpur	256-260
34	B-521	Shashi Public Secondary School, Shahdara	261-267
35	B-522	Sant Krishna Bodh Shiksha Sadan, Mandoli	268-273
36	B-561	Gold Field Public School, Mohan Garden	274-278
37	B-645	Sona Public School, Samaypur	279-285



38	B-652	The Waulden School, Neeti Bagh	286-294
39	B-654	Sai Shankar Vidyalaya, Badarpur	295-299

4. In respect of the remaining 4 schools, the Committee found that the schools had increased the fee in pursuance of the order dated 11/02/2009 of the Director of Education but had not implemented the VI Pay Commission Report or had charged development fee without fulfilling the preconditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School (supra). At the same time, the financials of the schools did not inspire any confidence for a variety of reasons, which have been discussed in the recommendations in respect of each school separately. In some cases, the schools did not produce the required records for examination by the Committee but the fee schedules and staff statements filed by the schools as part of their returns under Rule 180 of the Delhi School Education Rules, 1973 showed that they had hiked the fee in pursuance of order dt. 11.02.2009 of the Director of Education, without implementing the recommendations of the 6th Pay Commission report. As such the Committee has not only recommended the refund of the fee hiked along with interest @ 9% per annum but has also recommended special inspection of the schools to be carried out by the Director of Education. The recommendations of the individual schools have been made a part of this report and are annexed herewith. The list of the aforesaid 4 schools is given below: -

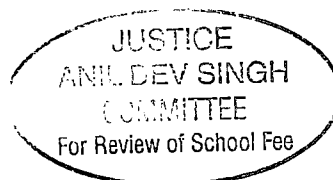

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S.N.	Category No.	Name & Address of School	Page No.
1	B-386	Deep Model School, West Sagarpur	300-306
2	B-463	Rajdhani Public School, Vikas Nagar, Hastal	307-313
3	B-486	Maharishi Dayanand Model School, Nangloi	314-319
4	B-540	New Shalimar Public School, Shalimar Bagh	320-332

5. Schools in respect of which the Committee has not been able to take a view:

In respect of **12** schools, the Committee has not been able to take a categorical view as, in the case of some schools, complete records were not produced by them for examination by the Committee and in the case of others, the records produced did not inspire confidence for reasons which are discussed in the case of each individual school. In some cases, the records produced appear to have been fabricated. Since, the Committee does not have any power to compel the schools to comply with its directions, the Committee has recommended special inspection to be carried out by the Director of Education. The recommendations of the Committee in respect of these schools have been made a part of this report and are annexed herewith. The list of these **12** schools is as given below:

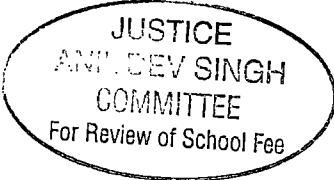
S.N.	Category No.	Name & Address of School	Page No.
1	B-311	Ch. Jaswant Lal Public School, Punjabi Bagh	333-343
2	B-319	David Model Secondary School, Tukhmirpur	344-347



3	B-324	Sunshine Modern Public School, Ganga Vihar	348-352
4	B-326	D.R.P. Convent Secondary School, Karawal Nagar	353-356
5	B-332	Divya Public School, Sadatpur Extension	357-360
6	B-384	Laxman Convent School, Palam	361-364
7	B-401	Merry International Public School, Rohini	365-368
8	B-442	St. Vats Public School, Najafgarh	369-374
9	B-448	K.S. Memorial Public School, Ghitorini	375-378
10	B-459	Shri Vishwakarma Model School, Nangloi	379-382
11	B-480	Mata Bhati Devi Public School, Deenpur, Najafgarh	383-386
12	B-491	G. D. Lancer's Public School, Mohan Garden	387-390


6. Schools in respect of which the Committee found no reason to interfere.


In respect of **15** schools, the Committee has not recommended any intervention as the schools were found to have, either not hiked the fee in pursuance of the order dated 11/02/2009 issued by the Director of Education, or the fee hiked was found to be within or near about the tolerance limit of 10% or the fee hike in absolute terms was not much. In some cases, the fee hike was found to be justified, considering the additional burden on account of implementation of Sixth Pay Commission report. Following is the list of the aforesaid **15** schools:

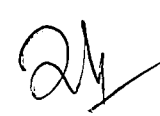


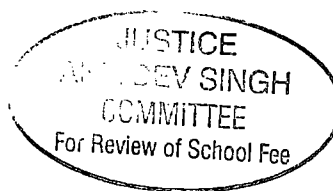
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S.No.	Category No.	Name & Address of School	Page No.
1	A-164	MRSD Saraswati Bal Mandir, Mahendru Enclave	391- 396
2	B-149	Ramjas School, Anand Parbat	397- 412
3	B-194	Mayur Public School, I.P. Extension	413- 435
4	B-375	Satyanam Public School, Sangam Vihar	436- 440
5	B-397	Shishu Niketan Public School, North Ghonda	441- 444
6	B-432	Modern Mission Secondary School, Najafgarh	445- 448
7	B-434	Sri Krishna Public Sr. Sec. School, Najafgarh	449- 454
8	B-436	M.R.C. Public School, Hastal	455- 459
9	B-453	B.R. Public School, Nangloi	460- 463
10	B-479	Baleshwar Memorial Public School, Prem Nagar-I	464- 468
11	B-523	Yogaway Public School, Shahdara	469- 473
12	B-545	Sant Sujan Singhji International School, Saroop Nagar	474- 483
13	B-546	K.M. School, Hamidpur	484- 488
14	B-663	Pushpa Bharti Public School, Badarpur	489- 493
15	C-326	Virmani Public School, Roop Nagar	494- 500


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The school had not responded to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. The Committee requisitioned copies of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973, from the office of the concerned Dy. Director of Education. On prima facie examination of these returns, it appeared that the school had hiked the fee in pursuance of order dated 11/02/2009 issued by the Director of Education but had not implemented the recommendations of VI Pay Commission. Accordingly the school was placed in category 'A' for the purpose of verification.

In order to check the veracity of the annual returns of the school, the Committee issued a letter dated 16/07/2012, requiring the school to produce in its office on 25/07/2012, its fee and salary records for the years 2008-09 to 2010-11. The school was also required to furnish its reply to the questionnaire issued by the Committee. On the scheduled date, one Sh. Raghbir Singh, an LDC of the school appeared and filed a letter surprisingly stating "*I have not received your letter. Please give me next date.*" The school was given a final opportunity to produce the required records on 03/08/2012. On this date, the aforesaid LDC again appeared with an authority letter from the Principal but did not produce the complete records as required vide the notice issued to the school nor was he in



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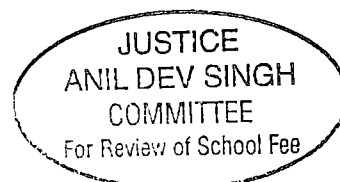
a position to explain the details. Reply to questionnaire was also not filed. One more opportunity was given to school to produce its records on 14/08/2012 but on this date also the records were not produced nor reply to questionnaire was filed. The school requested for another opportunity to be given. Accordingly a final opportunity was given to the school to produce the required records on 25/08/2012 and it was clearly mentioned that no further opportunity would be given. Finally on this date, Sh. Raghubir Singh, UDC and Ms. Savita, LDC of the school appeared and produced the required records. The school also filed reply to the questionnaire issued by the Committee. As per the reply, the school claimed to have implemented the recommendations of the VI Pay Commission w.e.f. 01/04/2009. In support of its claim, the school filed statements showing the salary of various staff members for the month of March 2009, which aggregated Rs. 6,79,090 and the statement of salary payable to staff for April 2009, showing the total amount payable for that month as Rs. 10,40,423 consequent to implementation of VI Pay Commission report. The school also informed that it had paid a total sum of Rs. 33,86,201 as arrears to the staff while another sum of Rs. 5,09,513 was still to be paid.

With regard to hike in fee, the school stated that it had recovered a sum of Rs. 17,26,286 as arrears of tuition fee and Rs. 6,20,029 as arrears of development fee for the period 01/09/2008 to

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31/03/2009 and a further sum of Rs. 21,69,428 as lump sum arrears for the period 01/01/2006 to 31/08/2008. Thus it was stated that the school had recovered a total sum of Rs. 45,15,743 by way of arrear fee. The school also filed details of monthly fee charged in the fourth quarter of 2008-09 and Ist quarter of 2009-10, to show the extent of hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education. As per the information furnished by the school, the following amounts were charged as tuition fee and development fee in 2008-09 and 2009-10:

Class	Monthly Tuition fee in 2008-09 (Rs.)	Monthly development Fee in 2008-09 (Rs.)	Monthly Tuition fee in 2009-10 (Rs.)	Monthly development Fee in 2009-10 (Rs.)
I to II	855	100	1055	160
III to V	900	100	1100	165
VI to VIII	1010	100	1310	200
IX & X	1110	100	1410	215
XI & XII	885	100	1085	165

The records produced by the school were examined by Sh. A.D. Bhateja, audit officer of the Committee. With regard to hike in salary as a consequence of implementation of VI Pay Commission report, he observed that after the purported implementation of VI Pay Commission report, the school was not paying salary as per its recommendations in as much as it was paying only basic pay and DA.

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Even as late as January 2011, the VI Pay Commission had not been fully implemented.

The observations of the audit officer were agreed to by the representatives of the school who recorded at the end as *"I agree with the above observations which are as per record."*

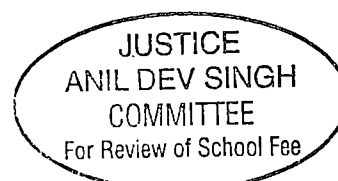
In order to provide an opportunity of hearing to the school, the Committee issued a notice dated 02/04/2014, requiring the school to appear before it on 28/04/2014 along with the necessary records. Along with the notice, the school was also issued a supplementary questionnaire, eliciting information about the charge of development fee, its utilisation and maintenance of development fund and depreciation reserve fund. The school was also required to file detail of its accrued liabilities of gratuity/leave encashment as on 31/03/2008 and 31/03/2010.

The school put in the appearance through Ms. Savita and Sh. Raghubir Singh. However, they did not produce the full records of the school and were unable to co-relate the figures given by the school in its reply to the questionnaire with the entries in the books of accounts. The school also did not give the specific information sought vide the Committee's notice dated 02/04/2014. They sought time, which was granted by the Committee and the hearing was deferred to 30/04/2014. On this date, the aforesaid representatives of the school appeared with one Sh. Sunder Chauhan, claiming to be a

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representative of Sh. Sanjay Kumar Garg, Chartered Accountant of the school. the representatives filed written submissions dated 30/04/2014 giving the information required by the Committee vide its notice dated 02/04/2014. It was submitted in the written submissions filed by the school that ***"there is no accrued liabilities of gratuity/leave encashment"***.

Along with the written submissions, the school also furnished its reply to a supplementary questionnaire regarding development fee, which will be adverted to when we discuss the issue of development fee.

The Committee directed its audit officer to examine the mode of payment of arrear salary of Rs. 45,16,346, which was claimed to have been paid by the school. The audit officer after examining the bank statements and cash book of the school, prepared the following statement showing the mode of payment:

Particulars	Through Cash	Through Bearer Cheques	Through Account payee Cheques	Through Bank Transfer	Total
1st installment of Arrear in 2009-10	0	248,692	1,226,717	873,792	2,349,201
2nd installment of Arrear in 2010-11	300,000	410,000	125,000	502,000	1,337,000
3rd installment of Arrear in 2012-13	127,807	702,338	-	-	830,145
Grand Total					4,516,346

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Development Fee

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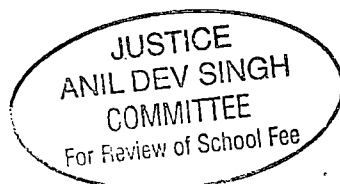
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However, in order to ensure the correctness of the statement prepared by the audit officer, the representatives of the school were asked to obtain from the bank, certificates showing the mode of payment of arrears. The school filed copies of the certificates of Oriental Bank of Commerce, Rohini Branch, giving the mode of payment of each cheque. After considering the bank certificates, the final position that emerged is as follows:

Particulars	Through Cash	Through Bearer Cheques	Through Account payee Cheques	Through Bank Transfer	Total
1st installment of Arrear in 2009-10	0	0	1,226,717	1,122,484	2,349,201
2nd installment of Arrear in 2010-11	300,000	0	125,000	912,000	1,337,000
3rd installment of Arrear in 2012-13	127,807	152,212	-	550,126	830,145
Grand Total	427,807	152,212	1,351,717	2,584,610	4,516,346

Based on the information furnished by the school and the information gathered during the course of verification of records, the audit officer prepared a preliminary calculation sheet which showed that the school hiked more fee than was required by it even to partially implement the VI Pay Commission report, to the extent it did. For the purpose of calculating the funds available with the school, the balance sheet of the school as on 31/03/2008 was taken as the base



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15 document as the fee was hiked during the year 2008-09. As per the preliminary calculation sheet, the school had funds amounting to **Rs. 87,26,929** of its own available to it which could have been utilised for implementation of VI Pay Commission report. The aforesaid figure represented the net current assets of the school + its investments as on 31/03/2008. The detailed calculation as per the sheet is as follows:

Statement showing Fund availability of as on 31-03-2008			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets</u>		
	Cash in hand	53,036	
	Bank Balance with OBC	3,679,251	
	Fixed Deposits with OBC	5,427,480	
	Lord Rama Educational Society	1,500,000	
	TDS	33,428	
	Himalaya International School	25,360	10,718,555
Less:-	<u>Current Liabilities</u>		
	Caution Money	1,116,199	
	Provident Fund Payable	40,646	
	Transportation Charges Payable	59,058	
	Comp. Point	47,010	
	Evidence Security	9,089	
	Salary Payable	688,288	
	TDS Payable	11,975	
	Sharp Security & Services	19,361	1,991,626
	Net Current Assets + Investments		8,726,929

However, keeping in view the requirements of the school for keeping funds in reserve for future contingencies, the Committee is of the view that the school ought to retain funds equivalent to four months salary for this purpose. The aggregate of salary + provident fund of the school for the year 2009-10 amounted to Rs. 1,21,38,570. Based on this, the requirement of school for funds to be kept in

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reserve amounted to **Rs. 40,46,190**. The balance of **Rs. 46,80,739** was available with the school for meeting its increased financial obligations on implementation of VI Pay Commission report. The additional financial obligation of the school for implementation of the aforesaid report, to the extent it did, amounted to **Rs. 76,20,920** (Rs. 39,36,327 for payment of arrears + Rs. 36,84,593 representing incremental salary for 2009-10 on account of implementation of VI Pay Commission report). Thus, the school was short of its requirements to the tune of **Rs. 29,40,181** and the school ought to have recovered the arrear fee/incremental fee so as to generate an equivalent amount. However, the arrear fee itself which was recovered by the school was admittedly **Rs. 45,15,743** which is more than its requirement by **Rs. 15,75,562**. The recovery of arrear fee to this extent appeared to be unjustified. On top of it, the school also increased the tuition fee in the year 2009-10, ostensibly in terms of order dated 11/02/2009 of the Director of Education. The additional revenue generated by the school by hiking the fee of 2009-10 amounted to **Rs. 47,40,159**, which appeared to be wholly unjustified.

Vide notice dated 11/08/2014, a copy of the preliminary calculation sheet prepared by the audit officer of the Committee was provided to the school and the school was given an opportunity to say anything in rebuttal, before the Committee on 21/08/2014. On this date, Sh. Sanjay Kumar Garg, Cost Accountant appeared with Ms.

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Savita, Office Asstt. and Sh. Raghbir Singh, LDC. They filed written submissions dated 21/08/2014 vide which they tried to justify the hike in fee and recovery of arrear fee for implementation of VI Pay Commission report. However, no specific figure in the preliminary calculation sheet prepared by the audit officer at the instance of the Committee was disputed by the school except that

- (i) the school contended that the arrear salary, which was considered by the Committee as Rs. 39,36,327, ought to have been taken as Rs. 45,16,346 which was the total amount paid by the school as arrears. The Committee had excluded the differential amount of **Rs. 5,80,019** which was shown as paid by the school in cash or by bearer cheques. The school contended that the amount was paid in cash or by bearer cheques to low paid employees, who did not have bank accounts and as such requested for payment in cash.
- (ii) It was further contended that the school was established about 20 years ago and it had accumulated funds over a number of years and the funds were kept for meeting the expenditure for capital or contingency expenses.
- (iii) It was orally contended, contrary to the written submissions dated 30/04/2014 that the school had

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accrued liability for gratuity, which ought to be taken into account while calculating the available funds.

Though the oral contention of the school that it had accrued liability of gratuity, which ran contrary to the written submissions made by the school earlier, in the interests of justice, the Committee afforded another opportunity to the school to file the details of its accumulated liabilities of gratuity and the matter was directed to be relisted on 27/08/2014. On this date, Sh. Sanjay Kumar Garg and Sh. Raghbir Singh appeared on behalf of the school and filed a letter stating simpliciter that the accrued liability of the school on account of gratuity was Rs. 20,51,279 as on 31/03/2008 and Rs. 70,82,328 as on 31/03/2010. However, no employee wise details of this liability or basis of its calculation was furnished. However, the meeting of the Committee on that date was cancelled on account of certain exigencies and therefore, the school was given another opportunity, vide letter dated 25/09/2014, to substantiate its claim and accordingly fresh hearing was fixed. However, the school did not avail of the opportunity and accordingly the hearing was closed on 21/10/2014.

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Discussion and Determination:

Tuition Fee:

In so far as the contention of the school regarding consideration of payment of arrear salary to the tune of Rs. 5,80,019 in cash or by bearer cheques is concerned, the Committee is of the view that the same deserves to be accepted for the reasons given by the school and also keeping in view the comparatively small fraction of the total arrears which have been paid in cash.

However, the Committee rejects the contention of the school that it had any accrued liability on account of gratuity in view of the categorical averment in its written submissions dated 30/04/2014 that it had no such liability. The later claim of the school is bereft of any details or basis of calculation, which the school failed to provide despite opportunities given to it. The same was clearly an after thought after the school was furnished a copy of the calculation sheet made by the Committee which showed that the school had recovered excess fee than was required to meet its obligation of implementation of VI Pay Commission report.

The Committee is therefore of the view that the school ought to refund a sum of **Rs. 9,95,543** (15,75,562 - 5,80,019) out of the arrear fee recovered by it and the entire amount of **Rs. 47,40,159** representing the incremental fee of 2009-10 which was recovered

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Himalaya Public Sr. Sec. School, Sector-VII, Rohini, Delhi-110085

ostensibly in terms of order dated 11/02/2009 of the Director of Education. Both these sums ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund.

Development Fee:

In reply to the questionnaire issued by the Committee, the school admitted that it was charging development fee in all the five years (2006-07 to 2010-11) for which information was sought by the Committee. Such development fee was treated as a revenue receipt in the accounts and further no depreciation reserve fund was maintained for depreciation on assets acquired out of development fee. It was contended that all the development fee received during the years was fully utilised during the same year itself and hence there were no amounts available to be kept in a separate bank account.

The Committee has examined the contentions of the school with reference to its audited financials. The Committee is of the view that the school was not fulfilling any of the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. The Committee finds that the school was using the development fee mainly for purchase of buses, especially in the years 2009-10 and 2010-11. Since the Committee is mandated to examine the issue of fee charged by the schools in pursuance of order dated 11/02/2009 of the Director of Education, the Committee is restricting its recommendations only for development fee recovered in

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Himalaya Public Sr. Sec. School, Sector-VII, Rohini, Delhi-110085

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the year s2009-10 and 2010-11. As per the information furnished by the school along with its reply to the questionnaire, the school recovered a sum of Rs. 25,20,765 as development fee in 2009-10 and Rs. 29,14,111 in 2010-11. For the aforestated reasons, the Committee is of the view that the school was not justified in charging the development fee and the same ought to be refunded along with interest @ 9% per annum.

Recommendations:

In view of the foregoing discussion and determinations, the Committee makes the following recommendations:

- (i) **The school ought to refund a sum of Rs. 9,95,543 out of the arrear fee charged by the school, along with interest @ 9% per annum from the date of collection to the date of refund.**
- (ii) **The school ought to refund a sum of Rs. 47,40,159 representing the incremental fee charged by the school in the year 2009-10, along with interest @ 9% per annum from the date of collection to the date of refund.**
- (iii) **The school ought to refund the development fee of Rs. 25,20,765 charged in 2009-10 and Rs. 29,14,111 charged in 2010-11, along with interest @ 9% per**

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COMMITTEE
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annum from the date of collection to the date of
refund.

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Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 19/11/2014

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Sunder Public Middle School, Yamuna Vihar, Delhi - 53

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1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

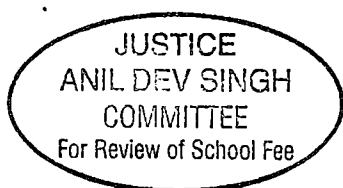


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4. With a view to verify the returns, the Office of the Committee vide its notice dated 10.01.2014 required the school to appear on 05.02.2014 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.
5. On 05.02.2014, Sh. Bhupender Singh, T.G.T, and Sh. Kuldeep, P/T Accountant of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2014 and had also hiked the fee from the same date, in terms of the order of the Director of Education dated 11.02.2009. The school had charged development fee, which had been treated as revenue receipt in the record.
6. The record, in the first instance, was examined by Mrs. Sunita Nautiyal, A.A.O of the Committee. She observed to the effect that: -
- (i). The school had increased tuition fee in 2009-10, by Rs.45/- to Rs.65/- per month for different classes. During 2010-11, the hike had been between Rs.50/- to Rs.100/- p.m. for different classes.



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Sunder Public Middle School, Yamuna Vihar, Delhi - 53

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- (ii). The school had marginally increased the salaries by paying basic pay and had not implemented the recommendations of the 6th Pay Commission.
- (iii) Salary to the staff had been paid in cash, in-spite of the school having a bank account. No TDS and PF had been deducted from the salary of the staff.
- (iv) The school had collected development fee from the students.

7. By notice dated 16.07.2014 the school was asked to appear on 08.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 08.08.2014, Ms. Ruma, TGT and Sh. Kuldeep, Accountant of the school appeared before the Committee. It was conceded by them that the school hiked the fee in 2009-10, by 10% only and the recommendations of the 6th Pay Commission were implemented by revising only the basic pay. Further, the salaries to the staff were paid in cash without deducting TDS and PF. The school did not have TAN or PF registration. It was also stated that the school charged development fee



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and the same has been treated as revenue receipt without maintaining separate development fund and depreciation reserve fund.

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

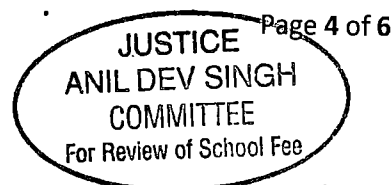
Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Nursery	465	510	45	610	100
I	430	520	90	620	100
II	450	530	80	630	100
III	510	590	80	640	50
IV	545	620	75	670	50
V	570	650	80	710	50
VI	615	680	65	740	60
VII	660	730	70	795	65
VIII	685	750	65	820	70

10. From the above, it is manifest that the school has increased the fee during the years 2009-10 and 2010-11, marginally in excess of the tolerance limit of 10% for some of the classes, but not in terms of the order of the Director of Education dated 11.02.2009.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

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12. As per available record the school has charged development fee.

Discussion and Recommendations**Re. Fee Hike**

Since the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee, the Committee feels that no intervention is required qua the aspect of fee.

Re. Development Fee.

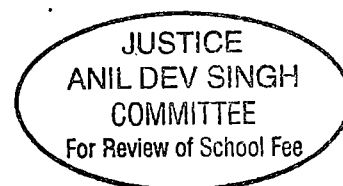
The school has charged development fee from the students in the following manner:-

Year	Development Fee charged
2009-10	5,600.00
2010-11	40,200.00

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

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In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. for collecting Development Fee. Therefore, the Development Fee charged by the school to the tune of Rs.45,800.00 during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

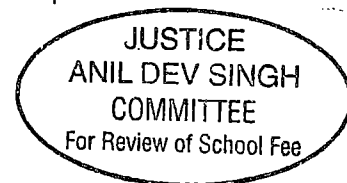
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 22/08/2014



Oscar Public School, Burari, Delhi-110084

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In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school furnished its response vide letter dated 29/02/2012. As per the aforesaid reply, the school stated that it had implemented the VI Pay Commission report w.e.f. April 2009. In support of this contention, the school enclosed details of its pay bill for the month of March 2009 which amounted to Rs. 3,18,614 and that for April 2009, which amounted to Rs. 5,88,907. However, it stated that it had not paid the arrears of salary as the students were not in a position to pay the arrear fee.

With regard to hike in fee, the school stated that it had hiked the fee w.e.f. April 2009 only to the extent of 10%. In support of this contention, the school enclosed a statement showing the pre revision and post revision fee. As per the information filed, the tuition fee charged by the school for 2008-09 and 2009-10 is as follows:

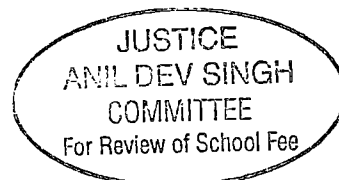
Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in monthly tuition fee in 2009-10 (Rs.)	%age increase (derived)
I to V	600	650	50	8.33%
VI to VIII	650	720	70	10.77%
IX	750	850	100	13.33%
X	750	950	200	26.66%

The school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 10/01/2014, requiring the school to produce its books of accounts, fee and salary records, bank

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Oscar Public School, Burari, Delhi-110084

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statements, provident fund returns and TDS returns in the office of the Committee on 06/02/2014, for verification. The school was also issued a questionnaire to elicit specific information regarding the recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school. On this date, Ms. Sunita Kant, Principal and Sh. S.C. Sharma, Administrative Officer of the school appeared and produced some of the records asked for. They also filed reply to the questionnaire regarding development fee issued by the Committee.

The records produced by the school were verified by Ms. Sunita Nautiyal, audit officer of the Committee and she observed as follows:

- (a) As per the information provided by the representatives of the school, the original fee receipts were damaged due to a termite attack. Some sample fee receipts were produced which were found to be in very dilapidated condition. However the fee registers for 2008-09, 2009-10 and 2010-11 were produced which were properly maintained and day wise entries were made therein showing the receipt nos. and the daily totals were carried to the cash book.
- (b) The fee was being charged in accordance with the fee structures submitted by the school. However, the school was charging a registration fee of Rs. 100, which could not have been charged in excess of Rs. 25. Similarly, admission fee was being charged at varying rates between Rs. 250 and Rs. 2,500 as against the

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Oscar Public School, Burari, Delhi-110084

maximum of Rs. 200 which can be charged as per the extant instructions.

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(c) The school appeared to have implemented the VI Pay Commission report w.e.f. 01/04/2009. However, salary was generally paid in cash and no deductions towards TDS were made.

(d) No adverse feature was noticed in the maintenance of books of accounts.

In response to a web notice issued by the Committee, the school submitted an application dated 01/09/2014, contending that the school had not increased any fee at all during 2006-07 , 2007-08 and 2008-09. However, the fee was increased in 2009-10 in terms of order dated 11/02/2009 issued by the Director of Education. Again, there was no hike in fee in the year 2010-11. In support of the application, the Principal of the school also filed a duly sworn affidavit and furnished in tabular form the fee structures of the school from 2006-07 to 2010-11.

The Committee has taken a view that where a school did not hike any fee at all in the year 2008-09 and may be in earlier years also, the hike in fee effected by the school in 2009-10, ostensibly in pursuance of order dated 11/02/2009 issued by the Director of Education, ought not be viewed in isolation and the benefit of spread over of the hike in 2009-10 may be allowed to the schools for 2008-09 and also earlier years if there was absolutely no fee hike in those years. Therefore, in view of the contention of the school supported by an affidavit, the Committee

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Oscar Public School, Burari, Delhi-110084

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directed its audit officer to verify the contentions of no fee hike by the school in the years 2006-07 to 2008-09. The audit officer, after verifying from the fee records of the school, confirmed that the school had not hiked any tuition fee in the years 2007-08 and 2008-09.

The Committee is of the view that the fee hiked by the school in 2009-10 was in excess of the tolerance limit of 10% only in respect of classes IX & X, when considered along with the fact that the school did not hike any fee in 2007-08 and 2008-09, no intervention is called for so far as the hike in tuition fee is concerned.

Registration Fee and Admission Fee:

Admittedly, the school was not charging registration fee and admission fee uniformly for all the new students. As observed by the Audit Officer, the school was charging admission fee at varying rates between Rs.250 and Rs.2500. In terms of order dated 11/02/2009 issued by the Director of Education, the schools are forbidden from charging registration fee in excess of Rs.25 and admission fee in excess of Rs.200. Therefore, the Committee is of the view that the school ought to refund the fee charged under these heads in years 2009-10 and 2010-11, which was in excess of the maximum amount permitted to be charged vide the aforesaid order dated 11/02/2009. The amount ought to be refunded alongwith interest @ 9% per annum from the date of collection to the date of refund.

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Oscar Public School, Burari, Delhi-110084**Development Fee:**

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In reply to the questionnaire issued by the Committee, the school stated that it was charging development fee in all the five years for which information was sought by the Committee. In the years 2009-10 and 2010-11, the development fee charged was Rs. 5,47,050 and Rs. 7,43,425. As per the reply to the questionnaire, the school treated the development fee as a revenue receipt without maintaining any earmarked funds for development fund and depreciation reserve fund. The Committee notes that the school had charged development fee uniformly at the rate of Rs. 600 per annum (i.e. Rs. 50 per month) from 2006-07 to 2008-09. Thus, although there was no hike in development fee during these years, the school was not fulfilling any of the pre-conditions prescribed by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, for charging Development fee. Admittedly, the school treated it as a revenue receipt without maintaining any earmarked funds for development fee and depreciation reserve. Thus, in view of the Committee, the school ought to refund the development fee amounting to Rs.5,47,050 charged in 2009-10 and Rs.7,43,425 charged in 2010-11, alongwith interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

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COMMITTEE
For Review of School Fee

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Oscar Public School, Burari, Delhi-110084

In view of the foregoing discussion, the Committee makes the following recommendations:

- (a) The school ought to refund the excess amount of fee charged as registration fee and admission fee from the new students in the years 2009-10 and 2010-11, over and above the amount permissible as per order dated 11/02/2009 issued by the Director of Education, alongwith interest @ 9% per annum from the date of collection to the date of refund.
- (b) The school ought to refund the development fee amounting to Rs.5,47,050 charged in 2009-10 and Rs.7,43,425 charged in 2010-11, alongwith interest @ 9% per annum from the date of collection to the date of refund.
- (c) No intervention is required qua the tuition fee.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/11/2014

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Modern School, Barakhamba Road, New Delhi-110001

The Committee, vide letter dated 19/01/2012, called for information and documents from the school to examine the justifiability of fee hiked by it in pursuance of order dated 11/02/2009 issued by the Director of Education. In response, the school submitted that required information and documents under cover of its letter dated 06/02/2012. Some documents were found to be lacking, which were furnished by the school on 01/12/2012. Since the information supplied by the school was not specific on certain aspects, the school was issued a questionnaire seeking specific information and replies to certain queries regarding development fee, its utilisation and maintenance of development fund and depreciation reserve fund. The school furnished its reply under cover of its letter dated 25/07/2013. As per the reply, the school claimed to have implemented the VI Pay Commission report w.e.f. September 2008 and also claimed to have paid arrears on account of retrospective application of the VI Pay Commission report. Details of arrear paid were enclosed with the reply. As per the information furnished, a sum of Rs. 1,13,18,962 (including contribution towards PF) was paid by the school towards arrears of salary for the period 01/09/2008 to 31/01/2009. Further the school claimed to have paid a sum of Rs. 3,49,52,643 (including PF) as arrears for the period 01/01/2006 to 31/08/2008. It was further claimed that on account of

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For Review of School Fee

implementation of VI Pay Commission report, the monthly salary bill of the school had risen from Rs. 48,84,144 to Rs. 70,12,591.

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With regard to increase in fee, the school stated that the same had been increased by Rs. 500 per month w.e.f. 01/09/2008, for all the classes. Besides, the school claimed to have collected lump sum arrears of Rs. 4,500 per student for the period 01/01/2006 to 31/08/2008. Based on this reply submitted by the school, it was placed in Category 'B'.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee. As the school claimed to have implemented the VI Pay Commission Report and also increased the tuition fee w.e.f. 01/09/2008, the audited balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI Pay Commission Report. However, while reviewing the preliminary calculation sheet prepared by the CAs, the Committee observed that the CAs had taken the incremental tuition fee w.e.f. 01/09/2008 to be Rs. 500 per month and no account was taken of the incremental development fee charged by the school. Although the school did not furnish this information while submitting its reply to the questionnaire issued by the Committee, the circular issued to the parents of the students on 17/03/2009 clearly mentioned that additional development fee @ 15% of the annual tuition fee was also

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required to be paid. Therefore, the Committee did not deem it fit to rely on the calculation sheet prepared by the CAs and entrusted the task to one of the audit officers deployed by the Committee. The Committee also found that the school had given consolidated figure of the fee charged by it in its Income and Expenditure Accounts. Different components of fee were not given therein. The Committee therefore, issued a notice dated 26/06/2014, requiring the school to give complete break up of its revenue from fee for the years 2008-09, 2009-10 and 2010-11 showing regular fee and arrear fee separately, break up giving the expenditure on salary for the aforesaid years showing the arrear salary and regular salary separately along with the bank statements highlighting the payments of arrears, statement of account of the Trust running the school, details of accrued liabilities of gratuity and leave encashment. An opportunity of being heard on 30/07/2014 was also afforded to the school, vide the aforesaid notice.

On the date of hearing, Sh. Balbir Sharma, Manager of the school appeared with Sh. D.P. Singh, Accounts Officer and Sh. Rajneesh Wahal, Accountant. The Chairperson of the Committee recused himself from the hearing on the ground that a near relative of his is a student of the school.

The representatives of the school sought some more time to furnish the information required. At their request, the matter was directed to be relisted on 21/08/2014. On this date, they filed written submissions dated 21/08/2014 along with supporting details. During

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


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the course of hearing, they conceded that the school originally charged development fee in 2008-09 @ 10% of the tuition fee as per the fee statement filed under Section 17(3) of the Delhi School Education Act, 1973 but after the issuance of order dated 11/02/2009 by the Director of Education, the school recovered the arrears of the development fee @ 15% of tuition fee and such arrears were recovered not just from 01/09/2008 but from 01/04/2008. Further, during the course of hearing, it emerged that the school runs a boarding house, uniform shops, book shops and also has a branch of a bank running from its premises. The income from these sources was not accounted for in the accounts of the school but was accounted for in the accounts of Trust running the school. The school was, therefore, required to file the audited balance sheet of the Trust from 2006-07 to 2010-11. The required documents were filed by the school on 29/08/2014.

On the basis of the documents provided by the school, the information furnished in response to the questionnaire as well as notices issued by the Committee, the submissions made by the representatives of the school during the course of hearing, the Committee prepared a calculation sheet to ascertain the justifiability of the fee hike effected by the school in pursuance of order dated 11/02/2009 issued by the Director of Education. However, while preparing the preliminary calculation sheet, it came to the notice of the Committee that the school had reflected a liability of

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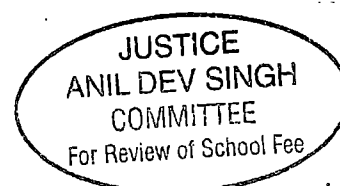

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Rs.1,21,36,347/- as salary payable as on 31.03.2008, which appeared to be odd. The school was, therefore, requested to furnish the detail of this liability. The school, vide its letter dated 16th Sept. 2014 submitted the details and as per the details, a sum of Rs.1,20,00,000/- was included in the aforesaid amount of Rs.1,21,36,347/- as arrears of 6th Pay Commission. The Committee prepared the calculation sheet of funds available with the school vis-à-vis its additional liabilities for payment of arrears and increased salary as per the recommendations of the 6th Pay Commission. In preparing the calculation sheet, the Committee has taken into account the funds available with the school as well as with the Trust running the school. This is on account of the fact that admittedly the school was diverting its income to the Trust. As per Rule 175 of the Delhi School Education Rules, 1973, the income accruing to the school not only by way of fees but also by way of income from building and rent has to be accounted for in the books of the school. Such income forms part of the "Recognised Unaided School Fund". The Committee has also taken into account the liabilities reflected in the books of the Trust as well as the hostel fee and the salary paid to the hostel staff. In short, the Committee has treated the school and Trust as one entity. The Committee has also given due consideration to the accrued liability of the school towards gratuity and leave encashment as they are backed up by proper documentation. The Committee has also given due consideration to the requirement of the school to keep some funds in reserve. The Committee has taken a view in case of other schools that

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the school ought to retain with them funds equivalent to four months' salary for unforeseen contingencies.

After considering all the above factors, the Committee has determined that the school had a sum of **Rs. 5,29,04,627/-** as funds available with it as on 31/03/2008, as per the following details:



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	<u>Current Assets and Investments of school</u>		
	Cash in hand	-	
	Bank Balance	5,310,816	
	Advance to Staff	3,200	
	Interest receivable	3,196,939	
	Investments (other than held against Development Fund and Depreciation Reserve Fund)	12,754,218	
	Sub Total (A)	21,265,173	
	<u>Current Assets and Investments of Trust</u>		
	FDRs and Savings Bank Account	71,498,018	
	Current Assets	6,891,585	
	Sub Total (B)	78,389,603	
	Total Current Assets and Investments (A+B)		99,654,776
Less:-	<u>Current Liabilities of School</u>		
	Provision for Gratuity	25,443,362	
	Scholarship & Prizes Fund	695,000	
	Student Security	12,528,418	
	Loans from Parents	140,000	
	Fee in Advance	356,887	
	Sundry Creditors	4,506,686	
	Salary Payable (other than provision for 6 th Pay Commission liability)	136,347	
	Sub Total (C)	43,806,700	
	<u>Current Liabilities of Trust (D)</u>	2,943,449	
	Total Current Liabilities (C+D)		46,750,149
	Net Current Assets + Investments i.e. funds available		52,904,627

The Committee notes that the school does not make any provision in its Balance Sheet in respect of its accrued liability of Leave Encashment. The school has filed an employee-wise detail of its accrued liability on this account vide submissions dated 29.08.2014. As per the detail submitted, the liability on this account as on 31.03.2008 amounted to **Rs.1,45,66,979/-**. Further, the Committee has taken a view in case of all the schools that the entire funds available with the schools ought not be treated as available for

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 implementation of 6th Pay Commission Report but the schools ought to keep funds in reserve equivalent to four months salary for any future contingency. The requirement of the school for such a reserve amounts to **Rs. 2,42,62,141/-**. Thus, out of the total funds available with the school, a sum of **Rs.3,88,29,120/-** (1,45,66,979+2,42,62,141) was required to be kept in reserve. Therefore, the funds available with the school for implementation of 6th Pay Commission Report, were **Rs.1,40,75,507/-** (5,29,04,627-3,88,29,120).

The additional liability of the school for implementation of VI Pay Commission Report was **Rs. 51,687,788** as per detail below:

Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.08.2008	33,492,151
Arrear of Salary as per 6th CPC w.e.f. 01.09.08 to 31.01.2009	10,167,579
Increased Salary as per 6th CPC from 01.02.09 to 31.03.2009	4,001,041
Incremental Salary as per 6th CPC from 01.04.09 to 31.03.2010	4,027,017
Total	<u>51,687,788</u>

Thus, the school had a shortfall of **Rs. 3,76,12,281/-** which needed to be bridged by recovering the arrear fee and the incremental fee in the year 2009-10. The school generated a sum of **Rs. 3,96,79,832/-** by recovering arrear fee and incremental fee as per order dated 11/02/2009 issued by the Director of Education. The details are as follows:

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Tuition Fee Arrear for the period 01.01.06 to 31.08.08	11,019,375
Tuition Fee arrear for the period 01-9-08 to 31-3-09	7,973,000
Development Fee arrear for the period 01.09.08 to 31.03.09 (10% of tuition fee)	7,97,300
Incremental Tuition fee+ Hostel fee in 2009-10	<u>19,890,157</u>
Total	<u>39,679,832</u>

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Apparently, the school hiked the fee, in excess of its requirements to discharge the additional burden on account of implementation of 6th Pay Commission Report to the tune of **Rs.20,67,551/-** (3,96,79,832-3,76,12,281). However, the Committee notes that while calculating the funds available with the school, the liability on account of accrued liability of gratuity and leave encashment have been taken as on 31.03.2008. The calculations of additional funds available have been made by taking the incremental fee upto 31.03.2010. Therefore, the addition in accrued liability of gratuity between 31.03.2008 and 31.03.2010 has also to be factored in. The school has filed details of the liability on account of earned leave as on 31.03.2010 as per which such liability amounts to Rs.2,64,85,288/-. Thus the additional liability on this account between 31.03.2008 and 31.03.2010 amounts to **Rs.1,19,18,309/-** (2,64,85,288-1,45,66,979). Similarly, the additional liability on account of gratuity between 31.03.2008 and 31.03.2010 was **Rs.3,16,10,528/-**. This figure is worked out on the basis the liabilities provided by the school in its balance sheets as on

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For Review of School Fee

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31.03.2008 and 31.03.2010, which are duly supported by actuarial valuations.

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The Committee, is therefore, of the view that no intervention is called for in the matter of hike in tuition fee effected by the school in pursuance of order dated 11.02.2009 issued by Directorate of Education.

Development Fee

In reply to the questionnaire issued by the Committee, the school stated that it was charging development fee from the students in all the five years for which the information was sought. The details of charge of development fee as well as its utilisation and maintenance of development fund and depreciation reserve fund was furnished by the school. The relevant figures as collated from the information furnished by the school and the balance sheets of the school is as follows:

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Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Development Fee collected	1,30,31,840	1,42,11,236	1,50,95,670	1,88,42,356	2,14,51,600
Development fee utilised	35,79,230	22,33,260	1,19,56,672	38,65,208	39,93,258
Balance of unutilised development fund*	1,69,68,155	2,89,46,131	3,20,85,129	4,70,62,279	6,45,20,630
Accumulated depreciation on assets acquired out of development fee.	1,60,21,355	1,89,49,480	2,50,18,333	2,97,66,722	3,46,04,656
Total of unutilised development fee and accumulated depreciation	3,29,89,510	4,78,95,611	5,71,03,462	7,68,29,001	9,91,25,286
Investments held against depreciation reserve fund	2,86,98,168	2,93,69,108	3,02,91,386	4,00,00,000	2,14,37,180
Investments against development fund	1,30,85,577	1,39,88,710	2,09,23,628	2,40,75,320	3,65,15,168
Total investments against development fund and depreciation reserve fund	4,17,83,745	4,33,57,818	5,12,15,014	6,40,75,320	5,79,52,348

*as per balance sheets

Although, in view of the Committee, the school is following the pre conditions laid down by the Duggal Committee as affirmed by the Hon'ble Supreme Court in the case of Modern school (2004) 5 SCC 583 with regard to capitalization of development fee and maintenance of development fund and depreciation reserve fund, the earmarked investments against the unutilised development fund and depreciation reserve fund are short of the respective balances in the funds in the years 2009-10 and 2010-11. However, considering that the school had a large shortfall in tuition fee account on implementation of VI Pay Commission report and also in view of the fact that the Committee

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is recommending refund of the excessive arrears of differential development fee recovered by the school illegally for the period 01/04/2008 to 31/03/2009, as discussed infra, the Committee is not inclined to recommend refund of any part of development fee charged by the school in 2009-10 and 2010-11.

In so far as the arrears of differential development fee charged by the school in 2009-10, purportedly in pursuance of order dated 11/02/2009 issued by the Director of Education, are concerned, the Committee is of the view that the school illegally recovered the arrears of differential fee for the period 01/04/2008 to 31/08/2008 as the aforesaid order dated 11/02/2009 permitted the schools to hike the tuition fee w.e.f. 01/09/2008. The order did not permit any hike in development fee per se. However since the development fee is normally charged as a percentage of tuition fee, any hike in tuition fee would result in a hike in development fee by the same percentage. In this case, the school was charging development fee @ 10% of tuition fee in the year 2008-09. Hence, at best, the school could have recovered the differential development fee @ Rs. 50 per month from 01/09/2008 to 31/03/2009 as the school hiked the tuition fee by Rs. 500 per month for that period. Further, this differential fee could not have been charged at all for the period 01/04/2008 to 31/08/2008 as the aforesaid order of the Director of Education did not envisage any recovery of fee for any period prior to 01/09/2008. The recovery of additional development fee for the aforesaid period is wholly illegal

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and cannot be countenanced at any cost. A further illegality was committed by the school in recovering the arrears of differential development fee @ 15% of tuition fee when the school was charging development fee at the rate of 10% of tuition fee in 2008-09.

In order to provide an opportunity to the school to explain its position with regard to the aforesaid aspects of recovery of arrears of Development fee, the Committee, vide notice dated 12.9.2014, afforded a hearing to the school. The school, vide its submissions dated 22.09.2014, contended that the school was justified in charging development fee @ 15% of tuition fee as it was allowed to do so by the judgment of the Hon'ble Supreme Court in case No. Appeal(Civil)2699 of 2001 in the school's own case.

The Committee has considered the submissions of school and is of the view that the judgment of the Hon'ble Supreme Court did not give any blanket permission to the schools to charge development fee @ 15% of tuition fee disregarding the statutory provisions contained in the Delhi School Education Act 1973 (DSEA). 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%

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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 15th December, 1999 and 31st December, 2003 we are of the view that the management of recognized unaided schools should be permitted to charge development fee not exceeding 15% of the total annual tuition fee.**

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A perusal of the aforesaid judgment of the Hon'ble Supreme Court would show that 15% of tuition fee is the maximum limit permitted by the Supreme Court. The schools have discretion to charge development fee at a lesser rate or not to charge the same at all. The school itself had been charging development fee @ 10% of tuition fee upto the year 2008-09. In the fee schedule filed by the school under section 17(3) of DSEA for the year 2008-09, the school intimated that it would charge development fee @ 10% of tuition fee. Under the provisions of Section 17(3) supra, the school cannot hike the fee after the start of the academic session, without specific approval from the Director of Education. No such approval was admittedly taken by the school. Hence, the action of the school in hiking the development fee to 15% of tuition fee w.e.f. 01.04.2008, falls foul of the provisions of Section 17(3) of the DSEA.

As per the information furnished by the school vide its written submission dated 21st August 2014, the school recovered arrears of tuition fee amounting to Rs. 79,73,000 for the period 01/09/2008 to 31/03/2009 @ Rs. 3,500 per student i.e. Rs. 500 per month for 7 months. The school could at best have recovered arrears of development fee amounting to Rs. 7,97,300 i.e. 10% of Rs. 79,73,000. However, as per the submission of the school, it recovered a sum of Rs. 43,25,315 as arrears of development fee for the whole year 2008-09. The recovery of the excess amount of development fee arrears amounting to Rs. 35,28,015 is not only unjustified but is wholly

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For Review of School Fee

illegal. The same ought to be refunded to the students along with interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

In view of the determinations made by the Committee as above, no intervention is required in so far as the hike in tuition fee is concerned. However, the school ought to refund the excess arrears of development fee of Rs.35,28,015 for the period 01.04.2008 to 31.03.2009, which the school recovered in contravention of the provisions of law, more particularly section 17(3) of the Delhi School Education Act, 1973. The aforesaid refund ought to be made alongwith interest @ 9% p.a. from the date of collection to the date of refund.

Recommended accordingly.

Sd/-

Dr. R.K. Sharma
Member

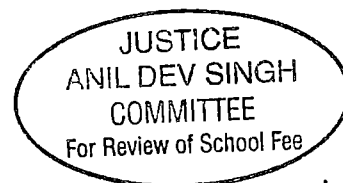
Sd/-

CA J.S. Kochar
Member

Dated: 24/09/2014

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M.S.Model School, Karala, Delhi - 110081

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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



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52- 4. With a view to verify the returns, the Office of the Committee vide its notice dated 10.01.2014 required the school to appear on 30.01.2014 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 30.01.2014, Sh. Krishan Singh, Principal of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f.01.04.2009 and had also hiked the fee in terms of the order of the Director of Education dated 11.02.2009 from the same date. Further, the school had not collected development fee from the students.

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

- (i). The school had increased tuition fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009. During 2010-11, the hike had been by Rs.50/- for classes IX and X only.
- (ii). The school had partially implemented the recommendations of the 6th Pay Commission as HRA and TA had not paid to the staff.

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For Review of School Fee

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- (iii) During October 2010 to January 2011, 09 teachers had been paid salary for 10 to 15 days only.
 - (v) Salary to the staff had been paid in cash, in-spite of the school having a bank account.
 - (vi) No TDS and PF had been deducted from the salary of the teaching staff.

7. By notice dated 16.07.2014 the school was asked to appear on 08.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 08.08.2014, Sh. Krishan Singh Principal, Sh. Lalit Mohan, Asstt. Teacher and Sh Pradeedp Kumar Jain, Account Asstt. of the school appeared before the Committee. It was conceded by them that the school hiked the fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009 and the recommendations of the 6th Pay Commission were implemented partially. Further, the school continue to pay salary in cash without deducting TDS. The school obtained TAN, only in 2011. It was also stated that the school did not charge development fee from the students.



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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	435	535	100	535	NIL
VI-VIII	515	715	200	715	NIL
IX-X	600	800	200	850	50

10. From the above, it is manifest that the school has increased the fee during 2009-10 for all classes, in terms of the order dated 11.02.1009 of the Director of Education. During 2010-11 there was no hike in fee for classes I to VIII, but for classes IX and X, the hike was by Rs.50.

11. The school has not implemented the recommendations of the 6th Pay Commission.

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



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[Signature]
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M.S.Model School, Karala, Delhi - 110081Discussion and RecommendationsRe. Fee Hike

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 22.08.2014



St. Lawrence Public Sr. Sec. School, Dilshad Garden, Delhi-
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The school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. However, the annual returns of the school filed under Rule 180 of Delhi School Education Rules, 1973 requisitioned from the office of the Dy. Directorate of Education, Distt. North East. On prima facie examination of the returns that were filed by the school with the Dy. Director of Education, it appeared that the school had hiked its fee in pursuance of order dated 11/02/2009 issued by the Director of Education and the school had also implemented the recommendations of VI Pay Commission. Accordingly, the school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 09/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 23/07/2013, for the purpose of verification. The school was also issued a revised questionnaire to elicit information regarding the extent of fee hike, implementation of VI Pay Commission report, recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school.

The records of the school were produced by Dr. Bhawna, Member of the Managing Committee and Ms. Monica, a representative

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of the Chartered Accountant of the school. The school also furnished its reply to the questionnaire issued by the Committee. As per the reply, the school claimed to have implemented the VI Pay Commission report w.e.f. 1st April 2009. In support, the school filed details of salary paid for the month of March 2009 as well as April 2009, which showed an increase of monthly salary from Rs. 5,01,109 to Rs. 9,07,419 as a result of implementation of VI Pay Commission report. With regard to arrears, the school contended that it had neither paid arrears to the staff arising on account of retrospective application of VI Pay Commission report nor it recovered any arrear fee as envisaged in the order dated 11/02/2009 issued by the Director of Education.

With regard to hike in fee, the school admitted having hiked the same w.e.f. 01/04/2009 in terms of order dated 11/02/2009. It also enclosed details of pre revision as well as post revision fee. As per the details filed, the pre revision and post revision fee for different classes was as follows:

Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in 2009-10 (Rs.)
I to VIII	1150	1360	210
IX & X	1200	1415	215
XI & XII	1310	1515	205

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In 2009-10, a development fee of Rs. 150 per month was introduced for all the classes. As per the details filed, the school collected a sum of Rs. 13,03,360 as development fee in 2009-10 and Rs. 15,05,000 in 2010-11. The development fee was treated as a revenue receipt and used for meeting the revenue expenditure of the school. Further, the school was not maintaining earmarked development fund or depreciation reserve fund.

