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

10th Interim Report

April 25, 2016

**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

10TH REPORT

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Determinations

1. This report deals with **26** schools. With this, the Committee has so far submitted its recommendations in respect of **1092** schools in its ten reports submitted so far.
2. The summary of recommendations of the Committee in respect of the schools dealt with in this report is as follows:

| | |
|--|-----------|
| No. of schools run by DAV College Managing Committee (DAVCMC), which were found to be unjustifiably recovering development fee and building fund, and transferring funds to DAVCMC and the Committee has recommended special inspection of the accounts of DAVCMC alongwith the accounts of the respective schools to ascertain the true funds position for the purpose of implementation of recommendations of 6 th Pay Commission | 18 |
| 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 | 05 |
| No. of schools where the Committee has recommended refund of excess development fee and 'Administrative Charges' collected by them and also recommended special inspection to be carried out by Director of Education as the schools did not produce their complete records before the Committee. | 01 |
| 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 | 02 |
| Total | 26 |

3. Schools run by DAV College Managing Committee

DAV College Managing Committee (DAVCMC) runs a number of schools and colleges across India. This report deals with the following 18 schools run by DAV College Managing Committee, which are recognised by the Director of Education, Govt. of NCT of Delhi:

| S.N. | Category No. | Name & Address of School |
|------|--------------|---|
| 1 | B-30 | DAV Centenary Public School, Narela |
| 2 | B-31 | DAV Public School, Ashok Vihar |
| 3 | B-153 | DAV Public School, East of Loni Road |
| 4 | B-167 | DAV Public School, Pushpanjali Enclave, Pitampura |
| 5 | B-178 | Shrimati Swarn Lata Sethi DAV Public School, Mausam Vihar |
| 6 | B-181 | Suraj Bhan DAV Public School, Vasant Vihar |
| 7 | B-248 | DAV Centenary Public School, Paschim Enclave, Paschim Vihar |
| 8 | B-251 | DAV Public School, Reserve Bank Enclave, Paschim Vihar |
| 9 | B-262 | Ved Vyasa DAV Public School, Vikas Puri |
| 10 | B-272 | Arvind Gupta DAV Centenary Public School, Model Town |
| 11 | B-329 | S.L. Suri DAV Public School, Janak Puri |
| 12 | B-337 | Shaheed Rajpal DAV Public School, Dayanand Vihar |
| 13 | B-416 | DAV Public School, G 55 & 56 Palam Extension, Harijan Basti |
| 14 | B-551 | DAV Public School, Kheda Khurd |
| 15 | B-587 | DAV Public School, Vasant Kunj |
| 16 | B-590 | DAV Public School, Rohini |
| 17 | B-659 | DAV Public School, Jasola Vihar |
| 18 | B-689 | Darbari Lal DAV Model School, ND Block, Pitampura |

All the schools run by DAVCMC follow accounting and financial guidelines laid down by it, which are not necessarily in consonance with the provisions of Delhi School Education Act, 1973 ('the Act') and the Rules framed thereunder. Some of the schools the accounts of which were examined by this Committee were asked to furnish a copy of such guidelines issued by DAVCMC but none of them produced the same. Nevertheless, on account of similar practices being followed by all such schools across the spectrum, the existence of such guidelines can hardly be doubted. A peculiar practice being followed by the schools run by this body is that the fees received from the students

are transferred to DAVCMC in the first instance. The amounts required by the schools to meet their expenses are then transferred back to the school. The surplus, if any, is thus retained by DAVCMC. The schools themselves are holding bare minimum funds.

The Committee, after examining the accounts of the aforementioned 18 schools has reached a conclusion that unless the accounts of DAVCMC are also examined in conjunction with the accounts of the school, it can never be ascertained as to how much funds were held by the school either by itself or by DAVCMC on behalf of the schools. Therefore, the question whether the schools needed to raise the fees in pursuance of order dated 11/02/2009 issued by the Director of Education or the schools had sufficient funds of their own from which they could meet their additional liabilities arising on account of implementation of recommendations of 6th Pay Commission, can only be answered if the Committee also has access to the accounts of DAVCMC. However, as per the mandate given to this Committee, the accounts only of the schools are to be examined and not those of the Parent Societies/ Bodies. The Committee has, therefore, recommended special inspection of both the schools as well as DAVCMC in order to ascertain the true funds position of the schools before the decision to hike the fee was taken. Notwithstanding this, the Committee observed that the schools were charging development fee without fulfilling 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 is bound to keep the principles laid down by the Hon'ble Supreme Court in this judgement, as part of its mandate. Since this issue does not involve examination of the accounts of DAVCMC as the development fee is received by the school and credited to the revenues of the school, the Committee has recommended refund of such development fee charged in the years 2009-10 and 2010-11, alongwith interest @ 9% per annum.

The Committee also noticed that some of the aforesaid 18 schools were also charging Building Fund from the new students. As such a charge amounts to charging of Capitation Fee, which is prohibited by law and also the directions issued by the Directorate of Education from time to time, the Committee has recommended refund alongwith interest @ 9% per annum, wherever such a charge was discernible from the accounts of the schools.