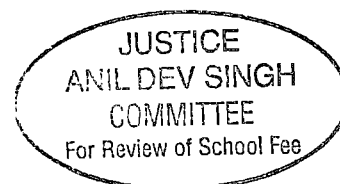
The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee and he observed that the books of accounts were maintained in normal course and no adverse feature was noticed therein. The school was paying salary as per the recommendations of the VI Pay Commission except that transport allowance was not paid to the staff on the ground that the staff was provided with school transport and further DA was paid at a lesser rate of 27% than the rate that prevailed at the time of implementation of VI Pay Commission report. The salary was paid by individual account payee cheques and also by bearer cheques in some cases. The school was deducting TDS from the salaries.

In order to provide an opportunity of being heard, the Committee issued a notice dated 27/01/2014 requiring the school to appear before it on 21/02/2014 along with the relevant records. On the scheduled date, Sh. Vikas, accountant of the school appeared with

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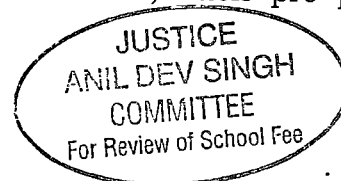
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one Sh. Ajay, a representative of the Chartered Accountant of the school. During the course of hearing, the representatives of the school reiterated that the school had implemented the VI Pay Commission report w.e.f. 01/04/2009. However, the arrears of salary were not paid as the arrears of fee was not recovered from the students. Further, it was contended that the school hiked the regular fee in terms of order dated 11/02/2009 and the hike was justified in view of the fact that the school was not in a position to implement the VI Pay Commission report out of its own resources. They confirmed that the development fee recovered by the school was treated as a revenue receipt and also used for the purpose of revenue expenses. Development fee was included in the total fee reflected in the Income & Expenditure Account.

On examining the financials of the school, the Committee observed that the school was also running nursery classes which served as a feeder to the main school. It was confirmed by the representatives of the school that the nursery classes were also run from the same premises. However, its fee collections were not reflected in the financials of the school but were reflected in the financials of the Society running the school. It was also observed that the Society had taken loans for building construction whose repayments were being made from the surplus of the nursery classes. Since as per the extant circular of the Directorate of Education, such pre primary

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60 schools are considered as part of the main school, the Committee has been taking a view that the surplus available with the nursery school ought also be considered as available to the main school for the purpose of implementation of the recommendations of VI Pay Commission. Accordingly, the school was required to produce the fee schedules of the nursery school as per the recognition letter of the school. The school was also required to file details of its accrued liabilities on account of gratuity and leave encashment. The matter was directed to be relisted on 24/03/2014. On this date, the aforesaid representatives of the school again appeared and filed the fee schedules for nursery classes for the years 2008-09, 2009-10 and 2010-11 as also a copy of the recognition of the school. They also submitted that till 31/03/2010, the school did not have any accrued liability for gratuity or leave encashment.

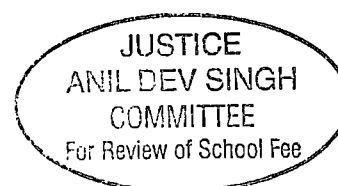
Perusal of the fee schedules of nursery class filed by the school reveals the following position:

Head of Fee	Monthly Fee 2008-09 (Rs.)	Monthly Fee 2009-10 (Rs.)	Monthly Fee 2010-11 (Rs.)
Tuition Fee	1200	1500	1960
Development Fee	120	150	190
Pupil fund	60	70	100
Activity fee	100	150	
Bulletin Fee	50	60	
Multi Media/AV Fee	60	70	
Total	1590	2000	2250

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It is apparent from the above table that the school hiked the tuition fee in 2009-10 for students of nursery class also in terms of order dated 11/02/2009 of the Director of Education.

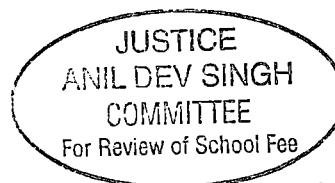
Discussion & Determination:

The Committee has perused the returns filed by the school under Rule 180 of Delhi School Education Rules, 1973, the balance sheets of the school as well as the Society running the school, which were brought on record during the course of hearing, the observations of the audit officer and the submissions made the representatives of the school during the course of hearing.

With regard to consideration of funds available with the nursery school, the Committee is of the considered view that since the nursery school is the entry level school where the students are admitted in the first instance and they automatically graduate to the main school after completing the pre primary classes and both the schools are located in the same campus, both of them ought to be considered as one school and the funds available with both the schools should be considered as available. This view of the Committee is based upon circular No. 15072-15871 (Act Branch) dated 23/03/1999 of the Directorate of Education, Govt. of Delhi, in pursuance of directions of the Hon'ble High Court of Delhi in CWP No. 3723/97. The said circular has a statutory flavour as it is issued under sub section (1) of Section 3 of

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the Delhi School Education Act, 1973, read with Rule 43 of the Delhi School Education Rules, 1973. It reads as follows:

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

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

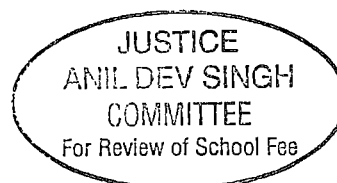
(emphasis supplied by us)

Therefore, while examining the justifiability of fee hike for implementation of the recommendations of the VI Pay Commission report, the Committee will consider the funds available with the nursery school also, besides considering the funds available with the main school.

Another issue that arose during the course of hearing while examining the financials of the nursery school was that the society

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**St. Lawrence Public Sr. Sec. School, Dilshad Garden, Delhi-
110095**

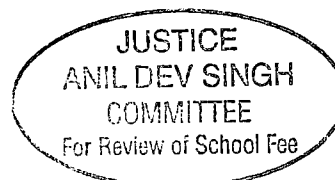
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had taken loans for construction of building and the interest as well as repayment of such loans were being made from the funds of the society, which comprise of the surplus of the nursery school. As the fee structure of the school cannot include any capital expenditure to be incurred, the Committee is of the view that the repayment of loans and interest on loans taken by the school for construction of building by the Society amounts to diversion of the fee revenue of the school. Had such diversion not taken place, the funds would have been available with the school for implementation of the VI Pay Commission report. Since the Committee has taken the balance sheet of the school as on 31/03/2009 to determine the funds available with the school at the threshold, the funds diverted by the school during the years 2006-07, 2007-08 and 2008-09 (for which the records are available with the Committee) will be reckoned as available with the school for implementation of VI Pay Commission report. Similarly the funds diverted in the year 2009-10 will be reckoned as a source of revenue of that year, which could have been utilised for the aforesaid purpose.

On perusal of the audited Balance Sheets, Receipt and Payment accounts and Income & Expenditure accounts of the school as well as the Society (which is actually the balance sheet of the nursery school), the following position emerges with regard to the total funds available with the school as on 31/03/2009, the additional revenue

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**St. Lawrence Public Sr. Sec. School, Dilshad Garden, Delhi-
110095**

generated by the school in 2009-10 and the additional liabilities incurred by the school in 2009-10 on implementation of VI Pay Commission report:

Statement showing Availability of Funds as on 31-03-2009, additional funds generated and additional expenditure incurred on implementation of VI Pay Commission report in 2009-10			
Particulars	Main School	Nursery School	Total
Funds diverted by way of repayment of loans and interest thereon			
F.Y. 2006-07	-	123,000	123,000
F.Y. 2007-08	-	299,000	299,000
F.Y. 2008-09	-	599,000	599,000
<u>Current Assets</u>			
Cash & Bank Balance	264,261	257,852	522,113
Fixed Deposits with Bank	88,898	669,821	758,719
Receivables	8,716		8,716
Total Current assets	361,875	1,948,673	2,310,548
Less: <u>Current Liabilities</u>			
Students Security Deposit	361,600	101,975	463,575
Advance Fee receipt	-	155,500	155,500
Total Current Liabilities	361,600	257,475	619,075
Net Current Assets	275	1,691,198	1,691,473
Annual Increase in Salary in 2009-10	2,189,500	336,140	2,525,640
Total Outgo on implementation of 6th CPC	2,189,500	336,140	2,525,640
Add: Tuition Fee Hiked & recovered due to 6th CPC			
Annual Increase in fee in 2009-10	2,478,547	(222,375)	2,256,172
Funds diverted by way of repayment of loans and interest thereon			
F.Y. 2009-10	-	1,699,000	1,699,000
Total amount available for implementation of 6th CPC (E)	2,478,547	1,476,625	3,955,172
Excess / (Short) Fund After Fee Hike	289,322	2,831,683	3,121,005

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St. Lawrence Public Sr. Sec. School, Dilshad Garden, Delhi-110095

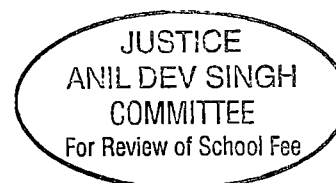
Working notes

Increase in salary in 2009-10	Main School	Nursery	Total
Total Salary of 2009-10	8,916,256	1,219,940	10,136,196
Less: Total Salary of 2008-09	<u>6,726,756</u>	<u>883,800</u>	<u>7,610,556</u>
Increase	<u>2,189,500</u>	<u>336,140</u>	<u>2,525,640</u>
Increase in fee in 2009-10	Main School	Nursery	Total
Total fee of 2009-10	14,920,637	2,512,715	17,433,352
Less: Total fee of 2008-09	<u>12,442,090</u>	<u>2,735,090</u>	<u>15,177,180</u>
Increase	<u>2,478,547</u>	<u>(222,375)</u>	<u>2,256,172</u>

As would be apparent from the above calculation sheet, the school had a surplus of Rs. 31,21,005, after meeting its liabilities on implementation of VI Pay Commission report. However, it would be worthwhile to mention here that the Committee has not taken into account the funds required to be maintained in reserve by the school for meeting future contingencies. As per the view taken by the Committee in the case of other schools, the school ought to maintain in reserve funds equivalent to four months' salary for this purpose. The total expenditure on salary incurred by the school in 2009-10 was Rs. 1,01,36,196. Based on this the requirement of the school for funds to be kept in reserve amounts to Rs. 33,78,732, which is slightly more than the surplus funds available with the school after implementation of VI Pay Commission report. In view of this position,

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**St. Lawrence Public Sr. Sec. School, Dilshad Garden, Delhi-
110095**

the Committee is of the view that the fee hiked by the school to meet its liabilities on implementation of the VI Pay Commission report was justified and no interference is called for in the matter.

Development fee:

16
The Committee notes that the school started charging development fee in 2009-10 and during 2009-10, its collection on this account was Rs. 13,03,360 in that year and Rs. 15,05,000 in the year 2010-11. Since while calculating the funds available with the school for meeting its liabilities on implementation of VI Pay Commission report, the Committee has also taken into consideration the development fee for the year 2009-10, which was treated as a revenue receipt and also spent on revenue expenses, no separate recommendation is required to be made for development fee collected during that year. However, the development fee for 2010-11, which amounted to Rs. 15,05,000, ought to be refunded as the school was not fulfilling any of the pre conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583, in as much as development fee was treated as a revenue receipt and no earmarked funds were maintained for unutilised development fee and depreciation reserve. The aforesaid sum of Rs. 15,05,000 ought to be

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St. Lawrence Public Sr. Sec. School, Dilshad Garden, Delhi-110095

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

Recommendations:

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In view of the foregoing discussion and determinations, the Committee is of the view that the school ought to refund the development fee amounting to Rs. 15,05,000 charged in 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated: 14/11/2014

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Secretary

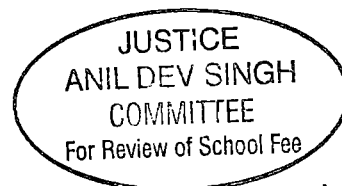


Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

- 68
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
 2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
 3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
 4. With a view to verify the returns, the Office of the Committee vide its notice dated 24.07.2013, required the school to appear on 22.08.2013

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Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

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

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5. On 22.08.2013, Sh. Rajiv Kumar, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.07.2009 and had hiked the fee, w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009. The school has not charged development fee from the students.

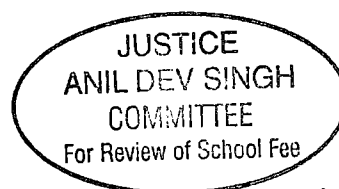
6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i). the school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. July 2009.
- (ii). The school hiked tuition fee in 2009-10 by 08.9% to 15.9% for different classes. During 2010-11, the hike had been by 10%.

7. By notice dated 22.07.2014, the school was asked to appear on 21.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

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Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

8. On 21.08.2014. Sh. Rajiv Kumar, Manager, Sh. Ramesh Arora, Accountant and Sh. Udit Sharma, Accountant of the school appeared before the Committee and provided the records. It was contended by them that:-

- 70
- (i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. 01.07.2009 and has paid differential salary from April 2009 to June 2009; thereby the school has effectively implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
 - (ii). The salary to the staff has been paid through bearer cheques.
 - (iii) TDS has been deducted wherever applicable.

On perusal of the bank statement on random basis, the Committee has noticed that the salary for many months has been withdrawn through self bearer cheques on a single day, while for some months the withdrawal were permanently made by the staff members. On being so, the Account Officer of the Committee was asked to tabulate the salary for different months of 2009-10, indicating the mode of payment.

9. Mrs. Sunita Nautial, AAO of the Committee has verified the mode of payment of arrear and salary w.e.f. July 2009 to March 2010. The

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

following chart, which was culled out by her from the record of the school would show the mode of Payment of arrears and salaries.

Arrear paid in August, through		Salary paid in July-2009 through		Salary paid in August-2009 through		Salary paid in September-2009 through		Salary paid in October-2009 through	
Cash	Cheque	Cash	Cheque	Cash	Cheque	Cash	Cheque	Cash	Cheque
664,173	nil	628,434	17,365	496,255	172,016	660,423	nil	57,623	627,876

All figures are in Rupees

Arrear paid in November 2009, through		Salary paid in December,2009 through		Salary paid in January 2010, through		Salary paid in February 2010 through		Salary paid in March 2010 through	
Cash	Cheque	Cash	Cheque	Cash	Cheque	Cash	Cheque	Cash	Cheque
62,628	425,731	42,305	384,641	42,305	234,735	42,305	211,080	347,521	nil

All figures are in Rupees

10. By notice dated 25.09.2014, the school was asked to appear again on 10.10.2014 for affording another opportunity of hearing to the school.

11. On 10.10.2014, Sh. Ravi Kumar, Representative of the school appeared before the Committee. He filed a letter dated 10.10.2014, signed by the Manager of the school seeking adjournment for 15 days.

The request was rejected.

Secretary



Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

12. The Committee on perusal of the observations of the Audit Officer, contentions advanced by the school during the hearing accorded to it on 21.08.2014 and the record available with the Committee, decided to dispose off the case and the application of the school.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	665	740	75	810	70
II to V	665	760	95	835	75
VI to VIII	725	790	65	865	75
IX	845	980	135	1075	95
X	845	1025	180	1125	100

14. From the above, it is manifest that the school has increased the fee during the year 2009-10 for classes I to V and IX to X, though, not in terms of the order of the Director of Education dated 11.02.2009, yet, in excess of the tolerance limit of 10%. During 2010-11, the hike in fee was within 10%.

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Secretary



Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

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15. The school has claimed to have implemented the recommendations of the 6th Pay Commission. The school is stated to have paid arrears to the staff in cash in the month of August. During the month of September 2009 and March 2010, salary has also been paid in cash to all the staff members. Further, during the period from October 2009 to February 2010, salary has been paid in cash and through cheques, but the payment of salary through cheques has decreased progressively during these months. In such circumstances the claim of the school to have implemented the recommendations of the 6th.Pay Commission can not be accepted by the Committee.

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

RECOMMENDATION

Re. Fee Hike

Though the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10, yet the hike in fee except classes VI to VIII was more than the tolerance limit of 10%. Since the school has not implemented the recommendations of 6th Pay Commission, We are of the view that



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Delhi International Sec. School, Jawaharnagar, Johripur, Delhi-94

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

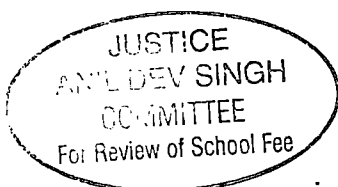
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-17.10.2014

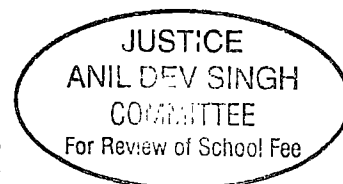


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New Oxford Public School, Vivek Vihar, Delhi - 110095

- 75
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
 2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
 3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
 4. With a view to verify the returns, the Office of the Committee vide its notice dated 31.05.2013, required the school to appear on 19.06.2013 and to produce entire accounting, fee and salary records for the years

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2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On the scheduled date, Sh. Anoop Kumar, Manager of the school attended the office of the Committee and requested for some more time to produce the record. The school was directed to produce the record on 10.07.2013. On 10.07.2013 the Manager of the school again requested for some more time to produce the record. The school was directed to produce the record on 31.05.2013.

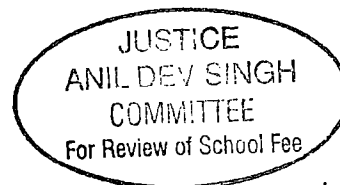
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5. On 31.05.2013, Shri Anoop Kumar, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. March, 2011 and had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009. The school had also charged development fee.

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

- (i). The school hiked the fee in 2009-10 by 05% to 11.1% for different classes. During 2010-11, the hike in fee was by 08.3% to 11,1%.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f March,2011, but D.A. and T.A. had not been paid as per norms.

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New Oxford Public School, Vivek Vihar, Delhi - 110095

(iii). Salary to the staff had been paid through bearer cheques without deducting T.D.S.

7. By notice dated 22.07.2014, the school was asked to appear on 20.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 20.08.2014, Sh. Anoop Kumar, Chairman, Dr. (Mrs.) Jyotsana, Principal and Sh. Gaurav Gupta, P/T Accountant appeared before the Committee and produced the record. They contended that ;-

- 77
- (i) The school has partially implemented the recommendations of the 6th. Pay Commission.
 - (ii) The hike in fee in 2009-10 and 2010-11 was restricted to 10%.
 - (iii) It was not possible for low fee based schools to implement the recommendations of the 6th. Pay Commission and such schools, ought to be categorised based on the fee being charged.
 - (iv) The school has charged development fee from the new admissions and the same has been treated as revenue receipt and has been utilised to meet revenue expenditure.

9. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee.

JUSTICE
ANIL DEV SINGH Page 3 of 5
COMMITTEE
For Review of School Fee

New Oxford Public School, Vivek Vihar, Delhi - 110095

10. The school has increased the fee during the year 2009-10 and 2010-11 by 10%. The school is working on low fee base.

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff had been paid through bearer cheques without deducting TDS and PF. Therefore, its claim to have implemented the recommendations of the 6th Pay Commission cannot be accepted by the Committee.

12. As per the record, the school has charged development fee from the students.

RECOMMENDATION**Re. Fee Hike**

Since the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10 and 2010-11, therefore no intervention is called for qua the fee.

Re.: Development Fee

The school has charged development fee from the students during the years 2009-10 and 2010-11 in the following manners:-

<u>Year</u>	<u>Development fee charged</u>
2009-10	Rs.2,21,900.00
2010-11	Rs.1,02,734.00

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New Oxford Public School, Vivek Vihar, Delhi - 110095

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

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. for collecting Development Fee. Therefore, the Development Fee charged by the school to the tune of Rs. 3,24,634.00 during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

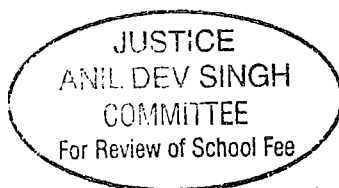
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 08/09/2014



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Suman Vidhya Mandir Sec. School, Bhagirathi Vihar, Delhi -94

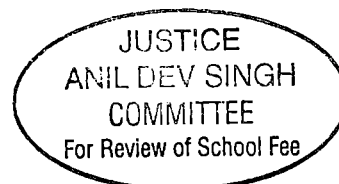
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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4. With a view to verify the returns, the Office of the Committee vide its notice dated 17.07.2013 required the school to appear on 14.08.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On 14.08.2013, no one attended the office of the Committee. The school was provided another opportunity to produce its record on 05.09.2013.

5. On 05.09.2014, Sh. Raj Kumar Singh, representative of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.08.2009 and had also hiked the fee in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2009. Further, the school had not collected development fee from the students.

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

(i). The school had increased tuition fee in 2009-10, in excess of the prescribed limit of the order of the Director of Education, dated

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JUSTICE
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COMMITTEE
For Review of School Fee

Suman Vidhya Mandir Sec. School, Bhagirathi Vihar, Delhi -94

11.02.2009. During 2010-11, the hike had been up-to 12% for different classes.

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

(iii) No TDS had been deducted from the salary of the staff.

7. By notice dated 22.07.2014 the school was asked to appear on 27.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. The hearing was rescheduled for 07.10.2014 with due intimation to the school.

8. On 07.10.2014, Sh. Mukesh Kumar, Manager with Sh. Raj kumar, in-charge of the school appeared before the Committee. They have contended that;-

(i) The school has hiked the tuition fee in 2009-10 and the recommendations of the Sixth Pay Commission were implemented w.e.f.

01.08.2009.

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Suman Vidhya Mandir Sec. School, Bhagirathi Vihar, Delhi -94

- (ii) The salary to the staff was paid in cash.
- (iii) No TDS was deducted from the salary of the staff, even after the implementation of the recommendations of the Sixth Pay Commission.
- (iv) The school did not charge development fee from the students.

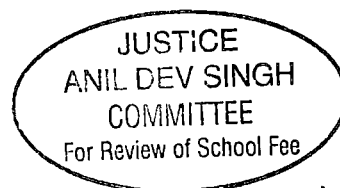
9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11;

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	600	890	290	900	10
VI-VIII	775	1000	225	1100	100
IX-X	825	1070	245	1200	130

10. From the above, it is manifest that the school has increased the fee during 2009-10 for all classes, in excess of the prescribed limit of the order dated 11.02.1009 of the Director of Education. During 2010-11 there was hike in fee by 12 %.

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Suman Vidhya Mandir Sec. School, Bhagirathi Vihar, Delhi -94

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff has been paid in cash without deducting TDS. D.A. has also not been paid as per the prescribed norms. Therefore, its claim to have implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee.

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

Discussion and Recommendations**Re. Fee Hike**

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The school has utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee, in 2009-10, in excess of the prescribed limit of the aforesaid order and has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. In such circumstances, the Committee recommends that the fee hike effected by the school in the year 2009-10, in excess of 10%, ought to be refunded along

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JUSTICE
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COMMITTEE
For Review of School Fee

Suman Vidhya Mandir Sec. School, Bhagirathi Vihar, Delhi -94

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

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

Recommended accordingly.

Sd/-

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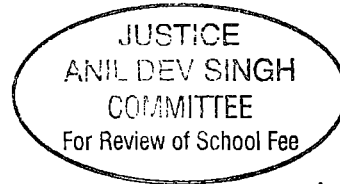
Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 13-10-2014



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Secretary

Malviya Public School, Malviya Nagar, New Delhi - 110017

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notices dated 31.05.2013 and 15.07.2013 required the school to appear on 17.06.2013 and 08.08.2013, respectively and to produce

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Malviya Public School, Malviya Nagar, New Delhi - 110017

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

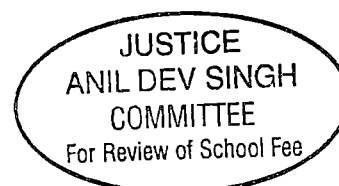
5. On 08.08.2013, Mrs. Madhu Virmani, Principal and Mrs. Kamini, Accountant of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school had partially implemented the recommendations of the 6th Pay Commission, w.e.f. 01.03.2010 and had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2010. The school had also collected development fee from the students on monthly basis.

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

- 87
- (i). The school had increased tuition fee in 2009-10, by Rs.10/- to Rs.40/- p.m. for classes I to VIII. During 2010-11, the hike had been by Rs.100/- to Rs.200/- p.m. for different classes.
 - (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f.01.03.2010, but only basic pay was revised. DA, HRA and TA have not been paid as per the prescribed norms.
 - (iii) The school has charged development fee on monthly basis.
 - (iv) TDS has not been deducted from the salary of the staff.

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7. By notice dated 22.07.2014 the school was asked to appear on 27.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. The hearing was re-scheduled for 07.10.2014, with due intimation to the school.

8. On 07.10.2014, Ms. Mamta Chaudhary, H.M. & Ms. Kamini Mansharman, Head Clerk of the school appeared before the Committee. They conceded that;-

(i) The school has not implemented the recommendations of the Sixth Pay Commission and has revised only the basic salary of the staff w.e.f. March 2010.

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

(iii) The school has charged development fee on monthly basis which was in excess of 15% of the tuition fee. Further the development fee has been treated as revenue receipt and neither any development nor depreciation reserve fund was maintained by the school.

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.

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Malviya Public School, Malviya Nagar, New Delhi - 110017

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
Nur.& K.G.	390	450	60	500	100
I to V	490	500	10	600	100
VI to VIII	540	550	10	750	200

10. From the above, it is manifest that the school has increased the fee during 2009-10 for classes Nursery to K.G. in excess of 10%, but in absolute terms, it was not much. For other classes the hike was within the tolerance limit of 10%. During 2010-11, the hike was in terms of the order dated 11.02.2009 of the Director of Education.

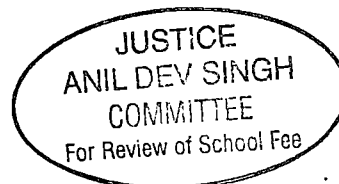
11. Admittedly the school has not implemented the recommendations of the 6th Pay Commission and has revised Basic Pay only w.e.f. March 2010.

Discussions and Recommendations**Re. Fee Hike**

The school has utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee, in 2010-11, but as

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Malviya Public School, Malviya Nagar, New Delhi - 110017

observed above, has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee, in excess of the tolerance limit of 10%, was unjustified. In such circumstances, the Committee recommends that the fee hike effected by the school in the year 2010-11, in excess of 10%, ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2010-11 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee.

The school has charged development fee from the students in 2009-10 and 2010-11, @ Rs.100/- p.m., which was more than the permissible limit of 15% of the tuition fee. The development fee had been treated as revenue receipt and no separate depreciation reserve fund and development fund account had been maintained.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

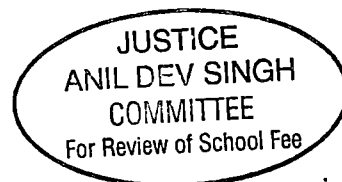
Sd/-

Dr. R.K. Sharma
Member

Dated:- 13-10-2014

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Ratanjee Modern School, Badarpur, New Delhi - 110044

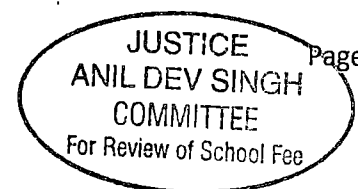
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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Ratanjee Modern School, Badarpur, New Delhi - 110044

4. With a view to verify the returns, the Office of the Committee vide its notice dated 10.01.2014 required the school to appear on 10.02.2014 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 10.02.2014, Sh. Lucky Chaudhary, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f.01.04.2010 and had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 w.e.f.01.04.2009. Further, the school had neither collected the arrears of fee from the students nor, had paid arrears of salary to the staff.

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

- (i). The school had increased tuition fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009. During 2010-11, the hike had been by 10%.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2010.

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Ratanjee Modern School, Badarpur, New Delhi - 110044

- (iii) Salary to the staff had been paid through bearer cheques and in cash.
- (vi) No TDS and PF had been deducted from the salary of the teaching staff.

7. By notice dated 16.07.2014 the school was asked to appear on 08.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 08.08.2014, Sh. Lucky Chaudhary, Manager of the school appeared before the Committee. It was conceded by him that the school hiked the fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009 and the recommendations of the 6th Pay Commission were implemented w.e.f. 01.04 2010. It was also admitted that the school continues to pay salary in cash or through bearer cheques and all the cheques are encashed together from the bank on a single day. He also conceded that the school does not deduct TDS and PF from the salaries of the staff. It was stated that the school did not have a TAN and was not registered with the PF authorities. It was also stated that the school did not charge development fee from the students.



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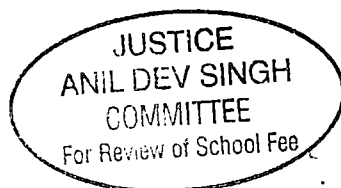
Ratanjee Modern School, Badarpur, New Delhi - 110044

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	480	580	100	630	50
VI-VIII	525	725	200	790	65

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

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff was paid in cash or through bearer cheques. So much so, all the bearer cheques were encashed together on a single day. The school has not deducted TDS and PF from the salary of the staff and does not have TAN and is even not registered with the PF authorities. In such circumstances the claim of



Ratanjee Modern School, Badarpur, New Delhi - 110044

the school to have implemented the recommendations of the 6th.Pay Commission is not acceptable to the Committee.

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

Discussion and Recommendations

Re. Fee Hike

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

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent



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

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Sd/-

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

Dated:- 22/08/2014

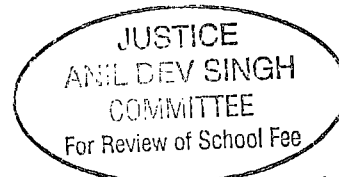
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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

The school had not replied to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. The matter was referred to the concerned Dy. Director of Education (DDE) and it appears that a show cause notice dated 25/05/2012 was issued to the school, in reply to which, the school, vide its letter dated 28/05/2012 to the DDE submitted that the school had always been prompt filing its annual returns under Rule 180 of the Delhi School Education Rules, 1973. Along with the letter, the school forwarded to the DDE copies of its annual returns for the years 2006-07 to 2010-11. These were transmitted to the office of the Committee by the DDE. On a prima facie examination of the returns filed by the school, it appeared that the school had implemented the recommendations of the VI Pay Commission and also hiked the fee in terms of order dated 11/02/2009 issued by the Director of Education. Accordingly the school was placed in category 'B'. However, while perusing the returns filed by the school in detail, the Committee felt that the relevant information required for the purpose of examining the justifiability of fee hike effected by the school in pursuance of order dated 11/02/2009 of the Director of Education was not available in the returns filed by the school. In order to elicit the requisite information, the Committee vide its email dated 07/08/2013, issued a revised questionnaire to the school, which besides requiring the school to furnish the information as asked for in the earlier

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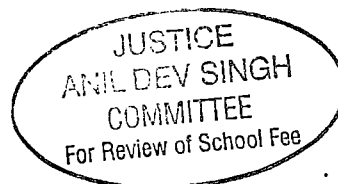
Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

questionnaire, also required the school to furnish information regarding collection and utilisation of development fee, its treatment in the accounts and maintenance of earmarked development and depreciation reserve funds. In response, the school vide its letter dated 30/08/2013 submitted as follows:

- (a) The school implemented the recommendations of the VI Pay Commission w.e.f. September 2008. However, in support of this claim, the school filed copies of its salary register for the month of November 2008, showing total expenditure on salary to be Rs. 17,56,311 and December 2008 showing total expenditure on salary to be Rs. 26,16,116 consequent to implementation of VI Pay Commission report. (This was suggestive of the fact that the school had actually implemented the VI Pay Commission report w.e.f. December 2008 and not September 2008 as claimed).
- 99 (b) The school paid arrears of salary amounting to Rs. 1,32,23,411, the details whereof were furnished.
- (c) The school had increased the fee of the students in pursuance of order dated 11/02/2009 by Rs. 400 per month for each class (The fee was increased from Rs. 1800 per month to Rs. 2200 per month).
- (d) The school collected arrear fee also as prescribed under order dated 11/02/2009.

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

(e) The school collected development fee in all the five years for which information was sought i.e. 2006-07 to 2010-11 and furnished the details of its collection and utilisation. The year wise details as given by the school are as follows:

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
(A) Development Fee Collected	33,78,860	42,19,461	38,05,510	45,61,780	48,63,068
(B1) Development Fee utilised for purchase of eligible assets	6,70,711	24,51,436	7,24,236	22,62,510	43,21,205
(B2) Development Fee utilised for meeting revenue expenses	27,08,149	17,68,025	30,81,274	22,99,270	5,41,863
(B) Total utilisation = B1+B2	33,78,860	42,19,461	38,05,510	45,61,780	48,63,068
(C) Balance unutilised = A-B	Nil	Nil	Nil	Nil	Nil

(f) Development fee is treated as a capital receipt in the accounts.

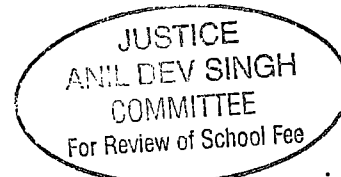
(g) Depreciation reserve fund and unutilised development fund are kept in earmarked bank accounts.

As there was an apparent contradiction in the contention of the school that the VI Pay Commission was implemented w.e.f. September 2008, copies of its salary bills for the months of September 2008 to November 2008 were called for by the Committee, which were furnished by the school under cover of its letter dated 30/10/2013. The position was clarified by the school vide its letter dated 31/10/2013 vide which it was informed to the Committee that the actual implementation of the recommendations of the VI Pay

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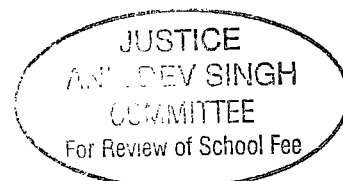
Commission was made w.e.f. December 2008 and the differential arrears for the months of September to November 2008 were paid in December 2008 separately. It was further informed that the school had also paid arrears for the period January 2006 to August 2008.

Based on the information provided by the school, the Committee prepared a preliminary calculation sheet, which showed that apparently the fee hiked by the school was not justified as after taking into account the funds available with the school as on 31/03/2008 which amounted to Rs. 3,59,15,544, the additional revenue generated by the school by way of recovery of arrear fee and incremental fee in the year 2009-10 and the additional burden on the school on account of implementation of the VI Pay Commission report, the school still had surplus funds to the tune of Rs. 3,35,56,583. A copy of the preliminary calculation sheet was supplied to the school vide Committee's notice dated 26/08/2014. The school was also provided an opportunity of being heard on 22/09/2014 on the aforesaid calculation sheet. Since the school was not providing any accrued liability on account of gratuity and leave encashment, the school was also asked to furnish the relevant information so that the same could be considered by making the final determinations. The preliminary calculation sheet as prepared by the Committee is as follows:

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

Statement showing Fund availability of as on 31-03-2008+additional fee revenue and additional salary burden			
	Particulars	Amount	Amount
	<u>Current Assets</u>		
	Cash in hand	63,442	
	Bank Balance	(3,259,884)	
	Fixed Deposits	47,126,735	
	Staff Advances	662,000	
	Advance to Creditors	460,000	
	Advance Tax	195,282	
	TDS Recoverable	28,560	45,276,135
Less:-	<u>Current Liabilities</u>		
	Students Security	707,500	
	Transport Security	780,500	
	Contractors Security	44,000	
	Tpt. Fee received in advance	805,775	
	Fees received in advance	3,372,831	
	Advanced Fee	3,649,985	9,360,591
	Net Current Assets + Investments		35,915,544
Less:-	Arrear of Salary as per 6th CPC	13,223,411	
	Increased Salary as per 6th Pay Commission from 01.12.2008 to 31.03.2009	3,439,220	
	Increased Salary as per 6th CPC from 01.04.09 to 31.03.2010	10,317,660	26,980,291
	Excess / (Short) Fund Before Fee Hike		8,935,253
Add:-	Fee Arrear for the period from 01.01.06 to 31.08.08	6,610,510	
	Fee arrear for the period from 1.9.08 to 31.3.09 (Calculation given below)	6,894,020	
	Increased Tuition fee in 2009-10 (Calculation given below)	11,116,800	24,621,330
	Excess / (Short) Fund After Fee Hike		33,556,583

Working notes:

Increased Salary in 2009-10	Amount
Post Implementation Salary for December 2008	2,616,116
Pre- Implementation Salary for November 2008	1,756,311
Monthly increase in Salary	859,805
Increased salary for Dec. 2008 to March 2009	3,439,220

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

Increase in salary in 2009-10

10,317,660

Annual increase in Tuition Fees in 2009-10			
Class	Increase in TF PM (Rs.)	Students	Amount for 12 months
Nur-XII	400	2,316	11,116,800

Arrear of Fee charged for the period from 1.9.2008 to 31.03.2009			
Class	Arrear for 7 months (Tuition fee @ Rs.2800 + 15% Development fee)	Students	Amount
Nur-XII	3220	2,141	6,894,020

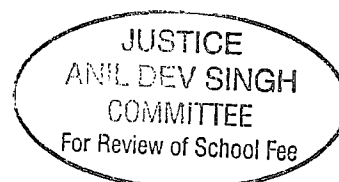
The school filed its objections to the preliminary calculation sheet prepared by the Committee vide its submissions dated 18/09/2014, which were filed in advance before the date of hearing. Along with the objections, the school also filed its own calculation sheet, which did not dispute the figure of funds available with the school as on 31/03/2008, as taken by the Committee to be Rs. 3,59,15,544, but claimed

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- (a) That the school needed to keep funds in reserve for its accrued liabilities of gratuity which was Rs. 58,02,265 as on 31/03/2010 and for leave encashment which was Rs. 22,29,015 as on that date. In support, the school filed copies of actuarial reports for both the liabilities.
- (b) Further, it was claimed that a sum of Rs. 1,63,53,976 which was equivalent to four months operational expenses was required to be kept in reserve for future contingencies.

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

However, the basis of arriving at the figure as aforesaid was not given by the school.

- (c) The correct amount of arrear salary was stated to be Rs. 1,32,43,411 instead of Rs. 1,32,23,411, as taken by the Committee.
- (d) The increased salary for the period 01/12/2008 to 31/03/2009 was Rs. 38,07,226 as against Rs. 34,39,220 taken by the Committee in preliminary calculations. Further, the Committee omitted the increased salary for the period 01/09/2008 to 30/11/2008 amounting to Rs. 27,39,912 from its calculations.
- (e) The increased salary for the year 01/04/2009 to 31/03/2010 was Rs. 1,60,83,639 instead of Rs. 1,03,17,660 taken by the Committee.
- (f) The Committee had not taken into consideration the concessions on tuition fee in the years 2008-09 and 2009-10 which amounted to Rs. 10,64,204.

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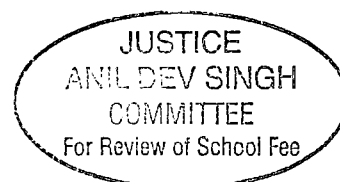
It was claimed that if the above errors are rectified in the calculation sheet prepared by the Committee, the result will be that the school was in deficiency to the tune of Rs. 7,86,774.

On the date of hearing i.e. 22/09/2014, Mr. Michael Williams, Director of the school appeared with Mr. S.S. Kalra, Chartered Accountant, Ms. Rita Midha and Mr. Naresh Shukla, Accountants of

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

the school. During the course of hearing, they filed fresh written submissions along with a fresh calculation sheet. In sum and substance, there was no difference in the calculation sheet filed by them earlier and that filed on that date. The difference was only in form.

They reiterated their written submissions. They were asked to provide the basis of the figure of Rs. 1,63,53,976 which they had claimed as reserve equivalent to four months operational expenses, a reconciliation statement of figures of arrear fee, arrear salary, incremental fee and incremental salary for the year 2009-10 with the figures appearing in the Income & Expenditure Accounts for 2008-09 and 2009-10. They were also asked to provide justification claiming fee concession of 2008-09 when the incremental fee for that year had not been taken into consideration in the calculation sheet.

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With regard to development fee, the school was asked to substantiate its claim that depreciation reserve fund was kept in earmarked bank account by filing of copies of bank statements, FDRs of the earmarked fund. These were required to be filed by 13/10/2014 and a notice fixing the fresh hearing on 17/10/2014 was issued. The school filed the required details on 13/10/2014, except that no document was filed to show maintenance of earmarked bank accounts in respect of depreciation reserve fund/development fund. The representatives of the school were heard afresh on 17/10/2014.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

During the course of hearing, the relevant calculations were checked with the assistance of the representatives of the school, when it was contended by them that the calculation for reserve for future contingencies ought to take into account all the operational expenses of the school, including salaries.

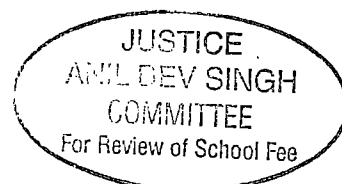
The Committee pointed out to the representatives of the school that contrary to its submissions in the reply to the questionnaire, the school was treating development fee as a revenue receipt. In response, the representatives of the school conceded that it was indeed treated as a revenue receipt but contended that it was utilised for purchase of capital assets. It was further contended that the utilisation of development fee for upkeep of assets is a permitted purpose. With regard to unutilised development fund, it was contended that the entire development fee was utilised in the year of receipt itself and hence there were no funds remaining to be kept in earmarked bank account.

In response to a query made by the Committee, the representatives of the school conceded that originally the development fee for 2008-09 was charged @ 10% of tuition fee but while recovering the arrears of differential development fee for the period 01/09/2008 to 31/03/2009 on account of hike in tuition fee, the same was recovered at the rate of 15% of tuition fee.

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

On 13/10/2014, a memorandum dated 30/09/2014 was received from Dr. Michael Williams, Dean Mount Carmel Schools, wherein he gave his own perspective of the difficulties being faced by the un-aided private schools in Delhi. The views expressed by Dr. Williams are very broad based and it will be the endeavour of the Committee to take the same into consideration when the Committee gives its final report. However, so far as these recommendations are concerned, the Committee is bound by the mandate of the Hon'ble Delhi High Court as per its judgment in WP(C) 7777 of 2009 and has to give its report in a narrow compass. Hence, for the purpose of these recommendations, the views expressed by Dr. Williams are not being discussed.

Discussion:**Tuition fee**

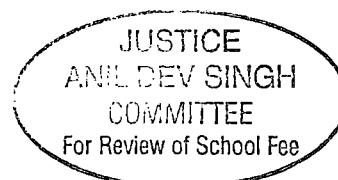
102
The Committee has perused the financials of the school, the information sought by the Committee and that provided by the school and the oral and written submissions made by the representatives of the school. The Committee has also considered the calculation sheet filed by the school in response to the preliminary calculation sheet prepared by the Committee.

The Committee notes that the school has not disputed the funds available with the school as on 31/03/2008. The school as per its

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own calculation sheet has accepted the figure taken by the Committee at **Rs. 3,59,15,544**. The contention of the school that the entire funds available with the school should not be treated as available for implementation of VI Pay Commission report is also acceptable in principle. The Committee accepts that out of total funds available, funds to the tune of **Rs. 58,02,265** representing accrued liability of gratuity and **Rs. 22,29,015**, representing accrued liability of leave encashment as on 31/03/2010 have to be kept in reserve. That leaves a sum of Rs. 2,78,84,264.

The Committee also accepts in principle that the school ought to retain sufficient funds for any future contingency. The Committee has taken a view in the case of other schools that funds equivalent to four months salary ought to be kept in reserve for this purpose. The Committee sees no reason to take a different stand in the case of this school. The total salary for the year 2009-10 (including EPF and FPF contributions) amounts to Rs. 3,89,86,047. Based on this, the requirement of reserve for future contingencies works out to **Rs. 1,29,95,349**. The Committee will duly consider this figure while making the final determinations. The contention of the school is that it should be Rs. 1,63,53,977 which is based on a total operational expenditure claimed by the school to be Rs. 4,90,61,931. On perusal of the detail of this expenditure, the Committee finds that the school has included in this figure the expenditure on security expenses,

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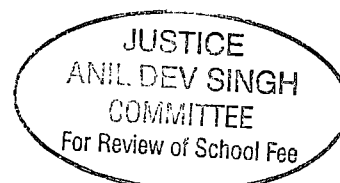

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

school conservancy expenses, postage/telephone, electricity/water expenses, rent rates and taxes, printing and stationary, bank charges, teaching aids and skill enhancement, development expenses, office running and maintenance and exam expenses. The Committee is of the view that the contention of the school cannot be accepted in so far as the manner of quantification of its requirement for reserve, for the following reasons:

- 10-9
- (a) This concept of keeping funds in reserve for future contingency equivalent to four months' salary is not provided in any statute or circular of the Department of Education but has been considered appropriate by the Committee so that the schools do not empty their coffers while implementing the recommendation of VI Pay Commission report. Initially, the Committee was of the view that a sum equivalent to three months salary would suffice for this purpose on the premise that if the school was to suddenly wind up its operations, it may have to pay severance package to the staff which may amount to three months salary. However, subsequently during its deliberations to arrive at a uniform basis for all schools, the Committee decided to have this figure to be equivalent to four months' salary. The additional one month salary was included to cover the operational expenses other than salary. This was also linked to the salaries paid by the

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schools as this provides for a more reliable estimate than when it is linked to other expenses.

(b) The Committee cannot adopt a different yardstick in the case of this school.

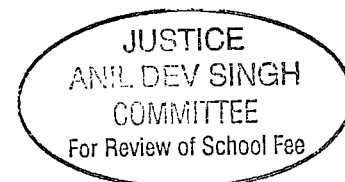
The next contention of the school is that the figure of arrear salary has been incorrectly taken by the Committee as Rs. 1,32,23,411 instead of **Rs. 1,32,43,411**. The Committee finds that it had taken the figure on the basis of information provided by the school itself vide its reply dated 30/08/2013, to the questionnaire issued by the Committee. However, keeping in view that the difference claimed by the school is a small amount of Rs. 20,000, the Committee accepts the figure subsequently given by the school. Due effect of this will be given by the Committee in its final determinations.

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The next contention of the school is that the Committee incorrectly took the figure of the increased salary from 01/12/2008 to 31/03/2009 to be Rs. 34,39,220 instead of the correct figure of **Rs. 38,07,226**. The Committee finds that the same was arrived at in the preliminary calculations by extrapolating the difference in salary for the months of November and December 2008 as no separate details were available. However, since during the course of hearing, the school provided a reconciliation of the expenditure on salary vis a vis the figures appearing in the Income & Expenditure account, the figure provided by the school is accepted.

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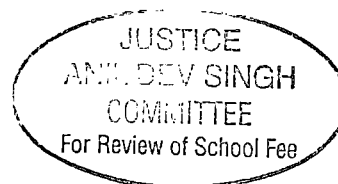
Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

The school next contends that the arrears of salary amounting to **Rs. 27,39,912** for the period 01/09/2008 to 30/11/2008 have been omitted from the calculations made by the Committee. The Committee finds that this information was never provided by the school. Though in the reply to the questionnaire, the school claimed to have implemented the VI Pay Commission report w.e.f. September 2008, it enclosed the salary sheets for the months of November and December 2008 to show the differential amount. This led to the belief that the school had implemented the VI Pay Commission report w.e.f. December 2008 and hence the differential amount from September 2008 to November 2008 was not considered by the Committee. However, since the school has provided the reconciliation of the figures of salary with the figures appearing in the Income & Expenditure Account, the figure provided by the school will be taken into account in the final determinations.

11/ The next contention of the school is that the increased salary for the period 01/04/2009 to 31/03/2010 ought to have been taken as Rs. 1,60,83,639 instead of Rs. 1,03,17,660 taken by the Committee. The Committee in its preliminary calculations had taken the figures by extrapolating the difference of the salaries for month of November and December 2008 for want of proper reconciliation with the Income & Expenditure Account. The school during the course of hearing provided the reconciliation and the Committee finds that the correct

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figure that ought to be taken is **Rs. 1,61,40,039** and not Rs. 1,60,83,639 as contended by the school. In fact the figure worked out by the Committee is more beneficial to the school. The Committee feels that in the interests of justice, the correct figure should be taken into account irrespective of the fact whether or not it benefits the school. This will be duly considered in the final determinations made by the Committee.

The Committee accepts the contention of the school that fee concession amounting to **Rs. 10,64,204** for the year 2008-09 (September 2008 to March 2009) and 2009-10 ought to be considered in the final determinations. The same were not considered earlier due to non availability of information.

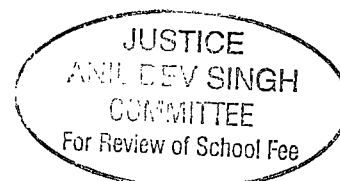
Determinations:**Tuition Fee:**

In view of the foregoing discussion, the following determinations are made:

Particulars		Amount (Rs.)
Funds available as on 31/03/2008 as accepted by the school		3,59,15,544
Less Funds to be kept in reserve:		
(a) For gratuity	58,02,265	
(b) For leave encashment	22,29,015	
(c) For future contingencies	1,29,95,349	2,10,26,629
Funds available for implementation of VI Pay Commission report		1,48,88,915
Additional liabilities on account of		

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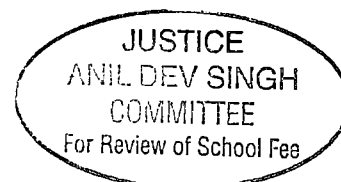


Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

implementation of VI Pay Commission report:		
(a) Arrear salary (01/01/2006 to 31/08/2008)	1,32,43,411	
(b) Arrear salary (01/09/2008 to 30/11/2008)	27,39,912	
(c) Incremental salary (01/12/2008 to 31/03/2009)	38,07,226	
(d) Incremental salary (01/04/2009 to 31/03/2010)	<u>1,61,40,039</u>	3,59,30,588
Deficiency that needed to be bridged by recovering arrears of fee and by incremental fee		2,10,41,673

Thus the school needed to generate revenues amounting to Rs. 2,10,41,673 for implementing the recommendations of VI Pay Commission report. The school recovered by way of arrear fee and incremental fee, a sum of Rs. 2,46,21,330 minus Rs. 10,64,204, which were allowed as concession. Thus the total recovery for implementation of VI Pay Commission report was to the tune of Rs. 2,35,57,126, which was in excess of its requirement by Rs. 25,15,453. To this extent, the fee hiked by the school in pursuance of order dated 11/02/2009 was not justified and ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund. This amount has been worked out after taking into account the differential development fee for the period 01/09/2008 to 31/03/2009 which the school unauthorisedly recovered @ 15% of tuition fee instead of 10%. Since this amount has already been taken into consideration in determining the amount to be refunded, no separate refund is required to be made on account of this differential.

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Differential development fee is to be utilized for meeting the expenditure of hike in salary as a result of the recommendations of the 6th Pay Commission.

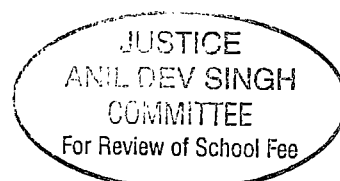
Development Fee

In reply to the questionnaire issued by the Committee regarding collection and utilisation of development fee, its accounting treatment and maintenance of development fund and depreciation reserve fund, the school, vide its letter dated 30/08/2013 stated that it was charging development fee for all the five years for which information was sought from it. It also gave particulars of its utilisation. Further, it was stated that development fee was treated as a capital receipt and depreciation reserve fund and unutilised development fund were kept in earmarked bank accounts.

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However, on examination of the audited financials of the school, the Committee found that the school was not right in representing that it was treating the development fee as a capital receipt and the depreciation reserve fund and unutilised development fund were kept in earmarked bank accounts. When confronted with this position and asked to produce copies of bank statements and/or FDRs in which the same were kept earmarked, the representatives of the school changed tack and contended that since the school utilised the entire amount of development fee in the year of receipt itself, there remained no amounts to be kept in earmarked bank accounts. Further, they

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remained quiet with regard to the earmarked depreciation reserve fund account. They also then did not contest that the development fee was treated as a revenue receipt. Further, as would be apparent from the table given in the beginning of these recommendations, the development fee was being used mainly for meeting the revenue expenses. A small amount was utilised for purchase of capital assets like furniture and fixture & equipments, for which development fee is primarily allowed to be recovered. The contention of the school that the expenditure for upkeep of capital assets is also a permitted utilisation of development fee, flies in the face of the recommendations of the Duggal Committee after which the development fee was allowed to be charged by the schools. These recommendations were affirmed by the Hon'ble Supreme Court in case of Modern School vs. Union of India (2004) 5 SCC 583.