The amounts to be refunded by the schools on account of development fee and building fund have been made subject to the result of special inspection of the accounts of DAVCMC and the respective schools. Where the special inspection reveals that the schools did not have sufficient funds for payment of salaries as per 6th Pay Commission despite the fee hike effected as per order dated 11/02/2009 (supra), the shortfall would be deducted from the amounts refundable on account of development fee and building fund. On the other hand, if the special inspection reveals that the school had ample funds of its own to cover the additional expenditure on

account of implementation of the recommendations of 6th Pay Commission, either fully or partially, the excess tuition fee collected would be refunded over and above the refund of development fee and building fund.

The recommendations in respect of the aforesaid 18 schools are given at **pages 8 to 38** of this report.

4. The Committee is of the view that the following **05** schools, , had unjustly hiked the fee either fully or partially by taking advantage of the order dated 11/02/2009 issued by the Director of Education, since they were found to have 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 after considering the funds already available with them. Some schools charged development fee without fulfilling 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. Some others had misconstrued the order dated 11/02/2009 issued by the Director of Education in respect of the incremental development fee to be recovered for the period 01/09/2008 to 31/03/2009 and thereby recovered more fee on this account than was permitted by the aforesaid order:

| S.N. | Category No. | Name & Address of School | Page No. |
|------|--------------|---|-----------|
| 1 | B-23 | Modern Public School, Shalimar Bagh | 39 to 56 |
| 2 | B-130 | The Pinnacle School, Panchsheel Enclave | 57 to 73 |
| 3 | B-189 | Greenway Modern Sr. Sec. School, Dilshad Garden | 74 to 82 |
| 4 | B-355 | Cambridge School, Srinivaspuri | 83 to 92 |
| 5 | B-651 | Bhartiya Vidya Bhavan's Mehta Vidyalaya, Kasturba Gandhi Marg | 93 to 136 |

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.

5. In respect of **Laxman Public School, Hauz Khas, New Delhi**, the Committee has recommended refund of arrears of incremental development fee for the period 01/09/2008 to 31/03/2009 as the charge for the same was found to be not in accordance with the order dated 11/02/2009 of the Director of Education. In fact, the school had misconstrued the order to its advantage. Besides, the Committee has also recommended refund of additional fee introduced with effect from 2009-10 under a new head of 'Administrative Charges'. Both these refunds have been recommended irrespective of the funds position of the school as they are not related to that. The school also did not come clean with regard to the disposal of funds by its pre-primary school, prior to its

merger with the main school. The Committee has recommended special inspection to find the destination of the funds of its pre-primary school. The detailed reasoning for the recommendations of the Committee in respect of the school are at **pages 137 to 156.**

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

In respect of the following **02** schools, the Committee has not recommended any intervention as the fee hiked by the schools in pursuance of the order dated 11/02/2009 issued by the Director of Education, was found to be justified, considering the additional liabilities incurred by the school in implementing the recommendations of 6th Pay Commission

| S.N. | Category No. | Name & Address of School | Page No. |
|------|--------------|--|------------|
| 1 | B-303 | St. John's Academy, Jwala Nagar, Shahdara | 157 to 164 |
| 2 | B-357 | Cambridge Primary School, New Friends Colony | 165 to 174 |

The detailed reasoning for the recommendations of the Committee in respect of the schools are annexed hereto and are part of this report.

As Singh
Justice Anil Dev Singh (Retd)
Chairperson 25.04.2016

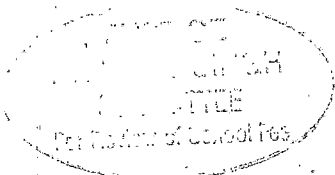
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CA J.S. Kochar
Member

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Dr. R.K. Sharma
Member

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1. B-30, DAV Centenary Public School, Narela, Delhi-110040
2. B-31, DAV Public School, Ashok Vihar, Delhi-110052
3. B-153, DAV Public School, East of Loni Road, Delhi-110093
4. B-167, DAV Public School, Pushpanjali Enclave, Pitam Pura, Delhi-110034
5. B-178, Shrimati Swarn Lata Sethi DAV Public School, Mausam Vihar, Delhi-110051
6. B-181, Suraj Bhan DAV Public School, Vasant Vihar, New Delhi-110057.
7. B-248, DAV Centenary Public School, Paschim Enclave, Paschim Vihar, New Delhi-110087
8. B-251, DAV Public School, Reserve Bank Enclave, Paschim Vihar, New Delhi-110063.
9. B-262, Ved Vyasa DAV Public School, Vikas Puri, New Delhi-110018
10. B-272, Arvind Gupta DAV Centenary Public School, Model Town, Delhi-110009
11. B-329, S.L. Suri DAV Public School, Janak Puri, New Delhi-110058
12. B-337, Shaheed Raj Pal DAV Public School, Daya Nand Vihar, Delhi
13. B-416, DAV Public School, G - 55 & 56 Palam Extension, Harijan Basti, New Delhi-110045.
14. B-551, DAV Public School, Khera Khurd, Delhi-110082

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Secretary

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15. B-587, DAV Public School, Vasant Kunj, New Delhi
16. B-590, DAV Public School, Rohini, Delhi-110085
17. B-659, DAV Public School, Jasola Vihar, Delhi
18. B-689, Darbari Lal DAV Model School, ND Block, Pitam Pura, Delhi-110034

All these schools are run under the aegis of DAV College Managing Committee (DAVCMC for short), which runs a number of schools and colleges across India. All the schools run by DAVCMC follow accounting and financial guidelines laid down by it, which are not necessarily in consonance with the provisions of Delhi School Education Act, 1973 ('the Act') and the Rules framed thereunder. Some of the schools the accounts of which were examined by this Committee were asked to furnish a copy of such guidelines issued by DAVCMC but none of them produced the same. Nevertheless, on account of similar practices being followed by all such schools across the spectrum shows the existence of such guidelines.