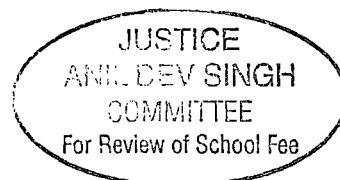
115
The concept of development fee in the case of unaided private schools in Delhi was for the first time introduced on the recommendations of the Duggal Committee. One of its recommendations was as follows:

*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*

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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 Government of National Capital Territory of Delhi passed an order dated December 15, 1999 in order to give effect to the recommendations of Ms. Justice Santosh Duggal Committee Report. One of the directions (no. 7) given vide the aforesaid order was that Development fee not exceeding 10% of the total annual tuition fee for supplementing the resources for the purpose of purchase, **upgradation** and replacement of furniture, fixtures and equipment which shall be treated as capital receipt and shall be collected only if the school is maintaining a depreciation reserve fund, equivalent to the depreciation charged in the revenue accounts. The collection under this head along with any income generated from the investment made out of this fund, will be kept in a separately maintained development fund account.

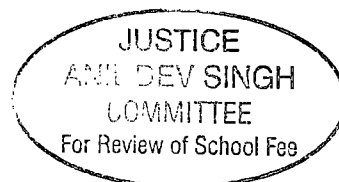
The Hon'ble Supreme Court in the case of Modern School (supra) , framed the following question for determination:

"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?"

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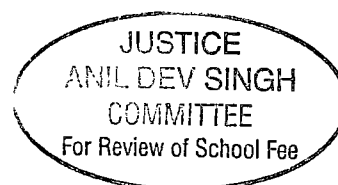
The Hon'ble Supreme Court, held as follows:

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,*

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development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipments is justified. Taking into account the cost of inflation between 15th December, 1999 and 31st December, 2003 we are of the view that the management of recognized unaided schools should be permitted to charge development fee not exceeding 15% of the total annual tuition fee.

A reading of the Duggal Committee report, the order dated 15/12/1999 of the Director of Education and the judgment of the Hon'ble Supreme Court shows that the schools can charge development fee provided:

- (a) It is treated as a capital receipt
- (b) It is utilised for purchase, **upgradation** and replacement of furniture, fixtures and equipments
- (c) Earmarked depreciation reserve fund and development fund are maintained.

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The permitted use of development fee is for purchase, upgradation and replacement of furniture, fixtures and equipments. There is a well defined difference between the term upgradation and upkeep and two are not synonymous. The term "Upgradation" is used where there is value addition or capacity addition to a capital asset while the term "upkeep" refers to maintaining a capital asset in working

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

condition. Hence the contention of the school that the development fee was utilised for permitted purposes is not acceptable.

Since the school was not following any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court, the Committee is of the view that the school was not justified in charging development fee at all. However, since the mandate of the Committee is to examine the issue of fee in pursuance of order dated 11/02/2009 issued by the Director of Education, the Committee is restricting its recommendations to the development fee charged by the school in the years 2009-10 and 2010-11. As noticed supra, the school charged a sum of Rs. 45,61,780 in 2009-10 and Rs. 48,63,068 in 2010-11. The Committee is of the view that the same ought to be refunded by the school along with interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

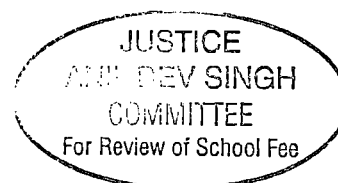
In view of the forgoing determinations, the Committee makes the following recommendations:

- (a) The school ought to refund a sum of Rs. 25,15,453 out of the incremental fee charged in the year 2009-10 in pursuance of order dated 11/02/2009 along with interest @ 9% per annum from the date of collection to the date of refund.**

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Mount Carmel School, Sector-22, Dwarka, New Delhi-110077

(b) The school ought to refund the amount of Rs. 45,61,780 charged as development fee in 2009-10 and Rs. 48,63,068 charged in 2010-11 along with interest @ 9% per annum from the date of collection to the date of refund.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K.Sharma
Member

Dated: 23/11/2014

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Naveen Public School, Nithari, Delhi - 110041

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 18.07.2013 required the school to appear on 19.08.2013 and to produce entire accounting, fee and salary records for the years



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2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On 19.08.2013, the Manager of the school, vide its letter of even date requested for some more time to produce the record. At its request the school was provided final opportunity to produce its records on 09.09.2013.

5. On 09.09.2013, Mrs. Sunita, Principal of the school attended the office of the Committee. She submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission, w.e.f. 01.04.2009 and had also hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, from the same date. Further, the school had collected development fee from the students.

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

- (i). The school had increased tuition fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009. During 2010-11, the hike had been by 10%.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA, HRA and TA has not been paid as per the prescribed norms.
- (iii) The school has charged development fee in 2009-10 @ 15% of the tuition fee. During 2010-11, it was charged @ 10%.



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(iv) TDS has not been deducted from the salary of the staff.

7. By notice dated 12.08.2014 the school was asked to appear on 11.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 11.09.2014, Sh. Nafe Singh, Chairman, Ms. Sunita, Principal and Sh. Brij Bhushan Garg, C.A. of the School appeared before the Committee. They have stated that the school has hiked the fee in 2009-10, in accordance with the order of the Director of Education dated, 11-02-2009, without recovering any arrear fee. The school has submitted that the recommendations of the 6th.Pay Commission have been implemented and part arrears of salary had also been paid. On examination of the books of accounts and salary records, the committee observed that the arrear salary as well as regular salary was paid in cash, despite the school maintaining an account with Bank of Baroda. The committee also observed that no TDS was deducted from the salaries even when arrear salary was paid. The representatives have conceded that the school did not have TAN till date.

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.



Naveen Public School, Nithari, Delhi - 110041

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	430	530	100	580	50
IV to V	575	775	200	850	75
VI to VIII	725	925	200	1015	90
IX to X	795	995	200	1090	95

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

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission and has made part payment of the arrear salary, but the salary to staff has been paid in cash without deducting TDS. Therefore its claim to have implemented the recommendations of the 6th Pay Commission and part payment of the arrear salary is not acceptable to the Committee.

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Naveen Public School, Nithari, Delhi - 110041Discussions and RecommendationsRe. Fee Hike

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

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

Re. Development Fee.

The school has charged development fee from the students in 2009-10, @ 15 % and in 2010-11, @ 10 % of the tuition fee.



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Naveen Public School, Nithari, Delhi - 110041

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-19.09.2014

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M.D.Memorial Public School, Nangloi, Delhi-110041

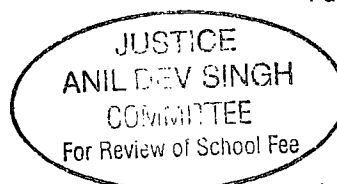
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 18.07.2013, required the school to appear on 19.08.2013

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M.D.Memorial Public School, Nangloi, Delhi-110041

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

5. On 19.08.2013, Sh. Ved Prakash Yadav, LDC and Sh. S.K.Sharma, Accountant of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had neither, implemented the recommendations of the 6th Pay Commission nor, hiked the fee, in terms of the order of the Director of Education dated 11.02.2009. The school did not collect development fee from the students.

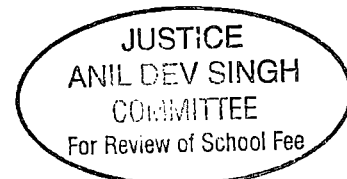
6. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed to the effect that: -

- (i). the school has claimed to have implemented the recommendations of the 6th Pay Commission, but had paid only Basic Pay and Grade Pay and no other allowances had been paid to the staff.
- (ii). The salary to the staff was paid in cash, in-spite of the school having a bank account.
- (iii) The school hiked tuition fee in 2009-10 by 20.20% to 48.76% for different classes. During 2010-11, the hike had been by 16.66% to 19.75%.

7. By notice dated 19.06.2014, the school was asked to appear on 09.07.2014 along with entire accounting, fee and salary records for the

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M.D.Memorial Public School, Nangloi, Delhi-110041

years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. No one appeared before the Committee on the scheduled date. However, the Committee received a letter from the school seeking adjournment. At its request, the school was directed to appear before the Committee on 28.08.2014.

8. On 28.08.2014. Sh. Mubarak Hussain, Accountant and Sh. Ved Prakash Yadav, LDC of the school appeared before the Committee and provided the records. It has been contended by the school representatives that:-

- (i) The school has not implemented the recommendations of the 6th Pay Commission.
- (ii). The salary to the staff has been paid in cash without deducting T.D.S. The school has obtained TAN recently in 2010-11.
- (iii) The school hiked tuition fee in 2009-10, as per the limit prescribed by the order of the Director of Education dated 11.02.2009, for classes I to V only. For other classes, though, it was much more than 10%, but it was less than the prescribed limit.

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9. We have gone through the record, observations of the Audit Officer of the Committee and submissions on behalf of the school. The following



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M.D.Memorial Public School, Nangloi, Delhi-110041

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	305	405	100	485	80
II	310	410	100	490	80
III	325	425	100	510	85
IV	350	450	100	540	90
V	375	475	100	570	95
VI	410	510	100	610	100
VII	440	540	100	645	105
VIII	495	595	100	710	115
IX	605	800	195	950	150
X	605	900	295	1050	150

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

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

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

RECOMMENDATION**Re. Fee Hike**

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



M.D.Memorial Public School, Nangloi, Delhi-110041

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-12.09.2014

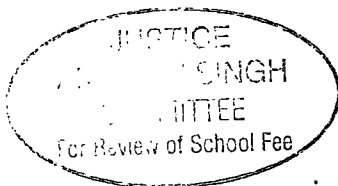
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S. M. Public School, Prem Nagar II, Nangloi, Delhi - 110041

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 18.07.2013 required the school to appear on 19.08.2013



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S. M. Public School, Prem Nagar II, Nangloi, Delhi - 110041

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

5. On 19.08.2013, Sh. Joginder Singh, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission, w.e.f.01.04.2009 and had also hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, from the same date. Further, the school did not collect development fee from the students.

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

- (i). The school had increased tuition fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009. During 2010-11, the hike had been by 10%.
- (ii). The school had partially implemented the recommendations of the 6th Pay Commission as DA, HRA and TA had not been paid as per the prescribed norms.
- (iii) Salary to the staff had been paid in cash. The school did not have bank account.
- (iv) No TDS and PF had been deducted from the salary of the staff.



SECRETARY

N
Secretary

S. M. Public School, Prem Nagar II, Nangloi, Delhi - 110041

7. By notice dated 12.08.2014 the school was asked to appear on 11.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 11.09.2014, Sh. Sh. Joginder Singh, Manager and Sh. V.D.Sharma, Accountant of the school appeared before the Committee.

They submitted that the fee was hiked by Rs.100/- p.m., in terms of the order of the Director of Education dated 11-02-2009 and the school did not charge development fee. They contended that the existing fee was not sufficient to pay the salaries as per the recommendations of even, 5th pay commission; however, the school has partially implemented the recommendations of 6th pay commission w.e.f. 01-04-2009, due to compulsion by the Education Department. On examination of salary register and books of account of the school, the Committee has noticed that till 21-05-2012, the school did not have bank account. The representatives of the school have submitted that the salaries are paid in cash, without deducting TDS.

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



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S. M. Public School, Prem Nagar II, Nangloi, Delhi - 110041

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	400	500	100	550	50
II	420	510	100	550	40
III	420	520	100	570	50
IV & V	430	530	100	570	40
VI	460	560	100	600	40
VII	475	575	100	625	50
VIII	500	600	100	660	60

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

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, partially, but the salary to staff has been paid in cash without deducting TDS. Therefore its claim of partial implementation of the recommendations of the 6th Pay Commission can not be accepted.

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



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S. M. Public School, Prem Nagar II, Nangloi, Delhi - 110041

Discussions and Recommendations

Re. Fee Hike

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

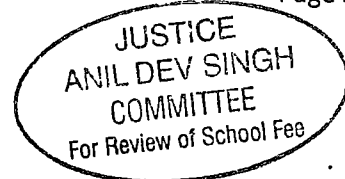
Sd/-

Dr. R.K. Sharma
Member

Dated:-19.09.2014

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Secretary



Meer Public School, Meer Vihar, Madanpur Dabas, Delhi - 81

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

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Meer Public School, Meer Vihar, Madanpur Dabas, Delhi - 81

4. With a view to verify the returns, the Office of the Committee vide its notice dated 17.07.2013 and 27.08.2013 required the school to appear on 14.08.2013 and 18.09.2013, respectively and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On 18.09.2013, the Manager of the school, vide its letter of even date requested for some more time to produce the record. At its request the school was provided final opportunity to produce its records on 14.10.2013.

5. On 14.10.2013, Sh. Dharam Vir Singh Dabas, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009 and had hiked the fee from the same date, in terms of the order of the Director of Education dated 11.02.2009. The school had not charged development fee from the students.

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

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Secretary

Meer Public School, Meer Vihar, Madanpur Dabas, Delhi - 81

- (i). The school had increased tuition fee in 2009-10, by Rs.200/- per month for all classes, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, there was no hike in the fee.
- (ii). The school claimed to have implemented the recommendations of the 6th Pay Commission but DA, HRA and TA had not been paid as per the prescribed norms.
- (iii) The salary to the staff had been paid in cash without deducting TDS and PF.

7. By notice dated 12.08.2014 the school was asked to appear on 11.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 11.09.2014, Sh. Dharam Vir Singh Dabas, Manager and Sh.S.K.Sharma, Accountant of the school appeared before the Committee. They submitted that the fee was hiked by Rs. 200/- p.m. w.e.f. 01-04-2009, in terms of the order of the Director of Education, dated 11.02.2009 and there was no hike in fee in 2010-11. They further submitted that the school partially implemented the recommendations of the 6th pay commission w.e.f. 01-04-2009. On examination of the books of accounts and salary records of the school, the committee noticed that, even after the implementation of the report of the 6th pay commission, the salary continued to be paid in cash. The school has conceded that



Meer Public School, Meer Vihar, Madanpur Dabas, Delhi - 81

the bank account had been opened recently in August, 2014. The school did not have a TAN and hence no deduction towards TDS was made from the salaries. The representatives of the school also submitted that while deciding the case of the school, the Committee, may take into account the fact that the school did not hike the fee in 2010-11.

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

Classes	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	550	750	200	750	nil
VI to VIII	600	800	200	800	nil

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

11. The school has claimed to have partially implemented the recommendations of the 6th Pay Commission. The salary to the staff is being paid in cash without deducting TDS and PF. In such circumstances the claim of the school to have even, partially

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Meer Public School, Meer Vihar, Madanpur Dabas, Delhi - 81

implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee.

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

RecommendationsRe. Fee Hike

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-19.09.2014

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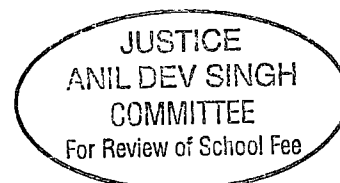
Citizen Model School, Budh Vihar, Delhi-110086

The school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns of the school filed under Rule 180 of Delhi School Education Rules, 1973 from the office of the concerned Dy. Director of Education. On prima facie examination of the documents filed by the school, it appeared that the school had hiked its fee in pursuance of order dated 11/02/2009 issued by the Director of Education. However, the factum of implementation of VI Pay Commission report was not verifiable from the documents filed by the school. The school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 10/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 30/07/2013, for verification. The school was also issued a revised questionnaire to elicit specific information regarding the extent of fee hike, implementation of VI Pay Commission report, recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school. However, no one from the school appeared nor any documents were caused to be produced on its behalf. The Committee issued a second notice dated 27/08/2013, giving a final opportunity to the school to produce its records in the office of the Committee on 18/09/2013. On this date, Sh. Sandeep Singh, Secretary of the Society appeared with Sh. M.C. Sharma, Accountant of the school. They produced the records asked for and also filed reply to the questionnaire issued by the Committee.

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As per the reply furnished by the school, the school claimed to have implemented the VI Pay Commission report prospectively w.e.f. 01/03/2009. In support of its contention, it enclosed salary statement for the month of February 2009, showing total outgo on salary to be Rs. 2,03,344 which rose to Rs. 4,02,921 for the month of March 2009, consequent to implementation of the VI Pay Commission report. It was also stated that the arrears of salary for the period 01/01/2006 to 31/03/2009 were not paid as the school did not recover the arrears of fee for the corresponding period. With regard to hike in tuition fee, the school admitted to have hiked the same in accordance with the order dated 11/02/2009 issued by the Director of Education. It gave the following fee structures for the month March 2009 and April 2009 to show the extent of hike for each class:

Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in monthly tuition fee in 2009-10 (Rs.)	%age increase
I	290	390	100	34.48%
II	310	410	100	32.25%
III	360	460	100	27.78%
IV	395	495	100	25.32%
V	435	535	100	22.99%
VI	510	710	200	39.22%
VII	545	745	200	36.70%
VIII	575	775	200	34.78%
IX	660	860	200	30.30%
X	660	860	200	30.30%

The school also mentioned that it did not charge any development fee.

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

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Citizen Model School, Budh Vihar, Delhi-110086

- (a) Even before the implementation of VI Pay Commission report, the school was not paying full DA as per the Govt. orders. It paid @ 35% as against 54% prevailing at that time.
- (b) After implementation of VI Pay Commission report, the school is paying DA @ 22% till date as against 80% presently and 51% as on 01/01/2011.
- (c) Every year during the months of May and June, the staff strength was reduced by 5-6 employees.
- (d) The salary was paid to the employees for the actual number of days on which they worked (i.e. every month there were deductions on account of leave without pay).
- (e) The salary is paid to some staff members in cash, to some by bearer cheques and to some by account payee cheques.
- (f) Besides, the tuition fee hiked by the school as shown in the above table, the school also hiked annual charges from Rs. 2000 per annum in 2008-09 to Rs. 4000 per annum in 2009-10.
- (g) During 2010-11, the fee hike was within 10% tolerance limit.
- (h) The accounts of the school are only compiled by a Chartered Accountant and have not been audited. Hence no audit reports are available.

The observations of the audit officer were confirmed by the representatives of the school by endorsing at the end of the noting as follows:

"I agree with the above observations which are as per school records."

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Citizen Model School, Budh Vihar, Delhi-110086

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In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 12/08/2014, requiring the school to appear before the Committee on 19/09/2014. Vide this notice, the school was required to give complete break up of its fee revenues, expenditure on salary (duly reconciled with its Income & Expenditure Accounts), statement of Trust/Society running the school, as appearing in the books of accounts of the school, details of its accrued liabilities on account of gratuity/leave encashment and copy of circular issued to the parents regarding hiking the fee for implementation of VI Pay Commission report.

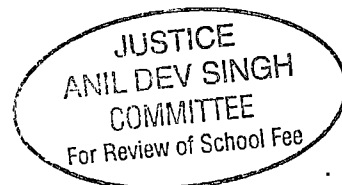
In the meantime, the Committee received an affidavit, sworn by the Principal of the school, giving the fee schedules for the years 2006-07 to 2010-11, to buttress its case to the effect that the school had not hiked any fee for the years 2008-09 as the school continued with the same fee structure in the year as was prevailing in the year 2007-08.

On the date of hearing, Ms. Sunila Rani, Principal of the school appeared along with Sh. Madan Lal, Accountant. They were heard by the Committee. They did not furnish the information as sought by the Committee vide its notice dated 12/08/2014. During the course of hearing, they were confronted with the observations of the audit officer with regard to payment of salaries. They conceded that the observations were correct. On query by the Committee, they also conceded that the salary of only about 40% of the staff members was paid by bank transfer or account payee cheques and to the remaining 60%, it was paid by bearer cheques or cash. They also conceded that during 2009-10, when supposedly VI Pay Commission was implemented, no TDS was deducted from the salaries of

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Citizen Model School, Budh Vihar, Delhi-110086

the staff except that of the Principal. With regard to fee hike, they admitted that the same was hiked to the maximum permissible extent as per order dated 11/02/2009 issued by the Director of Education. The hearing was concluded. However, the school was advised to furnish the information which was sought vide Committee's notice dated 12/08/2014, within one week.

The school furnished the required information vide its letter dated 24/09/2014. However, the Committee is not going into the details of the information furnished by the school in view of the recommendations it is going to make in the case of this school.

Discussion:

The Committee is of the view that the school has not implemented the recommendations of the VI Pay Commission but has only shown its implementation in papers, in view of the observations made by the audit officer, which were confirmed by the representatives of the school who attended for verification of records and were also confirmed by the Principal of the school during the course of hearing. However, in view of the fact that the school did not hike any fee at all in the year 2008-09, the Committee is of the view that the hike in fee effected by the school ought to be spread over to the years 2008-09 and 2009-10 and if after such spread over, there still remains any excess fee, the same ought to be refunded by the school. To calculate the excess, the figures as per the following table would serve as a guide:

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Citizen Model School, Budh Vihar, Delhi-110086

Class	Monthly fee in 2007-08 (Rs.)	Permissible hike @ 10% foregone by the school (Rs.)	Notional Monthly fee of 2008-09 after permissible hike (Rs.)
I	290	29	319
II	310	31	341
III	360	36	396
IV	395	40	435
V	435	44	479
VI	510	51	561
VII	545	55	600
VIII	575	58	633
IX	660	66	726
X	660	66	726

Class	Notional Monthly fee of 2008-09 after permissible hike (Rs.)	Actual fee of 2009-10 (Rs.)	Hike in fee in 2009-10 over notional fee of 2008-09 (Rs.)	Permissible hike in 2009-10 (10%)	Permissible hike @ 10% foregone by the school in 2008-09 (Rs.)	Total permissible hike	Actual hike per month in excess of permissible hike (Rs.)
(1)	(2)	(3)	(4)=(3)-(2)	(5)=10% of (2)	(6)	(7)=(5)+(6)	(8)=(4)-(7)
I	319	390	71	32	29	61	10
II	341	410	69	34	31	65	4
III	396	460	64	40	36	76	0
IV	435	495	60	44	40	84	0
V	479	535	56	48	44	104	0
VI	561	710	149	56	51	107	42
VII	600	745	145	60	55	115	30
VIII	633	775	142	63	58	121	21
IX	726	860	134	73	66	139	0
X	726	860	134	73	66	139	0

Determination & Recommendation:

The Committee is of the view that for the classes where even after allowing the benefit of spread over of part of the fee hike to the year 2008-09, the hike in fee effected by the school, exceeds the permissible hike, no benefit of spread over ought to be given to the

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Citizen Model School, Budh Vihar, Delhi-110086

school. In this view of the matter, the school ought to refund, out of the fee hiked in 2009-10, Rs.39 per month (29+10) to the students of Class I, Rs.35 per month (31+4) to the students of Class II, Rs.93 per month (51+42) to the students of Class VI, Rs.85 per month (55+30) to the students of Class VII and Rs.79 per month (58+21) to the students of Class VIII, along with interest @ 9% per annum from the date of collection to the date of refund. Since the fee hiked in 2009-10, to the extent it is found unjustified by the Committee, also forms part of the fee for the subsequent years, the school also ought to refund the fee hiked in the years subsequent to 2009-10 to the extent such hike is relatable to the part of the fee hike found unjustified by the Committee. This ought also be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/11/2014

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Sir Chhotu Ram Public School, Palam Village, New Delhi -45

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

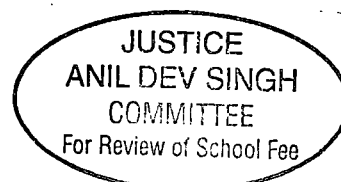
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the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

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

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Sir Chhotu Ram Public School, Palam Village, New Delhi -45

4. With a view to verify the returns, the Office of the Committee vide its notice dated 10.07.2013, required the school to appear on 25.07.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

On 25-07-2013, Shri Ravi Solanki, Representative of the school attended the office of the committee, but did not produce complete record. He was directed to produce complete record on 26-08-2013.

5. On 26-08-2013, Shri Ravi Solanki, Representative of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission, w.e.f. 01-04-2009 and had hiked the fee, w.e.f. the same date. The school had not charged development fee from the students.

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



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Sir Chhotu Ram Public School, Palam Village, New Delhi -45

- (i). The school has increased tuition fee in 2009-10, by Rs.100/- to Rs. 200/- per month for different classes, in terms of the order of the Director of Education, dated 11-02-2009. During 2010-11, there was hike by Rs. 50/- to Rs. 110/- per month for different classes.
- (ii) The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (iii) The salary to the staff had been paid in cash.
- (iv) The school has not deducted TDS and PF from the salary of the staff.

7. By notice dated 12-08-2014 the school was asked to appear on 22-09-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 22-09-2014, Shri Ravi Solanki, Administrator of the school appeared before the Committee. He has submitted that the recommendations of the 6th pay commission were implemented, w.e.f. 01-04-2009, but the salary has been paid in cash, despite the school having a bank account. It was observed by the Committee that the Bank Balance in the Balance Sheet was maintained at the bare minimum level,

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Sir Chhotu Ram Public School, Palam Village, New Delhi -45

Whereas the school has maintained heavy cash in-hand. The representative has conceded that the Balance Sheets are not prepared on the basis of Books of Accounts, as they are not being maintained. He has further conceded that no TDS was deducted from the salaries of the staff and the school did not even have TAN before 2011.

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

Classes	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	425	525	100	575	50
II	505	705	200	775	70
III	570	770	200	840	70
IV	635	835	200	915	80
V	725	925	200	1015	90
VI	800	1000	200	1100	100
VII	865	1065	200	1170	105
VIII	935	1135	200	1245	110

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



Sir Chhotu Ram Public School, Palam Village, New Delhi -45

Education dated 11-02-2009. During 2010-11, there was hike in fee by 10%.

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission. The salary to the staff is being paid in cash without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee.

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

Recommendations

Re. Fee Hike

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The school has utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee, in 2009-10 but has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee in excess of the tolerance limit of 10% was unjustified. In such circumstances, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% for all classes, ought to be

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For Review of School Fee

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Sir Chhotu Ram Public School, Palam Village, New Delhi -45

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 10-10-2014



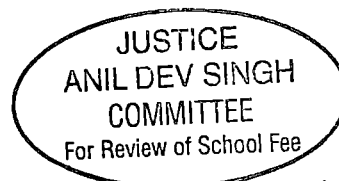
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Reeta Public School, West Sagarpur, New Delhi - 110046

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

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4. With a view to verify the returns, the Office of the Committee vide its notices dated 10.07.2013, required the school to appear on 17.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

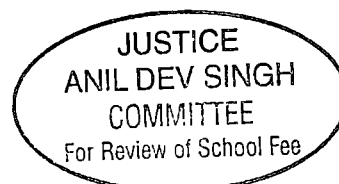
5. On 17.09.2013, Sh. Hemant Verma, Manager and Ms. Reeta Verma, H.M. of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission, w.e.f. 01.03.2010 and had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, w.e.f. 01.04.2010. They did not dispute the fact that the school collected development fee from the students on monthly basis.

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

- (i). The school had increased tuition fee in 2009-10, by 2.9 % to 22.22 % p.m. for different classes. During 2010-11, the hike had been by 28.57% to 100% p.m. for different classes.

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- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.03.2010, but DA, HRA and TA have not been paid as per the prescribed norms.
- (iii) The salary to the staff has been paid in cash, in-spite of the school having a bank account.
- (iv) TDS and PF have not been deducted from the salary of the staff.

7. By notice dated 12.08.2014 the school was asked to appear on 22.09.2014, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 22.09.2014, Sh.Dinesh Verma, representative of the school appeared before the Committee and requested for adjournment. At his request the matter was relisted for 14.10.2014, which was further postponed to 21.10.2014, with due intimation to the school.

9. On 21.10.2014, Sh. Dinesh Verma, Manager and Sh. S.K. Sharma, P/T Accountant of the school appeared before the Committee. They submitted that the school hiked fee in 2009-10, which for all the classes

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was in excess of 10%. Further, during 2010-11, the school hiked the fee, ranging between 25% to 100%. They also submitted that the fee revenue had never been sufficient, even to pay salaries, as per the recommendations of the 5th. Pay Commission. They admitted that the school has charged development fee and the same had been treated as revenue receipt in the records and no separate development fund and depreciation reserve fund were maintained.

10. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	340	350	10	500	150
II	340	400	60	500	100
III	350	410	60	700	290
IV	360	430	70	700	270
V	365	440	75	700	260
VI	375	450	75	900	450
VII	440	500	60	900	400
VIII	450	550	100	900	350

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11. From the above, it is manifest that the school has increased the fee during 2009-10, in excess of 10%, except for class I. Further, during 2010-11, the hike in fee for all classes was to the tune of 25% to 100%, as per the own submissions of the school.

12. The school has itself admitted that it had not implemented the recommendations of the 6th Pay Commission.

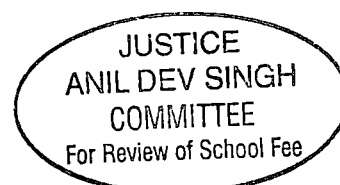
Discussion**Re. Fee Hike**

The school has hiked the fee in excess of permissible limit of 10% in 2009-10 as well as in 2010-11. Further, the school has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee, in excess of the tolerance limit of 10% in both these years, was unjustified and ought to be refunded along with interest @ 9% per annum. The following table would show the amount to be refunded for each class per student for the year 2009-10:

Class	Monthly fee in 2008-09 (Rs.)	Monthly fee in 2009-10 (Rs.)	Permissible hike (10%) (Rs.)	Actual hike (Rs.)	Amount to be refunded per month (Rs.)
I	340	350	34	10	0
II	340	400	34	60	26
III	350	410	35	60	25
IV	360	430	36	70	34
V	365	440	37	75	38
VI	375	450	38	75	37
VII	440	500	44	60	16
VIII	450	550	45	100	55

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The following table would show the amount to be refunded for each class per student for the year 2010-11:

Class	Monthly fee of 2009-10 adjusted for permissible hike in 2009-10 (Rs.)	Permissible hike (10%) (Rs.)	Justifiable fee for 2010-11 (Rs.)	Actual Monthly fee in 2010-11 (Rs.)	Hike over and above justifiable fee of 2010-11, to be refunded per month (Rs.)
I	374	37	411	500	89
II	374	37	411	500	89
III	385	39	424	700	276
IV	396	40	436	700	264
V	402	40	442	700	258
VI	413	41	454	900	446
VII	484	48	532	900	368
VIII	495	50	545	900	355

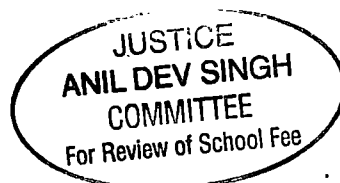
Recommendations

In view of the above determinations, the Committee recommends that the fee hike effected by the school in the year 2009-10, in excess of 10% as set out in the last column of the first table above and the fee hike effected by the school in 2010-11 to the extent shown in the last column of the second table above, ought to be refunded along with interest @ 9% per annum from the date of its collection to the date of its refund.

Further, the fee hiked in 2009-10 and 2010-11 is also part of the fee for the years subsequent to 2010-11 and as such, there would be a ripple effect in those years. The Committee also recommends that such portion of the fee of the subsequent years as is relatable to the fee hiked in 2009-10 and 2010-11 ought also be

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refunded alongwith interest @9% per annum from the date of its collection to the date of its refund.

Re. Development Fee.

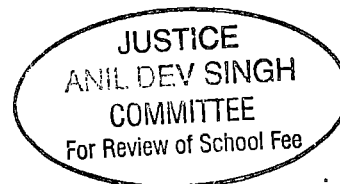
The school has charged development fee from the students in the following manner;-

<u>Year</u>	<u>Development fee charged</u>
2009-10	Rs. 88,500.00
2010-11	Rs. 10,92,00.00

The development fee had been treated as revenue receipt and no separate depreciation reserve fund and development fund account had been maintained. **In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. for collecting Development Fee. Therefore, the Development Fee for Rs. 19,77, 00.00, charged by the school during the years 2009-10 and 2010-11, in pursuance of the order of the Director of Education, dated 11.02.2009 was not in accordance**

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with law. This being so, the school ought to refund an amount of Rs. 19, 77, 00.00 along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 05/11/2014

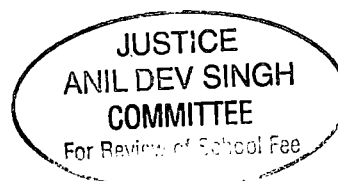
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Shri Ram Public School, Village Bamnoli, New Delhi -110077

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notices dated 10-07-2013 required the school to appear on 26-07-2013 and to produce entire accounting, fee and salary records for the

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years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On 22-07-2013, the Office of the Committee received a letter from the Principal of school requesting for some more time to produce the records. At its request the school was directed to produce its record on 16-08-2013. No one attended the office of the committee on the scheduled date. The school was provided one more opportunity to produce its record on 10-09-2013.

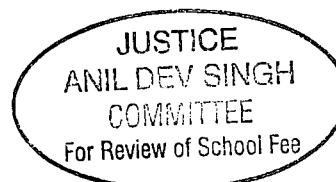
5. On 10-09-2013, Shri Naresh Kumar, Principal of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. April, 2009 and hiked the fee w.e.f. 01-04-2009, in terms of the order of the Director of Education dated 11.02.2009. The school has not charged development fee from the students.

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

- (i) The school has claimed to have implemented the recommendations of 6th Pay Commission, w.e.f. August 2009.
- (ii) The salary to the staff has been paid in cash, in spite of the school having a bank account.
- (iii) TDS and PF have not been deducted from the salary of the staff.

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(iv) The school has hiked the fee by Rs. 100/- to Rs. 200/- p.m. in 2009-10 for different classes. During 2010-11, the hike in fee was by Rs. 50/- to Rs. 80/- p.m. for different classes.

(v) The school has not charged development fee from the students.

7. By notice dated 12.08.2014 the school was asked to appear on 23.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 23.09.2014, Shri Naresh Kumar, Principal of the school appeared before the Committee. He has conceded that the recommendations of the 6th pay commission have not been implemented. He has further conceded that the school has hiked the fee by 10% every year in the past also.

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

Classes	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	360	460	100	510	50
VI to VIII	510	705	195	775	70
IX	610	805	195	885	80
X	660	860	200	950	90

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COMMITTEE
For Review of School Fee

Shri Ram Public School, Village Bamnoli, New Delhi -110077

10. From the above, it is manifest that the school has increased the fee during the years 2009-10, in terms of the order of the Director of Education dated 11-02-2009. During 2010-11, there was hike in fee by 10%.

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission. The salary to the staff is being paid in cash without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee.

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

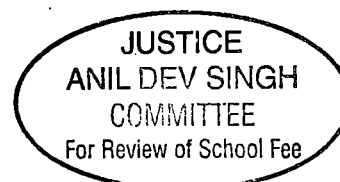
Recommendations

Re. Fee Hike

The school has utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee, in 2009-10 but has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee in excess of the tolerance limit of 10% was unjustified. In such circumstances, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% for all classes, ought to be

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

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

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Sd/-

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

Dated: 10-10-2014

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Rahul Model Public School, Palam Colony, New Delhi-110045

The school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. However, the school, under cover of its letter no. RMPS/DDE/12-13 dated Nil, submitted to the Education Officer, Zone-21 of the Directorate of Education, copies of its fee schedules and audited balance sheets from 2006-07 to 2010-11. These documents were transmitted to the office of the Committee by the Education Officer. On prima facie examination of the documents filed by the school, it appeared that the school had hiked its fee in pursuance of order dated 11/02/2009 issued by the Director of Education. However, the factum of implementation of VI Pay Commission report was not verifiable from the documents filed by the school. The school was placed in Category 'B' for the purpose of verification.

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The Committee issued a notice dated 09/07/2013, requiring the school to produce copies of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973, its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 23/07/2013, for verification. The school was also issued a revised questionnaire to elicit information regarding the extent of fee hike, implementation of VI Pay Commission report, recovery and utilisation

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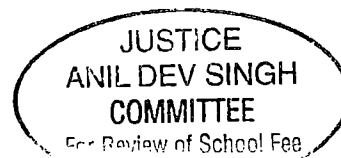
Rahul Model Public School, Palam Colony, New Delhi-110045

of development fee and maintenance of development and depreciation reserve funds by the school.

The records were produced by the school on the scheduled date by Sh. O.P. Tripathi, Chairman and Sh. Rahul Tripathi, A TGT of the school. The school also furnished its reply to the questionnaire issued by the Committee. As per the reply, the school claimed to have implemented the VI Pay Commission report w.e.f. October 2009, without paying the arrears on account of retrospective application of the VI Pay Commission report. With regard to hike in fee as per the order dated 11/02/2009 issued by the Director of Education, the school claimed to have hiked the fee w.e.f. 01/04/2010. As regards the recovery of arrear fee, the school had initially replied to the relevant question in the questionnaire as "Undertaking enclosed". However, subsequently, this response was struck off and in its place, N/A was written. The alteration in the reply was not authenticated by the signatory of the reply who happens to be the Principal of the school. This is significant as the school also enclosed a copy of the circular issued to the parents, as per which arrears were demanded from the parents to the tune of Rs. 3050 for classes I to V, Rs. 3260 for classes VI to VIII and Rs. 3998 for classes IX & X. With regard to development fee, it was mentioned the school was not charging the same and therefore, the question regarding utilisation of development

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fee or maintenance of development fund or depreciation reserve fund were not relevant to the school.

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

(a) The school had hiked the fee by Rs. 50 per month in 2009-10 for the classes I to VII, except III for which the hike was Rs. 80 per month. In percentage terms, the hike was to the tune of 11.11% for classes I to VII, except III for which the hike was to the tune of 17.78%. For class VIII, the hike was Rs. 30 per month but classes IX & X, the hike was to the tune of Rs. 300 per month, which in percentage terms amounted to a hike of 30%.

(b) During 2010-11, the school had hiked the fee between Rs. 25 per month and Rs. 100 per month for different classes and the percentage hike was within 10% for all the classes.

(c) The school did not produce its cash book and ledger for any of the years i.e. 2008-09, 2009-10 and 2010-11, which had been called for for verification.

(d) The school had produced the salary register for the said three years and on verification, it was found that the school was not paying salary as per the

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COMMITTEE
For Review of School Fee

Rahul Model Public School, Palam Colony, New Delhi-110045

recommendations of VI Pay Commission report. Further the salary was paid in cash although the school has three bank accounts.

(e) No TDS returns were filed by the school.

The observations of the audit officer were confirmed by the Chairman of the school and the teacher representing the school by endorsing at the end of the noting as follows:

"I agree with the above observations which are as per school records."

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 12/08/2014, requiring the school to appear before the Committee on 23/09/2014. On this date, Sh. Rahul Tripathi, Vice Principal of the school appeared and was heard by the Committee.

The representative of the school submitted that the cash books and ledgers of the school were lost by the Chartered Accountant of the school. However, the school never took up this issue with the Chartered Accountant nor lodged any report with the Police. During the course of hearing, the Committee observed that the school had filed audit reports of M/s. M.K. Goswami & Co., one of the leading firms of Chartered Accountants of Delhi. On a query by the Committee, the representative of the school stated that the auditors

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COMMITTEE
For Review of School Fee**

7)

Rahul Model Public School, Palam Colony, New Delhi-110045

charged a sum of Rs. 2,500 per annum as audit fee for a year and that too was paid in cash. The Committee noted that the letter head of M/s. M.K. Goswami & Co. did not even mention their telephone number or email id. With regard to implementation of the VI Pay Commission report, the aforesaid representative contended that it was implemented w.e.f. October 2009. However, the salary was paid in cash, despite the school maintaining three bank accounts. He further stated that no TDS was deducted from the salaries in 2009-10, 2010-11, 2011-12 and 2012-13. It was further stated that school started deducting TDS only in 2013-14.

Discussion & Determination:

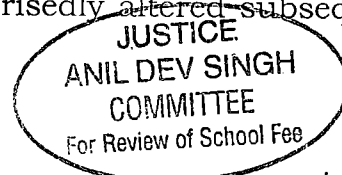
In view of the Committee, this is a fit case for special inspection to be conducted in the affairs of the school, particularly in order to ascertain the correct position of fee charged by the school. The Committee is persuaded to take this view for the following reasons:

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- (i) The school issued a circular to the parents demanding arrear fee for the period 01/01/2006 to 31/08/2008, as permitted by the Director of Education vide order dated 11/02/2009. However, at the time of verification of records by the audit officer and at the time of hearing by the Committee, the school conveniently denied having recovered such arrears. The reply to the questionnaire on this issue was also unauthorisedly altered subsequent to

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Rahul Model Public School, Palam Colony, New Delhi-110045

its signing by the Principal. The school did not produce its books of accounts, simply stating that they were lost by the Chartered Accountant of the school. The school never took up this issue with its Chartered Accountant nor lodged any missing document report with the Police.

- (ii) The audit reports purportedly issued by M/s. M.K. Goswami & Co. appeared to be forged as this firm of Chartered Accountants is one of the leading firms of Delhi and the printed stationary on which the audit reports were issued does not contain even the basic contact details like telephone number and email id. The designation of the signatory of the report is also not mentioned.
- (iii) The balance sheets of the school contain very scanty details and do not appear to reflect its true statement of affairs.
- (iv) Despite its claim of having implemented the VI Pay Commission report w.e.f. October 2009, the school never deducted any TDS till 2013 and paid salaries in cash despite maintaining three bank accounts.

For the reasons aforesaid, the Committee is also of the view that the school did not implement the recommendations of the VI Pay Commission. On perusal of the fee schedules for the year 2008-09 and

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COMMITTEE
For Review of School Fee

Rahul Model Public School, Palam Colony, New Delhi-110045

2009-10, the Committee observes that for classes IX & X, the school hiked the fee by Rs. 300 per month i.e. from Rs. 1000 per month to Rs. 1300 per month. In percentage terms, the hike works out to 30%. The Committee is of view that the school could at best have hiked the fee by Rs. 100 per month, i.e. by 10%, in view of the fact that the school did not implement the VI Pay Commission report. Accordingly the school ought to refund Rs. 200 per month out of the fee charged for 2009-10 from the students of classes IX & X with ripple effect in the subsequent years. Besides the refund of fee as aforesaid, the school ought to pay interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

In view of the foregoing discussion and determinations, the Committee makes the following recommendations:

- (i) **The school ought to refund to the students of classes IX & X, the tuition fee @ Rs. 200 per month out of the fee charged for the year 2009-10 and also the fee charged in the subsequent years to the extent it relates to the amount refundable for 2009-10. Besides, the school ought to pay interest @ 9% per annum from the date of collection to the date of refund.**
- (ii) **The Director of Education ought to conduct special inspection in the affairs of the school particularly with**

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Rahul Model Public School, Palam Colony, New Delhi-110045

regard to the collection of arrear fee by the school as per order dated 11/02/2009. In case the school is found to have recovered the arrear fee, the same ought to be ordered to be refunded along with interest @ 9% per annum as admittedly the school did not pay any arrear salary consequent to implementation of VI Pay Commission report.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated: 05/11/2014



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Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

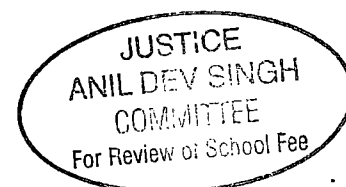
The school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. However, the annual returns filed by the school under Rule 180 of Delhi School Education Rules for the years 2006-07 to 2010-11 were received through the office of the Dy. Director of Education, Distt. South West-B. On prima facie examination of such returns, it appeared that the school had hiked the fee in terms of order dated 11/02/2009 issued by the Director of Education. However, the factum of implementation of VI Pay Commission report was discernible from the annual returns. The school was placed in Category 'B' for the purpose of verification.

In order to verify the annual returns filed by the school, the Committee issued a notice dated **10/07/2013**, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on **24/07/2013**, for verification. The school was also issued a revised questionnaire to elicit information regarding the extent of fee hike, implementation of VI Pay Commission report, recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school. However, on this date, the school requested for further time as the dealing assistants of the school were reported to be on leave. Accordingly, the

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Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

school was given another opportunity to produce the records on **26/08/2013.**

The records were produced by the school through by Sh. Jai Bhagwan, Chairman, Sh. Shree Bhagwan, Incharge and Sh. Brijesh Gupta, Chartered Accountant. They also filed reply to the questionnaire issued by the Committee. As per the reply, the school claimed to have implemented the VI Pay Commission report w.e.f. 01/04/2009 but surprisingly, it filed copy of its salary sheet for the month of March 2009 in support of the monthly salary expenditure prior to implementation of VI Pay Commission report while for showing revised salaries after implementation of VI Pay Commission report, it enclosed salary sheet for the month of February 2010. As per the salary sheets filed, the school showed the total expenditure on salary in March 2009 to be Rs. 4,04,991 and Rs. 5,67,188 for February 2010. It claimed to have paid arrears consequent to implementation of VI Pay Commission report but did not furnish any details of the same.

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With regard to hike in tuition fee in pursuance of order dated 11/02/2009, the school stated that it was done in accordance with the aforesaid circular but the school had not charged any arrear fees as envisaged in the circular. The school furnished the following comparative chart in respect of the pre hike and post hike fee:

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Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

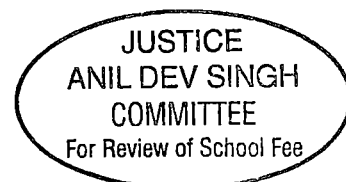
Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in 2009-10 (Rs.)
I to V	350	450	100
VI to VIII	390	490	100
IX to X	460	560	100
XI to XII	650	850	200

With regard to development fee, the school stated that it charged development fee in the year 2009-10 amounting to Rs. 5,59,380. The same was utilised for purchase of assets. In the year 2010-11, it charged development fee amounting to Rs. 5,90,120 out of which a sum of Rs. 5,44,247 was utilised for purchase of assets and the rest on revenue expenses. It was further stated that the development fee was treated as a revenue receipt. However, no funds were maintained for depreciation reserve or unutilised development fund.

The records produced by the school were verified by Sh. A.D. Bhateja, audit officer of the Committee and he observed that the school was not paying HRA to the staff after the purported implementation of VI Pay Commission report. Further, a few staff members were shown as absent in certain months and as such no salary was paid to the staff.

31/03/11

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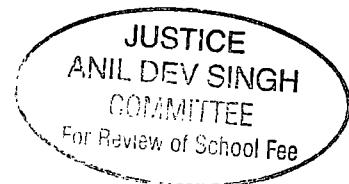
Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 12/08/2014, requiring the school to appear before the Committee on 24/09/2014. On this date, Sh. Nitesh Kumar, Manager of the school appeared along with Sh. Brijesh Gupta and Sh. J.B. Singh, Members of the Society running the school. They were heard by the Committee.

The representatives of the school submitted that the school implemented the VI Pay Commission report only partially w.e.f. February 2010. However, it paid the arrears from 01/04/2009 to 31/01/2010 and such arrears amounted to Rs. 9,75,540 and were paid on **15/07/2013 and this payment was made in cash.** Thus, it was claimed that effectively the school implemented the VI Pay Commission report w.e.f. 01/04/2009. It was conceded that the implementation was not full but only partial. They also contended that the school did not pay any arrear salary for the period 01/01/2006 to 31/03/2009 nor collected any arrear fee for such payment. With regard to development fee, the representatives reiterated the contentions of the school as made in the reply to the questionnaire.

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Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

Discussion & Determination:

Tuition Fee:

The moot question that is required to be determined by the Committee is whether the school implemented the VI Pay Commission report for the purpose of which it hiked the tuition fee w.e.f. 01/04/2009 or not. In view of the Committee, the school did not implement the VI Pay Commission report, as claimed by it. This view draws sustenance from the following facts:

- (a) The school did not submit any reply to the initial questionnaire sent by the Committee on 27/02/2012 which was followed by a reminder dated 27/03/2012.
- (b) When the Committee issued the notice for verification of records on 10/07/2013, the school did not produce the records on the scheduled date which was 24/07/2013 and sought postponement of the verification of records.
- (c) In the meantime, the school made an entry showing payment of arrears of salary for the period 01/04/2009 to 31/01/2010 in its accounts to show the payment in cash on **15/07/2013**. This could only have been done in the current year for which the accounts were open and the balance sheet had not yet been prepared.
- (d) The school on its own admitted that it had not implemented the VI Pay Commission report fully and did not dispute the



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Secretary

Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

noting of the audit office that in some months some employees were shown as on leave without pay. This is a usual device which is adopted by most of the schools which show implementation of VI Pay Commission report only in papers.

In view of the finding of the Committee that the school did not implement the VI Pay Commission report and showed its implementation only in papers, the Committee is of the view that the school was not justified in hiking its fee w.e.f. 01/04/2009 in pursuance of order dated 11/02/2009 issued by the Director of Education. The fee hiked w.e.f. 01/04/2009 as shown in the table reproduced earlier in the report, ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund. As the fee hiked in 2009-10 is also part of the fee for the subsequent years, the school ought also to refund the fee for the subsequent years which is relatable to the fee hiked in 2009-10, along with interest @ 9% per annum.

Development Fee:

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The school admitted that it had recovered a sum of Rs. 5,59,380 as development fee in 2009-10 and Rs. 5,90,120 in 2010-11. The same was treated as a revenue receipt in the accounts and no funds for unutilised development fund or depreciation reserve were maintained. Although the school claimed that it had utilised the



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Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043

development fee in 2009-10 and 2010-11 for acquiring fixed assets, the Committee finds that in 2010-11, the utilisation was for the purpose of purchase of a vehicle which is not one of the permitted uses for development fee. Further, the pre conditions which the school has to fulfill for charging development fee is that it treats it as a capital receipt and maintains separate development fund and depreciation reserve funds. The perusal of the balance sheets of the school do not show that any of these funds were being maintained by the school. An account called depreciation reserve fund appears on the liability side. However, the same represents accumulated depreciation and cannot be termed as a fund. It would become a fund only when it is kept earmarked in a separate bank account or investments. Moreover, the school treats the development fee as a revenue receipt. Thus the school does not fulfill any of the pre conditions which were laid down by the Duggal Committee and subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School & ors. vs. Union of India (2004) 5 SCC 583. Consequently the charge of development fee by the school was not in accordance with law and the Committee is therefore, of the view that the same charged in the year 2009-10 and 2010-11 ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Handwritten signature
Secretary

Sant Hari Dass Sr. Sec. School, Najafgarh, New Delhi-110043**Recommendations:**

In view of the foregoing discussion and determinations, the Committee makes the following recommendations:

- (i) The school ought to refund the tuition fee hiked in the year 2009-10 and also the tuition fee charged in the subsequent years to the extent it relates to the amount refundable for 2009-10, along with interest @ 9% per annum from the date of collection to the date of refund.
- (ii) The school ought to refund the development fee amounting to Rs. 5,59,380 charged in 2009-10 and Rs. 5,90,120 in 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated: 10/11/2014

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Shivani Public Sr. Sec. School. Nangloi, Delhi-41

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013, required the school to appear on 28.06.2013



Secretary

Shivani Public Sr. Sec. School. Nangloi, Delhi-41

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

5. On 28.06.2013, Sh. P.K.Sharma, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.08.2009 and had hiked the fee w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009. The school had not collected development fund.

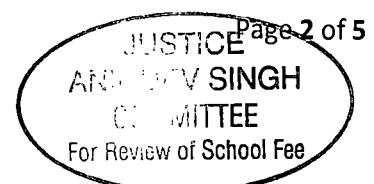
6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission partially, as HRA has not been paid as per the prescribed rates.
- (ii) The school hiked tuition fee in 2009-10 by Rs. 100/- to 270/- P.M. for different classes in terms of the order dated 11.02.2009, of the Director of Education. During 2010-11, the hike had been within 10%.

7. By notice dated 29.09.2014, the school was asked to appear on 28.10.2014 along with entire accounting, fee and salary records for the

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Shivani Public Sr. Sec. School. Nangloi, Delhi-41

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

8. On 28.10.2014. Sh. P.K.Sharma, Manager, Ms. Balbir Kaur, Representative of the Society and Sh. Brijesh Gupta, Accountant of the school appeared before the Committee and provided the records. It has been contended by the school representatives that:-

- (i) The school has partially implemented the recommendations of the 6th Pay Commission w.e.f. 01.08.2009.
- (ii) The salary to the staff has been paid through bearer cheques.
- (iii) TDS has been deducted from the salary of three staff members only.
- (iv) The school hiked tuition fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not charge development fee from the students.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	275	375	100	400	25

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Shivani Public Sr. Sec. School. Nangloi, Delhi-41

II	315	415	100	450	35
III	330	430	100	470	40
IV	350	450	100	490	40
V	400	500	100	550	50
VI	430	530	100	580	50
VII	450	550	100	600	50
VIII	480	580	100	630	50
IX	600	800	200	880	80
X	750	950	200	1040	90
XI (Arts)	930	1200	270	1300	100
XI (Comm.)	1000	1200	200	1300	100
XII (Arts)	930	1200	270	1300	100
XII (Comm.)	1000	1200	200	1300	100

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

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission partially. Since, the salary to the staff has been paid through bearer cheques, therefore the claim of the school to have implemented the recommendations of the 6th Pay Commission partially is not acceptable to the Committee.

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

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Shivani Public Sr. Sec. School. Nangloi, Delhi-41

RECOMMENDATION

Re. Fee Hike

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

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

Sd/- Recommended accordingly. Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 05-11-2014

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Secretary

Gagan Bharti Sr. Sec. Public School. Om Vihar, N. Delhi-59

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013, required the school to appear on 04.07.2013



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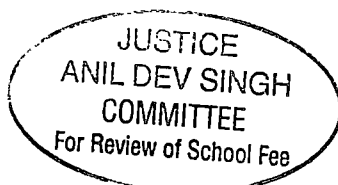
and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 04.07.2013, Sh. Dinesh Pushkarma, PET of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009 and had hiked the fee w.e.f. same date, in terms of the order of the Director of Education dated 11.02.2009. The school has collected development fund.


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

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission. However, HRA has not been paid as per the prescribed rates.
- (ii) The school hiked tuition fee in 2009-10 by Rs. 100/- to 300/- P.M. for different classes in terms of the order dated 11.02.2009, of the Director of Education. During 2010-11, the hike had been within 10%.

7. By notice dated 29.09.2014, the school was asked to appear on 28.10.2014 along with entire accounting, fee and salary records for the



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Gagan Bharti Sr. Sec. Public School. Om Vihar, N. Delhi-59

years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. The hearing was rescheduled for 30.10.2014 with due intimation to the school.

8. On 30.10.2014. Sh. R.S. Yadav, Member of the Managing Committee and Sh. Rajesh Gupta, C.A. of the school appeared before the Committee and provided the records. It has been contended by the school representatives that the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009 and also hiked the fee as per the order dated 11-02-2009 of the Director of Education. They also admitted that the arrears of salary have also been paid without collecting the arrear fee. On examination of salary statement, the committee observed that the salary paid to the staff members for the month of March 2009 and April 2009 was more or less the same with slight increase in some cases. When confronted by the Committee, the representatives of the school have conceded that in actual fact the school did not implement the recommendations of the 6th Pay Commission. With regard to the development fee, the school has submitted that it was charged in 2009-10 and 2010-11, but the same has been treated as revenue receipt. Further, the school maintained a



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Gagan Bharti Sr. Sec. Public School. Om Vihar, N. Delhi-59

depreciation reserve in its books of accounts but no separate fund was maintained for unutilized development fund or for deprecation reserve.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	500	600	100	660	60
II	550	750	200	820	70
III	600	800	200	880	80
IV	610	810	200	890	80
V	650	850	200	930	80
VI	700	900	200	990	90
VII	730	930	200	1020	90
VIII	770	970	200	1060	90
IX	820	1020	200	1120	100
X	950	1150	200	1260	110
XI	1150	1450	300	1590	140
XII	1300	1600	300	1760	160

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

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Gagan Bharti Sr. Sec. Public School. Om Vihar, N. Delhi-59

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

Discussions and Recommendations**Re. Fee Hike**

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

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along



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

Re. Development Fee.

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

<u>Year</u>	<u>Development Fee Charged</u>
2009-10	Rs. 11,76,225.00
2010-11	Rs. 23,00,791.00

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

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. for collecting Development Fee. Therefore, the Development Fee for Rs. 34,77,016.00 charged by the school during the years

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Gagan Bharti Sr. Sec. Public School. Om Vihar, N. Delhi-59

2009-10 to 2010-11, in pursuance of the order of the Director of Education, dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid amount of Rs. 34,77,016.00, development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

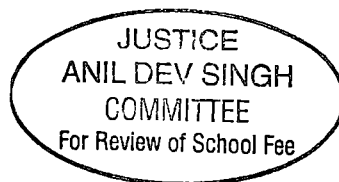
Sd/-

Dr. R.K. Sharma
Member

Dated:- 05-11-2014


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Secretary



Convenat of Gagan Bharti, Mohan Garden, New Delhi-59

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

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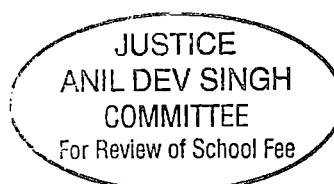
JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Convenat of Gagan Bharti, Mohan Garden, New Delhi-59

4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013, required the school to appear on 04.07.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.
5. On 04.07.2013, Ms. Anju Kaushik, Librarian of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009 and had hiked the fee w.e.f. same date, in terms of the order of the Director of Education dated 11.02.2009. The school has collected development fund.
6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -
- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission but H.R.A. has not been paid as per the prescribed norms.
- (ii) The school hiked tuition fee in 2009-10 by Rs. 200/- to 300/- P.M. for different classes in terms of the order dated 11.02.2009, of the Director of Education. During 2010-11, the hike had been within 10%.

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Convenat of Gagan Bharti, Mohan Garden, New Delhi-59

7. By notice dated 29.09.2014, the school was asked to appear on 28.10.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. The hearing was rescheduled for 30.10.2014 with due intimation to the school.

8. On 30.10.2014. Ms. Sarita Dhar, Manager and Sh. Rajesh Gupta, C.A. of the school appeared before the Committee and provided the records. It has been contended by the school representatives that the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009 and also hiked the fee as per the order dated 11-02-2009 of the Director of Education. They have further contended that the arrears of salary have also been paid without collecting the arrear fee. On examination of salary statement, the committee has observed that the salary paid to the staff members for the month of March 2009 and April 2009 was more or less the same with slight increase in some cases. When confronted by the Committee, the representatives of the school have conceded that in actual fact the school did not implement the recommendations of the 6th Pay Commission. With regard to the development fee, the school has submitted that it did not recover any

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development fee in 2009-10 but the same has been charged to the tune of Rs. 18,19,878.00 in 2010-11, which has been treated as revenue receipt. Further, the school maintained a depreciation reserve in its books but no fund was created for the same or for unutilized development fund.

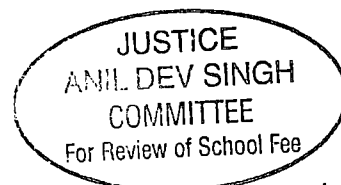
9. We have gone through the record, observations of the Audit Officer of the Committee and submissions on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	510	710	200	780	70
II	520	720	200	790	70
III	560	760	200	830	70
IV	600	800	200	880	80
V	630	830	200	910	40
VI	680	880	200	960	80
VII	720	920	200	1010	90
VIII	780	980	200	1080	100
IX	860	1060	200	1165	105
X	950	1150	200	1265	115
XI	1200	1500	300	1650	150
XII	1350	1650	300	1815	165

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

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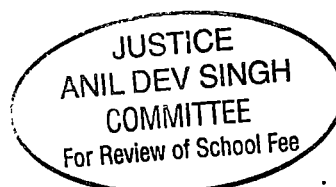
Education dated 11.02.2009. During 2010-11, the hike in fee was by 10%.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

Discussions and Recommendations**Re. Fee Hike**

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

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years; there would be a ripple effect in the subsequent

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

Re. Development Fee.

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

<u>Year</u>	<u>Development Fee Charged</u>
2009-10	NIL
2010-11	Rs. 18,19,878.00

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

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. for collecting Development Fee. Therefore, the Development Fee for Rs. 18,19,878.00 charged by the school during the year 2010-11, in pursuance of the order of the Director of Education,

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dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid amount of Rs.18,19,878.00, development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 05-11-2014

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On a requisition made by the Committee, the school submitted copies of its audited balance sheets and fee structures for the years 2006-07 to 2010-11, copy of salary sheet for the month of January 2009 showing the total monthly expenditure on salary before implementation of the VI Pay Commission report and that for the month of February 2009 showing the total monthly expenditure on salary after implementation of the VI Pay Commission report, details of arrears of salary paid to the staff, which arose on account of retrospective implementation of recommendations of VI Pay Commission and details of arrear fee charged from the students in terms of order dated 11/02/2009 issued by the Director of Education. A prima facie examination of the documents submitted by the school showed that it had implemented the recommendations of VI Pay Commission as well as hiked the fee in terms of the aforesaid order dated 11/02/2009. Accordingly the school was placed in Category 'B' for the purpose of verification.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee (CAs). As the school claimed to have implemented the VI Pay Commission Report and also increased the tuition fee w.e.f. 01/09/2008, the audited balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI

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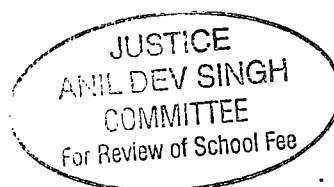
Pay Commission Report. As per the preliminary calculation sheet prepared by the CAs, the school had available with it funds aggregating Rs. 24,19,64,259 as on 31/03/2008 available with it. As against this, the total financial impact of the implementation of VI Pay Commission report was Rs. 7,57,62,877. Therefore, prima facie, the school did not need to hike the fee for implementation of the recommendations of VI Pay Commission report as the school had sufficient funds of its own.

While reviewing the preliminary calculation sheet prepared by the CAs, the Committee observed some major discrepancies in the working of funds available as on 31/03/2008, in so far as the CAs had taken the full amount of investments of the school amounting to Rs. 28,33,09,852 as part of funds available when it was apparent from the audited balance sheet of the school that out of the total amount of investments, investments to the tune of Rs. 4,83,11,981 were held as earmarked funds against unutilised development fund, depreciation reserve fund, scholarship fund and certain other funds which could not have been utilised for implementation of the recommendations of the VI Pay Commission. Further, the total impact of the implementation of VI Pay Commission report, was also not correctly worked out. In fact the Committee found that on the basis of information furnished by the school, it was not possible to have a correct calculation to examine the justifiability of fee hike effected by

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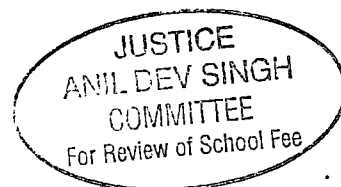
the school as the same could not be reconciled with the audited Income & Expenditure Accounts of the school.

The Committee, therefore, issued a notice dated 23/07/2014, requiring the school to give complete break up of its revenue from fee for the years 2008-09, 2009-10 and 2010-11 showing regular fee and arrear fee separately, break up giving the expenditure on salary for the aforesaid years showing the arrear salary and regular salary separately along with the bank statements highlighting the payments of arrears, statement of account of the Trust running the school, details of accrued liabilities of gratuity and leave encashment. A questionnaire was also issued to the school for giving specific information regarding, inter alia, the development fee charged by the school and maintenance of development fund and depreciation reserve fund. An opportunity of being heard on 06/08/2014 was also afforded to the school, vide the aforesaid notice. On this date, a request was received from the school seeking postponement of hearing for 3 to 4 weeks. Acceding to the request of the school, a fresh notice of hearing was issued for 08/09/2014. On this date, Sh. M.I. Hussain, Principal of the school appeared with Sh. Hiren Mehta, Chartered Accountant, Sh. A. Das, Additional Secretary of DPS Society, Sh. A.K. Jain, Accountant of the school and Sh. A. Bhattacharjee, Assistant. The school filed written submissions along with its reply to the questionnaire issued by the Committee. In the

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written submissions, the school gave the required information sought by the Committee along with detailed annexures.

During the course of hearing,

- (a) The Committee observed that there were accretions to the account of building fund. The representatives of the school explained that a sum of Rs. 10,000 per student was charged at the time of admission towards building fund,
- (b) The figures of funds available as on 31/03/2008, salary and fee arrears and incremental salary and the corresponding figures of incremental fee for the year 2009-10 were discussed,
- (c) It was observed that the development fee originally charged by the school for the year 2008-09 was uniform for all the classes at Rs. 1700 per annum. However, the school recovered arrears of development fee for the period 01/09/2008 to 31/03/2009, at the rate of Rs. 1456 per student i.e. Rs. 208 per month for seven months,
- (d) The school claimed that FDRs amounting to Rs. 7,45,56,712 were held in Hostel account which were earmarked for spending on Hostel building and other capital assets,
- (e) The school claimed that TDS amounting to Rs. 18,48,786 ought not be considered as available fund as there are Income Tax demands outstanding. The school was required

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to file the assessment status upto Assessment Year 2008-09 to examine this issue.

- (f) The school was also required to file the employee wise details of the provision for gratuity and leave encashment as on 31/03/2008 and 31/03/2010.

The aforesaid details were required to be filed within one week. These were filed by the school under cover of its letter dated 15/09/2014. Vide this letter, the school also requested to be provided with a computation of funds available, as made by the Committee, for its comments.

The Committee examined the details filed by the school as also the submissions made by the school during the course of hearing on 04/09/2014. The Committee is of the view that:

- (a) So far as the contention of the school that FDRs amounting to Rs. 7,45,56,712 held in Hostel account ought not be considered as part of available funds for implementation of VI Pay Commission report is concerned, the same is devoid of any merit as while making the determinations, the Committee has also to consider the financial impact of implementation of VI Pay Commission report on the Hostel staff. Further, if there is some surplus in the running of the Hostel, a differential treatment cannot be given to it. The

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school has not claimed that any collections were made specifically for incurring capital expenditure on Hostel. The surplus has been generated out of the normal running of the Hostel.

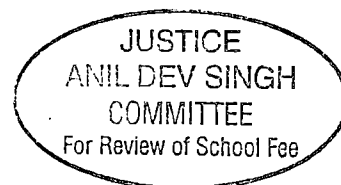
(b) The school has furnished copies of the Income Tax demand notices of "The Delhi Public School Society" for the years 2006-07 and 2007-08. The demands are to the tune of Rs. 2,75,24,483 and Rs. 2,88,77,003 for the two years respectively. However, the contention of the school for excluding the TDS refund amounting to Rs. 18,48,786 cannot be accepted for two reasons. Firstly, the demands pertain to the Society as a whole and the reason for arising of these demands has not been brought on record as the school has not filed copies of the corresponding Assessment Orders. It is not known as to in relation to which school or institution run by the Society have the demands arisen. Indisputably, the income of the school is exempt under section 11 of the Income Tax Act, 1961. Moreover, the status of appeals against such demands has not been brought on record by the school.

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On the basis of the documents provided by the school, the information furnished in response to the questionnaire as well as notices issued by the Committee, the submissions made by the

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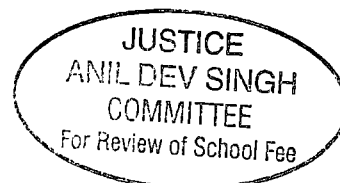
representatives of the school during the course of hearing, the Committee prepared a preliminary calculation sheet to ascertain the justifiability of the fee hike effected by the school in pursuance of order dated 11/02/2009 issued by the Director of Education. The Committee has given due consideration to the accrued liability of the school towards gratuity and leave encashment as they are backed up by proper documentation. The Committee has also given due consideration to the requirement of the school to keep some funds in reserve. The Committee has taken a view in case of other schools that the school ought to retain with them funds equivalent to four months' salary for unforeseen contingencies. The calculation sheet as prepared by the Committee, is as follows:

Statement showing Fund availability of as on 31-03-2008		
Particulars	Amount (Rs.)	Amount (Rs.)
<u>Current Assets</u>		
Cash in hand	2,421	
Bank Balance	4,033,269	
Prepaid Expenses	229,253	
Students Debit Balance	13,570	
TDS Refund due	1,848,786	
Free Investments as per detail below	234,997,871	
S. Debtors	100,867	
Loans and Advances	154,154	
Stationery & Stores	<u>76,511</u>	241,456,702
Less:- <u>Current Liabilities</u>		
Advance Licence Fee	1,028,291	
Earnest Money	10,000	
PTA	74,072	
Salary Payable	11,517	
Security Deposit Received	650,377	
S. Creditors		

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	8,075,757	
Time Barred cheques	308,889	
Audit Fee payable	99,629	
Statutory dues payable	1,960,289	
Student Account	<u>29,889,866</u>	42,108,687
Net Current Assets + Free Investments		199,348,015
Less: Funds to be kept in reserve		
a) For accrued liability of gratuity as on 31.03.2010	63,781,748	
b) For accrued liability of leave encashment as on 31.03.2010	26,570,859	
c) Reserve for future contingencies	<u>25,749,764</u>	116,102,371
Balance Funds available for implementation of 6th Pay Commission Report		83,245,644
Less:- Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.03.2009	69,501,563	
Increased Salary as per 6th CPC from 01.04.09 to 31.03.2010	<u>49,883,082</u>	<u>119,384,645</u>
Excess / (Short) Fund Before Fee Hike		(36,139,001)
Add:- Tuition Fee Arrear for the period from 01.01.06 to 31.03.09	35,668,632	
Development Fee arrear for the period from 1-9-08 to 31-3-09	6,910,176	
Increased Tuition fee in 2009-10	<u>28,892,850</u>	<u>71,471,658</u>
Excess / (Short) Fund After Fee Hike		<u>35,332,657</u>

Working notes:

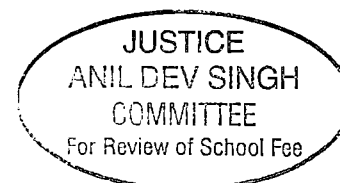
Detail of investments considered to be part of Funds available

Total Investments as per Balance Sheet as on 31.03.2008 **283,309,852**

Less: Earmarked Funds

a) Development Fund	27,719,363	
b) Depreciation Reserve Fund	14,866,228	
c) Scholarship Fund	4,560,103	
d) CBSC Fund	630,406	
e) Swaraj Chopra Memorial Fund	104,295	
f) Welfare of Jawan's Fund	95,594	
g) Education Insurance Fund	335,992	
		48,311,981

Free Investments**234,997,871**TRUE COPY ⁸

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A copy of the calculation sheet, as prepared by the Committee was provided to the school vide letter dated 30/10/2014 and the school was afforded another hearing on 14/11/2014 to say anything in rebuttal of the aforesaid calculation sheet.

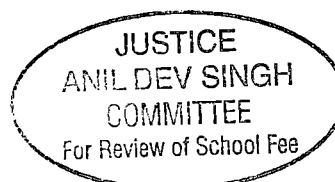
On 14/11/2014, Sh. Hiren Mehta, Chartered Accountant appeared with Sh. A.K. Jain, Accountant and Sh. Abhijeet Bhattacharjee, Assistant of the school. Sh. Jatinder Singh Virldhi, Finance Head of the DPS Society was also present. They filed written submissions dated 12/11/2014 and were also orally heard. In the written submissions as well as during the course of hearing, they disputed only the following three figures taken by the committee in the preliminary calculation sheet:

- (a) Increased tuition fee of 2009-10 amounting to Rs. 2,88,92,850 on the ground that the school did not hike any fee in 2009-10 and hence there was no question of any increased tuition fee in 2009-10. In support, the school once again filed the fee structures for 2008-09 (as revised w.e.f. 01/09/2008) and for 2009-10, emphasizing that the fee for 2008-09, as revised was continued for 2009-10 without any further hike.
- (b) The reserve for future contingencies taken by the Committee at Rs. 2,57,49,764 was short of the requirement of the school. If the amount was calculated for four months salary

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with reference to the expenditure on salary for the year 2009-10, the same would be Rs. 4,36,33,602.

(c) Investments of building fund amounting to Rs, 2,47,65,019 ought to be considered as earmarked and hence not available for implementation of VI Pay Commission report.

However, during the course of hearing, the representative of the school was informed that the fee hiked by the school in pursuance of order dated 11/02/2009 was primarily for the year 2009-10 but was given retrospective effect from 01/09/2008 on account of the fact that the VI Pay Commission had come into effect w.e.f. that date and the school was required to pay the arrears for seven months from 01/09/2008 to 31/03/2009. Therefore, the incremental fee for the year 2009-10 was taken to be the difference between the total fee for 2009-10 and that for 2008-09, after making suitable adjustment for arrear fee. Correspondingly the Committee had also taken the incremental salary for the year 2009-10, as representing the difference between the total salary for 2009-10 and that for 2008-09 and such incremental salary amounted to Rs. 4,98,83,082, which the Committee had taken into consideration while making its calculations. After reassessing the position, the representatives of the school conceded that the issue had not been correctly raised and it was not further pressed. However, the school filed another letter dated 18/11/2014, after the close of hearing and in order to prove its

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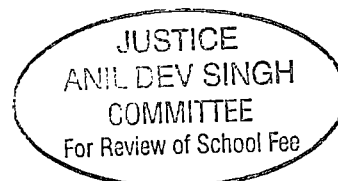
contention right, it disputed some other figures as taken in the preliminary calculations. The sum total of the submissions of the school was that in the preliminary calculations, the total financial impact of the implementation of VI Pay Commission report taken by the Committee was excessive by Rs. 1,66,78,702 and the total arrear fee and incremental fee collected for implementation of the said report was also excessive by Rs. 2,88,92,850. Hence it was contended that the Committee had calculated the surplus by an excess amount of Rs. 1,22,14,148.

The Committee is not at all impressed by the U turn taken by the school. It is putting up new arguments and giving new figures only with a view to justifying its objection raised in its submissions dated 12/11/2014 and to wriggle out of the concession made by its authorized representative during the course of hearing after understanding the correct position. The arguments made by the school are premised on a wrong basis that there was no hike in fee in 2009-10 and therefore, no incremental fee for that year ought to be taken into account. It needs to be re-emphasised that the fee hike effected by the school in pursuance of order dated 11/02/2009 of the Director of Education was primarily for the year 2009-10. In addition, the school was also allowed to collect arrears of fee as the VI Pay Commission report had to be given a retrospective effect. Accordingly, the Committee, in its calculation sheet, has correctly taken the

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incremental fee as well as incremental salary for the year 2009-10. The contentions of the school disputing the incremental fee for 2009-10 are accordingly rejected.

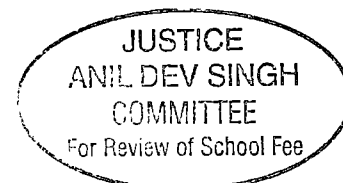
So far as the second contention of the school regarding reserve for future contingencies is concerned, the Committee is in agreement with the school that the amount has been incorrectly calculated at Rs. 2,57,49,764. This was based on the monthly salary for the pre implementation period. The contention of the school that it ought to be calculated with reference to the total salary for the year 2009-10 (excluding arrears) which amounted to Rs. 13,09,00,886 is correct. Based on this, the amount of funds required to be kept in reserve comes to Rs. 4,36,33,602, as contended by the school. The same will be duly considered while making the final calculations.

The third contention of the school regarding excluding of building fund amounting to Rs. 2,47,65,019 has to be rejected at the outset. The contention of the school is that a sum of Rs. 10,000 is charged as building fund at the time of admission of new students . This actually amounts to charging the admission fee as Rs. 10,000 over and above the permissible amount of Rs. 200. The Duggal Committee which was constituted by the Hon'ble Delhi High Court to examine the issue of fee, made, inter alia, the following recommendation in its report

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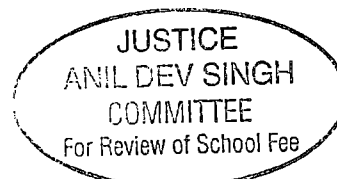
The schools, should be prohibited from discharging any of the functions, which rightly fall in the domain of the parent society, out of the fee and other charges, collected from the students, or where the parents are made to bear, even in part, the financial burden for the creation of facilities including building, on a land which had been given to the society at concessional rates for carrying out a "philanthropic" activity. One only wonders what then is the contribution of the society that professes to run The School

Pursuant to this report, the Directorate of Education issued order no. De.15/Act/Duggal.Com/203/99/23033-23980 dated 15/12/1999. Clause 2 of the this order stated that no admission fee of more than Rs. 200 shall be charged and the admission fee charged from the students in excess of Rs. 200 has to be refunded. Further, clause 9 of this order stated that no fee, fund or any other charge by whatever name called, shall be levied or realised unless it is determined by the Managing Committee **in accordance with the directions contained in this order.** A perusal of this order shows that it did not contain any direction for charging any building fund at the time of new admissions. On the contrary, there was a prohibition of charging any fee in excess of Rs. 200 at the time of admission. This order was to remain in operation for the year 1999-2000, 2000-2001 and thereafter. These clause remained in force all through and were

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reiterated in the order dated 11/02/2009, which is being considered by this Committee.

It is clear from the foregoing discussion that the school has illegally charged a sum of Rs. 10,000 towards building fund at the time of new admissions. To top at all, the school is claiming that the same ought to be treated as an earmarked fund which should not be considered as part of funds available for implementation of VI Pay Commission report. This is an atrocious suggestion, to say the least. The contention of the school is accordingly rejected.

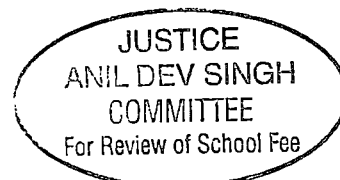
Determination:

In view of the foregoing discussion, the Committee finds that the school raised its objections with regard to only three figures contained in the preliminary calculation sheet. Only one of the three contentions, that is regarding short provision of reserve for future contingency has been found to be tenable. Accordingly, the following determinations are made by the Committee with regard to the justifiability of hike in tuition fee:

Particulars		Amount (Rs.)
Surplus as determined in the preliminary calculation sheet		3,53,32,657
Less Reserve for future contingencies short provided:		
Correct amount as per the contention of the school	4,36,33,602	
Less amount considered by the Committee	2,57,49,764	1,78,83,838
Fee hiked in excess of requirements		1,74,48,819

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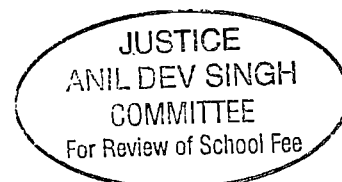
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As noticed in the preliminary calculation sheet, the school recovered a total sum of Rs. 7,14,71,658 by way of arrear fee and incremental fee pursuant to order dated 11/02/2009 upto the year 2009-10. Out of the fee so collected, the school ought to refund a sum of Rs. 1,74,48,819, which it collected in excess of its requirement for implementation of VI Pay Commission report. The refund ought to be made along with interest @ 9% per annum from the date of collection to the date of refund. Including in this amount is an amount of Rs. 69,10,176, which the school recovered as the arrears of differential development fee for the period 01/09/2008 to 31/03/2009, which at any rate was an unauthorized recovery as the school was charging development fee at a fixed amount of Rs. 1700 per annum which was not linked to the tuition fee. Since it was not linked to the tuition fee, any increase in tuition fee could not have led to any increase in development fee and there could have been no occasion to collect any arrears of differential development fee. The order dated 11/02/2009 issued by the Director of Education, authorized collection of only the differential development fee on account of increase in tuition fee. It did not authorize increase in development fee per se.

Development Fee

In reply to the questionnaire issued by the Committee, the school stated that it was charging development fee from the students

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Delhi Public School, Mathura Road, New Delhi-110003

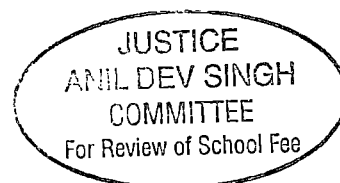
in all the five years for which the information was sought. The details of charge of development fee as well as its utilisation and maintenance of development fund and depreciation reserve fund were also furnished by the school.

The Committee has examined the audited financials of the school and observes that the development fee was being treated as capital receipt and was being utilised for purchase of furniture and fixtures and equipments which are permissible uses of development fee as per the recommendations of 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 also maintaining earmarked funds against unutilised development fee and depreciation reserve fund on assets acquired out of development fee. Thus, in principle, the school was in compliance with the pre-conditions laid down for collection of development fee. However, the Committee finds that the aggregate earmarked investments against the development fund and depreciation reserve fund were short of the respective balances in the fund account. The position in so far as it pertains to the years 2009-10, is as follows:

Particulars	2009-10	
	Balance in books	Earmarked investments
Development fund account	6,90,07,079	4,36,04,678
Depreciation reserve fund account	2,11,16,446	60,00,000
Total	9,01,23,525	4,96,04,678

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 Secretary


Delhi Public School, Mathura Road, New Delhi-110003

Thus, till 31/03/2010, the earmarked investments were short of the funds held in development fund and depreciation reserve fund to the tune of Rs. 4,05,18,847.

The position that prevailed in 2010-11, is as follows:

Particulars	2010-11	
	Balance in books	Earmarked investments
Development fund account	9,41,07,294	8,95,39,543
Depreciation reserve fund account	2,35,32,281	2,40,02,147
Total	11,76,39,575	11,35,41,690

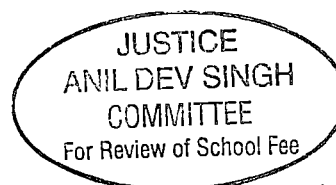
Thus the school made up the deficiency in earmarked investments to a large extent in the year 2010-11. As on 31/03/2011, the deficiency was to the tune of Rs. 40,97,885.

The Committee is of the view that although the school, in principle, was complying with pre conditions for charging development fee, in actual fact, it did not fully comply with the pre condition of keeping the funds earmarked. While the Committee is not inclined to take any adverse view for the deficiency in 2009-10 to the extent it was made up in 2010-11, the school ought to refund the development fee to the tune of Rs. 40,97,885, to which extent the deficiency was not made good even in 2010-11. Such refund ought to be made out of the development fee charged for 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund.

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Delhi Public School, Mathura Road, New Delhi-110003Recommendations:

In view of the discussion and determinations made by the Committee, the following recommendations are made:

- (i) The school ought to refund building fund charged @ 10,000 from the new students admitted in the years 2009-10 and 2010-11.
- (ii) The school ought to refund a sum of Rs. 69,10,176, charged as arrears of development fee for the period 01/09/2008 to 31/03/2009.
- (iii) The school ought to refund a sum of Rs. 1,05,38,643 (1,74,48,819 -69,10,176) out of the tuition fee charged by it in the year 2009-10.
- (iv) The school ought to refund a sum of Rs. 40,97,885, out of development fee charged for the year 2010-11.
- (v) All the refunds as detailed in (i) to (iv) above ought to be made along with interest @ 9% per annum from the date of collection to the date of refund.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 23/11/2014

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 10-07-2013, required the school to appear on 29-07-2013 and to produce entire accounting, fee and salary records for the

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**JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee**

Page 1 of 7

**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On 26-07-2013, the office of the Committee received a letter of even date from the Manager of the school requesting for another date for the verification of the record. At its request the school was directed to produce its records on 04-09-2013.

5. On 04-09-2013, Sh. Anshul Dewan, Vice Principal of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

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

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

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

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Secretary



**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

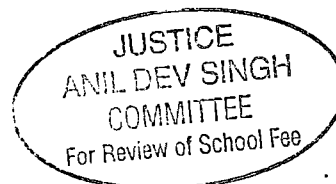
ii) The school hiked tuition fee in 2009-10, for all classes, in terms of the order dated 11-02-2009 of the Director of Education. During 2010-11 the hike was within 10%.

7. By notice dated 22-10-2014, the school was asked to appear on 10-11-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 10-11-2014. Sh. Anshul Dewan, Vice Principal, Sh. Parveen Malhotra, Accountant and Sh. Ajay Arora, Member M.C. of the school appeared before the Committee and produce the record. The representatives have contended that the school hiked tuition fee by Rs. 200/- p.m. in 2009-10 for all classes, except classes XI & XII (Science) for which the hike was to the tune of Rs. 300/- p.m. Further, the development fee was hiked by Rs. 40/- to Rs. 60/- p.m., which was @ 20% of the hiked tuition fee. It was further contended that the school neither collected any arrear fee not paid arrear salary to the staff. With regard to the implementation of the recommendations of the 6th pay commission, it was contended that the tuition fee, so charged was never sufficient, even to implement the recommendations of the 5th pay commission. The school further stated that with effect from 01-04-

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**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

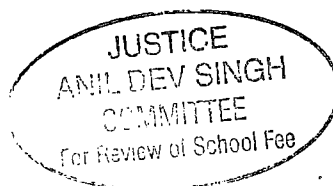
2009, the school had to show implementation of the recommendations of the 6th pay commission, partially, under compulsion of the Education Department. On query by the Committee, the representatives conceded that the salary was paid by and large by bearer cheques and TDS was also deducted from the salaries of 4-5 teachers only out of the total staff strength of about 60. With regard to development fee, it was conceded that the same was treated as a revenue receipt and no earmarked funds were maintained for unutilized development fee and depreciation reserve fund.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	640	840	200	920	80
VI-VIII	700	900	200	980	80
IX-X	800	1000	200	1080	80
XI-XII(Arts & Comm)	900	1100	200	1200	100
XI-XII(Sci.)	1080	1380	300	1500	120

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**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

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

11. The school representatives have admitted that the school had to show partial implementation of the recommendations of the 6th Pay Commission. The School did not pay HRA and DA as per the prescribed norms. Even salary to the staff has been paid by bearer cheques without deducting TDS in respect of all the staff. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

RECOMMENDATION

Re. Fee Hike

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

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

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

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

Reg. Development Fee

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

<u>Year</u>	<u>Development Fee Charged</u>
2009-10	Rs.13,16,530.00
2010-11	Rs.14,26,908.00

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

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JUSTICE
ANIL DEV SINGH,
COMMITTEE
For Review of School Fee

**Spring Meadows Public School, Dewan Estate, Dwarka Mor Metro
Station, Main Najafgarh Road, New Delhi-110059**

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.27,43,438.00 during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

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

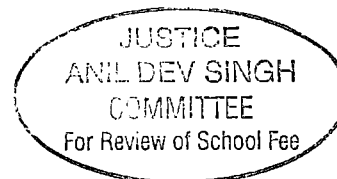
Sd/-

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

Dated:- 23-11-2014

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W
Secretary



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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 01-07-2013, required the school to appear on 11-07-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid

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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

questionnaire. However, on 09-07-2013, one representative of the school submitted a letter from the principal of the school requesting some more time to produce the records. At its request the school was directed to produce the records on 31-07-2013, but on 30-07-2013 the principal of the school further requested to extend the date for verification of the records. The school was provided final opportunity to produce its records on 05-09-2013 with the directions that no further extension of time will be permitted to the school.

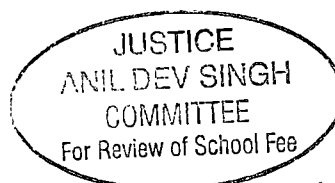
5. On 05-09-2013, Mrs. Gurvinder Gupta, Principal of the school attended the Office of the Committee without record and requested for another date for the verification of the records. At her request last opportunity for the verification of records on 17-09-2013 was provided to school.

6. On 17-09-2013 Mrs. Gurvinder Gupta, Principal of the school produce the record. Reply to the questionnaire was also filed. As per the reply;-

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

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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

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

- i) The school has claimed to have partially implemented the recommendations of the 6th Pay Commission, as DA and HRA have not been paid as per the prescribed norms.
- ii) The school hiked tuition fee in 2009-10 by Rs.100/- to Rs.200/- p.m. for different classes. During 2010-11 the hike was by Rs.40/- to 80/- p.m., for different classes.
- iii) TDS has not been deducted from the salary of the staff.
- iv) The school was receiving aid from its parent society during the years 2008-09 to 2010-11.

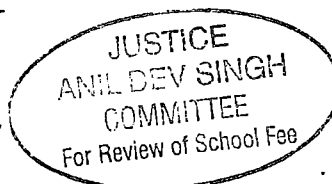
8. By notice dated 22-10-2014, the school was asked to appear on 11-11-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

9. On 11-11-2014. Mrs. Gurvinder Gupta, Principal, Sh. S.K. Sharma, P/T Account and Sh. Vinod Yadav, PET of the School. Appeared before the Committee and produce the records. They stated that:-

- i) The fee was hiked w.e.f. 01-04-2009, in terms of the order dated 11-02-2009 of the Director of Education. During the previous years and in the year 2010-11, the hike was within 10%.

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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

- ii) Development fee was introduced during the year 2010-11 for the first time and only this year, a sum of Rs.4,62,000.00 was collected on this count. The same was treated as revenue receipt and neither development fund nor deprecation reserved fund was maintained.
- iii) The recommendations of the 6th pay commission, were only partially implemented w.e.f. 01-04-2009, under compulsion of the Education Department.
- iv) The salary was paid in cash or through bearer cheques. Without deducting TDS.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	300	400	100	440	40
II to IV	330	430	100	470	40
V	340	440	100	480	40
VI to VIII	420	520	100	570	50
IX to X	600	800	200	880	80

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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

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

12. The school claimed to have implemented the recommendations of the 6th Pay Commission, but HRA and DA have not been paid as per the prescribed norms. Salary to the staff has also been paid in cash or by bearer cheques without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission cannot be accepted.

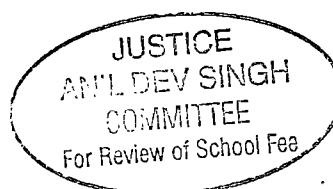
RECOMMENDATION

Re. Fee Hike

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

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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

interest @9% per annum from the date of its collection to the date of its refund.

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

Re. Development Fee

The school has charged development fee to the tune of Rs. 4,62,000/- during 2010-11. The school has admitted that development fee had been treated as revenue receipt and no separate depreciation reserve fund and development fund had been maintained.

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.4,62,000.00 during the year 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in

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Ch. Baldev Singh Model School, Baldev Park, Kirari Ext. Delhi-86

accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 23-11-2014

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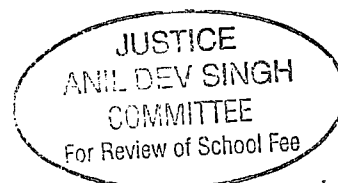
JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Devendra Public School, Narayan Vihar, Kirari, Nangloi, Delhi-41

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 01-07-2013, required the school to appear on 11-07-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid

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Devendra Public School, Narayan Vihar, Kirari, Nangloi, Delhi-41

questionnaire. On 11-07-2013, no one from the school attended the office of the Committee. However, on 16-07-2013 the office of the Committee received a letter dated 15-07-2013 from the Manager of the school requesting for another date for the verification of records on the grounds that the H.M. of the school was on long leave. The school, vide notice of the Committee's office dated 29-07-2013 was directed to produce its records on 27-08-2013 for verification.

5. On 27-08-2013, Sh. Ashruddin Sheikh, H.M. of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

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

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

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

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Secretary



Devendra Public School, Narayan Vihar, Kirari, Nangloi, Delhi-41

ii) The school hiked tuition fee in 2009-10 by Rs.200/- p.m. for all classes. During 2010-11 the hike was by Rs.75/- to 80/- p.m., for different classes.

7. By notice dated 22-10-2014, the school was asked to appear on 11-11-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 11-11-2014. Sh. Ashruddin Shekh, H.M. and Sh. Udit Sharma, P/T Accountant of the school appeared before the Committee and provided the records. It has been contended by the school representatives that:-

- i) The school has implemented the recommendations of the 6th Pay Commission and has also paid arrears to the teachers.
- ii) The salary and the arrears to the staff had been paid in cash without deducting TDS.
- iii) The school hiked tuition fee by Rs.200/- p.m. w.e.f. April 2009, as per the order of the Director of Education dated 11.02.2009.
- iv) The school demanded arrears of Rs.1400/- for the period 01-09-2008 to 31-03-2009, but the same were not paid by the students.
- v) The school did not charge development fee.

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Devendra Public School, Narayan Vihar, Kirari, Nangloi, Delhi-41

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	550	750	200	825	75
VI-VIII	600	800	200	880	80

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

11. The school claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff has been paid in cash without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

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

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Devendra Public School, Narayan Vihar, Kirari, Nangloi, Delhi-41**RECOMMENDATION****Re. Fee Hike**

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Dated:- 23-11-2014

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

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Secretary

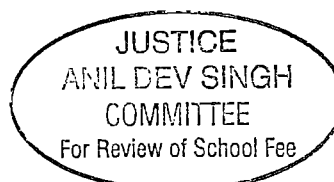


Colonel Child Bloom School, Naveen Palace, Jharodha C.R.P.F.
Road, Najafgarh , New Delhi-110072

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 01-07-2013, required the school to appear on 12-07-2013 and to produce entire accounting, fee and salary records for the

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Colonel Child Bloom School, Naveen Palace, Jharodha C.R.P.F.
Road, Najafgarh , New Delhi-110072

years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 12-07-2013, Sh. V.S. Malik, Office Suptt. of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

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

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

- i) The school has claimed to have implemented the recommendations of the 6th Pay Commission partially, as HRA and TA have not been paid as per the prescribed norms.
- ii) TDS has not been deducted from the salary of the staff.
- iii) The school hiked tuition fee in 2009-10, for all classes, in terms of the order dated 11-02-2009 of the Director of Education. During 2010-11 there was no hike in fee. However, a new class Xth has been

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Colonel Child Bloom School, Naveen Palace, Jharodha C.R.P.F.
Road, Najafgarh , New Delhi-110072

introduced in the year 2010-11 and fee of Rs.1000/-p.m. has been charged from the students.

7. By notice dated 22-10-2014, the school was asked to appear on 12-11-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 12-11-2014 Sh. Anand Kumar, A.T. and Sh. Bir Singh Sahrawat, Member M.C. of the school appeared before the Committee and produced the records. During the course of hearing, the school has admitted that in 2009-10, the fee was hiked, in terms of the order dated 11-02-2009 of the Director of Education. However, it was submitted that no fee was hiked in 2010-11. In the years prior to 2009-10, the school had hiked fee within the tolerance limit of 10%. The representatives have claimed that the school has implemented the recommendations of the 6th pay commission w.e.f. 01-04-2009. They have conceded that the salary was paid in cash and the school did not deduct TDS from the salary of the staff as the total salary of the staff remained below taxable limit on account of leaves availed by them without pay and the school does not have TAN.

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

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Colonel Child Bloom School, Naveen Palace, Jharodha C.R.P.F.
Road, Najafgarh , New Delhi-110072

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	380	480	100	480	NIL
II	410	510	100	510	NIL
III	430	530	100	530	NIL
IV	460	560	100	560	NIL
V	490	590	100	590	NIL
VI	510	660	150	660	NIL
VII	540	690	150	690	NIL
VIII	580	730	150	730	NIL
IX	--	800	New Class introduced in 2009-10	800	NIL
X	--	--	--	1000	New Class introduced in 2010-11

10. From the above, it is manifest that the school has increased the tuition fee during the year 2009-10 for classes I to VIII, in terms of the order of the Director of Education dated 11.02.2009. During 2010-11 there was no hike in fee. If, hike in fee in 2009-10 is spread over to 2010-11, even then the hike in 2009-10 was in excess of 10%. However, there was no hike for classes IX and X, as these classes were introduced in 2009-10 and 2010-11, respectively.

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but HRA and TA have not been paid as per the prescribed norms. Even salary to the staff has been paid in cash

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Colonel Child Bloom School, Naveen Palace, Jharodha C.R.P.F.
Road, Najafgarh , New Delhi-110072

without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

Discussions and Recommendations

Re. Fee Hike

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

Re; Development Fee

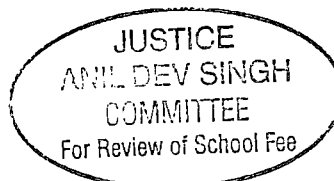
The school has charged development fee in the following manner:-

<u>Year</u>	<u>Development Fee Charged</u>
2009-10	Rs.4,26,000.00
2010-11	Rs.4,64,000.00

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Colonel Child Bloom School, Naveen Palace, Jharodha C.R.P.F.
Road, Najafgarh , New Delhi-110072

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

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.8,90,000.00 during the years 2009-10 and 2010-11 in the garb of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 23-11-2014

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Secretary



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Holy Convent Sr.Sec.School, Vikas Nagar, Hastal, N. Delhi-89

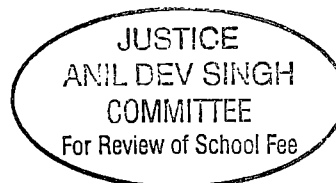
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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Secretary



Holy Convent Sr.Sec.School, Vikas Nagar, Hastal, N. Delhi-89

4. With a view to verify the returns, the Office of the Committee vide its notice dated 26.08.2013, required the school to appear on 23.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 23.09.2013, Sh. Rakesh Sharma, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

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

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

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

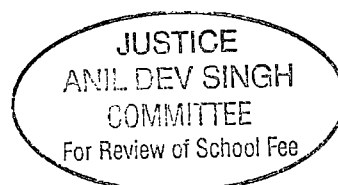
6. The record, in the first instance, was examined by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect that: -

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

(ii). DA and HRA has not been paid as per the prescribed rates.

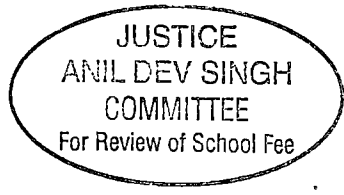
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Holy Convent Sr.Sec.School, Vikas Nagar, Hastsal, N. Delhi-89

- (iii) The school hiked tuition fee in 2009-10 by Rs.200/- p.m. for all classes. During 2010-11 the hike was by Rs.100/- for classes XI and XII only and there was no hike for other classes.
7. By notice dated 28.10.2014, the school was asked to appear on 19.11.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
8. On 19.11.2014. Sh. Rakesh Sharma, Manager and Sh. Rajesh Gupta, C.A. of the school appeared before the Committee and provided the records. It has been contended by the school representatives that:-
- (i) The school has implemented the recommendations of the 6th Pay Commission, nominally w.e.f. April 2009, whereas it was fully implemented w.e.f. July 2010.
- (ii). The salary to the staff had been paid through bearer cheques, which are en-cashed from the bank by the teachers on the same date of issuance of the cheques.
- (iii) TDS had been deducted from the salary of only one, out of 65 teachers.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Holy Convent Sr.Sec.School, Vikas Nagar, Hastal, N. Delhi-89

- (iv) The school hiked tuition fee by Rs.200/- p.m. w.e.f. April 2009, for all classes as per the order of the Director of Education dated 11.02.2009.
- (iii) The school did not charge development fee.

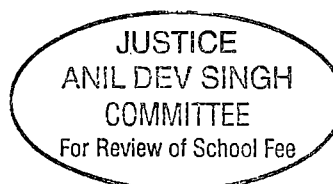
9. We have gone through the record, and observations of the Audit Officer of the Committee. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	510	710	200	710	NIL
VI-VIII	650	850	200	850	NIL
IX-X	800	1000	200	1000	NIL
XI-XII (Arts & Comm.)	950	1150	200	1250	100
XI-XII (Science)	975	1175	200	1275	100

10. From the above, it is manifest that the school has increased the fee during the year 2009-10 for all classes in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, there was no hike for classes I to X. If the hike in 2009-10 for these classes is spread

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Holy Convent Sr.Sec.School, Vikas Nagar, Hastal, N. Delhi-89

over to 2010-11, even then the hike in 2009-10 and 2010-11, exceeds 10%. For classes XI and XII the hike in 2010-11 has been by 10%.

11. The school claimed to have implemented the recommendations of the 6th Pay Commission, but D.A. and HRA have not been paid as per the prescribed norms and salary to the staff has been paid in cash without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

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

RECOMMENDATION

Re. Fee Hike

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

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Holy Convent Sr.Sec.School, Vikas Nagar, Hastal, N. Delhi-89

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

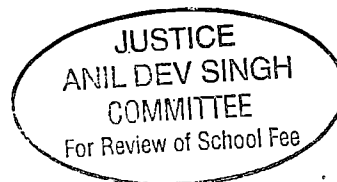
Sd/-

Dr. R.K. Sharma
Member

Dated:- 23-11-2014

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Secretary



Holy Convent School, Anand Vihar, Uttam Nagar, New Delhi-59

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 26.08.2013, required the school to appear on 23.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

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Holy Convent School, Anand Vihar, Uttam Nagar, New Delhi-59

5. On 23.09.2013, Sh. J.D. Sharma, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply;-

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

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

- (i) The school has claimed to have implemented the recommendations of the 6th Pay Commission.
- (ii) DA has not been paid as per the prescribed rates.
- (iii) The salary to the staff has been paid in cash.
- (iv) The school hiked tuition fee in 2009-10 by Rs.200/- p.m. for all classes. During 2010-11 the hike was by Rs.50/- to 70/- p.m., for different classes.

7. By notice dated 28.10.2014, the school was asked to appear on 19.11.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

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Holy Convent School, Anand Vihar, Uttam Nagar, New Delhi-59

8. On 19.11.2014. Sh. J.D.Sharma, Manager and Sh. Rajesh Gupta, C.A. of the school appeared before the Committee and provided the records. It has been contended by the school representatives that:-

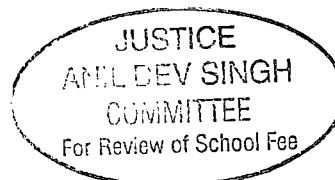
- (i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. April 2009.
- (ii). The salary to the staff had been paid in cash.
- (iii) TDS had been deducted from the salary of only one, out of 15 teachers.
- (iv) The school hiked tuition fee by Rs.200/- p.m. w.e.f. April 2009, for classes I to V, which was in excess of the permissible limit of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not charge development.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	480	680	200	750	70
VI-VIII	600	800	200	850	50

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Holy Convent School, Anand Vihar, Uttam Nagar, New Delhi-59

10. From the above, it is manifest that the school has increased the fee during the year 2009-10 for classes VI to VIII in terms of the order of the Director of Education dated 11.02.2009, but for classes I to V the hike was in excess of the aforesaid order. During 2010-11 the hike has been by 10% for all classes.

11. The school claimed to have implemented the recommendations of the 6th Pay Commission, but D.A. has not been paid as per the prescribed norms and salary to the staff has been paid in cash without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission can not be accepted.

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

RECOMMENDATION**Re. Fee Hike**

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

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Holy Convent School, Anand Vihar, Uttam Nagar, New Delhi-59

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

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

Recommended accordingly.

Sd/-
J.S. Kochar
Member

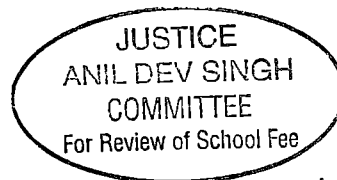
Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-
Dr. R.K. Sharma
Member

Dated:- 23-11-2014

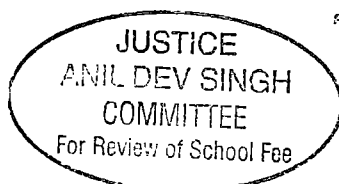
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Tarawati Memorial Public School, Tahirpur, Delhi - 95

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'
4. With a view to verify the returns, the Office of the Committee vide its notice dated 05.09.2013 required the school to appear on 27.09.2013



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Tarawati Memorial Public School, Tahirpur, Delhi - 95

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

5. On 27.09.2013, Smt. Navita Garg, H.M. of the school attended the office of the Committee. She submitted reply to the questionnaire and produced the record. As per the reply, the school has implemented the recommendations of the 6th Pay Commission and has hiked the fee, in terms of the order of the Director of Education dated 11.02.2009. As per the representatives of the school, it has not charged development fee from the students.