Some of the features which the Committee came across in case of all the schools run by DAVCMC are as follows:

- (i) The fees received from the students are transferred to DAVCMC in the first instance. The amounts required by the schools to meet their expenses are then transferred back to the school. The surplus, if any, is thus retained by DAVCMC.

- (ii) DAVCMC charges Administration charges from all the schools run by it.
- (iii) In order to keep funds in reserve for payment of gratuity and leave encashment at the time of superannuation of the employees, the schools make monthly contributions to a pool account maintained by DAVCMC, which probably makes appropriate investments. At the time of retirement or resignation of the employees, the dues on account of gratuity and leave encashment are paid by DAVCMC to the concerned schools, who in turn make payment to the employees.
- (iv) The schools maintain separate accounts of Boys' fund/Pupils' fund, in which not just the fee on account of pupil fund is credited but the transport fee received from the students as well as some miscellaneous incomes earned by the schools like rent etc. are also credited. The unclaimed securities of the school students are also transferred to Boys' fund and the same are utilised for creating fixed assets like buses etc., although as per the directions of the Directorate of Education, such securities are required to be kept in a separate bank account and are to be refunded to the students along with bank interest at the time of their leaving, irrespective of whether he/she requests for a refund or not (Direction no. 18 of order dated 11/02/2009). The balance sheets of Boys' funds of the schools are not merged with the balance sheets of the main.

schools and hence are kept away from the scrutiny of the Directorate of Education.

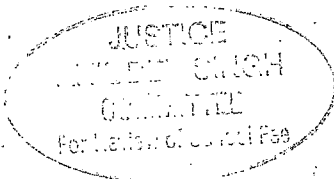
- (v) Development fee is treated as a revenue receipt by all the schools, except one or two. The same is treated for meeting its revenue expenses. No earmarked accounts are maintained for parking unutilised development fee or depreciation reserve fund.
- (vi) All the schools hiked the tuition fee/development fee to the maximum extent permitted by the Directorate of Education vide order dated 11/02/2009 for the purpose of implementing the recommendations of VI Pay Commission, irrespective of the funds already available with them. At any rate, since all the revenues of the schools are transferred to DAVCMC, the schools had negligible funds available with them.
- (vii) The balance sheets of the schools do not depict the correct position of funds available with them as the funds are transferred to DAVCMC.

The Committee has observed that some of the policies and practices being followed by the schools run by this body are in fact in violation of even the law laid down by the Hon'ble Supreme Court in the cases of **Modern School vs. Union of India (2004) 5 SCC 583** and **Action Committee Unaided Private Schools & Ors. vs. Director of Education, Delhi & Ors. 2009 (11) SCALE 77**. Significant violations of the law are noticed below:

As noted supra, all the schools run by this body are required to transfer their entire revenue in the shape of fee collected from the students and other miscellaneous incomes to the account of DAVCMC. The schools submit the details of expenditure incurred by them to this body which is then reimbursed to the schools. In the process, any surplus accruing to the schools, gets transferred to the accounts of DAVCMC and the schools are left with bare minimum funds at their disposal. Rule 172 of Delhi School Education Rules, 1973 (hereinafter referred as 'the Rules') provides that no fee, contribution or other charge shall be collected from any student by the Trust or Society running any recognised school, whether aided or not. Vide the judgment of Hon'ble Delhi High Court in WP (C) 3723 of 1997 (Delhi Abhibhavak Mahasangh Vs. Union of India) a Committee, namely Duggal Committee was constituted to examine the fee hike effected by the schools to give effect to recommendations of V Pay Commission. Pursuant to the recommendations of Duggal Committee, the Directorate of Education issued an order dated 15/12/1999 issued a slew of directions to all the recognised unaided private schools in Delhi. Direction No. 8 was as follows:

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

The validity of the above direction was examined by the Hon'ble Supreme Court in the case of **Modern School (supra)** and it was held as follows:

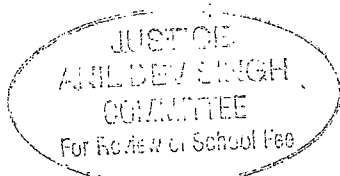


22. As stated above, it was argued that clause 8 of the order of Director was in conflict with rule 177. We do not find any merit in this argument.