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

- (i). The school has increased tuition fee in 2009-10, in between 16.1% to 20.7%, per month for different classes. During 2010-11, the hike in fee was within 10%.
- (ii). The school has implemented the recommendations of the 6th Pay Commission, partially. DA, HRA and TA have not been paid as per the prescribed norms.
- (iii) TDS has not been deducted from the salary of the staff.

7. By notice dated 26.08.2014 the school was asked to appear on 24.07.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. The



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Tarawati Memorial Public School, Tahirpur, Delhi - 95

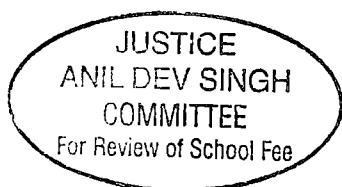
hearing on 24.07.2014 was re-scheduled for 12.09.2014, with due intimation to the school.

8. On 12.09.2014, Smt. Navita Garg, Principal, Sh. Kapil Upadhyay, Accountant and Ms. Anita, Teacher of the school appeared before the Committee and produced the record. They have conceded that the recommendations of the 6th pay commission have not been implemented by the school. With regard to the fee hike, they have submitted that there was no hike in fee in 2007-08. During 2008-09, there was hike of about 10%. In 2009-10, the hike in fee was about 20% and in 2010-11, the same was about 5%. They have also submitted that the school did not charge development fee.

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2006-07 to 2010-11;

Classes	Tuition Fee during 2006-07	Tuition Fee during 2007-08	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to III	375	375	410	495	85	525	30
IV	425	425	465	555	90	585	30
V	480	480	525	610	85	640	30
VI	525	525	575	675	100	710	35
VII & VIII	550	550	610	725	115	760	35

10. From the above, it is manifest that the school has increased the fee during the years 2009-10, though, not in terms of the order of the Director of Education, dated 11-02-2009, yet more than the tolerance



Tarawati Memorial Public School, Tahirpur, Delhi - 95

limit of 10%. There was hike in fee in 2008-09, also by 10%. During 2010-11, there was hike in fee within 10%.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

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

Discussions and Recommendations

Re. Fee Hike

259

The school has hiked the fee during the years 2009-10, though, not in terms of the order of the Director of Education dated 11-02-2009, yet, more than the tolerance limit of 10% and has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee in excess of the tolerance limit of 10%, was unjustified. In such circumstances, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.



[Signature]
Secretary

Tarawati Memorial Public School, Tahirpur, Delhi - 95

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 19.09.2014

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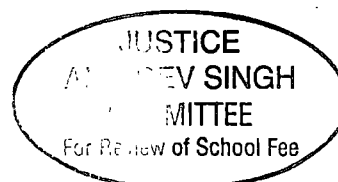
Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

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

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Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

4. With a view to verify the returns, the Office of the Committee vide its notice dated 26.08.2013, required the school to appear on 27.09.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 27.09.2013, Sh. Surender Verma, Manager and Shri Udit Sharma, LDC of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009 and had hiked the fee from the same date, in terms of the order of the Director of Education dated 11.02.2009. The school had not charged development fee from the students.

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

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Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

- (i). The school has increased tuition fee in 2009-10, by Rs.30/- to Rs. 130/- per month for different classes. During 2010-11, there was hike by Rs. 20/- to Rs. 70/- per month for different classes.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009.
- (iii) The salary to the staff had been paid in cash/bearer cheques, without deducting TDS. The salary to the staff has been paid on actual number of days of attendance of the teachers.
- (iv) The school has shown quite a number of teachers on leave without pay, during November 2009 to January 2010 and some teachers have been appointed against them on consolidated salary.
- (v) The fee structure submitted by the school to the department as a part of annual returns under Rule 180 of D.S.E.R. - 1973 was found different from the fee structure submitted during the course of verification of record.

7. By notice dated 26.06.2014, the school was asked to appear on 18.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

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Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

8. On 18.09.2014, Sh. Surender Verma, Manager and Sh. Udit Sharma, accountant of the school appeared before the Committee. They submitted that the School has implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009. When confronted by the Committee, the representatives have conceded that the implementation of the recommendations of 6th Pay Commission were partial and have shown only by adjustment of salary and not on actual payment basis. It was also submitted that a number of regular staff remained on leave without pay after the implementation of the recommendations of the 6th Pay Commission and in their place ad-hoc staff was engaged on contractual basis. With regard to the different fee schedules, filed as part of returns under Rule 180 of the DSER-1973, from those filed at the time of verification, they have contended that by mistake, each time they filed next year's fees structures with the returns. The committee on examination of the copies of fee receipts found that all the fee receipts for a month were issued on a single day. The representatives have contended that the fee was received on different dates but receipts were issued on a single day. The representatives further submitted that the school did not charge development fee.

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Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

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

Classes	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	420	450	30	480	30
II & III	420	480	60	500	20
IV	420	500	80	550	50
V	440	500	60	550	50
VI	480	550	70	600	50
VII	520	600	80	650	50
VIII	600	680	80	730	50
IX	700	800	100	850	50
X	820	950	130	1020	70

10. From the above, it is manifest that the school, except class I, has increased the fee during the years 2009-10, though not in terms of the order of the Director of Education dated 11-02-2009, yet in excess to the tolerance limit of 10%. During 2010-11, there was hike in fee within 10%.

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 Secretary

JUSTICE
 ANIL DEV SINGH
 COMMITTEE

Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

11. The school has claimed to have partially implemented the recommendations of the 6th Pay Commission. The salary to the staff is being paid in cash without deducting TDS. In such circumstances the claim of the school to have partially implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee.

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

Recommendations

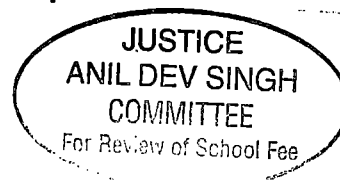
Re. Fee Hike

Though, the school has not utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee, in 2009-10, yet the hike in fee except for class I, was more than the tolerance limit of 10%. The school has not implemented the recommendations of 6th Pay Commission. Therefore, we are of the view that the increase in fee in excess of the tolerance limit of 10% was unjustified. In such circumstances, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% for classes II to class X, ought to be refunded along

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Secretary



Shashi Public Sec. School, Near M.S. Park, New Modern
Shahdara, Delhi -110032

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 10-10-2014

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Secretary

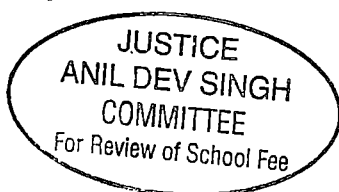


St. Krishna Bodh Shiksha Sadan, Village Mandoli, Delhi -93

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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



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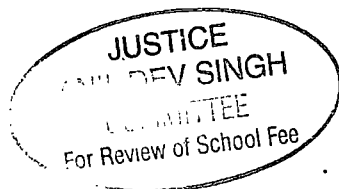
St. Krishna Bodh Shiksha Sadan, Village Mandoli, Delhi -93

4. With a view to verify the returns, the Office of the Committee vide its notices dated 26-08-2013 required the school to appear on 24-09-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 24-09-2013, Shri Pramod Kumar, Manager and Mrs. Anju Sharma, Vice Principal of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. April, 2010 and hiked the fee w.e.f. 01-04-2009, in terms of the order of the Director of Education dated 11.02.2009. The school has charged development fee from the students.

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

- (i) The school has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. April, 2010, but Grade Pay and HRA has not been paid to the staff. The basic pay for all the staff had been fixed at the minimum of the scale.
- (ii) The salary to the staff has been paid in cash, in spite of the school having a bank account.



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St. Krishna Bodh Shiksha Sadan, Village Mandoli, Delhi -93

- (iii) TDS and PF have not been deducted from the salary of the staff.
- (iv) The school has hiked the fee by Rs. 105/- to Rs. 145/- p.m. in 2009-10 for different classes. During 2010-11 the hike in fee was by Rs. 40/- to Rs. 50/- p.m. for different classes.
- (v) The school has charged development fee from the students.

7. By notice dated 26.06.2014 the school was asked to appear on 18.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 18-09-2014, Shri Pramod Kumar Sharma, Manager and Shri R.G. Luthra, FCA of the school appeared before the Committee. They have submitted that, though the fee was hiked w.e.f. 01-04-2009, as per the order dated 11-02-2009 of the Director of Education, but the actual collection was not to the full extent and consequently the school had to allow concession to a large number of students. The representatives filed a list of students who were granted fee concession. They further conceded that, though the fee was hiked w.e.f. 01-04-2009, the so called partial implementation of the report of the 6th Pay Commission was effected w.e.f. 01-04-2010. It was also conceded that the school has paid



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St. Krishna Bodh Shiksha Sadan, Village Mandoli, Delhi -93

salary in cash without deducting TDS. With regard to the development fee, the school filed details of its collection and utilization. They submitted that the development fee was treated as revenue receipt without maintaining Depreciation Reserve fund or Development fund. The Committee has found that the aspect of fee concession given to the students in 2009-10, had not been commented upon by the Account Officer of the committee, during the verification of the record. The Committee directed the Account Officer of the Committee to examine the aspect of fee concession from the fee register and fee receipts of the school and to put up a note giving her observations.

Smt. Sunita Nautial, AAO of the committee had examined the aspect of fee concession and has submitted that the school has granted fee concession to 211 students of different classes. She has further recorded that, as per the Income & Expenditure accounts for the year 2008-09 and 2009-10; there had been an increase of only 4% in tuition fee in 2009-10, due to fee concession granted to the students by the school.

9. We have gone through the record, observations of the Audit Officer and AAO of the Committee and submissions of the representatives of the school. The school has allowed fee concession to about 211 student in



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St. Krishna Bodh Shiksha Sadan, Village Mandoli, Delhi -93

2009-10, resulting in fee hike of 4%, only in 2009-10. During 2010-11, the hike in fee was within 10%.

10. The school has claimed to have implemented the recommendations of the 6th Pay Commission partially. The salary to the staff is being paid in cash without deducting TDS. In such circumstances the claim of the school to have implemented the recommendations of the 6th Pay Commission even partially, is not acceptable to the Committee.

11. As per available record the school has charged development fee.

Discussion and Recommendations**Re. Fee Hike**

Since the hike in fee in 2009-10 was less than 10% and the school had not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee, the Committee feels that no intervention is required qua the aspect of fee.

Re. Development Fee.

The school has charged development fee from the students during 2009-10 and 2010-11, in the following manner:-

Year	Development Fee charged
2009-10	128,830/-
2010-11	198,600/-



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St. Krishna Bodh Shiksha Sadan, Village Mandoli, Delhi -93

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

In the circumstances, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. for collecting Development Fee. Therefore, the Development Fee charged by the school to the tune of Rs. 327,430/- during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

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

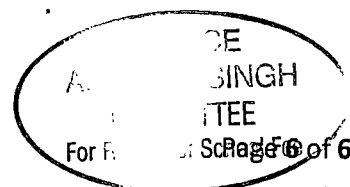
Sd/-

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

Dated:10-10-2014

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Secretary



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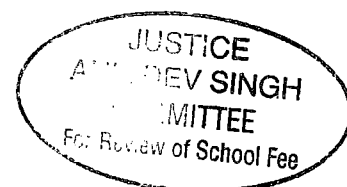
Gold Field Public School, Mohan Garden, New Delhi-59

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 23.08.2013, required the school to appear on 13.09.2013

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

5. On 13.09.2013, Sh. J.S.Drall, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2009 and had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009.

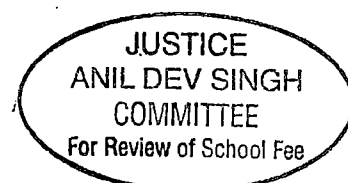
6. The record, in the first instance, was examined by Shri N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -

- (i). the school has claimed to have implemented the recommendations of the 6th Pay Commission partially.
- (ii). HRA and DA has not been paid as per the prescribed rates.
- (iii). T.D.S. and P.F. has never been deducted from the salary of the staff.
- (iv) The school hiked tuition fee in 2009-10 by 20.5% to 25.9% for different classes. During 2010-11, the hike had been by 10%.

7. By notice dated 22.07.2014, the school was asked to appear on 20.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

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Secretary



Gold Field Public School, Mohan Garden, New Delhi-59

8. On 20.08.2014. Sh. J.S. Drall, Manager of the school appeared before the Committee and provided the records. It has been contended by the school representatives that:-

- (i) The school has nominally implemented the recommendations of the 6th Pay Commission., due to compulsions of the Education Department.
- (ii). The salary to the staff has been paid in cash without deducting T.D.S. The school has obtained TAN recently about 15 days back.
- (iii) The school hiked tuition fee by 20% to 26% in 2009-10, for different classes, but it was less than the prescribed limit of the order of the Director of Education dated 11.02.2009.
- (iii) The school did not charge development fee from the students.

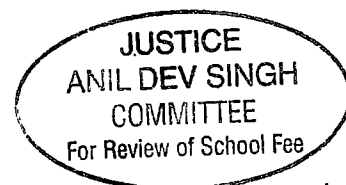
9. We have gone through the record, observations of the Audit Officer of the Committee and submissions on behalf of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2009-10 and 2010-11: -

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	540	680	140	750	70
II	560	700	140	770	70
III	580	720	140	790	70
IV	600	740	140	810	70
V	620	760	140	840	80

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Secretary



Gold Field Public School, Mohan Garden, New Delhi-59

VI	640	780	140	860	80
VII	660	810	150	890	80
VIII	690	840	150	920	80
IX	710	860	150	950	90
X	730	880	150	970	90

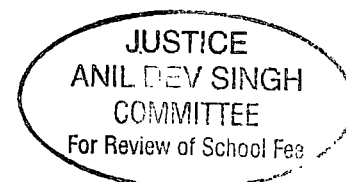
10. From the above, it is manifest that the school has increased the fee during the year 2009-10 for all classes, though, not in terms of the order of the Director of Education dated 11.02.2009, yet, in excess of the tolerance limit of 10%. During 2010-11, the hike in fee was by Rs.10%.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

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

RECOMMENDATION**Re. Fee Hike**

Since the school, though, has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10, yet, the hike was more than the tolerance limit of 10%, without implementing the recommendations of 6th Pay Commission, We are of the view that the increase in fee, in excess of



Gold Field Public School, Mohan Garden, New Delhi-59

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

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

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 08/09/2014

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Secretary



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Sona Public School, Samaipur, Delhi - 110042

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

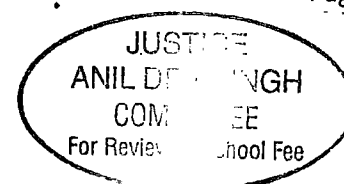
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the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

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

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Sona Public School, Samaipur, Delhi - 110042

4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.09.2013, required the school to appear on 10.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 10.10.2013, Shri N.D.Yadav, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. April, 2009 and had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 w.e.f. from the same date. The school had also charged development fee.

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

- (i). The school hiked the fee in 2009-10 by Rs.100/- p.m. to Rs.200/- p.m. for different classes, in terms of the order of the Director of Education dated 11-02-2009. During 2010-11, the hike in fee was by 10%.

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Sona Public School, Samaipur, Delhi - 110042

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

(iii). Salary to the staff had been paid in cash, without deducting T.D.S.

7. By notice dated 22.07.2014, the school was asked to appear on 20.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 20.08.2014, Sh.N.D.Yadav, Manager of the school appeared before the Committee and produced the record. He has contended that;-

(i) The school has shown implementation of the recommendations of the 6th.Pay Commission, on papers only to meet the objections raised by the Department. It was not possible for low fee based schools to implement the recommendations of the 6th.Pay Commission and such schools should be categorised based on the fee structure of these schools.

(ii) The school hiked the fee in 2009-10, in terms of the order dated 11.02.2009 of the Director of Education.



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Secretary

Sona Public School, Samaipur, Delhi - 110042

(iii) The school has charged development fee from the students and the same has been treated as revenue receipt.

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I & II	500	600	100	660	60
III to V	550	750	200	825	75
VI to VIII	640	840	200	925	85
IX & X	870	1070	200	1125	55

10. From the above, it is manifest that the school has increased the fee during 2009-10 for all classes, in terms of the order dated 11.02.1009 of the Director of Education. During 2010-11 there was hike by 10%.

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Sona Public School, Samaipur, Delhi - 110042

11. The Manager of school, during the course of hearing has admitted that the recommendations of the 6th Pay Commission have shown to be implemented on papers only.

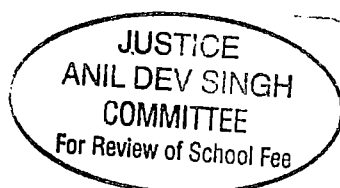
12. As per the record, the school has charged development fee from the students and the same has been treated as revenue receipt without maintaining depreciation reserve fund and separate development fund account.

RECOMMENDATION

Re. Fee Hike

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

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

Re.: Development Fee

The school has charged development fee from the students during the years 2009-10 and 2010-11 in the following manners:-

<u>Year</u>	<u>Development fee charged</u>
2009-10	Rs.2,54,950.00
2010-11	Rs.2,71,140.00

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

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

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Secretary

Sona Public School, Samaipur, Delhi - 110042

Ors. for collecting Development Fee. Therefore, the Development Fee charged by the school to the tune of Rs. 5,26,090.00 during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law. This being so, the school ought to refund the aforesaid development fee along with interest @ 9% per annum from the date of its collection to the date of its refund.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

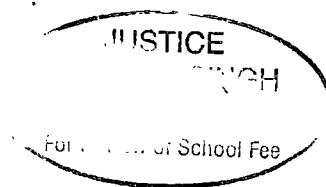
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 08/09/2014



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The Waulden School, Niti Bagh, New Delhi-110049

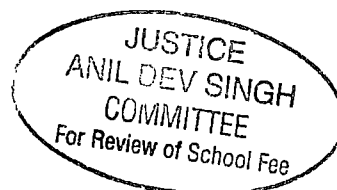
The school had submitted copies of its returns filed under Rule 180 of Delhi School Education Rules, 1973 and copies of fee statements for the years 2006-07 to 2010-11 to the Dy. Director of Education, Distt. South. Along with these documents, the school also submitted details of salary paid to staff before implementation of VI Pay Commission report as well as after its implementation and also the details of the fee hike by the school for the purpose of implementation of VI Pay Commission report. On prima facie examination of these documents, it appeared that the school had implemented the VI Pay Commission report as well as hiked the fee for this purpose. The school was, accordingly, placed in category 'B'.

In order to verify the veracity of the documents and claims of the school, the Committee, vide its letter dated 19/09/2013 required the school to produce its fee records, salary records, books of accounts, provident fund returns and TDS returns for the year 2008-09 to 2010-11 in the office of the Committee on 10/10/2013. The school was also required to file its response to the questionnaire issued by the Committee. On the date fixed for verification, Ms. Anju Narang, Headmistress of the school appeared and produced the required records which were verified by Sh. N.S. Batra, audit officer of the Committee. The school also filed its reply to the questionnaire issued by the Committee as per which, it claimed as follows:

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The Waulden School, Niti Bagh, New Delhi-110049

- (a) It had implemented the VI Pay Commission report w.e.f. 01/09/2008. The monthly outgo on salary for the pre implementation period was Rs. 1,80,078 which went upto Rs. 2,34,110 after its implementation.
- (b) The school paid arrears of salary on account of implementation of VI Pay Commission report in two installments of Rs. 1,14,590 on 18/06/2010 and Rs. 1,71,884 on 29/06/2010.
- (c) The school hiked the fee of the students by Rs. 200 per month in terms of order dated 11/02/2009 issued by the Director of Education and such hike was effected from 01/09/2008.
- (d) The school charged arrear fee from the students @ Rs. 1000 per student for all classes for the period 01/09/2008 to 31/01/2009. No arrears were charged for the period 01/01/2006 to 31/08/2008.
- (e) The school did not charge any development fee for the years 2006-07 to 2010-11.

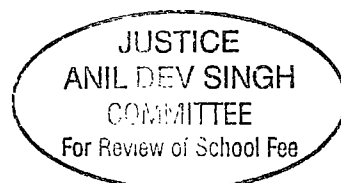
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After examining the records produced by the school and the annual returns filed by the school under Rule 180 of Delhi School Education Rules, 1973, the audit officer confirmed that the school did hike the fee by Rs. 200 per month in 2009-10 vis a vis the fee charged in 2008-09. In 2010-11, the hike in fee was restricted to 10%. No

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The Waulden School, Niti Bagh, New Delhi-110049

adverse feature was noticed in the maintenance of the accounts. However, the VI Pay Commission had not been fully implemented in as much as dearness allowance was paid at a rate less than that prevailing, house rent allowance was not paid and transport allowance has been paid at the old rates.

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 16/07/2014 requiring the school to appear before it on 01/08/2014. The school put in the appearance through Dr. Ajit Singh, Chairman, Ms. Anju Narang, Principal and Sh. Mahabir Prasad Mittal, Chartered Accountant. They were heard by the Committee. They also filed written submissions giving the information required by the Committee as per its notice dated 16/07/2014. The representatives of the school made the following submissions:

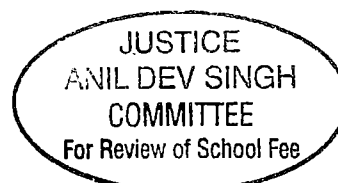
Submissions:

- (a) The school collected arrear fee for the period 01/09/2008 to 31/01/2009 which aggregated to Rs. 3,33,000 in the year 2008-09.
- (b) The school hiked the regular fee w.e.f. 01/02/2009 by Rs. 200 per month for all the classes, in terms of the order dated 11/02/2009 issued by the Director of Education.

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The Waulden School, Niti Bagh, New Delhi-110049

- (c) The revenue of the school from the regular fee was Rs. 27,31,340 in 2008-09, which rose to Rs. 34,62,640 in 2009-10.
- (d) The observations of the audit officer with regard to partial implementation of VI Pay Commission report were reiterated.
- (e) The school paid arrears of salary to the staff in June 2010, which aggregated Rs. 2,86,474.
- (f) The increased salary was paid to the staff from 01/09/2008.
- (g) The normal salary paid to the staff for the year 2008-09 aggregated Rs. 27,84,510 in 2008-09, which rose to Rs. 32,22,580 in 2009-10.
- (h) The regular salary is paid to the staff by account payee cheques where such salary exceeds Rs. 20,000. Where it is less than 20,000, it is paid in cash.
- (i) The school did not have any accrued liabilities on account of gratuity or leave encashment.
- (j) Contrary to what was stated by the school in its reply to the questionnaire issued by the Committee, the representatives of the school conceded that the school did charge development fee but only from the new students at the time of admission and such fee was treated as a revenue receipt in the accounts. The collection under this Head was Rs. 65,600 in 2006-07, Rs. 64,600 in 2007-08, Rs. 1,11,500 in

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The Waulden School, Niti Bagh, New Delhi-110049

2008-09, Rs. 1,24,100 in 2009-10 and Rs. 1,08,000 in 2010-11.

Discussion & Determination:

Tuition Fee:

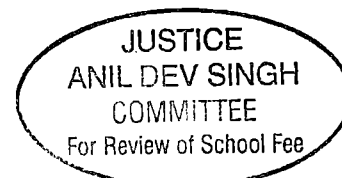
The Committee has perused the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973, the reply submitted by the school to the questionnaire issued by the Committee, the details provided by the school during the course of hearing and the written and oral submissions made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

During the course of hearing, a doubt had arisen with regard to mode of payment of certain cheques through which the arrears were paid. The narration used by the bank for such cheques was "CAS PRES CHQ". It appeared that this narration implied that the payment of cheques was withdrawn in cash. The representatives of the school requested for time to clarify the position from the bank. Subsequently, they filed a certificate issued by Bank of Maharashtra, South Extension Part-I Branch, certifying that they were account payee cheques which had been paid through clearing.

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The Committee is of the view that although the school did not fully implement the VI Pay Commission report, it did implement it partially and did increase the salaries of the staff as a result of the

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The Waulden School, Niti Bagh, New Delhi-110049

announcement of the VI Pay Commission report. It also paid some arrears of salary which again are not to the full extent as the staff may have been entitled to.

The Committee is required to examine whether the fee hiked by the school was justified in light of the partial implementation of VI Pay Commission report, keeping in view the funds available with the school when the decision to hike the fee was taken. The school hiked the fee w.e.f. 01/09/2008. Therefore, the Committee is taking the balance sheet of the school as on 31/03/2008 for determining the funds available with the school. The position emerging from the balance sheet of the school as on that date is as follows:

Particulars		Amount (Rs.)
Current assets + investments		
Fixed deposit with bank	3,10,000	
Interest accrued on FDR	2,076	
Tax deducted at source	4,166	
Balance in current account	617	3,16,859
Less Current liabilities		
Security		20,000
Funds available		2,96,859

The total expenditure on salary for the year 2007-08 was Rs. 21,54,185. The Committee has taken a view that the entire funds available with the school ought not be considered as available for implementation of VI Pay Commission report and the school ought to retain funds equivalent to four months salary for future contingencies. The requirement of the school for maintaining such a reserve is to the

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The Waulden School, Niti Bagh, New Delhi-110049

tune of **Rs. 7,18,062**. In view of this, the school did not have any funds of its own which were available for the purpose of implementation of VI Pay Commission report and therefore, the fee hike was necessary (the requirement of keeping funds in reserve exceeded the available funds by Rs. 4,21,203). Whether the fee hiked by the school, to the extent it did, was justified or not is the only question that remains to be determined.

The school generated an additional revenue of Rs. 10,64,300 by hiking the fee and recovering the arrears in terms of order dated 11/02/2009 issued by the Director of Education, as follows:

Particulars		Amount(Rs.)
Arrear Fee		3,33,000
<u>Additional Fee in 2009-10</u>		
Total normal fee of 2009-10	34,62,640	
Less Total normal fee of 2008-09	<u>27,31,340</u>	7,31,300
Total additional revenue		10,64,300

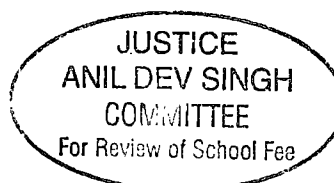
The additional outgo on salary as a result of partial implementation of VI Pay Commission report was Rs. 7,24,544, as follows:

Particulars		Amount(Rs.)
Arrear salary paid		2,86,474
<u>Additional salary paid in 2009-10:</u>		
Total salary for 2009-10	32,22,580	
Less total salary for 2008-09	<u>27,84,510</u>	4,38,070
Total additional salary on partial implementation of VI Pay Commission report		7,24,544

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As would be apparent from the above tables, the school collected a sum of Rs. 3,39,756 (10,64,300 - 7,24,544) more than its requirement for implementation of VI Pay Commission report, to the extent it did. However, keeping in view that the school did not have sufficient funds to maintain a reasonable reserve for future contingencies (the shortfall was to the tune of Rs. 4,21,203), the Committee is of the view that no intervention is required in so far as the tuition fee is concerned.

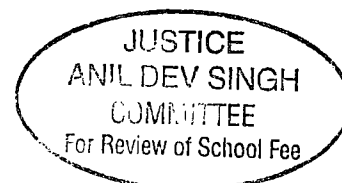
Development Fee:

The representatives of the school conceded during the course of hearing that the school was charging development fee from the new students and the total collection on this account was to the tune of Rs. 65,600 in 2006-07, Rs. 64,600 in 2007-08, Rs. 1,11,500 in 2008-09, Rs. 1,24,100 in 2009-10 and Rs. 1,08,000 in 2010-11. Further perusal of the financials of the school shows that the development fee was treated as a revenue receipt and neither any designated account was kept for development fund nor for any depreciation reserve fund. Therefore none of the pre conditions prescribed by the Duggal Committee for charging development fee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583, was fulfilled by the school. In normal course, the Committee would have recommended refund of development fee charged by the school for the years 2009-10 and

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The Waulden School, Niti Bagh, New Delhi-110049

2010-11. The aggregate amount of development fee for these two years is Rs. 2,32,100. However, as noticed supra while discussing the issue of tuition fee, there was an unabsorbed shortfall of Rs. 81,447 (4,21,203-3,39,756) in the requirement of the school to maintain reserve for future contingencies. Therefore, the Committee recommends refund of Rs. 1,50,653 (2,32,100-81,447) out of development fee collected by the school in 2009-10 and 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

The Committee, therefore, is of the view that while no intervention is required in the matter of tuition fee hike effected by the school, the school ought to refund the development fee of Rs. 1,08,000 charged in 2010-11 and Rs. 42,653 out of the development fee charged in 2009-10 along with interest @ 9% per annum from the date of collection to the date of refund.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

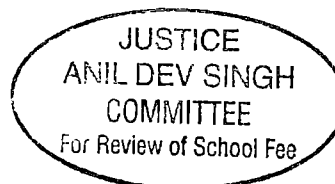
Sd/-

Dr. R.K. Sharma
Member

Dated: 10/10/2014

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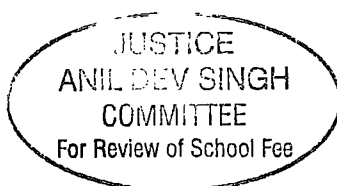
Sai Shankar Vidyalaya , Badarpur, Delhi - 44

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

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4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013 required the school to appear on 01.07.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 01.07.2013, Sh. Chander Bhan, H.M. and Sh.S.K.Sharma,P/T Accountant, of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school had not implemented the recommendations of the 6th Pay Commission and had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009. The school had not charged development fee from the students.

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

- (i). The school had increased tuition fee in 2009-10, by Rs.100/- per month for all classes. During 2010-11, the hike had been by 10 %.
- (ii). The school claimed to have implemented the recommendations of the 6th Pay Commission but DA, HRA and TA had not been paid as per the prescribed norms.
- (iii) The salary to the staff had been paid in cash without deducting TDS and PF.

7. By notice dated 16.07.2014 the school was asked to appear on 06.08.2014 along with entire accounting, fee and salary records for the

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Sai Shankar Vidyalaya , Badarpur, Delhi - 44

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

8. On 06.08.2014, Sh. Chander Bhan, H.M. and Sh.S.K. Sharma, P/T Accountant of the school appeared before the Committee. They have contended that the school hiked the fee by Rs.100/- p.m. in 2009-10. With regard to the implementation of the recommendations of the 6th.Pay Commission, they have fairly conceded that despite the aforesaid hike, the school was not in a position to pay salaries even according to the recommendations of the 5th. Pay Commission and that the fee hike in 2009-10, only reduced the gap in fee collection and salary paid as per the recommendations of the 5th. Pay Commission. They also contended that the school did not hike any fee in 2008-09; hence, the hike in 2009-10 should be spread over for two years. They also stated that the development fee had never been charged from the students. The school was directed to produce its fee record for the year 2006-07, 2007-08 and 2008-09 on 22.08 2014 for verification.

9. On 22.08.2014, Sh. Chander Bhan, H.M. and Sh. S.K. Sharma, P/T Accountant of the school produced the record before the Audit Officer of the Committee. The Audit Officer, after examination of the record has observed that the school had not increased its tuition fee in 2008-09 in comparison to 2007-08.

The school representatives appeared before the Committee. The Committee perused the observations of the Audit Officer and found that the school did not hike any fee in 2008-09, in comparison to 2007-08. The representatives of the school have contended that the fee hike of Rs.100/- p.m., effected by the school in 2009-10 should be spread over to the years 2008-09 and 2009-10.

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COMMITTEE
For Review of School Fee

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9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2006-07 to 2010-11;

Classes	Tuition Fee during 2006-07	Tuition Fee during 2007-08	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	325	350	350	450	100	495	45
Vi to VIII	375	400	400	500	100	550	50

10. From the above, it is manifest that though, the school has increased the fee during the years 2009-10, in terms of the order of the Director of Education dated 11-02-2009; yet, there was no hike in fee in 2008-09. If, the hike in fee in 2009-10 is spread over to 2008-09, the hike in 2009-10, comes to the hike of in excess of 10%. During 2010-11, the hike was by 10%.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

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

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Recommendations

Re. Fee Hike

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

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

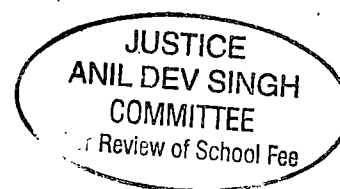
Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 11.09.2014

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The school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. The Committee requisitioned copies of the returns filed by the schools under Rule 180 of Delhi School Education Rules, 1973 from the concerned Dy. Director of Education (DDE). These were transmitted to the office of the Committee by the DDE. On prima facie examination of these returns, it appeared that the school had hiked its fee in pursuance of order dated 11/02/2009 issued by the Director of Education. However, the factum of implementation of VI Pay Commission report was not verifiable from the documents filed by the school. The school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 19/07/2013, requiring the school to produce its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 21/08/2013, for verification. The school was also issued a revised questionnaire to elicit information regarding the extent of fee hike, implementation of VI Pay Commission report, recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school. However, no one appeared from the school nor any records were caused to be produced in the office of the Committee for verification. The school was given a final opportunity to produce its records on 19/09/2013

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Deep Model School, West Sagarpur, New Delhi-110046

vide notice dated 27/08/2013 issued by the Committee. On this date, Sh. Ravinder Singh, Member of the Managing Committee of the school appeared and produced the required records. The school also furnished its reply to the questionnaire issued by the Committee.

As per the reply given by the school to the questionnaire, the school claimed to have implemented the VI Pay Commission report w.e.f. 01/04/2009 and also claimed to have paid the arrears of salary accruing to the staff on account of retrospective effect of the recommendations of VI Pay Commission. With regard to hike in fee as per the order dated 11/02/2009 issued by the Director of Education, the school claimed to have hiked the same w.e.f. 01/04/2009. As regards the recovery of arrear fee, the school stated that arrear was not recovered from all the students. Only a sum of Rs. 3,40,000 was recovered as arrear and the entire amount was paid by way of arrear salary.

With regard to development fee, the school admitted to have recovered the development fee in all the five years for which the information was sought by the Committee. It also gave the details of amount recovered and amount utilised. The details as furnished by the school are as follows:

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee**

Deep Model School, West Sagarpur, New Delhi-110046

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
(A) Development Fee Collected	1,78,500	1,85,500	2,03,500	2,58,800	2,67,500
(B1) Development Fee utilised for purchase of fixed assets	35,000	45,000	14,580	1,50,737	20,655
(B2) Development Fee utilised for meeting revenue expenses	1,43,500	1,40,500	1,88,920	99,063	2,46,845
(B) Total utilisation = B1+B2	1,78,500	1,85,500	2,03,500	2,58,800	2,67,500
(C) Balance unutilised = A-B	Nil	Nil	Nil	Nil	Nil

It was conceded that the development fee was treated as a revenue receipt and no earmarked funds were maintained for depreciation reserve fund or unutilised development fund.

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

- (a) The school had hiked the fee by Rs. 200 per month in 2009-10 for all the classes.
- (b) During 2010-11, the hike in fee effected by the school was around 10% for all the classes.
- (c) The fee charged by the school was in agreement with the fee schedules filed by it.
- (d) There was no bank transaction during the entire year 2008-09. During 2009-10 and 2010-11 also, there was a solitary transaction in each of these two years.
- (e) On examination of the pay bill for the month of April 2009, it appeared that the school had implemented the VI Pay Commission report. However, full amount of

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Deep Model School, West Sagarpur, New Delhi-110046

DA was not paid as per the rates prevailing at that time.

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 22/07/2014, requiring the school to appear before the Committee on 27/08/2014. A request letter was received from the Manager of the school to postpone the hearing by about one month on account of death of his father. The request was acceded to and a fresh hearing notice was issued on 25/09/2014 for hearing 07/10/2014. On this date, Sh. Rajesh Gupta, Chartered Accountant appeared with Sh. Satish Kumar Manager. They filed copies of the balance sheets of the school for the years 2008-09, 2009-10 and 2010-11 with the fee structures of the school for the years 2008-09 and 2009-10 as also a copy of the circular issued to the parents of the students demanding arrears of fee for the period September 2008 to March 2009. They were heard by the Committee. During the course of hearing, they were confronted with the observation of the audit officer that there was practically no bank transaction of the school in three years i.e. 2008-09, 2009-10 and 2010-11. They admitted that the entire operations of the school are conducted in cash. Fee is received in cash as well as salaries are also paid in cash. However, in the same breath, they contended that the school had implemented the VI Pay Commission report w.e.f.

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Deep Model School, West Sagarpur, New Delhi-110046

01/09/2008 and although the salaries are paid in cash, proper deductions of TDS and provident fund are made.

Discussion & Determination:

The Committee is of the view that the school is merely putting up a façade of implementation of VI Pay Commission report. The level of operations of the school as well as the fact that the salaries even after the implementation of VI Pay Commission report are paid in cash and there is practically no bank transaction of the school in three consecutive years, do not lend credence to the claim of the school that it implemented the recommendations of the VI Pay Commission and also paid the arrears. The solitary fact that the school was depositing TDS cannot be taken as a conclusive proof of implementation of VI Pay Commission report, when there are serious doubts about the payment of salary to the extent it is shown to have been paid. In view of the Committee, this is a fit case for special inspection to be conducted in the affairs of the school, particularly in order to ascertain the correct position of the status of implementation of VI Pay Commission report. This can be done by making discreet inquiries with the staff members about the quantum of payment of salaries to them. The Committee would withhold its recommendations to recommend refund of tuition fee pending the conduct of special inspection.

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Deep Model School, West Sagarpur, New Delhi-110046**Development Fee:**

The school on its own has admitted that it was treating the development fee as a revenue receipt and was not maintaining any earmarked accounts for unutilised development fee and depreciation reserve. Moreover, the school has also admitted that the development fee was majorly utilised for incurring revenue expenses, as is evincible from the table given above.

Since the school was not following any of the pre conditions laid down by the Duggal Committee for charging development fee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583, the Committee is of the view that the school ought to refund the development fee collected by it in the years 2009-10 and 2010-11 as the mandate of the Committee is to examine the fee charged only in pursuance of order dated 11/02/2009 issued by the Director of Education. The refund should be made along with interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

In view of the foregoing discussion and determinations, the Committee makes the following recommendations:

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- (i) **The Director of Education ought to conduct special inspection in the affairs of the school particularly**

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Deep Model School, West Sagarpur, New Delhi-110046

with regard to the implementation of VI Pay Commission report by the school, as claimed by it.

- (ii) The school ought to refund a sum of Rs. 2,58,800 charged as development fee in 2009-10 and Rs. 2,67,500 charged in 2010-11, along with interest @ 9% per annum from the date of collection to the date refund.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

CA J.S. Kochar
Member

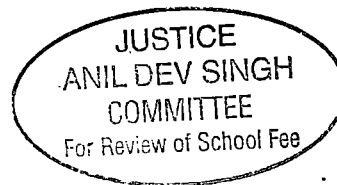
Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated: 23/11/2014

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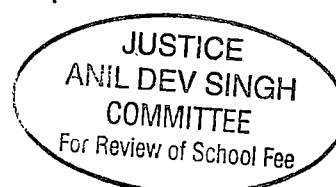
Rajdhani Public School, Vikas Nagar, Hastal, New Delhi-110059

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

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Rajdhani Public School, Vikas Nagar, Hastal, New Delhi-110059

4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013, required the school to appear on 03.07.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 03.07.2013, Sh. Umesh Chand Tyagi, Manager of the school attended the Office of the Committee and produced incomplete record. Reply to the questionnaire was also filed. As per the reply:-

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

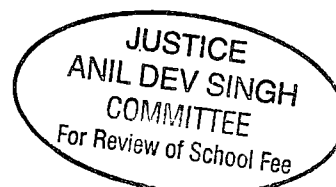
ii) The school hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 from the same date 2009.

iii) The school did not collect development fee from the students.

6. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He has recorded that the school did not produce cash book, bank statement, salary register and ledger, therefore the final accounts could not been verified. However, he noticed that the school had produced salary sheet for the month of April, 2008 and April, 2009 and fee receipt books for the year 2008-09 to 2010-11. On examination of the available record, he observed to the effect that:-

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Rajdhani Public School, Vikas Nagar, Hastal, New Delhi-110059

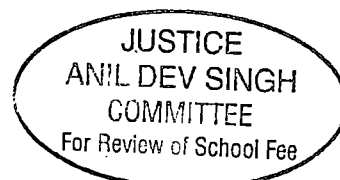
- (i) The School has claimed to have implemented the recommendations of the 6th Pay Commission, but DA, HRA and TA have not been paid as per the prescribed norms.
- (ii) The salary to the staff was paid in cash, in-spice of the school having a bank account.
- (iii) TDS and PF have never been deducted from the salary of the staff.
- (iv) The school hiked tuition fee in 2009-10 by Rs. 200/- to 300/- p.m. for different classes. During 2010-11, the hike had been by Rs. 80/- to Rs. 160/- p.m. for different classes.

7. By notice dated 22.10.2014, the school was asked to appear on 05.11.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 05.11.2014. Sh. Umesh Chand Tyagi, Manager of the school appeared before the Committee. The school did not produce its cash book, ledger, salary register or bank statement during the course of verification of the records by the Audit Officer of the Committee. Even, during the course of hearing before the Committee, the school did not produce cash book and ledger for any of the years. The representative of

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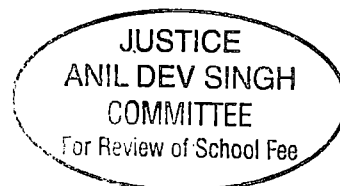


Rajdhani Public School, Vikas Nagar, Hastal, New Delhi-110059

the school has claimed that the recommendations of the 6th pay commission have been implemented by the school w.e.f. April, 2009 and the school has also paid arrears of salary without recovering any arrear fee from the students. However, when questioned by the Committee about the mode of payment of arrear and regular salary, he has stated that the same has been paid in cash, despite the fact that the school maintains a bank account. Regarding justification of huge amount of about Rs. One Lac paid to three teachers and about Rs. Fifty Thousand to two teachers, in cash, the representative of the school has stated that the same was not paid in one go but in instalments, although the payment sheet showed the payment in one go on 10-05-2010. When questioned about non deduction of TDS from the enhanced salaries, the school conceded that only the basic pay was revised as per the recommendations of the 6th pay commission and other allowances were not paid as per the aforesaid recommendations. The representative of the school has further stated that the teachers were made to go on leave for months by rotation. He has conceded that the school hiked the fee to the maximum extend as per the order dated 11-02-2009 of the Director of Education. He has contended that the school did not charge development fee.

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Rajdhani Public School, Vikas Nagar, Hastsal, New Delhi-110059

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

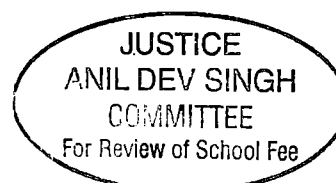
Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to IV	640	840	200	920	80
V to VI	700	900	200	990	90
VII	800	1000	200	1100	100
VIII	950	1150	200	1260	110
IX	1200	1500	300	1650	150
X	1300	1600	300	1760	160

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

11. The Manager of the school, during the course of hearing has conceded that only the basic pay was revised as per the recommendations of the 6th pay commission and other allowances were not paid as per the aforesaid recommendations, therefore its claim to have implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee. It also needs to be pointed out that

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salary was being paid in cash and TDS was not being deducted. These facts also indicate that the recommendations of the 6th pay commission have not been implemented.

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

RECOMMENDATION**Re. Fee Hike**

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

Further, the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is

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Rajdhani Public School, Vikas Nagar, Hastal, New Delhi-110059

relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum from the date of its collection to the date of its refund.

The school failed to produce its original records, not only before the Audit Officer of the Committee at the time of verification of the records, but also before the Committee during the course of hearing, therefore submissions of the school can't be relied upon. Hence, the Director of Education should order special inspection of the school. In case on inspection it is found by the Director of Education that the school is liable to return amounts in excess of what has been recommended by the Committee, it will be for the Director of Education to take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Sd/-

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

Dated:- 11-11-2014

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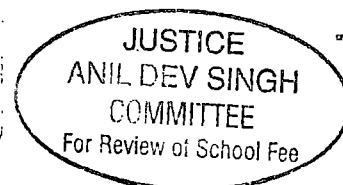
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JUSTICE
ANIL DEV SINGH
COMMITTEE

Maharishi Dayanand Model School, Nangloi, Delhi - 110041

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

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Maharishi Dayanand Model School, Nangloi, Delhi - 110041

4. With a view to verify the returns, the Office of the Committee vide its notice dated 01.07.2014 required the school to appear on 11.07.2014 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. No one attended the office of the Committee on the scheduled date. However, the Manager of the school vide letter dated 10.07.2013 requested for an adjournment. The school was directed to produce the record on 13.08.2013.

5. On 13.08.2013, Sh. Inder Pal, Librarian and Sh. Mahinder Singh, Accountant of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school did not implement the recommendations of the 6th Pay Commission w.e.f.01.04.2010, but had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 w.e.f.01.04.2009. It was also stated by them that the school did not collect development fee from the students.

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

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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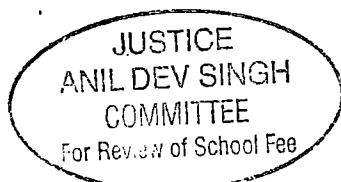
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Maharishi Dayanand Model School, Nangloi, Delhi - 110041

- (i). The school had increased tuition fee in 2009-10, by Rs.400/- to Rs.440/- p.m. for different classes. During 2010-11, the hike had been by Rs.50/- for class IX and by Rs.100/- for class X, only.
- (ii). The school had not implemented the recommendations of the 6th Pay Commission.

7. By notice dated 19.06.2014 the school was asked to appear on 11.07.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school. No one appeared before the Committee on the scheduled date, but a letter a letter dated 09.07.2014 was received by the Committee from the Manager of the school requesting for an adjournment. At its request matter was adjourned and the school was directed to appear before the Committee on 28.08.2014.

8. On 28.08.2014, Sh. Mahipal Singh, Accountant and Sh. Ajay Punia, PET of the school appeared before the Committee. It was conceded by them that the school hiked the fee in 2009-10, by Rs.400/- p.m., but due to protest from the parents, the school, while maintaining



Maharishi Dayanand Model School, Nangloi, Delhi - 110041

the hike, gave substantial concession to the students. During the course of hearing, the Committee examined the financials of the school and found that the same were not audited by the C.A. Only a compilation report has been obtained from the CA. In the circumstances no credence can be placed on the record produced by the school. But on the own showing of the school, there has been substantial hike in fee during 2009-10.

9. The following chart, which is culled out from the record of the school shows the extent of hike in tuition fee during the years 2009-10 and 2010-11;

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I	400	800	400	800	NIL
II	420	820	400	820	NIL
III	440	840	400	840	NIL
IV	470	870	400	870	NIL
V	500	900	400	900	NIL
VI	550	950	400	950	NIL
VII	600	1000	400	1000	NIL
VIII	660	1100	440	1100	NIL
IX	770	1200	430	1250	50
X	825	1250	425	1350	100

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Maharishi Dayanand Model School, Nangloi, Delhi - 110041

10. From the above, it is manifest that the school, as per the record, the fee, during the years 2009-10 was increased in excess of the limit prescribed by the order of The Director of Education dated 11.02.2009. The record of the school shows that during 2010-11, there was no hike in fee except for classes IX and X and the same was within 10%.
11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.
12. As per available record the school has not charged development fee.

Discussion and Recommendations**Re. Fee Hike**

Since the school has increased tuition fee in 2009-10, in excess of the permissible limit of the order of the Director of Education, dated 11.02.2009 and has not implemented the recommendations of 6th Pay Commission, we are of the view that the increase in fee in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the fee hike effected by the school in the year 2009-10 in excess of 10% ought to

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COMMITTEE
For Review of School Fee

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Maharishi Dayanand Model School, Nangloi, Delhi - 110041

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

As already indicated, the financials of the school do not inspire confidence; therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-18.09.2014

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Secretary

New Shalimar Public School, Shalimar Bagh, Delhi-110088

The school, under cover of its letter no. NSPS/012/2011-12 dated 19/11/2011, submitted to the Education Officer, Zone-09 of the Directorate of Education, copies of its fee schedules and audited balance sheets from 2006-07 to 2010-11. These were forwarded to the office of the Committee through the Dy. Director of Education, District North West-A. However, the school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. As it was not discernible from the documents submitted by the school whether it had implemented the VI Pay Commission report or not, the school was placed in Category 'B' for the purpose of verification.

In order to verify the contentions of the school as well as the veracity of the documents submitted by it, the Committee issued a notice dated 06/09/2013, requiring the school to produce copies of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973, its books of accounts, fee and salary records, bank statements, provident fund and TDS returns, in the office of the Committee on 03/10/2013, for verification. Besides, the school was also required to furnish reply to the questionnaire to elicit information regarding the extent of fee hike and implementation of VI Pay Commission report, besides the treatment of development fee in its accounts and maintenance of development fund and depreciation reserve fund. However, neither anybody appeared from the school nor the school caused the records to be produced in the office of the Committee. However on 04/10/2013, a letter was received

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**JUSTICE
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COMMITTEE
For Review of School Fee**

New Shalimar Public School, Shalimar Bagh, Delhi-110088

from the Principal of the school to the effect that she misread the date given by the Committee as 13/10/2013 and requested for a fresh date to be given. Accordingly, the Committee vide its letter dated 24/10/2013, required the school to produce its records in the office of the Committee on 12/11/2013. On this date Sh. Jatinder Duggal, President of the Society running the school appeared with Ms. Neetu Duggal, a TGT of the school. Besides producing the required records, they furnished reply to the questionnaire issued by the Committee.

As per the reply to the questionnaire, the school contended that it had implemented the recommendations of the VI Pay Commission w.e.f. April 2010 and in support, they furnished the statement showing the salaries of the staff members before implementation of VI Pay Commission report as well as after its implementation. It was also contended that the school had paid arrears amounting to Rs. 7,55,000.

With regard to hike in fee in pursuance of order dated 11/02/2009 issued by the Director of Education, the school stated that the fee was revised in terms of the aforesaid order w.e.f. April 2009 and also furnished a comparative chart showing the amount of tuition fee charged from the students in the years 2008-09, 2009-10 and 2010-11. As per the chart submitted by the school, the fee structure of the school for the aforesaid years, so far as tuition fee is concerned, was as follows:

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

Class	Monthly Tuition fee in 2008-09 (Rs.)	Monthly tuition Fee in 2009-10 (Rs.)	Monthly tuition Fee in 2010-11 (Rs.)
I	840	1040	1430
II	890	1090	1150
III	900	1100	1200
IV	920	1120	1210
V	930	1130	1250
VI	950	1150	1250
VII	980	1180	1270
VIII	1000	1300	1300
IX	1060	1360	1450
X	1220	1520	1500

The school further informed that it had collected arrear fee amounting to Rs. 6,86,000 at a lump sum rate of Rs. 2000 per student.

With regard to development fee, the school stated that it was charging development fee in all the five years for which the information was sought by the Committee. The development fee was treated as a revenue receipt in the accounts and no earmarked development fund or depreciation reserve funds were maintained by the school.

The records produced by the school were examined by Sh. A.D. Bhateja, audit officer of the Committee on 12/11/2013. However, the school did not produce the fee records on this date. After examining the records which were produced by the school, he observed as follows:

- (a) The pre implementation and post implementation (of VI Pay Commission report) salary was paid as per norms except that

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

after purported implementation of VI Pay Commission report, DA was paid @ 6% till March 2011 as against 51%, which was payable. Further transport allowance had also not been paid in all the years after the purported implementation of VI Pay Commission report.

- (b) The salary was paid by account payee cheques except to class IV employees, to whom it was paid in cash.
- (c) The school had paid arrears of salary amounting to Rs. 7,55,000.
- (d) No adverse feature was noticed in the maintenance of accounts.

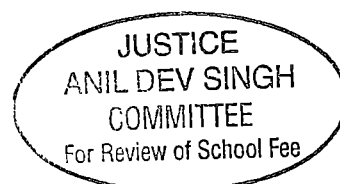
The audit officer required the representatives of the school to produce its fee records on 28/11/2013. On this date, the aforesaid representatives of the school again appeared and produced the fee records which were examined by the audit officer of the Committee. After so examining, he observed as follows:

- (a) that the school had hiked the tuition fee in 2009-10 by amounts ranging between Rs. 300 and Rs. 400 per month, which was in excess of the maximum permissible hike as per the order dated 11/02/2009 of the Director of Education. In percentage terms, the hike was to the tune of 32.78% to 38.20% for different classes.

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- (b) In 2010-11, the school had not hiked the tuition fee but reduced it by Rs. 30 to Rs. 90 per month. However, the annual charges had been hiked by Rs. 800 per annum. The school also introduced computer fee to the tune of Rs. 50 to Rs. 190 per month for different classes.
- (c) The school had collected arrear fee amounting to Rs. 6,86,000 from the students.

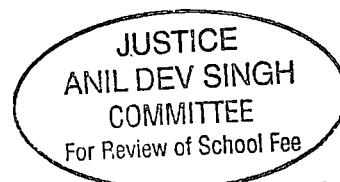
In order to provide an opportunity of hearing to the school, the Committee issued a notice dated 12/08/2014 requiring the school to appear before it on 17/09/2014 along with the necessary records. The hearing was deferred to 18/09/2014 with due intimation to the school. On this date, Sh. Jatinder Duggal, Secretary of the society appeared with Sh. Puneet Chawla, Accountant of the school and requested for some more time to be given for responding to the notice of the Committee. As requested, the matter was directed to be relisted on 24/09/2014. On this date, the aforesaid representatives of the school filed written submissions dated 24/09/2014 along with a statement of receipt and utilisation of development fee.

It was contended by the representatives of the school that the school had not recovered any arrear fee for the period 01/01/2006 to 31/08/2008 and consequently no arrear salary was paid to the staff for this period. Arrear fee was collected for the period 01/09/2008 to 31/03/2009 and the arrear salary was also paid to the staff for the

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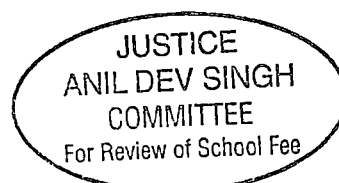
corresponding period. The payments were made by account payee cheques. **However, it was conceded that the regular fee was hiked by the school w.e.f. 01/04/2009 but the VI Pay Commission report was implemented w.e.f. 01/04/2010.** The hearing was concluded and liberty was granted to the school to file details of its accrued liabilities of gratuity and leave encashment within one week. However, the school did not avail of this opportunity. It appears that the school had no accrued liabilities on these accounts.

Discussion:

At the outset, the Committee notes that the school is being less than truthful in so far as the fee charged by it is concerned. In reply to the questionnaire issued by the Committee, the school furnished the details of the fee as per its fee schedules submitted as part of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973. However, when the school was required to produce its fee records for verification, it did not produce the same in the first instance. When it was driven home to the school that the production of fee records was essential for the Committee to determine the justifiability of hike in fee, the school produced its fee records and simultaneously also filed revised fee schedules representing the actual fee charged by the school, which was at variance with the fee schedules filed by the school with the Directorate of Education as well as the information furnished to the Committee in response to the

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

questionnaire. As it came out, the actual fee charged was more than what was intimated to the Directorate of Education as well as to this Committee. Further the actual fee hiked by the school in 2009-10 was found to be more than even the maximum hike permitted by the Director of Education vide order dated 11/02/2009. The following table would show the prevarication made by the school with regard to the fee charged by it in the years 2008-09, 2009-10 and 2010-11:

Fee for 2008-09:

Class	As per original fee structure (Rs.)	As per information in response to questionnaire (Rs.)	Actual fee charged (Rs.)
I	840	840	890
II	890	890	890
III	900	900	900
IV	920	920	940
V	930	930	960
VI	950	950	960
VII	980	980	980
VIII	1000	1000	1000
IX	1060	1060	1060
X	1220	1220	1220

Fee for 2009-10:

Class	As per original fee structure (Rs.)	As per information in response to questionnaire (Rs.)	Actual fee charged (Rs.)
I	1040	1040	1190
II	1090	1090	1230
III	1100	1100	1260
IV	1120	1120	1280
V	1130	1130	1300
VI	1150	1150	1320
VII	1180	1180	1340
VIII	1300	1300	1360
IX	1360	1360	1420
X	1520	1520	1620

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

New Shalimar Public School, Shalimar Bagh, Delhi-110088**Fee for 2010-11:**

Class	As per original fee structure (Rs.)	As per information in response to questionnaire (Rs.)	Actual fee Charged in 2010-11		
			Tuition fee (Rs.)	Computer fee (not included in the fee schedule)	Total
I	1150	1150	1150	190	1340
II	1200	1200	1200	160	1360
III	1210	1210	1210	180	1390
IV	1250	1250	1250	170	1420
V	1250	1250	1250	190	1440
VI	1270	1270	1270	190	1460
VII	1300	1300	1300	180	1480
VIII	1450	1450	1450	50	1500
IX	1500	1500	1500	80	1580
X	1670	1670	1670	110	1780

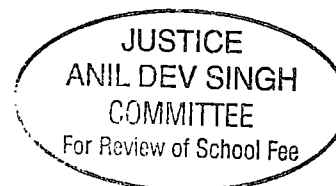
Further, in the original fee schedule, it was mentioned that a sum of Rs. 400 per annum was charged as development charges from all students but at the time of verification of fee records, it was found that the school was charging annual/development charges @ Rs. 1000 per student. It was further found that the school was charging examination fee ranging between Rs. 100 and Rs. 150 thrice a year.

The final picture that emerges with regard to the fee actually charged by the school in the years 2008-09, 2009-10 and 2010-11 is as follows:

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

Class	Monthly tuition fee in 2008-09 (Rs.)	Monthly tuition fee in 2009-10 (Rs.)	Increase in 2009-10 (Rs.)	%age increase in 2009-10	Monthly tuition fee in 2010-11 (Rs.)*	Increase in 2010-11 (Rs.)	%age increase in 2009-10
I	890	1190	300	33.71%	1340	150	12.60%
II	890	1230	340	38.20%	1360	130	10.57%
III	900	1260	360	40.00%	1390	130	10.32%
IV	940	1280	340	36.17%	1420	140	10.94%
V	960	1300	340	35.42%	1440	140	10.77%
VI	960	1320	360	37.50%	1460	140	10.61%
VII	980	1340	360	36.73%	1480	140	10.45%
VIII	1000	1360	360	36.00%	1500	140	10.29%
IX	1060	1420	360	25.35%	1580	160	11.27%
X	1220	1620	400	32.79%	1780	160	09.87%

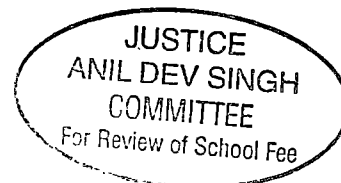
*including computer fee as, in view of the Committee, computer education as part of normal curriculum and as such has to be treated as part of tuition fee.

As would be apparent from the above table, the school hiked the fee abnormally, almost around 40% for all the classes in 2009-10. The maximum fee which the school was entitled to hike in terms of order dated 11/02/2009 of the Director of Education was Rs. 200 per month for classes I to VIII and Rs. 300 per month for classes IX & X subject to its implementing the recommendations of the VI Pay Commission. The fee hike effected by the school was much in excess of even the maximum amount which the school was permitted to hike. On top of it, the school admittedly did not implement the VI Pay Commission report in 2009-10.

In view of the foregoing position, the Committee is of the view that not only the school ought to refund the fee hike effected by it in the year 2009-10 in excess of the tolerance limit of 10%, along with interest @ 9% per annum from the date of collection to the date of refund but the Director of Education ought also to take appropriate action against the school for having hiked the fee in excess of the

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

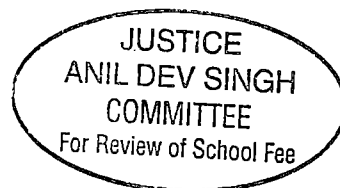
maximum hike permitted to the school and for attempting to mislead this Committee and the Directorate of Education also by providing false information with regard to the fee hike effected by it in the year 2009-10.

The school has claimed to have implemented the VI Pay Commission report w.e.f. 01/04/2010. However, keeping in view the conduct of the school, the Committee is not inclined to accept the veracity of the records produced by the school to substantiate its claim. The Director of Education ought to conduct special inspection of the school with regard to implementation of VI Pay Commission report by making discreet enquiries with the staff members. In case, the finding is that the school did not implement the recommendations of the VI Pay Commission as a matter of fact, the school ought to be ordered to refund the fee of years subsequent to 2009-10, to the extent it relates to the hike in fee of 2009-10, which is found unjustifiable by this Committee and for which the refund is recommended. Such part of fee of the subsequent years, ought also be refunded alongwith interest @ 9% per annum from the date of collection to the date of refund. However, if the finding is that the school, in actual fact, implemented the VI Pay Commission report w.e.f. 01/04/2010, no such refund of fee for the year 2010-11 or subsequent years need be ordered.

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

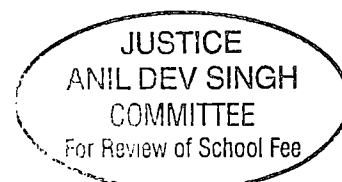
Development Fee:

The admitted position with regard to development fee, as conceded by the school in its reply to the questionnaire issued by the Committee, is that the school charged development fee in all the five years for which the information was sought by the Committee. The development fee was treated as a revenue receipt in the accounts and no earmarked development fund or depreciation reserve funds were maintained by the school. Thus the school not fulfilling any of the preconditions prescribed by the Duggal Committee for charging development fee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583.

In view of the position as stated above, the school was not justified in charging development fee at all. However, since the mandate of the Committee is to examine the issue of fee charged by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, the Committee is recommending refund of development fee charged by the school for the years 2009-10 and 2010-11 only. As per the submissions of the school, it charged development fee amounting to Rs. 62,700 in 2009-10 and Rs. 3,34,000 in 2010-11. The Committee is of the view that these amounts charged in 2009-10 and 2010-11 ought to be refunded to the students along with interest @ 9% per annum.

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

Recommendations:

In view of the foregoing discussion, the Committee makes the following recommendations:

1. The school ought to refund the fee hike effected by it in the year 2009-10 in excess of the tolerance limit of 10%, along with interest @ 9% per annum from the date of collection to the date of refund.
2. The Director of Education ought also to take appropriate action against the school for having hiked the fee in excess of the maximum hike permitted to the school and for attempting to mislead this Committee and the Directorate of Education also by providing false information with regard to the fee hike effected by it in the year 2009-10.
3. The Director of Education ought to conduct special inspection of the school with regard to implementation of VI Pay Commission report by making discreet enquiries with the staff members. In case, the finding is that the school did not implement the recommendations of the VI Pay Commission as a matter of fact, the school ought to be ordered to refund the fee of years subsequent to 2009-10, to the extent it relates to the hike in fee of 2009-10, which is found unjustifiable by this Committee and for which the refund is recommended. Such part of fee of the subsequent years, ought also be refunded alongwith interest @ 9%

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New Shalimar Public School, Shalimar Bagh, Delhi-110088

per annum from the date of collection to the date of refund. However, if the finding is that the school, in actual fact, implemented the VI Pay Commission report w.e.f. 01/04/2010, no such refund of fee for the year 2010-11 or subsequent years need be ordered.

4. The development fee amounting to Rs. 62,700 charged in 2009-10 and Rs. 3,34,000 in 2010-11, ought to be refunded to the students along with interest @ 9% per annum.

Recommended accordingly.

Sd/-
CA J.S. Kochar
Member

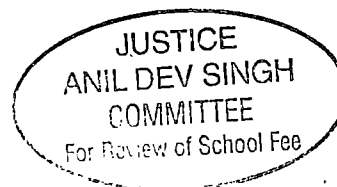
Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-
Dr. R.K. Sharma
Member

Dated: 14/11/2014

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Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-110026

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school vide email dated 02/03/2012 submitted that the school had implemented the VI Pay Commission report w.e.f. 01/10/2008 prospectively. No arrears of fee were charged from the students and no arrears of salary were paid to the staff and such non payment of arrears was with the consent of the staff. The school admitted to have hiked the fee from the session 2009-10 in terms of order dated 11/02/2009 issued by the Director of Education. Accordingly the school was placed in category 'B'.

After submitting its reply to the questionnaire, the school forwarded copies of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973 for the years 2007-08 to 2011-12, to the Dy. Director of Education, Distt West-A, New Delhi. These were transmitted to the office of the Committee for its perusal.

On perusal of the documents filed by the school and the reply to the questionnaire furnished by it, the Committee found that the response of the school was incomplete, in so far as it gave no details of the hike in fee and the hike in salary consequent to implementation of VI Pay Commission report. Therefore, the Committee, vide its letter dated 09/05/2013 requested the school to specifically answer the queries as per the questionnaire issued by the Committee. The Committee also sought information with regard to charging and

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-110026

utilisation of development fee and maintenance of development fund and depreciation reserve fund accounts.

The school, vide letter dated 20/05/2013, while reiterating its earlier reply, furnished information with regard to the fee charged by the school in the years 2008-09 and 2009-10 and the salary details for the month of September 2008 and October 2008, to show that the total expenditure on salary had gone up from Rs. 2,82,435 per month to Rs. 3,87,555 per month, consequent to implementation of VI Pay Commission report. The school also furnished its reply to the questions regarding development fee, which will be adverted to when we discuss the issue of development fee.

As per the information furnished by the school, the fee charged by it for different classes in the years 2008-09 and 2009-10, was as follows:

Class	Monthly Tuition fee in 2008-09 (Rs.)	Monthly tuition Fee in 2009-10 (Rs.)	Increase in 2009-10 (Rs.)	Percentage increase
Nursery & KG	775	925	150	19.35%
I to III	830	980	150	18.07%
IV	830	1000	170	20.48%
V	850	1000	150	17.65%
VI to VIII	900	1050	150	16.67%
IX & X	975	1125	150	15.38%

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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**Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-
110026**

In order to verify the contentions of the school, the Committee issued a notice dated 19/07/2013, requiring the school to produce in its office, fee receipts, fee registers, books of accounts, bank statements, salary registers, provident fund returns and TDS returns, on 21/08/2013.

The school produced its records through Ms. Meenu Malhotra, its Accountant, which were examined by Sh. N.S. Batra, audit officer of the Committee. He observed that the fee charged in 2008-09 was at variance with the fee schedule filed by the school in as much as the tuition fee charged was found to be in excess by Rs. 150 per month in respect of certain students. He further observed that in 2010-11 also, the school had hiked the fee and such hike was much in excess of the tolerance limit of 10%. With regard to hike in salary as a consequence of implementation of VI Pay Commission report, he observed that the monthly salary bill of the school rose from Rs. 2,82,435 in September 2008 to Rs. 3,87,555 in October 2008. However, he also observed that even as late as March 2011, the VI Pay Commission had not been fully implemented as no transport allowance was being paid. He further observed that the school was deducting proper Provident Fund and TDS from the salaries.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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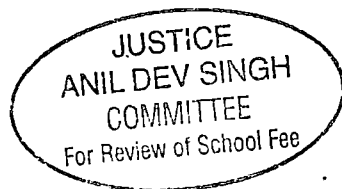
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Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-
110026

In order to provide an opportunity of hearing to the school, the Committee issued a notice dated 13/05/2014 requiring the school to appear before it on 03/06/2014 along with the necessary records.

The school put in the appearance through Ms. Meenu Malhotra and Ms. Sushma Arora, Accountants and reiterated its contention that the VI Pay Commission had been implemented w.e.f. October 2008 and the fee had been hiked w.e.f. April 2009. They also contended that the salary was paid to the staff through direct bank transfer. They were accordingly required to produce the instructions issued to the bank for credit of salary to the accounts of the staff alongwith the bank statements for the relevant period. They were also required to explain as to how the school implemented the VI Pay Commission Report w.e.f. October 2008 when the order of the Director of Education for such implementation was issued on 11/02/2009. The matter was directed to be relisted on 09/07/2014.

On this date, Ms. Jai Shree Kanwar, Vice Principal of the school appeared with Ms. Sushma Arora and Ms. Meenu Malhotra, Accountants. They filed written submissions dated 09/07/2014. The representatives were also orally heard at length. In nutshell, the following submissions were made:



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Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-
110026

- (a) The school had not charged any arrear fee for the period 01/01/2006 to 31/08/2008 nor paid any arrear of salary for the corresponding period.
- (b) The increased salary for the period 01/10/2008 to 31/12/2008 had been given by the Management out of its own resources. The VI Pay Commission had been implemented w.e.f. October 2008 as the recommendations had already been announced and the school was aware of its responsibility of implementing such recommendations. After implementing the recommendations, the Directorate of Education was duly informed on 08/12/2008.
- (c) The fee had been increased provisionally by Rs. 150 per student w.e.f. 01/01/2009 and out of such increased fee, the school paid the increased salary for the period 01/01/2009 to 31/03/2009. Thereafter the school did not increase any fee in 2009-10. No specific approval was obtained from the Director of Education with regard to the mid year increase in fee effected by the school but post facto the department was informed of it.
- (d) No gratuity or leave encashment is provided to the staff.

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During the course of hearing, it emerged that the school was running a Nursery school also from the same premises, which acts as a feeder school to the main school. It was conceded during the course



Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-110026

of hearing that the recommendations of the VI Pay Commission were not implemented in respect of the staff of the nursery school. The financials of the Nursery school are not incorporated in the financials of the main school for the years prior to 2010-11. Accordingly, the school was required to file the audited balance sheet of the Nursery for 2008-09 and 2009-10. The school, vide its letter dated 16/07/2014 expressed its inability to file the same as it was not able to locate the balance sheets on account of change in Management as well as the auditor of the school. In view of this, the Committee, vide its letter dated 24/09/2014, required the school to file the consolidated balance sheet of its parent Society i.e. Marwah Mitter Charitable Trust (Regd.), which would be a consolidated balance sheet of the main school and the nursery school. After some prevarication, the school filed the balance sheets of Marwah Mitter Charitable Trust. However, on perusal of the same, the Committee finds that these balance sheets are de hors the balance sheets of the main school as well as the Nursery school. The school submitted that there was a change in the Management and the balance sheets of the nursery school are not traceable.

Discussion:

In so far as the claim of the school of having implemented the VI Pay Commission report w.e.f. 01/10/2008 is concerned, the

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COMMITTEE
For Review of School Fee

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Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-
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Committee is of the view that the school did implement the VI Pay Commission report, albeit partially w.e.f. 01/10/2008 although the Director of Education issued the order on 11/02/2009. Our view draws sustenance from the following contemporaneous evidence:

- (i) The increased salary was paid to staff by direct bank transfers;
- (ii) The school has also made proper deductions for provident fund and TDS from the salaries of the staff, and
- (iii) The school has also filed copies of the correspondence exchanged with the Directorate of Education regarding implementation of VI Pay Commission report.

So far as the hike in fee is concerned, though the mid session hike effected by the school w.e.f. 01/01/2009 is in contravention of section 17(3) of the Delhi School Education Act, 1973 as no prior approval of the Director was obtained, the Committee is not in a position to decide the question whether or not the amount needs to be refunded on account of the fact that the same may have been utilised for paying increased salary to the staff as a consequence of partial implementation of VI Pay Commission report. The answer will depend upon the availability of funds. In case the funds were already available with the school to absorb the enhanced burden of salary due to partial implementation of the recommendations of the VI Pay Commission, in



Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-110026

that event the hike in fee would not be justified and the school must be directed to refund the same. We must also point out that the Directorate of Education was also kept in the loop regarding the fee hike as it was informed of the same vide letter of the school dated 08/12/2008.

The only exercise that remains to be undertaken is to examine the justifiability of hike in fee in light of the funds already available with the school. However, the Committee is unable to arrive at any conclusion with regard to the justifiability of fee hike effected by the school in 2009-10 and 2010-11 in the absence of the balance sheets of the nursery school. It may be possible that the nursery school, which did not even implement the VI Pay Commission report, is flush with funds. Vide Circular No. 15072-15871 dated 23.3.1999 issued by the Directorate of Education, pre primary schools are to be treated as part of the main schools for all practical purposes.

In view of the foregoing discussion, this is a fit case where the Director of Education should conduct a special inspection, particularly to examine the availability of funds with the Nursery school, which could have been utilised for absorbing the additional liabilities of the school on account of implementation of VI Pay Commission report. The Committee does not buy the



**Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-
110026**

argument of the school that the balance sheets of the nursery school are not traceable.

Recommended accordingly.

Development Fee:

In reply to the questionnaire issued by the Committee, the school admitted that it was charging development fee in all the five years (2006-07 to 2010-11) for which information was sought by the Committee. Such development fee was treated as a revenue receipt in the accounts and further no depreciation reserve fund was maintained for depreciation on assets acquired out of development fee. It was contended that all the development fee received during the years was fully utilised during the same year itself and hence there were no amounts available to be kept in a separate bank account.

The Committee has examined the contentions of the school with reference to its audited financials. The Committee is of the view that the school was not fulfilling any of the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. The Committee finds that the school was using the development fee for the purpose of meeting its revenue expenses only. During the year 2009-10, the school recovered a sum of Rs. 10,96,075 as development fee and credited the same to the Income & Expenditure Account. After meeting its revenue expenses,



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110026**

the school had a cash revenue surplus of Rs. 3,83,027. Thus out of the total receipt, a sum of Rs. 7,13,048 was spent on revenue expenses and Rs. 3,83,027 was left unspent.

Similarly in 2010-11, the school recovered a sum of Rs. 12,54,825. The entire amount was spent on revenue expenses. In view of this, the Committee is of the view that the school was not justified in charging any development fee in 2009-10 and 2010-11 and the same ought to be refunded to the students along with interest @ 9% per annum.

However, since the Committee has recommended special inspection of the school with regard to justifiability of hike in tuition fee, the Committee is not recommending that the development fee charged in 2009-10 and 2010-11 to be refunded immediately as the special inspection may throw up a position where the school is in deficit on tuition fee account on account of implementation of VI Pay Commission report. Such deficit, if any, will require to be set off against the development fee for 2009-10 and 2010-11 refundable to the students. But in case that position does not emerge, the school will not be justified in retaining the development fee collected by it.

In order to protect the interests of the students, the Committee recommends that the school ought to place a sum of Rs. 23,50,900 (10,96,075 + 12,54,825) + upto date interest @ 9%

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COMMITTEE
For Review of School Fee

Ch. Jaswant Lal Public School, Punjabi Bagh West, New Delhi-
110026

per annum in a separate escrow account so that if in the final determination, it is found that the sum is indeed refundable, the funds are readily available.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 03/11/2014

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Secretary



David Model Sec.School, Tukmirpur,Delhi - 110094

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth-pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 09.05.2013, required the school to appear on 10.06.2013 and to produce entire accounting, fee and salary records for the years



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David Model Sec.School, Tukmirpur,Delhi - 110094

2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On the scheduled date, Ms. Seema, Principal of the school attended the office of the Committee and requested for some more time to produce the record. The school was directed to produce the record on 24.06.2013.

5. On 24.06.2013, Ms.Seema, Principal, of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission and had hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

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

- (i). The school hiked the fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009. During 2010-11, the hike in fee was by 10%.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. April 2010.
- (iii). No T.D.S. had been deducted during 2010-11.

7. By notice dated 22.07.2014, the school was asked to appear on 20.08.2014 along with entire accounting, fee and salary records for the

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David Model Sec.School, Tukmirpur,Delhi - 110094

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

8. On 20.08.2014, Sh. Ramvir Singh, Manager, Ms. Seema Rawat, Principal and Sh. Udit Sharma, Accountant of the school appeared before the Committee and produced the record. They have conceded that;-

(i) The implementation of the recommendations of the 6th.Pay Commission has been shown on papers to meet the requirement of the department. In actual fact the school has paid much less salary to the staff.

(ii) The fee hike in 2009-10 by Rs.200/-p.m. was only shown on papers to balance the books. In fact, the school did not charge that much fee which has been shown in books.

(iii) The school started charging development fee in 2010-11, which has been treated as revenue receipt. However, the same is not charged but was introduced to meet the shortfall in payment of increased salary, in books only.

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives, on behalf of the school.

10. The school during the course of hearing has fairly conceded that the school has neither implemented the recommendations of the 6th. Pay



20/08/14

Udit Sharma

David Model Sec.School, Tukmirpur, Delhi - 110094

Commission, nor hiked the fee in terms of the order dated 11.02.2009 of the Director of Education. The school has also not charged development fee. Whatever shown on papers was just to fulfil the requirement of the department.

RECOMMENDATION**Re. Fee Hike**

The assertions of the school representatives before the Committee, during the course of hearing are sufficient reasons for not relying upon the record of the school. Therefore, in the absence of the reliable record, we are unable to arrive at any finding with regard to the issue of fee hike. In the circumstances the Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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

Sd/- Recommended accordingly. Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 08/09/2014

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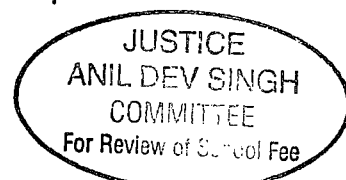
Sun Shine Modern Public School, Ganga Vihar, Delhi - 110094

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 15.07.2013, required the school to appear on 05.08.2013

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

5. On 05.08.2013, Shri Omvir Singh Tomar, Manager of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. April, 2010 and had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 w.e.f.01.04.2010. The school had not charged development fee.

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

(i). The school did not produce original fee receipt books and fee register for the years 2008-09, 2009-10 and 2011-12, therefore fee record could not be verified. However, as per the fee structure available on record, the school had hiked fee during 2009-10 by Rs.60/- p.m. for all classes. During 2010-11, the hike in fee was by Rs.70/- to Rs.120/- p.m. for different classes.



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Sun Shine Modern Public School, Ganga Vihar, Delhi - 110094

- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission, but D.A. and T.A. had not been paid as per norms.
- (iii). Salary to the staff had been paid in cash, without deducting T.D.S.

7. By notice dated 22.07.2014, the school was asked to appear on 21.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 21.08.2014, Sh. Omvir Singh Tomar, Manager, Sh. Gaurav Tomar, Staff Member and Sh. D. K. Sharma, Member, M.C. appeared before the Committee and produced the record. They have contended that ;-

- (i) The school has implemented the recommendations of the 6th.Pay Commission w.e.f. April, 2010.
- (ii) The salary to the staff was paid in cash without deducting TDS.
- (iii) The school did not have TAN and is not registered with the P.F. authorities.
- (iv) The hike in fee in 2009-10 and 2010-11 was as observed by the Audit Officer of the Committee vide its noting dated 05.08.2013.



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Sun Shine Modern Public School, Ganga Vihar, Delhi - 110094

- (v) The school has not charged development fee from the students.

The school did not produce original fee receipt books for examination by the Committee; on the grounds that the same have been damaged during the course of white wash of the school building.

9. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee.

10. The school failed to produce original fee receipt books, not only before the Audit Officer during the verification of record, but also before the Committee during the course of hearing. In such circumstances the actual hike in fee by the school during 2009-10 and 2010-11, could not be verified.

11. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff had been paid in cash without deducting TDS and PF. Therefore, its claim to have implemented the recommendations of the 6th Pay Commission cannot be accepted by the Committee.



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Sun Shine Modern Public School, Ganga Vihar, Delhi - 110094

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

RECOMMENDATION**Re. Fee Hike**

The school failed to produce original fee record before the Committee. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 08/09/2014



Signature

D.R.P. Convent Sec. School, Karawal Nagar, Delhi-110094

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Page 1 of 4

D.R.P. Convent Sec. School, Karawal Nagar, Delhi-110094

4. With a view to verify the returns, the Office of the Committee vide its notice dated 09/05/2013, 15/07/2013 and 24/09/2013 required the school to appear on 07/06/2013, 08/08/2013, 22/10/2013, respectively and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. The school did not attend the office of the Committee on aforesaid dates and was provided final opportunity to produce its records on 01/11/2013.
5. On 01/11/2013, Sh. Yatinder Sharma, Manager and Sh. Udit Sharma, part time Accountant of the school attended the Office of the Committee and produced incomplete record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. April 2009 and hiked the fee w.e.f. April 2009, in terms of the order of the Director of Education dated 11.02.2009.
7. The record, in the first instance, was examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed to the effect that: -
- (i). The school did not produce complete fee record for verification.



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N
Secretary

D.R.P. Convent Sec. School, Karawal Nagar, Delhi-110094

- (ii). The school has claimed to have implemented the recommendations of 6th Pay Commission but DA has not been paid as per norms.
- (iii). The school did not deduct TDS from the salary of the staff.

The school was directed to produce complete fee records on 25.11.2013.

8. On 25.11.2013, Sh. Udit Sharma, Accountant of the school produced fee record. It was examined by the Audit Officer of the Committee. As per the observations of the Audit Officer the school has increased the fee by Rs. 200 per month in 2009-10 for all classes. During 2010-11, the hike in fee was between 10% to 11% for different classes.

9. By notice dated 22.07.2014 the school was asked to appear on 21.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

- 10 On 21.08.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 22.07.2014, as confirmed through India Post Tracking System.



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Secretary

D.R.P. Convent Sec. School, Karawal Nagar, Delhi-110094

Discussion and Recommendations

Re. Fee Hike

The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education ought to order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 11.09.2014



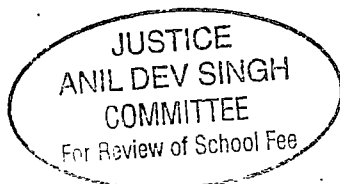
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N
Secretary

Divya Public School, Sadatpur Ext. Delhi-110094

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

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W
Secretary

Divya Public School, Sadatpur Ext. Delhi-110094

4. With a view to verify the returns, the Office of the Committee vide its notice dated 24/07/2013 required the school to appear on 22/08/2013, and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 22/08/2013, Sh. Sandeep Jain, representative of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. April 2010 and hiked the fee w.e.f. April 2010, in terms of the order of the Director of Education dated 11.02.2009. The school did not charge development fee from the students.

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

- (i). The school has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. April 2010, but D.A, T.A. and H.R.A. has not been paid as per norms.
- (ii). The school did not deduct TDS and PF from the salary of the staff.



Divya Public School, Sadatpur Ext. Delhi-110094

- (iii) The salary to the staff has been paid in cash in spite of the school having two bank accounts.
- (iv) The school hiked fee in 2009-10 by Rs. 35/- p.m. During 2010-11, the hike in fee was by Rs. 165/- p.m.
7. By notice dated 22.07.2014 the school was asked to appear on 22.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
8. On 22.08.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 23.07.2014, as confirmed through India Post Tracking System.

Discussion and Recommendations

Re. Fee Hike

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The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike.



Divya Public School, Sadatpur Ext. Delhi-110094

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

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

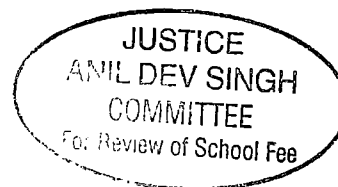
Dated:- 12.09.2014

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Secretary

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Secretary



Laxman Convent School, Raj Nagar part-II, Palam, New Delhi- 45

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

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Secretary



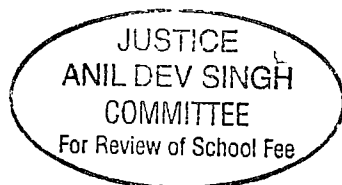
Laxman Convent School, Raj Nagar part-II, Palam, New Delhi- 45

4. With a view to verify the returns, the Office of the Committee vide its notice dated 09.05.2013 required the school to appear on 04.06.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 04.06.2013, Mrs.M.D.Solanki, Manager of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. September, 2008 and has not increased the fee in terms of the order of the Director of Education dated 11.02.2009.

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

- (i). The school has increased tuition fee in 2009-10 and 2010-11 by 10%.
- (ii). The school has claimed to have implemented the recommendations of 6th Pay Commission.
- (iii). The school did not deduct TDS from the salary of the staff.



Secretary

Laxman Convent School, Raj Nagar part-II, Palam, New Delhi- 45

8. By notice dated 22.07.2014 the school was asked to appear on 20.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
9. On 20.08.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 22.07.2014, as confirmed through India Post Tracking System.

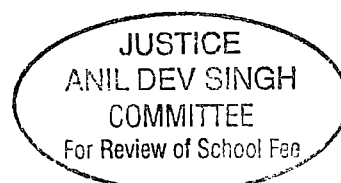
Discussion and Recommendations**Re. Fee Hike**

The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

In case after inspection it is found by the Director of Education that the school had hiked the fee and/or collected the

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Secretary



Laxman Convent School, Raj Nagar part-II, Palam, New Delhi- 45

development fee unjustifiable, it may take such action as it deems fit subject to the orders of the Hon'ble Delhi High Court.

Recommended accordingly.

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Sd/-

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

Dated:- 8/9/2014

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Secretary



Merry International Public School, Sect. 7, Rohini, Delhi -85

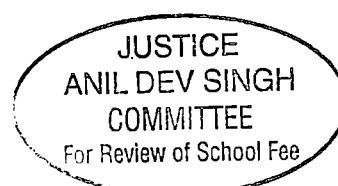
1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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Secretary



Merry International Public School, Sect. 7, Rohini, Delhi -85

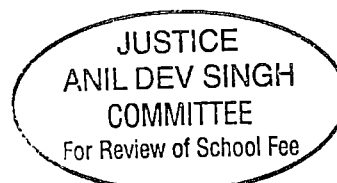
4. With a view to verify the returns, the Office of the Committee vide its notice dated 10/07/2013 required the school to appear on 29/07/2013, and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. No one attended the Office of the Committee on the scheduled date. However, the Chairman of the school, vide its letter dated 29.07.2013, requested for some more time to produce its record. At his request the school was directed to produce its record on 30.08.2013 for verification.

5. On 30/08/2013, Sh. Karun Kathuria, Chairman of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. August 2009 and did not hike the fee, in terms of the order of the Director of Education dated 11.02.2009. The school has charged development fee from the students.

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

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Secretary



Merry International Public School, Sect. 7, Rohini, Delhi -85

- (i). The school has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. August 2009, but D.A. and T.A. has not been paid as per norms.
- (ii). The school hiked fee in 2009-10 and 2010-11, within the range of 10%.
- (iii) The school has charged development fee @ of 15% of the total annual tuition fee.

7. By notice dated 12.08.2014 the school was asked to appear on 19.09.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 19.09.2014, no one on behalf of the school appeared before the Committee, in spite of the notice of hearing delivered to the school on 16.08.2014, as confirmed though India Post Tracking System.

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Merry International Public School, Sect. 7, Rohini, Delhi -85Discussion and RecommendationsRe. Fee Hike

The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

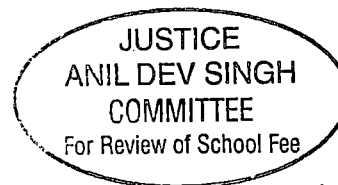
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 10-10-2014



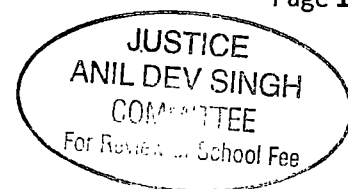
St. Vats Public School, Nawada, Najafgarh Road, Delhi

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notices dated 13/06/2013, 15/07/2013 and 20/08/2013 required the school to appear on 03/07/2013, 13/08/2013 and 20/08/2013,

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Secretary



St. Vats Public School, Nawada, Najafgarh Road, Delhi

respectively and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. The school did not attend the office of the Committee on aforesaid dates. In the interests of Justice, the school was provided final opportunity to produce its records on 10/09/2013.

5. On 10/09/2013, Sh. H.K. Sharma, Manager of the school attended the Office of the Committee and produced incomplete record along with the reply to the questionnaire. As per the reply, the school implemented the recommendations of the 6th Pay Commission w.e.f. July 2010, but did not hike the fee, in terms of the order of the Director of Education dated 11.02.2009. The school also did not charge development fee from the students.

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

- (i). The school did not produce salary record for verification.
- (ii). The school has hiked the fee in 2009-10, by 08.6% to 20% for different classes. During 2010-11, the hike was by 12.6% to 16% for different classes.

The school was directed to produce complete salary record on 16.09.2013.



St. Vats Public School, Nawada, Najafgarh Road, Delhi

7. No one attended the office of the Committee on the scheduled date. However, on 17.09.2013, representative of the school produced salary record for March 2011. It was examined by the Audit Officer of the Committee. As per his observations, the school has claimed to have implemented the recommendations of 6th Pay Commission partially, as DA and TA was not paid as per norms.

(iii). The school did not deduct TDS and PF from the salary of the staff.

8. By notice dated 15.05.2014 the school was asked to appear on 04.06.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

9 On 04.06.2014, Sh. H.K. Sharma, Manager of the school appeared before the Committee without the original records. However, he contended that the school has implemented the recommendations of the 6th.Pay Commission w.e.f. July 2010, but increased salary to the staff has been paid w.e.f. March 2011. He has further contended that the arrears for the period July 2010 to February 2011 have been partly paid in March 2011 and the rest of the amount has been paid in the financial years 2011-12 and 2012-13. Since the school did not produce the original records, it was directed to produce the same on 10.06.2014, for verification by the Account Officer of the Committee.

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Secretary

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St. Vats Public School, Nawada, Najafgarh Road, Delhi

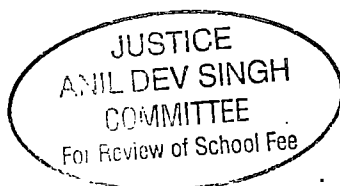
10. Again the school failed to produce the records on the scheduled date. The school was provided one more opportunity to produce its records on 16.06.2014, but again no one attended the office of the Committee. The school was provided final opportunity on 27.06.2014, for the verification of the record.

11. On 27.06.2014, Sh.H.K.Sharma, Manager of the school attended the office of the Committee and produced incomplete record for verification. Mrs. Sunita Nautial, AAO of the Committee examined the record and has reported that the school has hiked tuition fee by less than 10% in 2011-12 and 2012-13. The school did not produce salary records, hence was directed to produce the same on 03.07.2014. No one attended the office of the Committee on the scheduled date.

12. On a subsequent date viz. 11.07.2014, Sh. H.K.Sharma, Manager of the school attended the office of the Committee and produced salary records. The AAO of the Committee has examined the records and has reported as below;-

- a) The school has partially implemented the recommendations of the 6th.Pay Commission, as HRA and CCA has not been paid as per the prescribed norms.
- b) The arrears of salary have been paid partially, in cash.

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~~Secretary~~

St. Vats Public School, Nawada, Najafgarh Road, Delhi

- c) Salary to the staff has been paid in cash, through bank transfer and through account payee cheques.
- d) TDS has been deducted in respect of only two employees in 2011-12 and of only one employee in 2012-13.

13. By notice dated 25.09.2014, the school was given another opportunity to appear before the committee on 10.10.2014 for examination of the original record and for affording opportunity of hearing to the school.

14. On 10.10.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 26.09.2014, as confirmed though India Post Tracking System.

Discussion and Recommendations

Re. Fee Hike

The school failed to produce its record before the Committee for examination. In the absence of the original records, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education ought to order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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W
Secretary

St. Vats Public School, Nawada, Najafgarh Road, Delhi

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

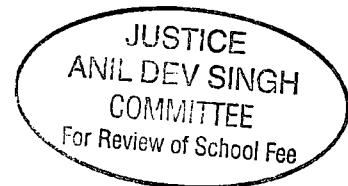
Sd/-

Dr. R.K. Sharma
Member

Dated:- 17-10-2014

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Secretary




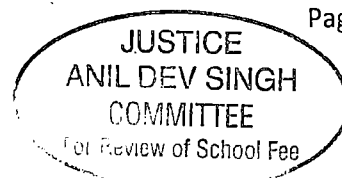
K. S. Memorial Public School, Ghitorini, Delhi-110030

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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Secretary

K. S. Memorial Public School, Ghitorini, Delhi-110030

4. With a view to verify the returns, the Office of the Committee vide its notice dated 01/07/2013, required the school to appear on 10/07/2013, and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

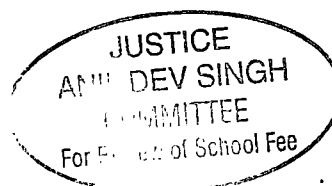
5. On 10/07/2013, Sh. Satinder Kumar, Manager and Sh. S.K. Sharma, Accountant of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply, the school has implemented the recommendations of the 6th Pay Commission w.e.f. April 2009 and has not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009. The school did not charge development fee from the students.

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

- (i). The school has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. April 2010.
- (ii). The school has claimed to have deducted TDS and PF from the salary of the staff, but details of such deductions have not been reflected in the salary register.

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Secretary



K. S. Memorial Public School, Ghitorini, Delhi-110030

- (iii) The salary to the staff has been paid through bearer cheques.
- (iv) The school hiked fee in 2009-10 by Rs. 110/- to Rs. 200/- p.m. for different classes. During 2010-11, the hike in fee was by Rs. 50/- to Rs.100/- p.m. for different classes.

7. By notice dated 25.09.2014 the school was asked to appear on 16.10.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 16.10.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 26.09.2014, as confirmed though India Post Tracking System.

Discussion and Recommendations

Re. Fee Hike

377
The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike.



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[Signature]
Secretary

K. S. Memorial Public School, Ghitorini, Delhi-110030

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

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

Recommended accordingly.

Sd/-

Sd/-

Sd/-


J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 28.10.2014

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Secretary

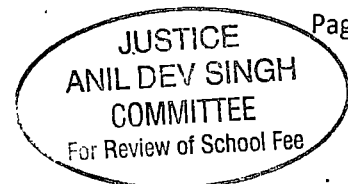


Shri Vishwakarma Model School, Shiv Vihar, Nangloi, Delhi - 110041

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 13.06.2013, required the school to appear on 04.07.2013

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Shri Vishwakarma Model School, Shiv Vihar, Nangloi, Delhi - 110041

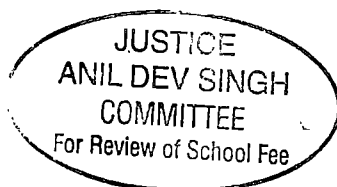
and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 04.07.2013, Sh. Raj Kumar Singh, President of the Society attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. January, 2010 and had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 w.e.f. 01.04.2009. According to the school it did not charge development fee.

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

- (i). The school has hiked fee during 2009-10 by Rs.200/- p.m. for all classes. During 2010-11, the hike in fee was by Rs.100/- to all classes.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission.
- (iii). T.D.S. has not been deducted from the salary of the staff.

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Shri Vishwakarma Model School, Shiv Vihar, Nangloi, Delhi - 110041

7. By notice dated 25.09.2014, the school was asked to appear on 17.10.2014, along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
8. On 17.10.2014, Sh. Raj Kumar Singh, President and Sh. Rupesh Kumar, Secretary of the Society appeared before the Committee and produced the record. They contended that :-
- (i) Though, the record reflects that the school had hiked the fee, actually there was no hike at all as the area it caters to is inhabited by the people belonging to underprivileged class.
- (ii) In view of the same reason, as quoted above at (i), the school did not implement the recommendations of the 6th.Pay Commission.
- (iii) The school has not charged development fee from the students.
9. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee.
10. The school has fairly conceded that the school has neither hiked the fee, nor implemented the recommendations of the 6th Pay

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Page 3 of 4




Secretary

Shri Vishwakarma Model School, Shiv Vihar, Nangloi, Delhi - 110041

Commission, as reflected in the financials of the school. As per the record, the school has also not charged development fee from the students. In such circumstances no reliance can be placed on the records of the school.

RECOMMENDATION**Re. Fee Hike**

Thus, in the absence of the reliable record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-28.10.2014

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N
Secretary

Mata Bhati Devi Public School, Deenpur, Najafgarh, Delhi-110043

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 01/07/2013, required the school to appear on



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Mata Bhati Devi Public School, Deenpur, Najafgarh, Delhi-110043

16/07/2013, and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 16/07/2013, Sh. Sunny Jakhar, Manager of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply;-

- i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. November 2009.
- ii) The school has hiked the fee w.e.f. April 2009, in terms of the order of the Director of Education dated 11.02.2009.
- iii) The school did not charge development fee from the students.

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

- (i). The school has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. November 2009.
- (ii). TDS has not been deducted from the salary of the staff.
- (iii) The school hiked fee in 2009-10 by 20.4% to 28.5% p.m. for different classes. During 2010-11, the hike in fee was by 10% p.m. for different classes.



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Mata Bhati Devi Public School, Deenpur, Najafgarh, Delhi-110043

7. By notice dated 22.10.2014 the school was asked to appear on 10.11.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
8. On 10.11.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 27.10.2014, as confirmed through India Post Tracking System.

Discussion and Recommendations

Re. Fee Hike

The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of the school as per the rules to ascertain the true state of affairs of the school.

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[Signature]
Secretary

Mata Bhati Devi Public School, Deenpur, Najafgarh, Delhi-110043

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 19.11.2014

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N
Secretary



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G.D.Lancer's Public School, Mohan Gaden, New Delhi-110059

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 01/07/2013, required the school to appear on



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G.D.Lancer's Public School, Mohan Gaden, New Delhi-110059

11/07/2013, and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 11/07/2013, Sh. Harish Kumar Tyagi, Manager of the school attended the Office of the Committee and produced record along with the reply to the questionnaire. As per the reply;-

- i) The school has implemented the recommendations of the 6th Pay Commission w.e.f. April 2009.
- ii) The school has hiked the fee w.e.f. April 2009, in terms of the order of the Director of Education dated 11.02.2009.
- iii) The school did not charge development fee from the students.

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

- (i). The school has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. April 2009, but DA and HRA have not been paid as per the prescribed norms.
- (ii). TDS had not been deducted from the salary of the staff.



✓
Secretary

G.D.Lancer's Public School, Mohan Gaden, New Delhi-110059

(iii) The school hiked fee in 2009-10 by Rs.90/-p.m. for different classes. During 2010-11, the hike in fee was by Rs.35/- to Rs.45/- p.m. for different classes.

7. By notice dated 22.10.2014 the school was asked to appear on 11.11.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11, for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 11.11.2014, no one on behalf of the school appeared before the Committee in spite of the notice of hearing delivered to the school on 27.10.2014, as confirmed through India Post Tracking System.

Discussion and Recommendations**Re. Fee Hike**

The school failed to produce its record before the Committee for examination, as no one appeared before the Committee during the course of hearing. In the absence of the original record, we are unable to arrive at any finding with regard to the issue of fee hike. Therefore, Director of Education should order a special inspection of

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G.D.Lancer's Public School, Mohan Gaden, New Delhi-110059

the school as per the rules to ascertain the true state of affairs of the school.

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

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-


Justice Anil Dev Singh (Retd.)
Chairperson

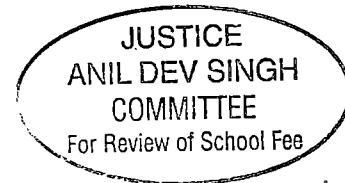
Sd/-

Dr. R.K. Sharma
Member

Dated:-19.11.2014

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Secretary



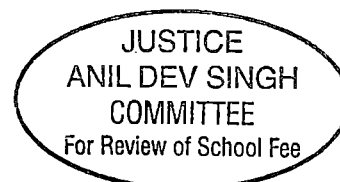
MRSD Saraswati Bal Mandir, Mahendru Enclave, Delhi-110033

The school had not responded to the questionnaire dated 27/02/2012 issued by the Committee, which was followed by a reminder dated 27/03/2012. However, the school submitted copies of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973, with the Dy. Director of Education, Distt North West under cover of its letter dated 27/03/2011 (sic). These returns were forwarded to the office of the Committee by the concerned Dy. Director of Education. On prima facie examination of these returns, it appeared that the school had hiked the fee in pursuance of order dated 11/02/2009 issued by the Director of Education but had not implemented the recommendations of VI Pay Commission. Accordingly the school was placed in category 'A' for the purpose of verification.

In order to check the veracity of the annual returns of the school, the Committee issued a letter dated 09/08/2012, requiring the school to produce in its office on 31/08/2012, its fee and salary records for the years 2008-09 to 2010-11. The school was also required to furnish its reply to the questionnaire issued by the Committee. On the scheduled date, Sh. Ajay Sharma, UDC and Ms. Jyoti Gupta, LDC of the school appeared and produced the required records. The school also filed reply to the questionnaire issued by the Committee. As per the reply, the school claimed to have implemented the recommendations of the VI Pay Commission w.e.f. 01/03/2009.

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MRSD Saraswati Bal Mandir, Mahendru Enclave, Delhi-110033

In support of its claim, the school filed statements showing the salary of various staff members for the months of February and March 2009. The school also enclosed a payment voucher dated 02/02/2010 along with details showing that it had paid a sum of Rs. 1,38,610 as arrears to the staff for the period September 2008 to February 2009. Another payment voucher dated 16/09/2010 was enclosed showing payment of arrears amounting to Rs. 1,31,397.

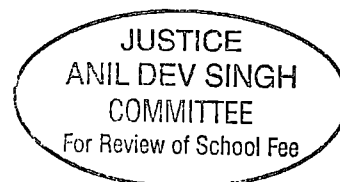
With regard to hike in fee, the school enclosed with the reply the details of tuition fee charged by the school in 2008-09 and 2009-10. As per the details filed, the tuition fee of the students had been hiked for all the classes from Rs. 895 per month to Rs. 1095 per month in pursuance of order dated 11/02/2009. Another statement was enclosed showing the recovery of arrear fee amounting to Rs. 76,880 for the period 01/01/2006 to 31/08/2008 and Rs. 63,425 for the period 01/09/2008 to 28/09/2009. Classwise detail of arrear fee recovered from the students was also filed.

The records produced by the school were examined by Sh. K.K. Bhateja, audit officer of the Committee. He confirmed the correctness of the contentions of the school as per the reply to the questionnaire.

In order to provide an opportunity of hearing to the school, the Committee issued a notice dated 11/02/2014, requiring the school to appear before it on 25/03/2014 along with the necessary records. Along with the notice, the school was also issued a supplementary

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MRSD Saraswati Bal Mandir, Mahendru Enclave, Delhi-110033

questionnaire, eliciting information about the charge of development fee, its utilisation and maintenance of development fund and depreciation reserve fund. The school was also required to file detail of its accrued liabilities of gratuity/leave encashment as on 31/03/2008 and 31/03/2010.

The school put in the appearance through Sh. Dinesh Khandewal, Treasurer of the Society, Sh. Arun Kumar Verma, Supdt. of the Society and Ms. Vinod Mahendru, UDC of the School. However, they did not produce the full records of the school and sought some more time. They were required to file the complete details within one week. The school filed the required information on 31/03/2014 under cover of its letter dated 29/03/2014. Based on the information furnished by the school, the Committee required one of its audit officer to prepare a preliminary calculation sheet to examine the justifiability of the fee hike effected by the school.

As per the directions of the Committee, the audit officer prepared the preliminary calculation sheet which showed that as on 31/03/2008, the school had funds (net current assets + investments) amounting to Rs. 4,11,946. The additional liability which befell on the school and was discharged by it consequent to implementation of VI Pay Commission report entailed a payment of Rs. 6,92,200 by way of payment of arrears and increased salary during 2009-10. The additional revenue which accrued to the school by way of recovery of

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MRSD Saraswati Bal Mandir, Mahendru Enclave, Delhi-110033

arrear fee and incremental fee during 2009-10 amounted to Rs. 1,80,995. After taking these into account, the school was in deficit to the tune of Rs. 99,259, without taking into account its requirement for keeping funds in reserve for future contingencies.

Vide notice dated 23/06/2014, a fresh hearing was afforded to the school on 10/07/2014. On this date, Sh. Arun Kumar Verma and Ms. Veena Shrivastav, TGT of the school appeared and were heard by the Committee. They contended that the student as well as the staff strength of the school was very low. It had just three teaching staff members and one administrative staff member. The student strength was about 55. They further contended that the school implemented the VI Pay Commission report w.e.f. April 2009 and also paid the arrears. The arrears were paid through banking channels. The school did not have sufficient funds of its own and had hiked the fee to implement the recommendations of VI Pay Commission report. They further contended that the development fee charged by the school was also fully consumed in payment of salary.