23. Rule 177(1) refers to income derived by unaided recognized school by way of fees and the manner in which it shall be applied/utilized. Accrual of income is indicated by rule 175, which states that income accruing to the school by way of fees, fine, rent, interest, development fees shall form part of Recognized Unaided School Fund Account. Therefore, each item of income has to be separately accounted for. This is not being done in the present case. Rule 177(1) further provides that income from fees shall be utilized in the first instance for paying salaries and other allowances to the employees and from the balance the school shall provide for pension, gratuity, expansion of the same school, capital expenditure for development of the same school, reserve fund etc. and the net savings alone shall be applied for establishment of any other recognized school under rule 177(1)(b). Under accounting principles, there is a difference between appropriation of surplus (income) on one hand and transfer of funds on the other hand. In the present case, rule 177(1) refers to appropriation of savings whereas clause 8 of the order of Director prohibits transfer of funds to any other institution or society. This view is further supported by rule 172 which states that no fee shall be collected from the student by any trust or society. That fees shall be collected from the student only for the school and not for the trust or the society. Therefore, one has to read rule 172 with rule 177. Under rule 175, fees collected from the school have to be credited to Recognized Unaided School Fund. Therefore, reading rules 172, 175 and 177, it is clear that appropriation of savings (income) is different from transfer of fund. Under clause 8, the management is restrained from transferring any amount from Recognized Unaided School Fund to the society or the trust or any other institution, whereas rule 177(1) refers to appropriation of savings (income) from revenue account for meeting capital expenditure of the school. In the circumstances, there is no conflict between rule 177 and clause 8.

The aforesaid judgment in the case of Modern School was reviewed by the Hon'ble Supreme Court in the case of **Action Committee Unaided Private Schools (supra)** and with regard to clause no. 8 of the order dated 15/12/1999, the Court held as follows:

18. S/Shri Soli J. Sorabjee and Salman Khurshid, Learned senior counsel appearing on behalf of the Action Committee and other review petitioners, submitted that clause 8 of the order issued by DOE dated



15.12.1999 is causing administrative difficulties which needs to be clarified. This Court vide majority judgment has held that clause 8 is in consonance with rule 177 of Delhi School Education Rules, 1973. Rule 177 has been quoted hereinabove. Under clause 8, DOE has stipulated that 'no amount whatsoever shall be transferred from the recognised unaided school fund of a school to the society or the trust or any other institution.' Accordingly to the learned senior counsel, a rider needs to be introduced in clause 8, namely, 'except under the management of the same society or trust'. Thus accordingly to the learned counsel, if the suggested rider is added in clause 8 then the Management would have no grievance with the majority view. Thus according to the learned counsel, clause 8 should be read as follows:

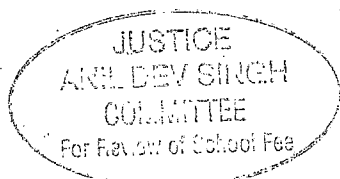
"No amount whatsoever shall be transferred from the recognised unaided school fund of a school to the society or the trust or any other institution except under the management of the same society or trust"

19. Accordingly to the learned counsel, if the suggested rider is added to clause 8, then it would subserve the object underlying the 1973 Act.

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

The sum and substance of the aforesaid two judgments of the Hon'ble Supreme Court is that while the schools may transfer funds to another institution under the same management, so long as there is a reasonable fee structure, no funds can be transferred from the account of the school to the Society or the Trust running the school.

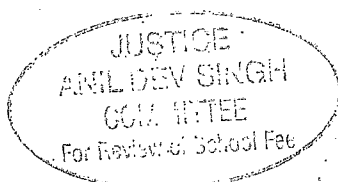
Direction No. 7 of the order dated 15/12/1999 was repeated verbatim as Direction No. 23 in the order dated 11/02/2009 issued by the Director of Education.



The practice being adopted by the schools run by DAVCMC whereby the revenues of the school are first transferred to the account of the Society and thereafter the amount required for meeting the expenses of the school are transferred back to the school, results in the surplus revenue being retained by the Society. This is nothing but transfer of funds by the schools to the Society, which is proscribed by law. This practice leaves the school with little funds and it is well nigh impossible to determine whether the schools had accumulated funds of their own, which could have been utilised for the purpose of implementation of the recommendations of VI Pay Commission, rather than hiking the fee of the students for such purpose. The accumulation of school funds, if any, takes place in the hands of DAVCMC and this Committee has no jurisdiction to examine the accounts of this body.

Further, there is also transfer of funds from the schools to DAVCMC in the shape of Administration Charges.

Some of the schools have charged building fund from the students at the time of their admission while some others have taken loans from DAVCMC and/or banks for creating the school infrastructure like buildings. Such loans are repaid to DAVCMC/banks, along with interest, out of the fee of the students. Expenditure incurred on school infrastructure is a capital expenditure, which is not supposed to be recovered from the students by way of fee. Moreover, charging of building fund from the students at the time of admission amounts to charging of capitation fee, which is prohibited by law.



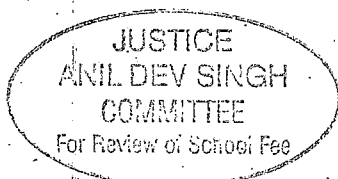
The Duggal Committee which was constituted by the Hon'ble Delhi High Court made the following recommendation with regard to recovery of capital expenditure from the parents:

20. *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 ! (Para 7.24)*

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

"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. 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.*

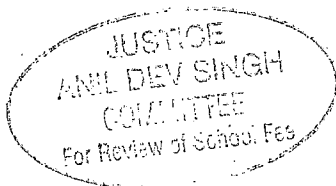


In view of the foregoing discussion, as this Committee does not have jurisdiction to go into the accounts of DAVCMC and the surplus available or deficit incurred by the schools can only be determined on examining the accounts of DAVCMC together with the accounts of the respective schools, it is of the view that a special inspection may be conducted by the Director of Education into the accounts of DAVCMC, as well as into the accounts of all the schools run by it which are recognised by the Directorate of Education, Delhi, in order to ascertain as to how much funds DAVCMC had accumulated in respect of the schools being run by them in Delhi and how much funds the schools had in their own kitties. Only when such funds accumulated by DAVCMC and the respective schools are ascertained, will it be possible to determine whether the fee hiked by the schools in pursuance of order dated 11/02/2009 issued by the Director of Education, was justified or not.