Discussion and Determination:

Tuition Fee:

The Committee has perused the returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 and also considered the observations of its audit officer and the preliminary

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MRSD Saraswati Bal Mandir, Mahendru Enclave, Delhi-110033

calculation sheet prepared by another audit officer. The Committee finds that while the preliminary calculation sheet prepared by the audit officer is by and large in order. However, since the school had been collecting computer charges as well as development fee which was being treated as a revenue receipt by the school and fee under these heads were also spent largely for payment of salaries, the preliminary calculation sheet should also include the fee recovered by the school under these heads to examine the justifiability of fee hike vis a vis additional expenditure on implementation of VI Pay Commission report. Accordingly, the preliminary calculation sheet was revised to take into account recoveries under these heads and after undertaking this exercise, the result was that the deficit of Rs. 99,259 turned into a surplus of Rs. 2,031. However, this is too meager an amount for any refund to be recommended particularly in view of the fact that while calculating the surplus, no regard has been given to requirement of the school for maintaining funds in reserve for future contingencies.

Development Fee:

Since, the Committee has taken the full amount of development fee into consideration for examining the justifiability of fee hike vis a vis additional expenditure on account of implementation of VI Pay Commission report, no separate recommendation is required to be made for development fee.

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

MRSD Saraswati Bal Mandir, Mahendru Enclave, Delhi-110033

Recommendations:

In view of the foregoing discussion and determinations, the Committee is of the view that no intervention is required qua the fee hike effected by the school in pursuance of order dated 11/02/2009 issued by the Director of Education.

Sd/-
CA J.S. Kochar
Member

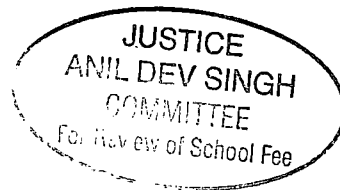
Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-
Dr. R.K. Sharma
Member

Dated: 14/11/2014

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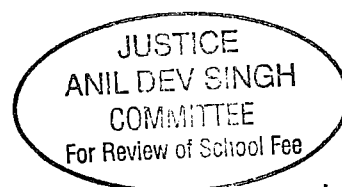

Secretary



Ramjas School, Anand Parbat, New Delhi-110005

The Committee issued a questionnaire dated 27/02/2012 to all the schools, eliciting information regarding the fee arrears recovered by the school, arrears salary paid by the school, additional expenditure on salary on account of implementation of VI Pay Commission Report, additional revenue accruing on account of fee hike effected by the school, in pursuance of order dated 11/02/2009 issued by the Director of Education. The school, vide its reply dated 30/03/2012, contended as follows:

- (i) The school had implemented the VI Pay Commission w.e.f. September 2008. It paid arrears of salary amounting to Rs. 159.77 lacs. The payment was spread over the years 2008-09 to 2011-12.
- (ii) The increased salary as per VI Pay Commission was paid from April 2009 onwards. Details of pre implementation and post implementation salaries were enclosed as annexures.
- (iii) The school had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education. The details of fee structures for the year 2008-09 and 2009-10 were given, from which it was discernible that the school had increased the tuition fee w.e.f. 01/09/2008. Further, it was discernible that the school had increased the development fee from Rs. 660 per annum in 2008-09

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Ramjas School, Anand Parbat, New Delhi-110005

to Rs. 2,880 per annum in 2009-10, which was 15% of the tuition fee. From the information so furnished, it appeared that the school had also recovered the arrears of development fee from 01/09/2008 to 31/03/2009, amounting to Rs. 1,295 per student.

- (iv) The school recovered arrear fee amounting to Rs. 75.26 lacs and the recovery was spread over two years i.e. 2008-09 and 2009-10.

On the basis of the returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 which had been received from the office of the Dy. Director, Distt. West-A and the reply to the questionnaire, furnished by the school, the CAs detailed with the Committee prepared a preliminary calculation sheet. As the school claimed to have hiked the fee w.e.f. September 2008, the balance sheet of the school as on 31/03/2008 was made the basis for calculating the funds available with the school at the threshold.

As per the preliminary calculations, the school had funds available to the tune of Rs. 2,83,90,356 as on 31/03/2008. The school paid arrears of salary, amounting to Rs. 1,59,77,000. Further the financial impact of VI Pay Commission on account of the monthly hike in salary amounted to Rs. 1,74,27,009 upto 31/03/2010. The school recovered arrear fee amounting to Rs. 75,26,000 and the additional revenue generated by the school by monthly fee hike upto

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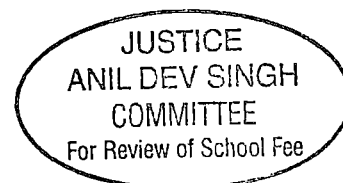
Ramjas School, Anand Parbat, New Delhi-110005

31/03/2010 amounted to Rs. 86,29,500. After taking into account these figures and taking into consideration the funds that were already available with the school, *prima facie*, it appeared that the school had recovered more fee than was required by it and after meeting its full liabilities arising on implementation of VI Pay Commission Report, the school was still left with funds amounting to Rs. 1,11,41,847.

In order to provide an opportunity of hearing to the school, the Committee issued a notice dated 17/06/2013 for hearing on 03/07/2013. Along with the notice, a questionnaire regarding development fee was also issued to the school, as the school was found to be charging development fee also, besides tuition fee. In response to the notice of hearing, the Committee received a letter dated 20/06/2013 from Ramjas Public School (Day Boarding), requesting for adjournment after 15/07/2013, as the school was closed for summer vacation. As per the request of the school, the hearing was adjourned to 25/07/2013 and a fresh notice was sent for that date. On this date, the Principal of Ramjas Day Boarding school appeared and informed that while the notice was addressed to Ramjas School, Anand Parbat, the ID of Ramjas Day Boarding School was mentioned in the notice. Believing the notice to be meant for Ramjas Day Boarding School, they had appeared in response thereto.

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Ramjas School, Anand Parbat, New Delhi-110005

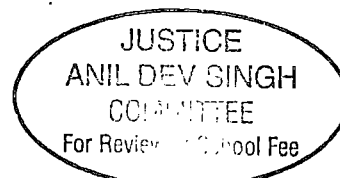
Accordingly, a fresh notice dated 23/08/2013 was issued to the school for 26/08/2013, after carrying out the correction in school ID. In response, the school filed a letter dated 24/08/2013 requesting for more time as the time given was too short. Acceding to the request of the school, a fresh notice dated 26/08/2013 was issued for 06/09/2013. On this date, Sh. Devesh Gupta, Manager, Ms. Rajni Arora, Principal and Ms. Kiran Aggarwal, Member of the Managing Committee of the school, appeared and filed reply to the questionnaire regarding development fee, which will be adverted to when we discuss the issue of development fee. A copy of the preliminary calculation sheet prepared by the CAs detailed with the Committee was provided to the representatives of the school. They sought some time to respond to the preliminary calculations. As per their request, the school was granted time till 07/10/2013 for filing written submissions. The school filed written submission dated 03/10/2013 in the office of the Committee. A fresh notice of hearing was issued on 23/12/2013 for hearing on 10/01/2014. Before the date of hearing, the school filed supplementary written submissions dated 06/01/2014. The gist of the aforesaid written submissions is as follows:

Written and oral Submissions:

- (i) The salary hike, "as per the calculation sheet provided to us" resulted in an additional burden of Rs. 605 per student per

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[Signature]
Secretary



Ramjas School, Anand Parbat, New Delhi-110005

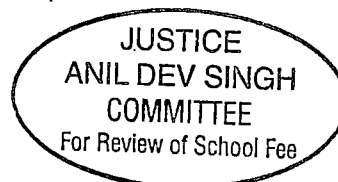
month, whereas the fee hike allowed by the department was Rs. 300 per month which was insufficient to cover the additional burden on the school due to implementation of VI Pay Commission Report.

- (ii) There is actually a shortfall of available funds with the school to the tune of Rs. 2,45,99,477, as against the excess of Rs. 1,11,41,847 as per the preliminary calculation sheet prepared by the CAs detailed with this Committee. This is on account of the fact that the school cannot use the funds specified for purposes like gratuity, caution money, teacher security etc. In particular, the school contended that the following funds which were shown as designated funds in the balance sheet ought to have been excluded from the funds that are calculated for the purpose of implementation of VI Pay Commission report:

Fund	Amount as on 31/03/2008	Reasons for exclusions
Reserve fund (Directorate of Education)	2,08,433	Under lien with Directorate of Education
Caution Money fund	8,79,450	Liability payable to students
Teachers' security deposit	2,82,890	Liability to teachers
Teacher welfare fund	3,12,890	Not created out of fee
Gratuity fund	96,36,597	Accrued liability to staff
Transport/Bus fund	1,02,528	Specific fund
Ramjas Alumini Fund	85,693	Not created out of fee
Total	1,15,08,481	

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Ramjas School, Anand Parbat, New Delhi-110005

- (iii) Further, the school had uncovered liabilities to the tune of Rs. 2,42,32,842, which had not been provided in the balance sheet on account of paucity of funds. The details of such uncovered liabilities given by the school is as follows:

Particulars of liabilities	Amount (Rs.)
Liability for gratuity* in excess of the provision made in the balance sheet (Total liability Rs. 1,40,37,966 less amount provided in balance sheet Rs. 96,36,597)	44,01,369
Liability for leave encashment*	36,26,976
Provision for three months salary to be kept in reserve	45,11,000
Unpaid arrears of VI Pay Commission	14,96,183
Depreciation reserve fund investment, short of requirement	1,01,97,314
Total	2,42,32,842

*Details of accrued liabilities of gratuity and Leave encashment as on 31/03/2008 and 31/03/2010 were furnished

Discussion:

The Committee has examined the returns filed by the school under Rule 180 of DSER, 1973, the reply to the questionnaire furnished by the school, the preliminary calculation sheet prepared by the CAs detailed with the Committee, the written as well as oral submissions made by the school during the course of hearing. Various issues arising in the matter are discussed below:

- (i) During the course of hearing, while examining the preliminary calculations made by the CAs detailed with the Committee with

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respect to the financials of the school and the information furnished by the school, the Committee found that there were some discrepancies in the preliminary calculations prepared by the CAs and the school was trying to take advantage of the same by staking a claim for a further fee hike to the tune of Rs. 305 per month over and above Rs. 300 per month which had been hiked by it in terms of order dated 11/02/2009 issued by the Director of Education. When confronted with the factual figures as derived by the Committee from the material available with the Committee, the representatives of the school accepted that there were, in fact, certain mistakes in the preliminary calculations, which were to the advantage of the school. Accordingly, the following figures were settled as correct, in opposition to the figures taken into account by the CAs attached with the Committee while making the preliminary calculations:

Particulars	Figures taken in the preliminary calculations (Rs.)	Correct figures as accepted by the school (Rs.)
Arrears of salary for the period 01/01/2006 to 31/03/2009	2,23,97,477	1,74,34,312
Incremental salary for the period 01/04/2009 to 31/03/2010	1,10,06,532	1,15,60,384
Total financial impact of implementation of VI Pay Commission Report	3,34,04,009	2,89,94,696
Arrears of tuition fee from 01/01/2006 to 31/03/2009	1,06,90,700	75,25,800
Arrears of development fee from 01/09/2008 to 31/03/2009		18,72,570

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Incremental tuition fee for F.Y. 2009-10	54,64,800	64,46,115
Total additional resources generated by the school by way of fee hike as per order dated 11/02/2009	1,61,55,500	1,58,44,485

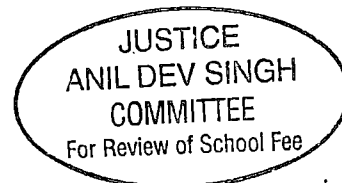
(ii) The school, vide written submissions dated 23/01/2014 filed after the conclusion of hearing, admitted that the total funds available with it as on 31/03/2008 were **Rs. 2,83,90,356**, as reflected in the preliminary calculation sheet.

(iii) The Committee accepts the contention of the school that the accrued liabilities for gratuity, leave encashment, caution money, teacher's security etc. aggregating **Rs. 1,15,08,481**, as provided in the balance sheet of the school as on 31/03/2008, ought to be excluded from the funds determined to be available as they cannot be used for payment of increased salaries to staff on account of implementation of VI Pay Commission report.

(iv) So far as exclusion of the liabilities on account of gratuity, leave encashment, to the extent they have not been provided in the balance sheet, the Committee accepts that they ought to be excluded as these are statutory liabilities and their non provision in the balance sheet would not affect the incidence of liability. The school ought to retain funds in reserve to meet these liabilities. The school has filed the detail of liability for gratuity and leave encashment which the Committee has examined. The total liability for gratuity as per the

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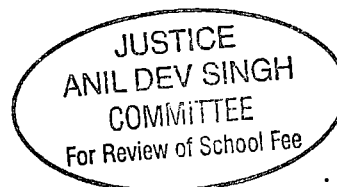
detail filed is Rs. 1,40,37,966, against which the provision made is to the tune of Rs. 96,36,597. The school ought to retain funds to the extent of the excess liability which works out to **Rs. 44,01,369**. Similarly, the school ought to retain funds equivalent to its liability for leave encashment which amounts to **Rs. 36,26,976**, as per the details filed by it. Though the school has claimed that it ought to retain funds equivalent to three months salary, the Committee in the case of other schools has taken a view that the reasonable reserve to be maintained by the school ought to be equivalent to four months' salary. The salary for the month of April 2009 after implementation of VI Pay Commission report was to the tune of Rs. 24,72,071. Based on this, the requirement for funds to be kept in reserve, in view of the Committee, is **Rs. 98,88,284**. As for the unpaid arrears of VI Pay Commission, which were paid in the subsequent year, no deduction is required to be made from funds available as the total amount of arrears has been taken into account by the Committee in its calculations. Similarly no deduction can be allowed for the shortfall in investment of depreciation reserve fund. This issue will be dealt with when we discuss the issue of development fee.

Determinations:

In view of the above discussion, the following determinations are made by the Committee:

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Ramjas School, Anand Parbat, New Delhi-110005**Funds available as on 31/03/2008 for the purpose of
implementation of VI Pay Commission report**

Total funds available as per the preliminary calculation sheet, accepted by the school		2,83,90,356
Less:		
(i) Accrued liabilities of gratuity, leave encashment, caution money, security deposit etc. provided in the balance sheet	1,15,08,481	
(ii) Accrued liability of gratuity in excess of provision in the balance sheet	44,01,369	
(iii) Accrued liability of leave encashment not provided in the balance sheet	36,26,976	
(iv) Reserve equivalent to four months salary for future contingencies	<u>98,88,284</u>	2,94,25,110
Own funds available for implementation of VI Pay Commission		Nil

As the deductions required to be made for funds to be kept in reserve are more than the funds available as on 31/03/2008, the Committee is of the view that the school did not have any surplus funds of its own for implementation of VI Pay Commission report and a fee hike was essential for implementing the same.

Justification of Fee hike:

As per the foregoing discussion, the admitted position that has emerged is as follows:

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Particulars	Amount (Rs.)
Arrears of salary for the period 01/01/2006 to 31/03/2009	1,74,34,312
Incremental salary for the period 01/04/2009 to 31/03/2010	1,15,60,384
(A) Total financial impact of implementation of VI Pay Commission Report	2,89,94,696
Arrears of tuition fee from 01/01/2006 to 31/03/2009	75,25,800
Arrears of development fee from 01/09/2008 to 31/03/2009 used for payment of arrears of salary	18,72,570
Incremental tuition fee for F.Y. 2009-10	64,46,115
(B) Total additional resources generated by the school by way of fee hike as per order dated 11/02/2009	1,58,44,485
(C) Shortfall (A-B)	1,31,50,211

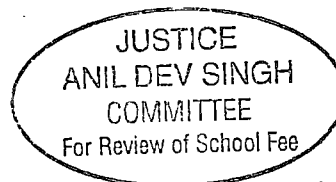
It would be apparent from above that the resources generated by the school by hiking the fee in terms of order dated 11/02/2009 were not adequate to meet its liabilities on account of VI Pay Commission Report. The total shortfall was to the tune of **Rs.1,31,50,211**. The issue regarding further hike in fee to bridge the shortfall, as requested by the school, will be considered after we examine the issue of justifiability of development fee.

Development Fee:

In reply to the questionnaire issued by the Committee regarding development fee, the school stated that it was charging development fee and treating as a capital receipt in its accounts. Further it was maintaining a separate depreciation reserve fund and the unutilised development fund was kept in separate bank account and FDRs. However, with regard to investment of depreciation reserve fund

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account on depreciation charged on fixed assets acquired out of development fund, the school stated that the investments were not made due to revenue deficits.

The school furnished the following details regarding collection and utilisation of development fee from 2006-07 to 2010-11.

Year	Development fee received (Rs.)	Development fee utilised (Rs.)
2006-07	20,67,120	10,57,916
2007-08	10,45,440	10,55,270
2008-09	10,59,100	8,72,531
2009-10	64,38,715	93,08,633*
2010-11	55,66,290	58,25,802**

*Includes Rs. 74,00,000 for payment of salary and arrears

** Includes Rs. 48,00,000 for payment of salary and arrears.

The issue does not require much discussion. As is apparent from the above table, the school itself has admitted that as against the total collection of Rs. 64,38,715 in 2009-10, the school utilised Rs. 74,00,000 out of development fund for payment of salary and arrears. Similarly in 2010-11, out of a total collection of Rs. 55,66,290, the school utilised Rs. 48,00,000 for payment of salary and arrears. The Committee is concerned with examining the development fee only for these two years as the Committee is mandated to examine the issue of fee pursuant to order dated 11/02/2009 issued by the Director of Education. The full expenditure on salary and arrears has already been considered while examining the justification of hike in tuition fee and the arrears thereof. As noted above, the school was in deficit to

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the extent of **Rs. 1,31,50,211** on tuition fee account on account of implementation of VI Pay Commission report. This finding is only reinforced on examining the issue of development fee as it becomes clear that the school met the deficit out of development fee. Moreover, the school admittedly is not keeping funds separately invested in a depreciation reserve fund account. On account of this fact, the school was not justified in charging development fee at all. The Committee is therefore of the view that the development fee charged by the school in 2009-10 and 2010-11, aggregating **Rs. 1,20,05,005** was not justified. But for the deficit in tuition fee account, the Committee would have recommended its refund. However, the Committee refrains from doing so in view of the deficit in the tuition fee account which is more than the amount which ought to be refunded on account of development fee. The remaining deficit of Rs. 11,45,206 in tuition fee account also does not entitle the school to hike the tuition fee over and above the hike of Rs. 300 per month effected by it for the reason that the Committee has considered a sum of Rs. 98,88,284, to be kept in reserve for future contingencies. The net effect is that the reserve for future contingencies gets reduced by Rs. 11,45,206. That is hardly any justification for allowing any further hike in fee to be effected by the school.

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Recommendations:

In view of the foregoing discussion and determinations, the Committee is of the view that neither the school is entitled to any further hike in tuition fee, over and above the hike effected by it in terms of order dated 11/02/2009 issued by the Director of Education nor the school is required to refund any amount. Similarly, the issue of development fee also calls for no intervention.

Recommended accordingly.

Before parting with our recommendations, we need to refer to a writ petition being WP(C) 3460 of 2012 filed by an Association of the Parents of the students of the school in the Hon'ble Delhi High Court against the hike in fee in the year 2012-13. The said writ petition was disposed off by Hon'ble Ms. Justice Hima Kohli vide order dated 30/05/2012. The operative part of the order reads as under:

"3. In view of the aforesaid submission, it is deemed appropriate to dispose of the present petition with directions issued to the respondent No. 3/Director of Education to consider the pending representation dated 26/03/2012 submitted by petitioner No. 6 and call for a response from the respondents No. 1 and 2/school before taking a decision thereon. A decision shall be taken within four weeks from the date of conclusion of the submissions by the petitioners and the respondents No. 1 and 2/school, under written intimation to both the parties. The petitioners shall also be entitled to approach the Justice Anil Dev Singh Committee with their grievance, which shall then be examined in accordance with law."

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It needs to be pointed out that in terms of the mandate given by the Hon'ble High Court in WP(C) 7777 of 2009 to the Committee, it was bestowed with limited jurisdiction to examine the fee hike effected by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, for the purpose of implementation of the recommendations of the VI Pay Commission report. Since the order of the Hon'ble Ms. Justice Hima Kohli in WP (C) 3460 of 2012, gave liberty to the petitioners to approach this Committee for redressal of its grievance regarding fee hike effected by the school in 2012-13, the Committee, in order to seek clarification and directions, wrote a letter dated June 5, 2014 to the Registrar General of the Delhi High Court, to lay the same before the Hon'ble Single bench. In the letter, it is stated, inter alia, as under:

In case the Committee is required to consider the grievances of the Parents Associations outside the parameters set out by the Division Bench, there will be flood gates of representations, making it impossible for the Committee to function. Already, the Committee is required to deal with the question relating to fee hike during the year 2009-10 and the question of arrears for the period 01/01/2006 to 31/03/2009 of 1272 schools, which is a mammoth task. Number of representations have been filed before the Committee seeking reliefs beyond the scope of the Committee. The Committee will be bogged down with such

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representations, in case, it is required to deal with them, delaying the work assigned to it by the Hon'ble Division Bench.

As and when the clarification and appropriate directions are received from the Hon'ble High Court in the matter, the Committee shall act accordingly.

Sd/-

Sd/-

Sd/-

CA J.S. Kochar Justice Anil Dev Singh (Retd.) Dr. R.K. Sharma

Member

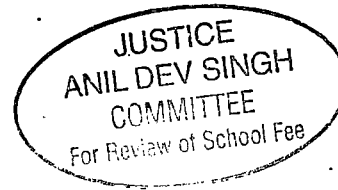
Chairperson

Member

Dated: 05/11/2014

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In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school, vide letter dated 29/03/2012 stated as follows:

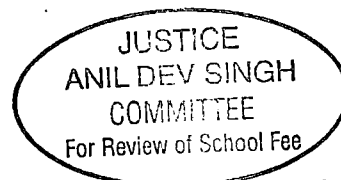
- (i) That it had implemented the VI Pay Commission Report w.e.f. 01/04/2009.
- (ii) The total expenditure on salary in 2008-09 was Rs. 1,66,14,830 which rose to Rs. 2,57,82,868 in 2009-10 consequent to implementation of VI Pay Commission report.
- (iii) The school had paid arrears amounting to Rs. 52,74,278 on account of retrospective application of VI Pay Commission report.
- (iv) The school had hiked the tuition fee in terms of order dated 11/02/2009 issued by the Director of Education. The hike was to the tune of Rs. 200 per month for classes I to VIII and Rs. 300 per month for classes IX to XII.
- (v) The school had recovered arrear fee amounting to Rs. 55,13,275 for the purpose of payment of arrear salary.

Accordingly, the school was placed in Category 'B'.

Preliminary calculations of funds available with the school, the additional funds generated by way of fee hike and the additional burden on account of implementation of VI Pay Commission report were made by the Chartered Accountants (CAs) detailed with the

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Committee. On a scrutiny of the same, the Committee observed that the CAs had calculated the funds available with the school prior to effecting fee hike with reference to the balance sheet of the school as on 31/03/2009. However, it was apparent on examination of the reply to the questionnaire that the school had hiked the fee in 2008-09 itself and therefore, the balance sheet as on 31/03/2009 was not the appropriate basis for calculation of funds available with the school prior to the fee hike. Therefore, the Committee rejected the preliminary calculation sheet prepared by the CAs and directed one of its audit officer to prepare the preliminary calculation sheet by taking the funds available with the school on the basis of the balance sheet as on 31/03/2008. The revised calculation sheet, as prepared by her is as follows:

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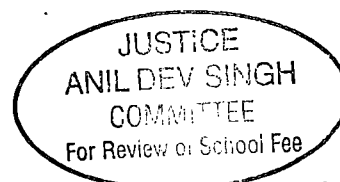
Statement showing Fund available as on 31-03-2008 and funds generated by way of fee hike in 2009-10 and additional expenditure on salary in 2009-10 on implementation of VI Pay Commission report.			
	Particulars		Amount (Rs.)
	Current Assets + Investments		
	Cash in hand	381,723	
	PNB Saving Bank A/c	2,889,117	
	TDS 2007-08	2,420	
	TDS 2008-09	2,595	
	Prepaid Insurance	61,042	
	FDR with Interest	621,148	3,958,045
Less :-	Current Liabilities		
	Caution Money	183,978	
	Sundry Creditors	306,799	
	Expenses Payable	1,053,747	1,544,524
	Net Current Assets + Investments		2,413,521
Less :-	Arrear of Salary as per 6th CPC (As per reply to questionnaire)	5,274,278	
	Incerased Salary as per 6th CPC from 01.04.09 to 31.03.2010 as per Income & Expenditure Account	9,168,038	14,442,316
	Excess / (Short) Fund Before Fee Hike		(12,028,795)
Add: -	Arrear recovered w.e.f. 01.01.2006 to 31.08.2008 (As per reply to questionnaire)	5,513,275	
	Arrear fee from 1-9-08 to 31-3-09 as per calculation below	2,992,500	
	Increase in fee in 2009-10	5,130,000	13,635,775
	Excess / (Short) Fund After Fee Hike		1,606,980

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In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 22/01/2014, requiring the school to appear before the Committee on 06/02/2014. The aforesaid

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calculation sheet was also sent to the school for its comments. A questionnaire seeking information regarding collection and utilisation of development fee and maintenance of development fund and depreciation reserve fund was also issued to the school.

On the scheduled date, Sh. Manbar Singh, Manager of the school appeared with Sh. R.G. Luthra, Chartered Accountant. They requested for adjournment and also for inspection of file. The requests, including for inspection, were granted by the Committee and the matter was directed to be relisted on 06/03/2014. On this date, the aforesaid representatives of the school again appeared and filed detailed written submissions. They also filed a calculation sheet prepared by the school and also submitted reply to the questionnaire regarding development fee. The written as well as oral submissions made by the school at the time of hearing are as follows:

Submissions:

- (i) The surplus available for implementation of VI Pay Commission report ought to be worked out after considering accrued liabilities of gratuity, leave encashment and reserve for future contingencies. The school had an accrued liability of Rs. 10,05,561 towards gratuity and Rs. 4,28,300 towards leave encashment. The respective figures rose to Rs. 21,54,197 and Rs. 5,54,192 as on 31/03/2010.

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- (ii) The school does not possess any contingency fund and the Committee ought to consider this fact while making the relevant calculations.
- (iii) The preliminary calculation sheet, as prepared by the office of the Committee is erroneous. The correct figures that should be taken into consideration are as follows:

Particulars	Figures taken in the preliminary calculation sheet (Rs.)	Correct Figures (Rs.)	Reason for difference as stated by the school
Arrear fee recovered	85,05,775	55,13,275	The figure of Rs. 29,92,500 for the period 01/09/2008 to 31/03/2009 has been notionally taken by the office of the Committee. The arrears for this period are already included in the figure of 55,13,275.
Arrear salary	52,74,278	55,14,278	The difference is on account of unpaid arrears, which the Committee has ignored. (It is also submitted that the entire arrear fee collected is shown as liability for payment of VI Pay Commission arrears and the balance

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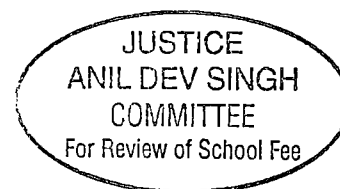
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			outstanding in this liability account is nothing but arrear salary payable to staff.)
Prepaid insurance	61,042	Nil	This is not a realizable current asset and ought not be included in funds available
Incremental fee in 2009-10	51,30,000	51,79,249	The actual amount as per the financials of the school is Rs. 51,79,249

- (iv) If the above facts are considered, the result would be that instead of a surplus of Rs. 16,06,980, there would a deficit of Rs. 20,36,513. Therefore, the school requires a further fee hike, over and above the hike allowed to the school by the aforesaid order dated 11/02/2009, as the same was not sufficient for paying the increased salaries as per the recommendations of the VI Pay Commission.
- (v) Many students did not even pay the second installment of the fee hike effected by the school as per order dated 11/02/2009 issued by the Director of Education. The school has taken into account only the actual fee realised from the students.

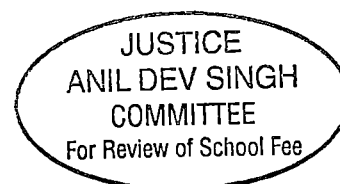
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Mayur Public School, I.P. Extension, Delhi-110002**Discussion regarding Tuition Fee:**

The Committee has perused the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973, the reply submitted by the school to the two questionnaires issued by the Committee, the calculation sheet prepared by the audit officer of the Committee and the written and oral submissions made by the representatives of the school during the course of hearing. Various contentions raised by the school are discussed as follows:

- (i) The Committee finds that the school has not faulted the preliminary calculations made by the Committee, so far as availability of funds as on 31/03/2008 is concerned, except that it contends that the prepaid insurance of Rs. 61,042 ought not be considered as part of funds available for the reason that this is an illiquid asset. The contention is rejected at the threshold. This is in the nature of advance premium of insurance to the extent that the value of this expenditure is to be realised in the next accounting year. This is a benefit outstanding as at the end of financial year as to this extent the premium in the next year gets reduced. In mercantile system of accounting, such benefits are treated as current assets. It is not necessary that all the current assets should be realizable in cash. The assets which result in reduced expenditure are as good as cash. Accordingly, the

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Committee is not inclined to disturb the figure of **Rs. 24,13,521**, as worked out by its audit officer, to be the amount of funds available with the school at the threshold as on 31/03/2008.

- (ii) The Committee accepts the contention of the school that it ought to retain with it sufficient funds for meeting its accrued liabilities of gratuity and leave encashment. The Committee has only to examine the quantum of such amounts to be kept in reserve.

So far as gratuity is concerned, the Committee has examined the statement of accrued liability of gratuity as on 31/03/2010 as submitted by the school. The aggregate amount worked out by the school is Rs. 21,54,197. However, the liability towards gratuity of Ms. Shakuntla Rawat has been shown to be Rs. 4,90,067. As on 31/03/2010, the maximum amount that could be paid as gratuity was Rs. 3,50,000 as per the Payment of Gratuity Act. The revision in limit to Rs. 10.00 lacs was made w.e.f. 24th May 2010. Therefore, the figure worked out by the school is overstated to the extent of Rs. 1,40,067. The correct figure would be **Rs. 20,14,130**.

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With regard to leave encashment, the Committee accepts the detail furnished by the school showing the liability of **Rs. 5,54,192** as on 31/03/2010.

- (iii) As discussed supra, the funds available with the school at the threshold were **Rs. 24,13,521**. Further the requirement of the school to keep funds in reserve for meeting its accrued liabilities of gratuity and leave encashment was **Rs. 25,68,322**. Thus effectively the school did not have any funds of its own for implementation of the recommendations of the VI Pay Commission and therefore, a fee hike was imminent. Whether the fee hiked by the school, to the extent it did, was justified or not, is the only question that remains to be considered by the Committee.
- (iv) Since the school did not have any surplus funds of its own, there is no question of keeping funds in reserve for future contingencies. The school cannot be allowed to hike the fee, ostensibly for meeting its increased financial obligations on implementation of VI Pay Commission report, but actually for building up reserves. However, in case after consideration of the issue of development fee, the Committee arrives at a conclusion that the development fee ought to be refunded, the fact that the school did not have any funds in reserve for future contingencies, would be kept in mind.

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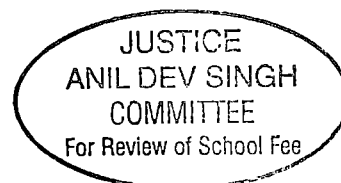


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- (v) The Committee accepts the contention of the school that the total arrears recovered by it as arrear fee for the period 01/01/2006 to 31/03/2009 amounted to **Rs. 55,13,275**, as against Rs. 85,05,775 taken in the preliminary calculation sheet, as the school has filed copies of the relevant ledger accounts which conform to the balances appearing in its financials.
- (vi) So far as the salary arrears paid to the staff are concerned, in the preliminary calculation sheet prepared by the audit officer of the Committee, the figure of Rs. 52,74,278 was taken from the school's own submission in its reply to the questionnaire issued by the Committee. However, during the course of hearing, the school claimed that the correct figures was Rs. 55,13,275. However, on perusal of the details accompanying the written submissions, the Committee observes that the school has itself claimed that the total amount paid on account of arrears was Rs. 52,04,278. The difference of Rs. 3,08,997 is the excess of arrear fee collected over the arrear salary paid. The contention of the school on this account is accordingly rejected and the Committee will take the figure of **Rs. 52,04,278** in the final determinations.
- (vii) The Committee accepts the figure of Rs. 51,79,249 given by the school as representing the incremental fee in 2009-10 on account of fee hike pursuant to order dated 11/02/2009

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issued by the Director of Education. This is based on the audited financial of the school. In the preliminary calculation sheet, the audit officer had taken the figure at Rs. 51,30,000 based on the students enrolment and the fee hike.

Determinations:**Tuition Fee**

As discussed supra, the school did not have any funds of its own at the threshold for meeting its obligations of implementing the VI Pay Commission report. Therefore, a fee hike was imperative for such implementation. Whether the fee hike was adequate or excessive is the only question to be determined by the Committee. The Committee rejects the argument of the school that it ought to be allowed a further fee hike, over and above that permitted by the aforesaid order dated 11/02/2009 in view of the submission by the school that it was unable to collect fully even the hike permitted to it by the aforesaid order. If ultimately there is a shortfall, the school ought to collect the fee from the students who have not paid rather than further burdening the students who had paid the hiked fee.

The Committee has determined while discussing the submissions of the school that the school had recovered a surplus amount of **Rs. 3,08,997** on account of arrear fee vis a vis its liability for arrear salary. The incremental revenue that accrued to the school

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Mayur Public School, I.P. Extension, Delhi-110002

by way of fee hike for the year 2009-10 was **Rs. 51,79,249**. Thus, the total revenue on account of recovery of excess arrear fee and incremental fee for 2009-10 was **Rs. 54,88,246**. The incremental salary as taken in the preliminary calculation sheet amounts to **Rs. 91,68,038**. This is based on the audited financials of the school and the school has not disputed this figure. Thus the school incurred a deficit of **Rs. 36,79,792** on tuition fee account.

In view of this determination, the Committee is of the view that so far as tuition fee is concerned, no intervention is called for.

Development Fee:

In reply to the questionnaire regarding development fee, the school contended that :

- (i) It charged development fee in all the five years (2006-07 to 2010-11), for which information was sought by the Committee.
- (ii) The development fee was treated as a revenue receipt in its accounts.
- (iii) The development fee was utilised both for capital expenditure and revenue expenditure. The following details of receipt and utilisation was furnished by the school in respect of the development fee:

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Mayur Public School, I.P. Extension, Delhi-110002

Year	Receipt	Expenditure		
		On capital account	On revenue account	Total
2006-07	11,10,600	6,77,281	16,04,687	22,81,968
2007-08	11,21,400	19,94,802	15,31,106	35,25,908
2008-09	13,41,610	14,53,519	20,37,729	34,91,248
2009-10	45,01,386	30,07,451	16,65,490	46,72,941
2010-11	49,78,400	17,25,416	33,09,228	50,34,644

- (iv) The tuition fee and development fee are deposited in separate bank accounts.
- (v) Depreciation reserve fund had been maintained separately for depreciation on assets acquired out of development fee w.e.f. F.Y. 2008-09.
- (vi) Development fund/depreciation reserve fund had been maintained separately in the books of accounts. However, a combined bank account for development reserve fund has been maintained with Punjab National Bank.

The Committee has considered the submissions of the school and also perused the documents filed by it with regard to the question of justifiability of charging of development fee. For the facility of proper appreciation of the issues involved, it would be apposite to trace the historical background of the introduction of development fee as an additional resource for purchase or upgradation of furniture and fixture and equipments by the schools.

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Mayur Public School, I.P. Extension, Delhi-110002

After, the implementation of the 5th Pay Commission report, the fee hike effected by the schools was challenged in the Delhi High Court by Delhi Abhibhawak Mahasangh. The Hon'ble High Court had occasion to examine whether the schools could recover the capital expenditure incurred by the schools as part of the fee and after adverting to the rival contentions, in its decision, reported as **Delhi Abibhavak Mahasangh v. Union of India and others AIR 1999 Delhi 124**, inter alia, observed as follows:

"The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society".

The judgment of Delhi High Court dated October 30, 1998 in the case of Delhi Abhibhavak Mahasangh V Union of India and others (supra) was challenged before the Supreme Court. The Hon'ble Supreme Court on April 27, 2004 rendered its decision in **Modern School vs. Union of India & Ors.** reported as (2004) 5 SCC 583. While examining as to what expenses/expenditure could be recovered from the students by way of fee, the Hon'ble Apex Court held:

"Section 18(3) is to be read with Rule 175. Reading the two together, it is clear that each item of income shall be accounted for separately under the common head, namely, Recognised Unaided School Fund. Further, Rule 175 indicates accrual of income unlike Rule 177 which deals with utilisation of income.

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Mayur Public School, I.P. Extension, Delhi-110002

Rule 177 does not cover all the items of income mentioned in Rule 175. Rule 177 only deals with one item of income for the school, namely, fees. Rule 177(1) shows that salaries, allowances and benefits to the employees shall constitute deduction from the income in the first instance. That after such deduction, surplus if any, shall be appropriated towards pension, gratuity, reserves and other items of appropriations enumerated in Rule 177(2) and after such appropriation the balance (savings) shall be utilised to meet capital expenditure of the same school or to set up another school under the same management. Therefore, Rule 177 deals with application of income and not with accrual of income. Therefore, Rule 177 shows that salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings. Therefore, capital expenditure cannot constitute a component of the financial fee structure as is submitted on behalf of the schools. It also shows that salaries and allowances are revenue expenses incurred during the current year and, therefore, they have to come out of the fees for the current year whereas capital expenditure/capital investments have to come from the savings, if any, calculated in the manner indicated above.

Hence, it was settled that capital expenditure can not constitute a component of the fee to be recovered from the students.

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The Delhi High Court by its decision in Delhi Abibhavak Mahasangh v. Union of India and others (supra) had appointed a committee headed by Justice Santosh Duggal (Retd) to examine the

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Mayur Public School, I.P. Extension, Delhi-110002

justifiability or otherwise of the fee hiked by various schools. The Duggal Committee addressed to the issue of development fee and in its report, recommended that

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)***

19.

20. *The schools, should be prohibited from discharging any of the functions, which rightly fall in the domain of the parent*

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Mayur Public School, I.P. Extension, Delhi-110002

society, out of the fee and other charges, collected from the students, or where the parents are made to bear, even in part, the financial burden for the creation of facilities including building, on a land which had been given to the society at concessional rates for carrying out a "philanthropic" activity. One only wonders what then is the contribution of the society that professes to run The School ! (Para 7.24)

Pursuant to the report the Government of National Capital Territory of Delhi passed an order dated December 15, 1999 in order to give effect to the recommendations of Ms. Justice Santosh Duggal Committee Report and in order to remove the irregularities and malpractices relating to collection and utilization of funds by the schools as pointed therein. One of the directions (no. 7) given vide the aforesaid order was that Development fee not exceeding 10% of the total annual tuition fee for supplementing the resources for the purpose of purchase, upgradation and replacement of furniture, fixtures and equipment which shall be treated as capital receipt and shall be collected only if the school is maintaining a depreciation reserve fund, equivalent to the depreciation charged in the revenue accounts. The collection under this head along with any income generated from the investment made out of this fund, will be kept in a separately maintained development fund account.

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Mayur Public School, I.P. Extension, Delhi-110002

The Hon'ble Supreme Court in the case of Modern School vs. Union of India (supra) considered, inter alia, the following point for determination

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?

With regard to 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,***

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Mayur Public School, I.P. Extension, Delhi-110002

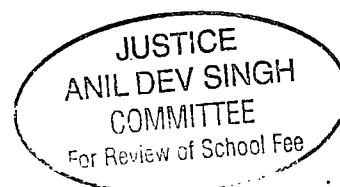
direction no.7 is appropriate. If one goes through the report of Duggal Committee, one finds absence of non-creation of specified earmarked fund. On going through the report of Duggal Committee, one finds further that depreciation has been charged without creating a corresponding fund. Therefore, direction no.7 seeks to introduce a proper accounting practice to be followed by non-business organizations/not-for-profit organization. With this correct practice being introduced, development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipments is justified. Taking into account the cost of inflation between 15th December, 1999 and 31st December, 2003 we are of the view that the management of recognized unaided schools should be permitted to charge development fee not exceeding 15% of the total annual tuition fee."

Hence, the following principles can be culled out from the judgement of the Hon'ble Supreme Court:

- 731
- (i) Schools can charge development fee upto a maximum of 15% of tuition fee.
 - (ii) Such development fee ought to be utilised for supplementing the resources for purchase, upgradation

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Mayur Public School, I.P. Extension, Delhi-110002

and replacement of furniture, fixtures and equipments i.e.
for incurring capital expenditure on these items.

- (iii) Development fee should be treated as a capital receipt as it is meant exclusively for incurring capital expenditure. The corollary of this is that development fee should not be used for routine revenue expenditure.
- (iv) Development fee can be charged only if the school maintains a separate development fund account (for purchase and upgradation of furniture and fixture and equipments and a separate depreciation reserve fund account (for replacement of such items)

It would be apparent from the above discussion that the first and foremost requirement for the school to be eligible for charging development fee is that it treats it as a capital receipt and incurs only capital expenditure out of it. The next conditions to be fulfilled for charging development fee are that the school maintains a separate fund accounts for development fee and for depreciation reserve.

In the instant case, the school fails on the first condition i.e. to treat development fee as a capital receipt. It admittedly treats the development fee as a revenue receipt. In the year 2009-10, it recovered a sum of Rs. 45,01,386 as development fee and treated it as a revenue receipt. After so treating, the school was left with a cash revenue surplus (net income + depreciation) of Rs. 27,64,528, meaning thereby that it had spent a sum of Rs. 17,36,858 out of its development fee on revenue expenses. This is more

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Mayur Public School, I.P. Extension, Delhi-110002

or less admitted by the school while responding to the questionnaire regarding development fee.

In the year 2010-11, the school recovered a sum of Rs. 49,78,400 as development fee and treated it as a revenue receipt. After so treating, the school had a cash revenue surplus of Rs. 19,40,233, meaning thereby that a sum of Rs. 30,38,167 was consumed by the school on its revenue expenses out of the development fee charged for this year. This is also more or less admitted by the school.

Although the school does not fulfill all the pre conditions as laid down by the Duggal Committee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School (supra), in view of the fact that the school maintains separate development fund and depreciation reserve fund in a separately designated account, the Committee is inclined to treat the treatment of development fee as a revenue receipt as a mere accounting error. However, the amount that has been utilised by the school on revenue account is a substantive breach of the principles laid down by the Hon'ble Supreme Court.

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In view of the foregoing discussion, the Committee considers that to the extent the development fee was used for meeting revenue expenses, the recovery on this account was not justified and ought to be refunded to the

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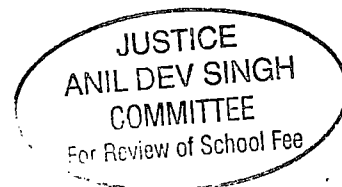
Mayur Public School, I.P. Extension, Delhi-110002

students. The amount which the Committee considers as unjustified is Rs. 17,36,858 for 2009-10 and Rs. 30,38,167 for 2010-11. The aggregate amount works out to **Rs. 47,75,025**. However, as determined supra, the school incurred a deficit of **Rs. 36,79,792** in tuition fee account on account of implementation of VI Pay Commission report. This ought to be set off against the amount of development fee refundable, leaving a balance of **Rs. 10,95,233**. However, it would be worthwhile to take notice of the fact that while determining the deficit on tuition fee account, no regard had been given to the requirement of the school to keep funds in reserve for future contingencies. In case of other schools, the Committee has taken a view that funds equivalent to four months salary ought to be kept in reserve by the schools for meeting any future contingencies. The total expenditure on salary of the school for the year 2009-10 was Rs. 2,23,58,926 and applying the parameter which the Committee had applied in case of other schools, the requirement of funds to be kept in reserve by the school works out to **Rs. 74,52,975**.

In view of the foregoing discussion, the Committee is not inclined to recommend refund of any part of development fee charged by the school.

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Mayur Public School, I.P. Extension, Delhi-110002

Recommendations:

The Committee, therefore, is of the view that no intervention is required either in the matter of tuition fee or in the matter of development fee charged by the school.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated: 03/11/2014

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Secretary



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Satyanam Public School, Sangam Vihar, New Delhi - 110072

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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



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Satyanam Public School, Sangam Vihar, New Delhi - 110072

4. With a view to verify the returns, the Office of the Committee vide its notice dated 10.01.2014, required the school to appear on 11.02.2014 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 11.02.2014, Sh. Nirender Kumar Khaneta, Manager and Sh. Naresh Kumar, Cashier of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2011 and had also hiked the fee in terms of the order of the Director of Education dated 01.04.2009. It was further assured that the school had not collected development fee from the students.

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

- (i). The school had increased tuition fee in 2009-10 by Rs.100/- p.m. for all classes. During 2010-11, there was no hike in fee.
- (ii). The school had claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. April 2011.



Satyanam Public School, Sangam Vihar, New Delhi - 110072

- (iii) Salary to the staff had been paid in cash, in spite of the school having a bank account.
- (vi) No TDS and PF had been deducted from the salary of the teaching staff.

7. By notice dated 23.07.2014 the school was asked to appear on 28.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 28.08.2014, Sh. N.K. Khareta, Manager, Sh.B.K.Dubey, Accountant and Sh. Naresh Kumar, Cashier of the school appeared before the Committee. It was conceded by them that the school hiked the fee in 2009-10 by Rs. 100/- p.m. for all classes and the recommendations of the 6th Pay Commission were implemented w.e.f. April 2011. It was admitted that the school continues to pay salary in cash without deducting TDS and PF. It was also stated that the school did not charge development fee from the students.

9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.



28.08.2014

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Satyanam Public School, Sangam Vihar, New Delhi - 110072

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

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to II	480	580	100	580	NIL
III to V	550	650	100	650	NIL
VI to VIII	620	720	100	720	NIL

10. From the above, it is manifest that the school has increased the fee during 2009-10, in terms of the order dated 11.02.1009 of the Director of Education for classes I and II only and for other classes, though, the hike was not in terms of the said order, but was more than 10%. During 2010-11 there was no hike in fee for any of the classes.

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



Satyanam Public School, Sangam Vihar, New Delhi - 110072

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

Discussion and Recommendations**Re. Fee Hike**

The school has not utilised the order of the Director of Education dated 11.02.2009, for enhancing the tuition fee, in 2009-10 for all classes. During 2010-11, there was no hike in fee for any of the classes. The school has not implemented the recommendations of 6th Pay Commission.

Since, the average hike in fee for all classes, during 2009-10 and 2010-11, was within the permissible limit of 10%, therefore, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-18.09.2014

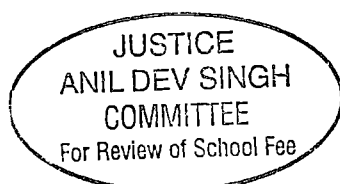
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Secretary

Shishu Niketan Public School, North Ghonda, Delhi - 53

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 17-07-2013, required the school to appear on 14-08-2013 and to produce entire accounting, fee and salary records for the



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Shishu Niketan Public School, North Ghonda, Delhi - 53

years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 14-08-2013, Sh. Ved Prakash, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-03-2010 and had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009. The school had not charged development fee.

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

- (i). The school had increased tuition fee in 2009-10, by 9.8% to 10% per month for different classes. During 2010-11 also, the hike had been between 9% to 10.3% p.m. for different classes.
- (ii) The school has claimed to have implemented the recommendations of the 6th Pay Commission. However, the Basic Pay has been fixed at the minimum of the pay scale for all the staff members.
- (iii) The school did not have TAN; therefore no TDS has been deducted from the salary of the staff.

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7. By notice dated 12-08-2014 the school was asked to appear on 08-09-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the

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Shishu Niketan Public School, North Ghonda, Delhi - 53

Committee and for affording an opportunity of hearing to the school. No one appeared before the Committee on the scheduled date. However, the office of the committee received a letter dated 09-09-2014, from the manager of the school, requesting for adjournment of the matter. At its request, the school was provided another opportunity to appear before the Committee on 13-10-2014 for hearing.

8. On 13-10-2014, Sh. Ved Prakash, Manager, Ms. Suman Lata, Teacher, Shri Rakesh Kumar, P/T Accountant and Sh. Jagmohan, P/T Employee of the school appeared before the Committee and produced the record. They have contended that the school did not hike fee, in terms of the order dated 11-02-2009, of the Director of Education. The school also did not charge Development Fee from the students. With regard to the implementation of the recommendations of the 6th Pay Commission, they have contended that it was shown as implemented, w.e.f. March 2010, for grant of affiliation from CBSE New Delhi and the staff has been paid salary as per the recommendations of 6th Pay Commission, w.e.f. March 2010.

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9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.

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Shishu Niketan Public School, North Ghonda, Delhi - 53

10. The school has hiked the fee in 2009-10 and 2010-11, within the permissible limit of 10%.
11. The school has claimed to have implemented the recommendations of the 6th Pay Commission.
12. As per available record the school has not charged development fee.

Discussion and Recommendations**Re. Fee Hike**

Since the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 17-10-2014

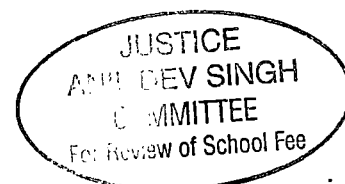
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
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Secretary



Modern Mission Sec. School, Najafgarh, Delhi - 43

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 09-07-2013, 23-07-2013, 22-08-2013 and 10-09-2013 required the school to appear on 23-07-2013, 26-08-2013, 10-09-2013

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JUSTICE
BL DEV SINGH
COMMITTEE
Review of School Fee

Modern Mission Sec. School, Najafgarh, Delhi - 43

and 25-09-2013, respectively and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 25-09-2013, Sh. Atul Saini, TGT of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009 and had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 from the same date. It was also the case of the school that it had not charge development fee.

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

(i). The school, as per the fee structure filed with the department had increased tuition fee in 2009-10, by 20.20% to 33.33% per month for different classes. During 2010-11 also, the hike had been between 9.24% to 10% p.m. for different classes. But, on verification of the fee receipts, it has been noticed that the school had hiked fee in 2009-10 by 9.09% to 11.11% and in 2010-11 by 6.06% to 8.33%, which was much less than that of the fee structure filed to the department.

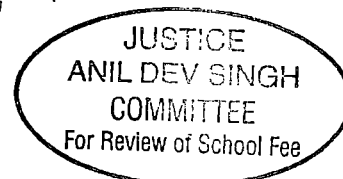
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Modern Mission Sec. School, Najafgarh, Delhi - 43

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

(iii) Salary to the staff has been paid in cash without deducting TDS and PF from the salary of the staff.

7. By notice dated 12-08-2014 the school was asked to appear on 23-09-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

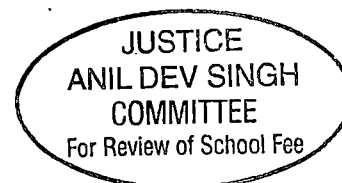
8. On 23-09-2014, Sh. Bhoop Singh, manager and Ms. Dipti, Asstt. of the school, appeared before the Committee and requested for adjournment of the matter. At their request, the school was provided another opportunity to appear before the Committee on 21-10-2014 for hearing.