However, the issues regarding collection of building fund and charging of development fee by the schools are clearly discernible from the accounts of the schools.

Building Fund:

The building fund charged by the schools at the time of admission is clearly prohibited by law as it amounts to charging of capitation fee, the Committee is of the view that the same charged by the schools ought to be



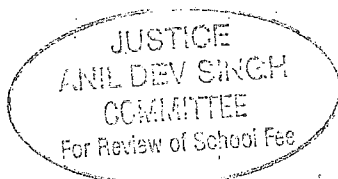
refunded along with interest @ 9% per annum from the date of collection to the date of refund.

Development Fee:

The statute governing the private unaided schools in Delhi did not provide for charging any development fee by the **Unaided** Recognised Private Schools in Delhi. It is only in the case of **Aided** schools that Rules 151, 152 and 153 of the Rules provide for charging of Development Fee, its accounting and manner of utilisation by them. However, the Duggal Committee which was constituted by the Hon'ble Delhi High Court, as stated supra, made the following recommendation with regard to charging of development fee by Unaided schools:

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)*

Vide the order dated 15/12/1999 issued by the Director of Education (supra), a direction (no. 7) was issued to the Recognised Unaided Schools with regard to charging of development fee. The said direction reads as follows:



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Secretary

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

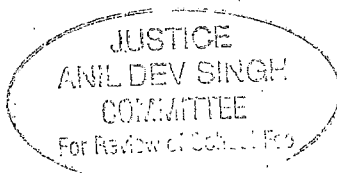
The Hon'ble Supreme Court in the case of Modern School (supra)

admitted, 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?"

It was held as follows:

25. In our view, on account of increased cost due to inflation, the management is entitled to create Development Fund Account. For creating such development fund, the management is required to collect development fees. In the present case, pursuant to the recommendation of Duggal Committee, development fees could be levied at the rate not exceeding 10% to 15% of total annual tuition fee. Direction no.7 further states that development fees not exceeding 10% to 15% of total annual tuition fee shall be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipments. It further states that development fees shall be treated as Capital Receipt and shall be collected only if the school maintains a depreciation reserve fund. In our view, direction no.7 is appropriate. If one goes through the report of Duggal Committee, one finds absence of non-creation of specified earmarked fund. On going through the report of Duggal Committee, one finds further that depreciation has been charged without creating a corresponding fund. Therefore, direction no.7 seeks to introduce a proper accounting practice to be followed by non-business organizations/not-for-profit organization. With this correct practice being introduced, development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipments is justified. Taking into account the cost of inflation between 15th December, 1999 and 31st December, 2003 we are of the view that



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

In view of the fact that the statute itself does not provide charging of any development fee by Unaided Recognised Private Schools and it came to be allowed to be charged by the schools by the Directorate of Education in pursuance of the recommendations of Duggal Committee, which was constituted by the Delhi High Court and which recommendations were affirmed by the Hon'ble Supreme Court, the preconditions laid down by the Duggal Committee, as affirmed by the Hon'ble Supreme Court have to be strictly construed. Unless such pre conditions are fulfilled, the schools cannot charge development fee. This Committee is mandated to follow the principles laid down by the Hon'ble Supreme Court in the case of Modern School (supra) and Action Committee (supra). The pre conditions laid down by the Hon'ble Supreme Court for the schools to be able to charge development fee are as follows:

Development fee can be charged if and only if:

- (i) It is treated as a capital receipt;
- (ii) It is utilised for meeting capital expenditure for purchase, upgradation and replacement of furniture, fixtures and equipments.
- (iii) The school maintains a specified earmarked development fund.

JUSTICE
ANIL DEV SINGH
COMMITTEE

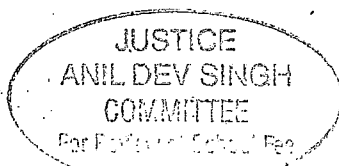
- (iv) The school maintains a depreciation reserve fund equivalent to depreciation charged in the accounts.

The overall cap of the charge of development fee is 15% of the tuition fee.

The direction No. 7 of the order dated 15/12/1999 was repeated verbatim as Direction No. 14 in the order dated 11/02/2009 issued by the Director of Education. Only the cap of 10% of tuition fee was substituted as 15% in the later order.

In the cases of the schools run by DAVCMC, which are being dealt with by the present recommendations, none of the schools is following the pre conditions for charging development fee as laid down by the Duggal Committee and the Directorate of Education which were affirmed by the Hon'ble Supreme Court. All the schools being dealt with herein have treated development fee as a 'Revenue Receipt' and credited the same to their Income & Expenditure Accounts, except in cases of a couple of schools which have treated it as a Capital Receipt. However, even where it has treated as a Capital Receipt, it has been utilised for meeting the Revenue Expenses of the school and not for meeting any Capital Expenditure for purchase, upgradation and replacement of furniture, fixtures and equipments. Moreover, no earmarked fund accounts have been maintained for parking unutilised development fund and depreciation reserve fund by any of the schools.