9. On 21-10-2014, Sh. Bhoop Singh, Manager of the school appeared before the Committee and produced the record. He has contended that the school has actually collected less fees, than that shown in the fee structure. He has also admitted that the implementation of the 6th. Pay Commission report has been shown in record only. Salary to the staff was paid in cash, without deduction of TDS and PF. He has further submitted that the school did not charge development fee.

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Modern Mission Sec. School, Najafgarh, Delhi - 43

10. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representative of the school.
11. The school has hiked the fee in 2009-10 and 2010-11, within the permissible limit of 10% or slightly more.
12. Admittedly, the implementation of the recommendations of the 6th Pay Commission has been shown on record only.
13. As per available record the school has not charged development fee.

Discussion and Recommendations

Re. Fee Hike

Since the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 30.10.2014

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Secretary

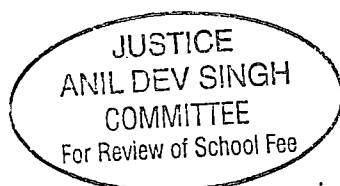
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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Sri Krishna Public Sr. Sec. School, Najafgarh, New Delhi-110043

The school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. The Committee requisitioned the annual returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 from the office of the Dy. Director of Education, Distt. South West-B. These returns were transmitted to the office of the Committee by the concerned Dy. Director. On prima facie examination of the returns filed by the school, it appeared that the school had hiked its fee in pursuance of order dated 11/02/2009 issued by the Director of Education. However, the factum of implementation of VI Pay Commission report was not verifiable from the documents filed by the school. The school was placed in Category 'B' for the purpose of verification.

The Committee issued a notice dated 10/07/2013, requiring the school to produce copies of its books of accounts, fee and salary records, bank statements, provident fund returns and TDS returns in the office of the Committee on 24/07/2013, for verification. The school was also issued a revised questionnaire to elicit information regarding the extent of fee hike, implementation of VI Pay Commission report, recovery and utilisation of development fee and maintenance of development and depreciation reserve funds by the school. However, no body appeared on behalf of the school or caused any records to be produced in the office of the Committee. In the interests of justice, a



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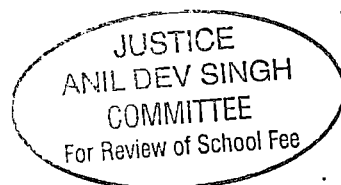
Sri Krishna Public Sr. Sec. School, Najafgarh, New Delhi-110043

final opportunity was given by the Committee to the school to produce its records on 30/08/2013, vide letter dated 29/07/2013. On this date, Sh. Bharat Bhushan, a UDC working in the school appeared and produced the required records. He also filed reply to the questionnaire issued by the Committee which was signed by the Vice Principal of the school. As per the reply, the school claimed that it had implemented the recommendations of the VI Pay Commission w.e.f. 1st Sept. 2008. The arrears of salary for the period 01/09/2008 to 31/03/2009, amounting to Rs. 25,81,573, were paid by the school in May 2009. It was admitted that the school had hiked the tuition fee in terms of order dated 11/02/2009 issued by the Director of Education and such hike was effected w.e.f. 01/09/2008. It was also claimed that the school was not charging any development fee and hence there was no question of maintaining any development fund or depreciation reserve fund.

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

- (i) The revised salary as per the recommendations of the VI Pay Commission were paid w.e.f. 01/04/2009. However, DA and transport allowance, as recommended by the VI Pay Commission were not being paid by the school.
- (ii) The school had paid arrears for the period 01/09/2008 to 31/03/2009.

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Sri Krishna Public Sr. Sec. School, Najafgarh, New Delhi-110043

- (iii) The salary was paid by bank transfer and the school had produced copies of its TDS and provident fund returns.
- (iv) The fee charged by the school was in accordance with the fee structures filed by the school. The school hiked the fee in 2009-10 by Rs. 100 per month for classes I to VIII, Rs. 200 per month for classes IX, X and XI-XII (Commerce) and by Rs. 300 per month for classes XI-XII (Science), which was as per the order dated 11/02/2009 of the Director of Education. The fee hiked in 2010-11 was within the prescribed limit (i.e. within 10%).
- (v) No adverse feature was noticed in the maintenance of books of accounts.

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 12/08/2014, requiring the school to appear before the Committee on 24/09/2014. On this date, Sh. Bharat Bhushan, UDC of the school appeared with Sh. Naresh Kumar, Advisor. They were heard by the Committee. They filed written submissions dated 24/09/2014, furnishing the information sought by the Committee vide notice dated 12/08/2014. During the course of hearing, they reiterated that the school had implemented the recommendations of VI Pay Commission w.e.f. 01/04/2009 and arrears salary for the period 01/09/2008 to 31/03/2009 was paid by bank transfer. However, the arrears for the period 01/04/2006 to

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Sri Krishna Public Sr. Sec. School, Najafgarh, New Delhi-110043

31/08/2008 were neither collected from the students nor paid to the staff. It was also their contention that the fee hike effected by the school in terms of order dated 11/02/2009, was justified, in view of the fact that the school did not have any funds of its own from which it could have met the additional liabilities on account of implementation of VI Pay Commission report. In the written submissions filed before the Committee, the school has given the following particulars, which are relevant for the purpose:

Particulars	2008-09	2009-10	Increase in 2009-10
Arrears of tuition fee for the period 01/09/2008 to 31/03/2009	10,01,000		
Arrears of salary for the period 01/09/2008 to 31/03/2009	17,26,943		
Annual Tuition Fee	70,60,110	92,23,450	21,63,340
Annual salary, wages and EPF contribution	52,62,695	98,36,950	45,74,255

Discussion & Determination:

The issues to be determined by the Committee are rather simple in this case. The first issue that requires to be determined as whether the school implemented the VI Pay Commission report as claimed by the school w.e.f. 01/09/2008. If the finding is that it did implement the recommendations of VI Pay Commission, the next issue is to determine whether the school had funds of its own from which it



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Sri Krishna Public Sr. Sec. School, Najafgarh, New Delhi-110043

could have paid the increased salaries and arrears or there was a need for fee hike and if yes, to what extent.

In order to determine the aforesaid issues, the Committee has perused the audited financials of the school, the reply given by the school to the questionnaire issued by the Committee, the observations of the audit officer and the oral and written submissions made by the representatives of the school during the course of hearing.

The Committee notes that the school has been paying salaries by means of bank transfer, every month. The arrears of salary were also paid by bank transfer. Further, proper deductions of TDS are being made from the salary as evidence by copies of TDS returns of the school. The school does not deny the observations of the audit officer that it implemented the VI Pay Commission report partially in as much as it did not pay the DA and transport allowance in terms of the recommendations of VI Pay Commission. However, the Committee is of the view that, to the extent it implemented the VI Pay Commission report; the school ran up a substantial increase in its expenditure on salary, which it actually incurred and is not merely shown in the records. Hence the Committee is required to examine the justifiability of the fee hike effected by the school in pursuance of order dated 11/02/2009.

The Committee finds that on both the accounts i.e. collection of arrear fee vis a vis payment of arrear salary and collection of



Sri Krishna Public Sr. Sec. School, Najafgarh, New Delhi-110043

incremental tuition fee in 2009-10 and payment of incremental salary in that year, the school ran up a deficit. The Committee also finds on perusal of the balance sheet of the school as on 31/03/2008 that it hardly had any funds (net current assets) available with it from which it could have met its additional expenditure on account of implementation (albeit partially) of the recommendations of VI Pay Commission.

Hence, the Committee is of the view that no intervention is called for in the matter of tuition fee hike effected by the school in pursuance of order dated 11/02/2009 issued by the Director of Education.

Recommended accordingly.

The Committee notes that the school has not made any claim for hiking its fee over and above that was permitted by the aforesaid order.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 19/11/2014

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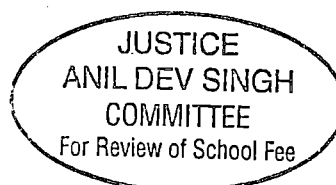
W
Secretary



M.R.C. Public School, Vikas Nagar, Hastal, New Delhi-110059

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 10-07-2013, required the school to appear on 24-07-2013 and to produce entire accounting, fee and salary records for the

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M.R.C. Public School, Vikas Nagar, Hastal, New Delhi-110059

years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.


5. On 24-07-2013, Sh. Rakesh Tyagi, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply:-

- i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2009.
- ii) The school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009.
- iii) The school had not charged development fee.

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

- (i) The school had not increased tuition fee in 2009-10. During 2010-11, the hike had been by Rs.200/- p.m. for different classes.
- (ii) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DA, CCA and TA have not been paid as per the prescribed norms.
- (iii) TDS has not been deducted from the salary of the staff.

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Secretary

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M.R.C. Public School, Vikas Nagar, Hastal, New Delhi-110059

7. By notice dated 23-07-2014 the school was asked to appear on 28-08-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 28-08-2014, Ms. Mamta Tyagi, Teacher and Sh. S.K.Sharma, Part Time Accountant of the school appeared before the Committee and produced the record. They conceded that the recommendations of the VI Pay Commission had been nominally implemented w.e.f. 01/04/2009, under the pressure from the Directorate of Education. With regard to hike in fee, they submitted that the school did not increase any fee from 2007-08 to 2009-10. They further submitted that there was a hike in fee in the year 2010-11, ranging between 25% and 37% and the same may be considered reasonable, keeping in view, no hike in the previous three years. The Committee found that the hike in the years 2007-08 and 2008-09, had not been verified by the audit officer. The school was directed to produce its fee records and books of accounts for the years 2006-07 to 2008-09 before the audit officer of the Committee for verification.

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9. On 01.09.2014, Ms. Mamta Tyagi, Teacher and Sh. S.K.Sharma, Part Time Accountant of the school appeared before the Audit Officer of the Committee and produced the relevant record. Mrs.Sunit Nautial,

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M.R.C. Public School, Vikas Nagar, Hastal, New Delhi-110059

AAO of the Committee had examined the record and has recorded that the school has charged same tuition fee in 2006-07, 2007-08 and 2008-09. However, the increase in tuition fee as shown in income and expenditure accounts of the years 2007-08 and 2008-09 could be attributed to the increase in number of fee paying students.

10. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.

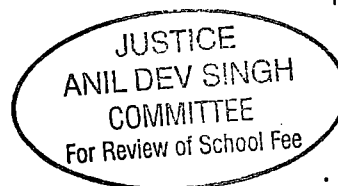
The following chart, which is culled out from the record of the school shows the extent of hike in tuition fee during the years 2006-07 to 2010-11;

Class	Tuition Fee during 2006-07	Tuition Fee during 2007-08	Tuition Fee during 2008-09	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased during 2010-11
I to V	600	600	600	600	800	200
VI to VIII	700	700	700	700	900	200
IX - X	800	800	800	800	1000	200

11. From the above, it is manifest that the school did not hike fee from 2007-08 to 2009-10. During 2010-11, the hike was in terms of the order of The Director of Education dated 11.02.2009. If the hike in fee in 2010-11 is spread over to the years 2007-08 to 2009-10, then the hike during these years was within the tolerance limit of 10%.

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M.R.C. Public School, Vikas Nagar, Hastal, New Delhi-110059

12. The school has conceded that the recommendations of the VI Pay Commission had been nominally implemented w.e.f. 01/04/2009, under the pressure from the Directorate of Education, which can't be considered as proper implementation of the recommendations of the aforesaid Pay Commission.

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

Recommendations

Re. Fee Hike

In view of above, particularly para-10 supra, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:- 11-11-2014

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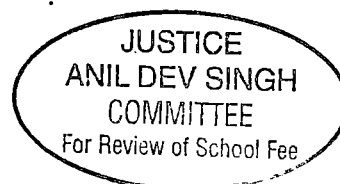


B.R. Public School, Nangloi, Delhi-110041

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).
2. The school did not respond to the questionnaire within the specified time. However, the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 were received by the Committee on being requisitioned from the concerned Deputy Director of Education along with a copy of the fee schedule.
3. On examination of the aforesaid returns by the Committee, it prima facie, appeared that the school had increased the fee in terms of the order of the Director of Education dated 11-02-2009 as well as implemented the recommendations of the sixth pay commission. In this view of the matter the school was placed in category 'B'.
4. With a view to verify the returns, the Office of the Committee vide its notice dated 10-07-2013, required the school to appear on 24-07-2013 and to produce entire accounting, fee and salary records for the

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B.R. Public School, Nangloi, Delhi-110041

years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

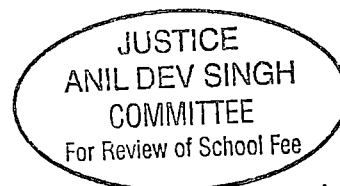
5. On 24-07-2013, Sh. Anuj Kumar Yadav, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2010 and had hiked the fee w.e.f. the same date, in terms of the order of the Director of Education dated 11.02.2009. As per the school it had not charged development fee.

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

- (i). The school had increased tuition fee in 2009-10, by 7.05% to 10.65% per month for different classes. During 2010-11 also, the hike had been between 9.89% to 11.11% p.m. for different classes.
- (ii) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but D.A. has not been paid as per the prescribed norms.
- (iii) TDS has not been deducted from the salary of the staff.
- (iv) The salary to the staff has been paid in cash in-spice of the school having a bank account.

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[Signature]
Secretary



B.R. Public School, Nangloi, Delhi-110041

7. By notice dated 29-09-2014 the school was asked to appear on 28-10-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.
8. On 28-10-2014, Sh. Anuj Yadav, Manager and Shri Vinod Jain, Teacher of the school appeared before the Committee and produced the record. They have contended that the school did not hike fee, in terms of the order dated 11-02-2009, of the Director of Education, but was around 10% in 2009-10 and 2010-11. The school also did not charge Development Fee from the students. With regard to the implementation of the recommendations of the 6th Pay Commission, they have contended that it was partially implemented w.e.f. April, 2010.
9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.
10. The school has hiked the fee in 2009-10 and 2010-11, around 10%.
11. The school has claimed to have implemented the recommendations of the 6th Pay Commission.
12. As per available record the school has not charged development fee.

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B.R. Public School, Nangloi, Delhi-110041**Discussion and Recommendations****Re. Fee Hike**

Since the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee and the hike was between 7.8% to 11.11%, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

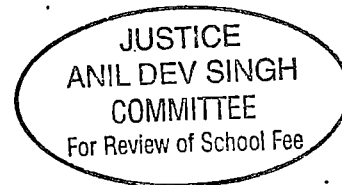
Sd/-

Dr. R.K. Sharma
Member

Dated:- 05-11-2014

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Baleswar Memorial Public School, Prem Nagar-I, Delhi-110086

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

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Secretary

Baleswar Memorial Public School, Prem Nagar-I, Delhi-110086

4. With a view to verify the returns, the Office of the Committee vide its notice dated 01-07-2013, required the school to appear on 16-07-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 16-07-2013, Sh. Rajesh Kumar, Chairman of the Society and Sh. Shambhu Nath, Manager of the school attended the office of the Committee. They submitted reply to the questionnaire and produced the record. As per the reply:-

- i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2010.
- ii) The school had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 w.e.f 01.04.2010.
- iii) The school had not charged development fee.

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

- (i) The school had not increased tuition fee in 2009-10. During 2010-11, the hike had been by Rs.100/- p.m. for different classes.



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Baleswar Memorial Public School, Prem Nagar-I, Delhi-110086

- (ii) The school has claimed to have implemented the recommendations of the 6th Pay Commission, but DP, DA, and HRA have not been paid as per the prescribed norms.
- (iii) TDS and PF have not been deducted from the salary of the staff.
- iv) The salary to the staff has been paid in cash, in-spite of the school operating a bank account.

7. By notice dated 22-10-2014 the school was asked to appear on 10-11-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 10-11-2014, Shambhu Nath, Manager and Sh. V.D.Sharma, P/T Accountant of the school appeared before the Committee and produced the record. They contended that the school did hike the tuition fee in 2010; in terms of the order dated 11.02.2009 of the Director of Education, but no hike in fee was effected in the years 2006-07 to 2009-10. The Committee found that the hike in the years 2007-08 and 2008-09, had not been verified by the audit officer. The school was directed to produce its fee records and books of accounts before the audit officer of the Committee for verification.

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Secretary

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Baleswar Memorial Public School, Prem Nagar-I, Delhi-110086

9. Mrs.Sunit Nautial, AAO of the Committee had examined the record and has recorded that the school has charged same tuition fee in 2007-08 and 2008-09.

10. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.

The following chart, which is culled out from the record of the school shows the extent of hike in tuition fee during the years 2006-07 to 2010-11;

Class	Tuition Fee during 2006-07	Tuition Fee during 2007-08	Tuition Fee during 2008-09	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased during 2010-11
I to IV	400	400	400	400	500	100
V	500	500	400	400	500	100
VI - VIII	500	500	500	500	600	100

11. From the above, it is manifest that the school did not hike fee from 2007-08 to 2009-10. During 2010-11, the hike was in terms of the order of The Director of Education dated 11.02.2009. If the hike in fee in 2010-11 is spread over to the years 2007-08 to 2009-10, then the hike during these years was within the tolerance limit of 10%.

12. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but allowances have not been paid as

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Baleswar Memorial Public School, Prem Nagar-I, Delhi-110086

per the prescribed norms, therefore its claim to have implemented the recommendations of the 6th Pay Commission is not acceptable to the Committee. It also needs to be pointed out that salary was being paid in cash, without deducting TDS and PF. These facts also indicate that the recommendations of the 6th pay commission have not been implemented.

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

Recommendations**Re. Fee Hike**

In view of above, particularly para-10 supra, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:-19.11.2014

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W
Secretary



Yogaway Public School, Ram Nagar Ext. Shahdara, Delhi - 32

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

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Yogaway Public School, Ram Nagar Ext. Shahdara, Delhi - 32

4. With a view to verify the returns, the Office of the Committee vide its notice dated 26-08-2013, required the school to appear on 24-09-2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 24-09-2013, Sh. Ashok Mehta, Manager of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply:-

i) The school had implemented the recommendations of the 6th Pay Commission w.e.f. 01-04-2010.

ii) The school had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 from the same date.

iii) The school had not charged development fee.

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

i) The school had increased tuition fee in 2009-10, between Rs.10/- to Rs.20/- per month for different classes. During 2010-11, the hike had been between Rs.110/- to Rs.200/- p.m. for different classes.

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Yogaway Public School, Ram Nagar Ext. Shahdara, Delhi - 32

ii) The school has partially implemented the recommendations of the 6th Pay Commission, as DA, TA and HRA have not been paid as per the prescribed norms.

iii) TDS and PF have not been deducted from the salary of the staff.

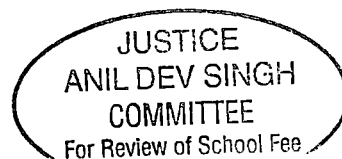
7. By notice dated 29-09-2014 the school was asked to appear on 28-10-2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 28-10-2014, Sh. Ashok Mehta, Manager, Sh. Suresh Gupta, Admn. Officer and Sh. Pravesh Sharma, Teacher of the school appeared before the Committee and produced the record. They have contended that the tuition fee was increased in 2010-11 and their after no fee was hiked till 2013-14. On examination of the returns filed by the school under rule 180 of DSER-1973, the committee has observed that the fee schedules, filed by the school before the Committee did not match with fee schedules filed before the department, as part of annual returns. The representatives have admitted that the recommendations of the 6th Pay Commission have not been implemented by the school. It is also admitted that the salary was paid in cash without any deduction for TDS and PF.

7-11
The committee was of the view that the contentions of the school that no fee was hiked during 2011-12, 2012-13 and 2013-14, need

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Yogaway Public School, Ram Nagar Ext. Shahdara, Delhi - 32

verification to arrive at a just conclusion. Accordingly the school was directed to produce its books of accounts, fee records and annual returns for these years before the Audit Officer of the Committee for verification.

9. On 05-11-2014, Sh. Suresh Gupta, Accountant and Sh. Parvesh Sharma, TGT of the school produced the record. Mrs. Sunita Nautial, AAO of the Committee, after verification of record has observed that the school has not hiked fee during 2011-12, 2012-13 and 2013-14.

10. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school.

The following chart, which is culled out from the record of the school shows the extent of hike in tuition fee during the years 2009-10 to 2013-

14;

Class	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11	Tuition Fee during 2011-12	Tuition Fee during 2012-13	Tuition Fee during 2013-14
I	260	270	10	380	110	380	380	380
II	280	280	00	390	110	390	390	390
III	290	290	00	400	110	400	400	400
IV	290	300	10	410	110	410	410	410
V	290	310	20	420	110	420	420	420
VI	300	320	20	440	120	440	440	440
VII	320	340	20	460	120	460	460	460
VIII	350	360	10	480	120	480	480	480

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Yogaway Public School, Ram Nagar Ext. Shahdara, Delhi - 32

11. The Committee is primarily required to examine the issue of fee hike for the year 2009-10 in pursuance of order dated 11-02-2009 of the Director of Education. Verification of the fee records of the school by two Audit Officers of the Committee has brought out the fact that the hike in the year 2009-10 was within the tolerance limit of 10%. There was an abnormal fee hike in the year 2010-11, but in view of the fact that there was absolutely no hike in three consecutive years subsequently i.e. 2011-12, 2012-13 and 2013-14, the Committee is not inclined to recommend refund of any part of the fee hiked in 2010-11.

12. Admittedly the school has not implemented the recommendations of the 6th Pay Commission.

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

Discussion and Recommendations**Re. Fee Hike**

In view of above, particularly para-11 supra, the Committee feels that no intervention is required qua the aspect of fee.

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Sd/- Recommended accordingly Sd/-

J.S. Kochar
Member

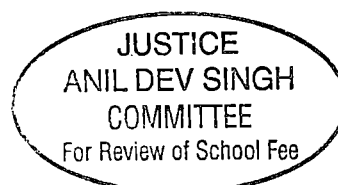
Dated:- 11-11-2014

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

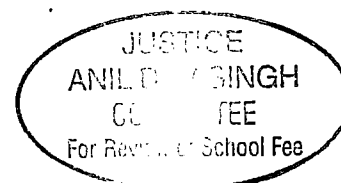
The school had submitted copies of its returns filed under Rule 180 of Delhi School Education Rules, 1973 and copies of fee statements for the years 2006-07 to 2010-11 to the Dy. Director of Education, Distt. North West-A. Along with these documents, the school also submitted details of salary paid to staff before implementation of VI Pay Commission report as well as after its implementation and also the details of the fee charged by the school in different years. As per the details furnished, the school implemented the VI Pay Commission report w.e.f. April 2011 and furnished copies of the salary sheets for the month of March 2011 and April 2011. However, the school also filed a declaration styled as "Undertaking" to the effect that no fee was hiked for implementation of the recommendations VI Pay Commission and no arrears were demanded from the students/parents.

These documents were transmitted to the office of the Committee and the school was placed in Category 'B' for the purpose of determining the issue before the Committee.

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In order to verify the veracity of the documents and claims of the school, the Committee, vide its letter dated 06/09/2013, required the school to produce its fee records, salary records, books of accounts, provident fund returns and TDS returns for the year 2008-09 to 2010-11 in the office of the Committee on 03/10/2013. The school was also required to file its response to the questionnaire

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

issued by the Committee. On the date fixed for verification, Ms. Dheeraj Verma, Head Clerk of the school appeared and produced the required records which were verified by Sh. N.S. Batra, audit officer of the Committee. The school also filed its reply to the questionnaire issued by the Committee as per which, it claimed as follows:

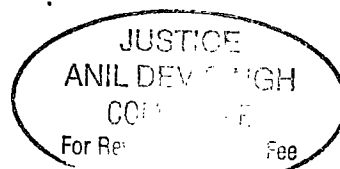
- (a) It had implemented the VI Pay Commission report w.e.f. 01/04/2011. The monthly outgo on salary for the month of March 2011 was Rs. 3,91,726 which went upto Rs. 7,18,861 for the month of April 2011 after its implementation.
- (b) The school did not pay any arrears of salary arising on implementation of VI Pay Commission report w.e.f. 01/01/2006 nor recovered any arrear fee from the students.
- (c) The school hiked the fee of the students in terms of order dated 11/02/2009 issued by the Director of Education and such hike was effected from 01/04/2011.
- (d) The school did not charge any arrear fee.
- (e) The school charged development fee in all the years from 2006-07 to 2010-11 which was fully used for purchase of fixed assets during the course of each year itself and hence no earmarked development fund account was maintained. Development fee was treated as a capital receipt in the accounts and depreciation reserve fund was maintained w.e.f. 02/08/2011.

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

After examining the records produced by the school and the annual returns filed by the school under Rule 180 of Delhi School Education Rules, 1973, the audit officer of this Committee tabulated the fee charged by the school from 2008-09 to 2010-11. The same is as follows:

Class	Monthly Fee 2008-09 (Rs.)*	Monthly Fee 2009-10 (Rs.)*	Increase	%age Increase	Monthly Fee 2010-11 (Rs.)*	Increase	%age Increase
I to IV	850	975	125	14.70%	1080	105	10.76%
V to VIII	900	1025	125	13.88%	1130	105	10.24%
IX & X	950	1075	125	13.15%	1240	165	15.34%

*including computer fee.

He also observed that till March 2011 the recommendations of VI Pay Commission were not implemented.

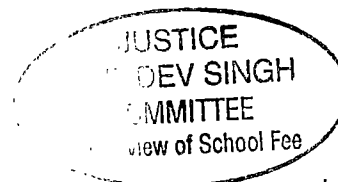
The Committee is of the view that the exercise carried out by its audit officer is of no practical use as admittedly the school implemented the VI Pay Commission report w.e.f. 01/04/2011. He ought to have verified the fee hiked in 2011-12. Merely stating that till 2010-11, the fee hike was in the vicinity of 10%, does not serve the purpose.

In order to provide an opportunity of being heard to the school, the Committee issued a notice dated 26/06/2014 requiring the school to appear before it on 25/07/2014. The school put in the appearance through Ms. Mandira Yadav, Vice Principal, Sh. Balwant Singh,

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

Accountant and Sh. V.D. Sharma, part time Accountant. They filed written submissions dated 25/07/2014 and were also heard by the Committee. They contended

- (a) That the VI Pay Commission was partially implemented w.e.f. April 2011 on account of compulsion from the Education Department.
- (b) That even in the year 2011-12, the fee hike effected by the school was only about 10%. In support, they filed fee schedule for the year 2011-12.
- (c) That the school had an accrued liability on account of leave encashment amounting to Rs. 4,39,986 as on 31/03/2010 and furnished a detail thereof.
- (d) That the requirement of the school for maintaining a reasonable reserve fund equivalent to four months' salary was Rs. 12,93,928.
- (e) That the school neither charged any arrear fee from the students nor paid any arrear salary on account of retrospective application of VI Pay Commission report.

Discussion & Determination:

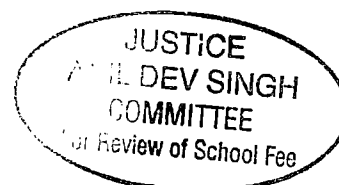
Tuition Fee:

The Committee has perused the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973, the reply

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

submitted by the school to the questionnaire issued by the Committee, the details provided by the school during the course of hearing and the written and oral submissions made by the representatives of the school during the course of hearing.

At the outset, it needs to be examined as to what was the fee hike effected by the school in the year 2011-12 when the VI Pay Commission report was implemented. So far as the fee hike in 2009-10 and 2010-11 are concerned, the Committee notes that its audit officer has examined the fee records of the school and confirmed that the fee hiked in these years was little over 10%, which calls for no interference by the Committee, despite non implementation of VI Pay Commission report in those years. During the course of hearing, the school filed its fee schedule for the year 2011-12 and the position that emerges vis a vis the fee charged in 2010-11 is as follows:

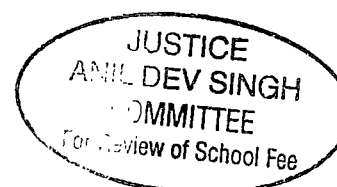
Class	Monthly fee in 2010-11 (Rs.)	Monthly fee in 2011-12 (Rs.)	Increase in 2011-12 (Rs.)	%age Increase
I to IV	1080	1150	70	6.48%
V to VIII	1130	1250	120	10.62%
IX & X	1240	1350	110	8.87%

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The fee charged by the school in 2011-12 was verified on test check basis by the Committee during the course of hearing and the same was found to be conforming to the fee schedule filed by the school. As would be apparent from the above table, the hike in 2011-

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

12, when the VI Pay Commission was partially implemented was not even 10% for most of the classes. In view of this, the Committee need not consider the other submissions of the school at this stage as the fee hiked by the school in 2011-12 was within the tolerance limit of 10%.

Therefore, the Committee is of the view that so far as the hike in tuition fee is concerned, no intervention is required.

Development Fee:

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

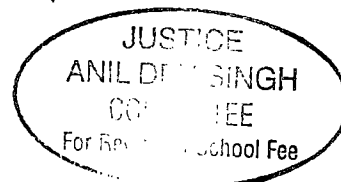
Year	Development received (Rs.)	Fee	Fixed Assets purchase (Rs.)	Surplus /(deficit) (Rs.)
2006-07	85,080		1,03,356	(18,236)
2007-08	1,18,640		4,00,064	(2,81,424)
2008-09	2,22,000		6,01,729	(3,79,729)
2009-10	1,02,000		13,40,599	(12,38,599)
2010-11	10,31,100		3,30,555	7,00,545

It was also mentioned that development fee was treated as a capital receipt. However, no earmarked development fund was maintained as the school utilised the entire development fee within each year itself. However, it had started maintaining an earmarked account w.e.f. 20/08/2011.

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During the course of hearing, the school filed copies of the bank statement of development fund account and also depreciation reserve fund account which was opened on 30/11/2013.

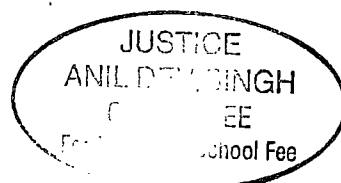
The Committee notes that while the development fee received from 2006-07 to 2009-10 was fully utilised within the year, the development fee received in 2010-11 was only partly utilised during that year. As against the total collection of Rs. 10,31,100, the amount utilised for purchase of eligible fixed assets was only Rs. 3,30,555, leaving an unspent balance of Rs. 7,00,545. This amount was required to be deposited in the earmarked account. However, till 31/03/2012, the balance in the earmarked account was just Rs. 5,166. Even on 31/03/2013, the balance was just Rs. 5,375. Therefore, the Committee is of the view the school only opened a nominal account. The unspent balance of development fee was not deposited in the earmarked account. Further, the depreciation reserve fund account was opened only on 30/11/2013 and that too by transferring money from the development fund account.

In view of the foregoing facts, the Committee is of the view that the school has tried to fulfill the pre conditions laid down by the Duggal Committee as affirmed by the Hon'ble Supreme Court, in form only, not in substance. The Committee is therefore of the view that the development fee charged by the school was not in conformity with law. Normally we would have recommended refund of development fee

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

charged in 2009-10 and 2010-11 but the Committee cannot be oblivious of the fact that the school implemented, albeit partially, the recommendations of the VI Pay Commission w.e.f. 01/04/2011, out of its own resources as it did not hike any tuition fee for the purpose of its implementation. Therefore it becomes necessary that the Committee examines the position of funds available with the school as on 31/03/2011 vis a vis its additional expenditure resulting on implementation of VI Pay Commission report. The position that emerges on the basis of the balance sheet of the school as on 31/03/2011 is as follows:

Particulars		Amount (Rs.)
Current assets + investments		
Fixed deposit with bank	10,09,282	
Interest accrued on FDR	1,321	
Tax deducted at source	4,073	
Balance in current account	27,70,008	
Cash in hand	19,344	
Fee recoverable	7,500	
Sundry debtors	63,525	38,75,053
Less Current liabilities		
Sundry creditors	79,574	
Advance Fee	5,02,885	5,82,459
Funds available		32,92,594

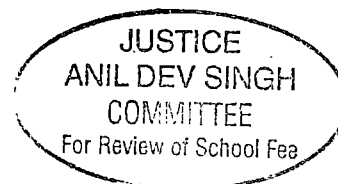
The school was required to maintain funds in reserve as follows:

(a) For accrued liability of leave encashment Rs.	4,39,986
(b) For reserve for future contingencies	<u>Rs. 12,93,928</u>
Total	<u>Rs. 17,33,914</u>

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

Therefore, the funds available with the school as on 31/03/2011, which could have been utilised for payment of enhanced salaries as per VI Pay Commission report were Rs. 15,58,680 (32,92,594 - 17,33,914).

The position of incremental fee vis a vis incremental salary, as per the Income & Expenditure/Receipt and Payment Accounts of 2010-11 and 2011-12 is as follows:

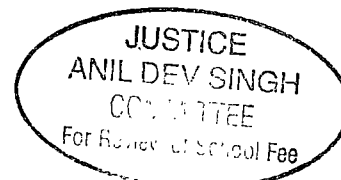
Particulars	2010-11	2011-12	Increase in 2011-12
Tuition Fee	70,80,185	91,31,450	20,51,265
Salary	52,60,234	99,57,955	
Provident Fund	2,938	86,709	
	52,63,172	1,00,44,664	47,81,492
Deficit			27,30,227

Hence, while the funds that were available with the school as on 31/03/2011 amounted to Rs. 15,58,680, the deficit on account of partial implementation of VI Pay Commission report in 2011-12 was to the tune of Rs. 27,30,227, out of the incremental fee for the year 2011-12. Therefore, the school had a net deficit of Rs. 11,71,547 on account of implementation of VI Pay Commission report. The development fee collected by the school, which the Committee has found to be unjustified on account of non fulfillment of pre conditions prescribed for recovery of development fee, in the years 2009-10 and 2010-11 was Rs. 11,33,100 (1,02,000 + 10,31,100), which amount is less than the deficit incurred by the school on account of

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Sant Sujan Singh Ji International School, Saroop Nagar, Delhi-110036

implementation of VI Pay Commission report. The Committee is therefore of the view that no part of development fee charged by the school in 2009-10 and 2010-11 need be refunded.

Recommendations:

In view of the foregoing determinations, the Committee is of the view that no intervention is required either in the matter of tuition fee or in the matter of development fee.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson


Sd/-

Dr. R.K. Sharma
Member

Dated: 10/10/2014



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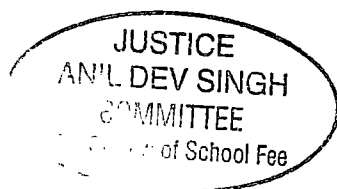
K.M.School, Hamidpur, Delhi - 110036

1. With a view to elicit the relevant information from the schools with regard to the basic questions, whether or not the schools had implemented the recommendations of the Sixth Pay Commission and if so, whether or not the fee was hiked for the purpose of implementation thereof, a questionnaire prepared by the Committee was issued to the Managers of all schools on 27.02.2012 with the request that the information be furnished to the Committee within Seven days (Annexure 30 at page 470 of the First Interim Report).

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

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

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K.M.School, Hamidpur, Delhi - 110036

4. With a view to verify the returns, the Office of the Committee vide its notice dated 31.05.2013, required the school to appear on 20.06.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.

5. On 20.06.2013, Shri Mange Ram, H.M. of the school attended the Office of the Committee and produced the record. Reply to the questionnaire was also filed. As per the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. August, 2008 and had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009. The school had not charged development fee.

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

- (i). The school did not hike the fee in 2009-10. During 2010-11, the hike in fee was by 09.6% to 11.1%.
- (ii). The school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f August, 2008.
- (iii). No TDS had been deducted from the salary of the staff.



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K.M.School, Hamidpur, Delhi - 110036

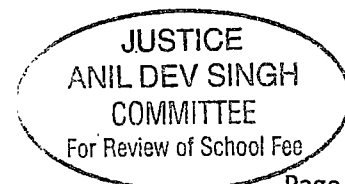
7. By notice dated 16.07.2014, the school was asked to appear on 08.08.2014 along with entire accounting, fee and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee and for affording an opportunity of hearing to the school.

8. On 08.08.2014, Sh. Mange Ram, H.M. appeared before the Committee and produced the record. He has contended that;-

- (i) The school has implemented the recommendations of the 6th.Pay Commission, not out of its own funds, but out of aid received from the parent society.
- (ii) The salary to staff has been paid in cash and through bearer cheques without deducting TDS. The school has obtained TAN in 2012.
- (iii) The school did not charge development fee from the students.
- (iv) The school did not hike fee in 2009-10 and in 2010-11, the hike was restricted to 10%.
- (v) The rigour of sections of DSER-1973 should not apply to small schools, which are starved of funds and for this purpose such schools, should be suitably categorised based on the fee being charged by these schools.

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K.M.School, Hamidpur, Delhi - 110036

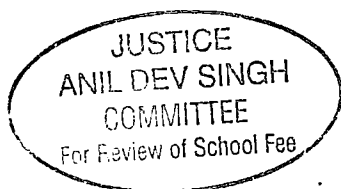
- (vi) The model adopted by the Haryana Govt., which permits 40% of the teachers to be appointed on contractual basis should be extended to Delhi.

The Manager of the school offered to place before the Committee, the policy document of the Haryana Govt. The matter was adjourned to 20.08.2014, for placing the policy of Haryana Govt. and a circular of Delhi Govt., permitting employment of teachers in Delhi, up-to 10% on contractual basis.

9. On 20.08.2014, Sh. Manager Ram, H.M. could not produce the policy document of the Haryana Govt. and contended that he has filed an application under RTI Act to get the aforesaid document from the Haryana Govt. He also contended that Rule-101 of DSER-1973 provides for employment of teachers on part-time basis, up-to 20% at primary stage.

10. We have gone through the record, submissions of the representatives on behalf of the school and observations of the Audit Officer of the Committee.

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K.M.School, Hamidpur, Delhi - 110036

11. The school has not hiked the fee during the year 2009-10 and 2010-11 the hike was by 10%.
12. The school has claimed to have implemented the recommendations of the 6th Pay Commission, but salary to the staff has been paid in cash and through bearer cheques without deducting TDS. Therefore, its claim to have implemented the recommendations of the 6th Pay Commission cannot be accepted by the Committee.
13. As per the record, the school has not charged development fee from the students.

RECOMMENDATION**Re. Fee Hike**

Since the school has not utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10 and 2010-11, therefore no intervention is called for qua the fee.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated:-11.09.2014

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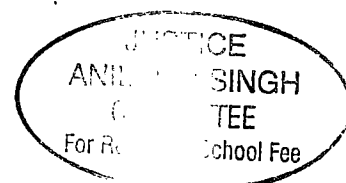
Pushpa Bharti Public School, Badarpur, Delhi - 44

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

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Pushpa Bharti Public School, Badarpur, Delhi - 44

4. With a view to verify the returns, the Office of the Committee vide its notice dated 19.09.2013 required the school to appear on 09.10.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire.
5. On 09.10.2013, Sh. Bhim Singh, H.M., of the school attended the office of the Committee. He submitted reply to the questionnaire and produced the record. As per the reply, the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee w.e.f. 01.04.2009, in terms of the order of the Director of Education dated 11.02.2009.
6. The record, in the first instance, was examined by Sh.N.S.Batra, Audit Officer of the Committee. He observed to the effect that: -
- (i). The school had increased tuition fee in 2009-10, by Rs.100/- per month for all classes. During 2010-11, the hike had been by 10 %.
- (ii). The school had not implemented the recommendations of the 6th Pay Commission.
7. By notice dated 16.07.2014 the school was asked to appear on 06.08.2014 along with entire accounting, fee and salary records for the



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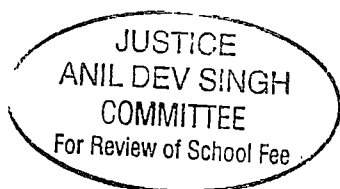
Pushpa Bharti Public School, Badarpur, Delhi - 44

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

8. On 06.08.2014, Sh. Bhim Singh, H.M. and Sh. S.K. Sharma, P/T Accountant of the school appeared before the Committee. They have contended that though, the school hiked the fee by Rs.100/- p.m. in 2009-10, but the same ought to be viewed in the backdrop of the fact that there was no fee hike in 2006-07, 2007-08 and 2008-09. The school was directed to produce its fee records for the year 2006-07, 2007-08 and 2008-09 along-with the annual returns for the same period on 22.08.2014, before the Audit Officer for verification of this aspect.

9. On 22.08.2014, Sh. Bhim Singh, H.M. and Sh. S.K. Sharma, P/T Accountant of the school produced the record before the Audit Officer of the Committee. The Audit Officer, after examination of the record has observed that the school had charged same fees during 2006-07, 2007-08 and 2008-09.

The school representatives appeared before the Committee. The Committee perused the observations of the Audit Officer and found that the school did not hike any fee in 2007-08 and 2008-09. The representatives of the school contended that the fee hike of Rs.100/- p.m., effected by the school should be spread over the years 2007-08 to 2009-10.



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Pushpa Bharti Public School, Badarpur, Delhi - 44

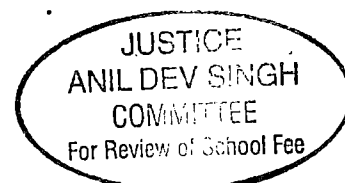
9. We have gone through the record, observations of the Audit Officer of the Committee and submissions of the representatives of the school. The following chart, which is culled out from the record would show the exact extent of hike in tuition fee during the years 2006-07 to 2010-11;

Classes	Tuition Fee during 2006-07	Tuition Fee during 2007-08	Tuition Fee during 2008-09	Tuition Fee during 2009-10	Tuition Fee increased in 2009-10	Tuition Fee during 2010-11	Tuition Fee increased in 2010-11
I to V	325	325	325	425	100	465	40
Vi to VIII	400	400	400	500	100	550	50

10. From the above, it is manifest that though, the school has increased the fee during the years 2009-10, in terms of the order of the Director of Education dated 11-02-2009; yet, there was no hike in fee from 2006-07 to 2008-09. If, the hike in fee in 2009-10 is spread over to the previous years, then the hike in 2009-10, comes to the hike of 10%. During 2010-11, the hike was by 10%.

11. Admittedly, the school has not implemented the recommendations of the 6th Pay Commission.

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



Pushpa Bharti Public School, Badarpur, Delhi - 44

Recommendations

Re. Fee Hike

Though, the school has utilised the order of the Director of Education dated 11.02.2009 for enhancing the tuition fee in 2009-10, yet, there was no hike in fee since 2006-07. Considering this fact the increase in fee, since 2006-07 to 2009-10, comes to an average of 10%. In these circumstances, the Committee feels that no intervention is required qua the aspect of fee.

Recommended accordingly.

Sd/-

J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated:- 11.09.2014

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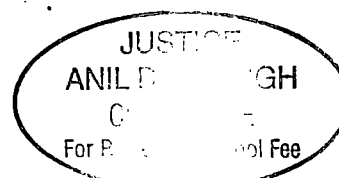
Virmani Public School, Roop Nagar, Delhi-110007

The school, under cover of its letter no. DOE/16/2011-12 dated 25/01/2012, submitted to the Dy. Director of Education (North), copies of its fee schedules, audited balance sheets from 2006-07 to 2010-11, and details of salary paid to the staff before as well as after implementation of VI Pay Commission report. It was also stated therein that the school had implemented the recommendations of the VI Pay Commission as per a formula given by the Management. It was further stated in the said letter that the VI Pay Commission had not been fully implemented as the school was unable to generate funds to pay salaries as recommended by the VI Pay Commission on account of the fact that the students of the school belonged to lower middle class and the parents were unable to pay the fee. It was further mentioned that the school had not taken any arrears of fee from parents. These documents were transmitted to the office of the Committee by the concerned Dy. Director. The school was placed in Category 'C' for the purpose of verification. However, the school did not furnish its reply to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012.

In order to verify the contentions of the school as well as the veracity of the documents submitted by it, the Committee issued a notice dated 19/07/2012, requiring the school to produce copies of its annual returns filed under Rule 180 of Delhi School Education Rules, 1973, its books of accounts, fee and salary records, bank statements in the office of the Committee on 07/08/2012, for verification. Besides, the school

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Virmani Public School, Roop Nagar, Delhi-110007

was also required to furnish reply to the questionnaire to elicit information regarding the extent of fee hike and implementation of VI Pay Commission report. However, neither any body from the school appeared on the scheduled date nor any records were caused to be produced. A fresh notice dated 14/08/2012 was issued to the school to comply with the requirements as per the earlier notice, on 31/08/2012. However, again neither any body appeared nor any records were caused to be produced. On a prima facie examination of the fee schedules filed by the school, it appeared that the school had hiked its monthly fee by Rs. 200 across the board for all the classes in the year 2009-10, which was the maximum amount the school could increase as per order dated 11/02/2009 issued by the Director of Education for implementation of VI Pay Commission report. The Committee also noticed that the contention of the school made in its letter dated 25/01/2012 to the Dy. Director of Education that it had not fully implemented the recommendations of the VI Pay Commission.

In the interests of justice, the Committee issued notice dated 12/12/2013 for affording a hearing to the school on 23/01/2014. On account of certain exigencies, the meeting of the Committee scheduled for 23/01/2014 was cancelled and the school was informed of the same. A fresh notice of hearing dated 11/02/2014 was issued to the school for hearing on 20/03/2014. On this date, Ms. Chander Kanta Sharma, Manager of the school appeared with Sh. B.L. Singhal, Advisor and Ms. Sangeeta Gupta, UDC. The school filed written submissions dated

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Virmani Public School, Roop Nagar, Delhi-110007

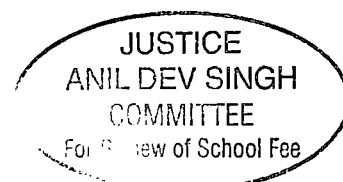
20/03/2014 and contended that the VI Pay Commission had been partially implemented by the school w.e.f. 01/03/2013, in terms of a settlement with the staff which was taken on record by the Hon'ble High Court of Delhi in a lis filed by the staff of the school. Further, the school revised the salary of the staff w.e.f. April 2009 as per the formula given by the Management in which weightage was given to the number of years of service in the school. The school also furnished details of the fee revenue and expenditure on salary for the years 2008-09, 2009-10 and 2010-11.

With regard to fee, the school conceded that it had hiked the same w.e.f. 01/04/2009 in terms of order dated 11/02/2009 issued by the Director of Education but the school had not collected any arrear fee from the students. For the subsequent years, the fee was increased by about 10% per annum. They further contended that the school did not charge any development fee from the students.

The Committee considered the issues arising in this case. The Committee felt that the school was not coming clean in the matter as in the first instance it reported to the Dy. Director of Education in its **letter dated 25/01/2012** that it had partially implemented the recommendations of VI Pay Commission as per a formula devised by the Management. There was no basis to the formula. The salaries revised as per the said formula fell way short of the salaries payable as per the recommendations of VI Pay Commission. When the school was asked to produce its records for verification, the school played truant. Thereafter,

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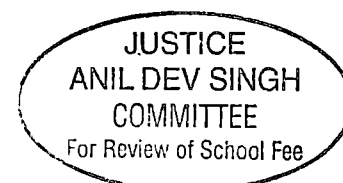
Virmani Public School, Roop Nagar, Delhi-110007

when a final opportunity was given by the Committee, the school stated that it partially implemented the VI Pay Commission only w.e.f. 1st March 2013 and that too when some staff members filed a writ petition in the Delhi High Court. The Committee would have recommended refund of fee hiked in 2009-10 with ripple effect upto 2012-13, when the VI Pay Commission was partially implemented in terms of settlement arrived at with the staff and which had been taken on record by the Hon'ble High Court. However, the Committee considered the contention of the school that ultimately the funds had gone out of the coffers of the school as it had to pay huge amounts in terms of the settlement with the staff. It was contended that a total sum of Rs. 47,80,316 was payable in terms of the settlement, out of which a sum of Rs. 20.00 lacs had already been paid and the school had not increased any fee in excess of 10% in the years 2010-11, 2011-12 and 2012-13.

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Considering the submission of the school, the Committee felt that while the school did try to take advantage of the order dated 11/02/2009 issued by the Director of Education by hiking its fee to the maximum permissible extent without implementing the recommendations of VI Pay Commission, ultimately it was forced to pay substantial amounts by way of increased salaries which would not have been possible with a normal fee hike of 10%. Therefore, it would be in order for the Committee to examine the issue by considering the fee revenue of the school cumulatively for 2009-10, 2010-11, 2011-12 and 2012-13 vis a vis its expenditure on salary and payment of amount as per settlement with the

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Virmani Public School, Roop Nagar, Delhi-110007

staff. For this purpose, the Committee required one of its audit officers to prepare a preliminary calculation sheet by taking the funds available with the school as on 01/04/2009, the fee revenue of the school from 2009-10 to 2012-13 and the expenditure on salary for the corresponding period, including the amount paid on settlement with the staff. For the purpose of calculation of funds available at the threshold, the balance sheet of the school as on 31/03/2009 was taken as the basis. The audit officer of the Committee prepared the following calculation sheet, showing that the school had a sum of Rs. 8,84,097 as available with it as on 31/03/2009:

Statement showing Fund availability of as on 31-03-2009			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets</u>		
	Cash in hand	502	
	Bank Balance	238,641	
	Loans & Advances	6,165	
	Fee Recoverable	11,015	
	Amount Recoverable	720	
	FDRs	831,067	1,088,110
Less:-	<u>Current Liabilities</u>		
	Caution Money	201,025	
	Amount Payable	2,988	204,013
	Net Current Assets (Funds available)		884,097

Further, the total fee revenue of the school from 2009-10 to 2012-13 was calculated to be Rs. 1,82,58,299, as follows:

Total Tuition Fee Collection in 2009-10 as per financials of the school	4,135,226	
Total Tuition Fee Collection in 2010-11	4,261,664	
Total Tuition Fee Collection in 2011-12	4,363,977	
Total Tuition Fee Collection in 2012-13	5,497,432	18,258,299

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Virmani Public School, Roop Nagar, Delhi-110007

The total expenditure on salary from 2009-10 to 2012-13 was calculated to be Rs. 1,54,34,593, as follows:

Total amount paid towards salary		
Settlement Amount paid as per direction of Delhi High Court in 2013-14	2,000,000	
Total Salary in 2009-10 as per financials of the school	3,206,333	
Total Salary in 2010-11	3,521,553	
Total Salary in 2011-12	3,272,905	
Total Salary in 2012-13	3,433,802	15,434,593

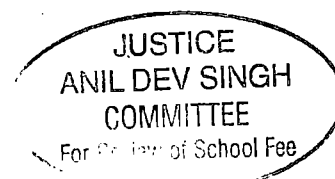
Considering the position in totality, the audit officer arrived at the conclusion that the school had collected a sum of **Rs. 37,07,803** (8,84,097 + 1,82,58,299 - 1,54,34,593) in excess of its requirements for payment of salaries even in partial implementation of the recommendations of VI Pay Commission report.

The Committee furnished a copy of the preliminary calculation sheet to the school, under cover of its letter dated 11/07/2014 for its comments and fixed the next date of hearing on 30/07/2014. On this date, the aforesaid three representatives of the school again appeared and filed written submissions pointing out that in preliminary calculation sheet, the Committee had not taken into account the school's contribution towards provident fund and family pension funds which amounted to Rs. 17,96,683 for the four years under consideration. Further, the school had a liability of gratuity amounting to Rs. 33,40,088 for which the school needed to keep funds in reserve.

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Virmani Public School, Roop Nagar, Delhi-110007

The Committee, examined both the issues and found merit in the contentions of the school and if the aforesaid sum of Rs. 17.96 lacs and Rs. 33.40 lacs were taken into consideration, there would be no surplus left with the school.

Recommendations:

In view of the foregoing discussion, the Committee is of the view that no intervention is required in the matter of fee hike, although the Committee does not view with favour the attitude of the school in trying to take unjust advantage of the fee hike allowed to the schools by the Director of Education vide order dated 11/02/2009, which was specifically for the purpose of implementation of the recommendations of VI Pay Commission. Had it not been for the staff of the school who approached the Hon'ble High Court, the school would have been sitting pretty with the funds wrongly collected by way of fee hike.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 10/11/2014



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