In view of the aforestated facts, none of the schools being dealt with herein was justified in charging development fee and the same is required

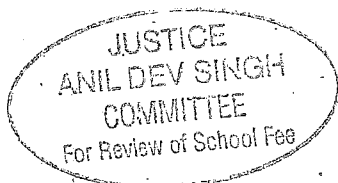


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refunded along with interest @ 9% per annum from the date of collection to the date of refund. However, since the mandate of this Committee is to examine the fee charged in pursuance of order dated 11/02/2009 only and it has examined the accounts of the schools only upto 2010-11, the Committee is restricting its recommendations regarding refund of development fee for the years 2009-10 and 2010-11. For the years prior to 2009-10 and subsequent to 2010-11, the Director of Education may examine the position and take such appropriate action as permissible under the law.

The aforesaid recommendation of refund of development fee would of course be subject to the determination of the funds available with the schools, as may be determined after the inspection of the accounts of DAVCMC and the accounts of the respective schools by the Director of Education, as per our earlier recommendation. In case, on such determination, in case of a particular school, the position emerges that the schools had a deficiency after implementation of recommendation of VI Pay Commission, after taking into account the funds available as on 31/03/2008 and as increased by the tuition fee and development fee hiked w.e.f. 01/09/2008 to 31/03/2010, and the lump sum fee charged as per order dated 11/02/2009 issued by the Director of Education, such deficiency may be set off against the refund of development fee as stated supra. On the other hand if the determination in case of certain schools is that the schools had hiked the tuition fee and development fee or charged



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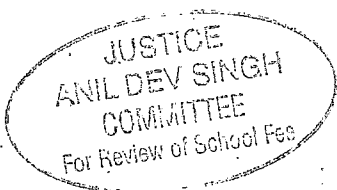
lump sum fee as per order dated 11/02/2009, in excess of what was required to be charged to meet the additional expenditure of the schools for implementing the recommendations of VI Pay Commission, such excess tuition fee/development fee ought also be refunded along with interest @ 9% per annum from the date of collection to the date of refund.

Now we will deal with the cases of individual schools with regard to building fund and development fee.

1. B-30, DAV Centenary Public School, Narela, Delhi-110040

Development Fee

The school recovered a sum of **Rs.16,48,850** as development fee in 2009-10 and **Rs.27,87,700** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.



2. B-31, DAV Public School, Ashok Vihar, Delhi-110052

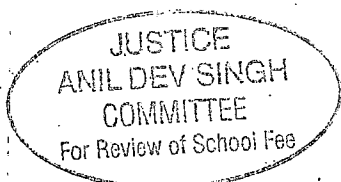
Development Fee

The school recovered a sum of **Rs.38,67,050** as development fee in 2009-10 and **Rs.51,62,750** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

3. B-153, DAV Public School, East of Loni Road, Delhi-110093

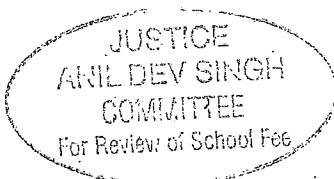
Development Fee

As per reply to the questionnaire, the school stated that it recovered a sum of **Rs.26,43,900** as development fee in 2009-10 and **Rs.30,99,460** in 2010-11. No mention was made regarding its treatment in the accounts. However, on perusal of the Balance Sheet of the school, it is observed that it was treated as a capital receipt. Although the school stated that a sum of Rs.6,60,584 in 2009-10 and Rs.5,91,244 in 2010-11 was utilised for purchase of furniture &



fixtures and Equipments out of development fund, no utilizations have been reduced from the development fund account. Again, although the school stated that it was maintaining a Depreciation Reserve Fund and a separate earmarked account with PNB, Yamuna Vihar, perusal of Balance Sheet as on 31/03/2011 shows only one current account of the school. No earmarked account for depreciation reserve fund or development reserve fund are reflected in the Balance Sheet. As against a balance of Rs.1,01,21,850 in the Development fund account and Rs.10,000 in the depreciation reserve fund account, the balance in the current account and the fixed deposit account was a mere Rs.34,20,588 out of which the school had to meet its Current liabilities amounting to Rs.13,86,258. Therefore, the Committee is of the view that except for treating development fee as a capital receipt, the school was not fulfilling any other pre conditions laid down by the Hon'ble Supreme Court.

In view of the foregoing discussion, the Committee is of the view that the ought to refund the aforesaid sums of development fee charged in 2009-10 and 2010-11, alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.



4. B-167, DAV Public School, Pushpanjali Enclave, Pitam Pura, Delhi-

110034

Development Fee

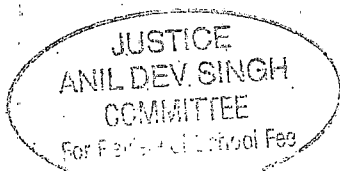
The school recovered a sum of **Rs.1,12,33,110** as development fee in 2009-10 and **Rs.1,20,09,545** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

5. B-178, Shrimati Swarn Lata Sethi DAV Public School, Mausam Vihar,

Delhi-110051

Development Fee

The school recovered a sum of **Rs.70,24,200** as development fee in 2009-10 and **Rs.76,75,425** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum

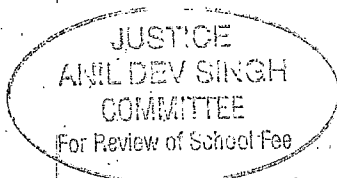


from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

6. B-181, Suraj Bhan DAV Public School, Vasant Vihar, New Delhi-110057.

Development Fee

The school recovered a sum of **Rs.76,25,510** as development fee in 2009-10 and **Rs.85,25,800** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.



7. B-248, DAV Centenary Public School, Paschim Enclave, Paschim Vihar, New Delhi-110087

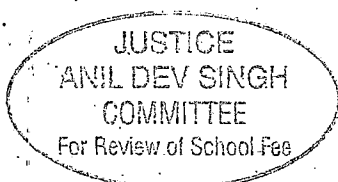
Development Fee

The school recovered a sum of **Rs.54,79,740** as development fee in 2009-10 and **Rs.59,30,560** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

8. B-251, DAV Public School, Reserve Bank Enclave, Paschim Vihar, New Delhi-110063.

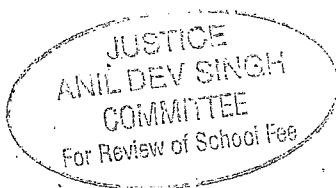
Development Fee

The school recovered a sum of **Rs.12,29,150** as development fee in 2009-10 and **Rs.18,50,450** in 2010-11. Upto 2009-10, the school treated development fee as capital receipt but for 2010-11, it was treated as a revenue receipt. So far as utilisation of development fund is concerned, the school in reply dated



23/08/2013, to questionnaire issued by the Committee, stated that it was used for purpose of maintenance of school building, furniture, Equipment and fans. It was further stated that the school was heavily in deficit since 2006 and therefore, this fund was also used for Establishment expenses. With regard to maintenance of earmarked accounts for unutilised development fund and depreciation reserve fund, the school conceded that no such funds were maintained. Examination of Balance Sheets of the school by the committee also confirmed that no such earmarked funds were maintained.

In view of the aforestated facts, the Committee is of the view that the school was not fulfilling the required preconditions for charging development fee and the same charged for the years 2009-10 and 2010-11, ought to be refunded alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. However, in case such inspection reveals a surplus, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.



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9. B-262, Ved Vyasa DAV Public School, Vikas Puri, New Delhi-110018

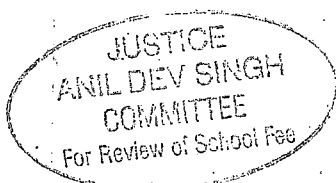
Development Fee

The school recovered a sum of **Rs.1,19,97,565** as development fee in 2009-10 and **Rs.1,34,70,135** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

10. B-272, Arvind Gupta DAV Centenary Public School, Model Town, Delhi-110009

Development Fee

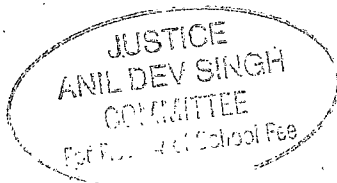
The school recovered a sum of **Rs.35,79,215** as development fee in 2009-10 and **Rs.46,47,760** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to




any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

Building Fund

The school recovered a sum of **Rs.24,14,000** as Building fund in 2009-10 and **Rs.35,80,000** in 2010-11 from the new students. This clearly amounts to charging a capitation fee which is prohibited by law. Moreover, the collection of such a fund is illegal also for the reason that this component of fee was not shown by the school in the statement of fee filed by the school under section 17(3) of the Act. The schools cannot recover any fee unless the same is reported to the Director of Education before the start of the academic year. For these reasons, the Committee is of the view that the sums collected towards building fund ought to be refunded to the students alongwith interest @ 9% per annum from the date of collection to the date of refund. This refund is required to be made irrespective of whether the inspection of the accounts of the school and DAVCMC reveals a deficit in the tuition fee account of the school.



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11. B-329, S.L. Suri DAV Public School, Janak Puri, New Delhi-

110058

Development Fee

The school recovered a sum of **Rs.26,63,880** as development fee in 2009-10 and **Rs.31,59,750** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

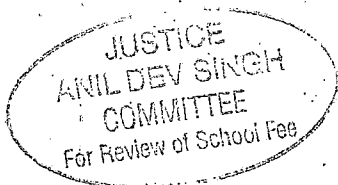
12. B-337, Shaheed Raj Pal DAV Public School, Daya Nand Vihar,

Delhi

Development Fee

The school recovered a sum of **Rs.1,07,95,570** as development fee in 2009-10 and **Rs.1,19,55,180** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per

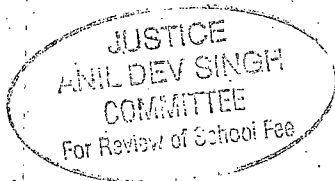
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annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

Building Fund

The school recovered a sum of **Rs.31,08,000** as Building fund in 2009-10 and **Rs.64,92,500** in 2010-11 from the new students. This clearly amounts to charging a capitation fee which is prohibited by law. The school has not filed copies of the fee statements which it might have filed under section 17(3) of the Act, as part of its Annual Returns under rule 180 of the Rules. For these reasons, the Committee is of the view that the sums collected towards building fund ought to be refunded to the students alongwith interest @ 9% per annum from the date of collection to the date of refund. This refund is required to be made irrespective of whether the inspection of the accounts of the school and DAVCMC reveals a deficit in the tuition fee account of the school.



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13. B-416, DAV Public School, G - 55 & 56 Palam Extension,
Harijan Basti, New Delhi-110045.

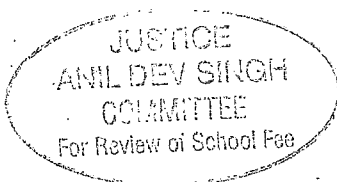
Development Fee

The school recovered a sum of **Rs.17,89,740** as development fee in 2009-10 and **Rs.20,68,045** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

14. B-551, DAV Public School, Khera Khurd, Delhi-110082

Development Fee

The school recovered a sum of **Rs.9,67,010** as development fee in 2009-10 and **Rs.11,80,855** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to

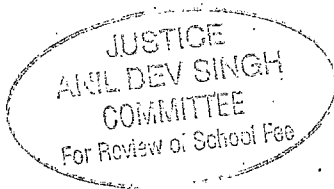



any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

15. **B-587, DAV Public School, Vasant Kunj, New Delhi**

Development Fee

The school recovered a sum of **Rs.53,95,610** as development fee in 2009-10 and **Rs.53,40,680** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.



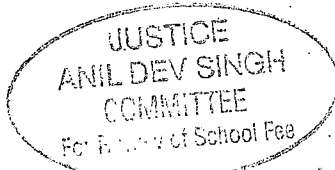
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Development Fee

The school recovered a sum of **Rs.94,99,275** as development fee in 2009-10 and **Rs.1,03,30,310** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

Building Fund

The school recovered a sum of **Rs.26,80,000** as Building fund in 2009-10 and **Rs.28,77,800** in 2010-11 from the new students. This clearly amounts to charging a capitation fee which is prohibited by law. Moreover, the collection of such a fund is illegal also for the reason that this component of fee was not shown by the school in the statement of fee filed by the school under section 17(3) of the Act. The schools cannot recover any fee unless the same is reported to the Director of Education before the start of the academic year. For

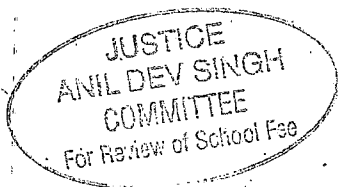



these reasons, the Committee is of the view that the sums collected towards building fund ought to be refunded to the students alongwith interest @ 9% per annum from the date of collection to the date of refund. This refund is required to be made irrespective of whether the inspection of the accounts of the school and DAVCMC reveals a deficit in the tuition fee account of the school.

17. **B-659, DAV Public School, Jasola Vihar, Delhi**

Development Fee

The school recovered a sum of **Rs.32,33,735** as development fee in 2009-10 and **Rs.42,08,375** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.




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18. B-689, Darbari Lal DAV Model School, ND Block, Pitam Pura,

Delhi-110034

Development Fee

The school recovered a sum of **Rs.1,50,41,535** as development fee in 2009-10 and **Rs.1,52,97,785** in 2010-11 which was treated as a revenue receipt and utilised for meeting revenue expenses. As per the above discussion, the school is required to refund the aforesaid sums alongwith interest @ 9% per annum from the date of collection to the date of refund. This is, however, subject to any deficiency that may be determined, on special inspection of the accounts of the school and DAVCMC, in tuition fee account as per the above discussion. Such deficiency may be adjusted from the amounts refundable in respect of development fee, as above. In case, a surplus is found as a result of the inspection, the same ought to be refunded alongwith interest @ 9% per annum over and above the refund of development fee, as recommended.

Recommended Accordingly

Sd/-

CA J.S. Kochar
Member

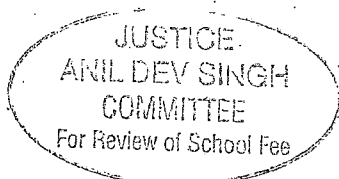
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 25/04/2016



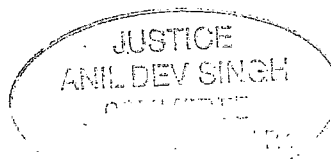
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Modern Public School, Shalimar Bagh, Delhi-110088

The school had furnished copies of returns filed by it under Rule 180 of the Delhi School Education Rules, 1973 to the Dy. Director of Education, District North West-A under cover of its letter dated 22/02/2012, which were forwarded to the office of this Committee.

In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school). The school submitted its reply under cover of its letter dated 28/02/2012, vide which it stated as follows:

- (a) The School had implemented the recommendations of VI Pay Commission and the increased salary of the staff were being paid w.e.f. 01/09/2008. It was stated that prior to implementation of the recommendations, the monthly salary expenditure of this school was Rs. 16,00,030 which rose to Rs. 21,53,875 after implementation. It was also stated that the school had paid arrears of salary amounting to Rs. 1,03,55,926.
- (b) The school had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. 01/09/2008 (an annexure showing the pre hike tuition fee and the post hike tuition fee was enclosed, showing that the



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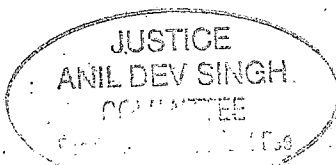
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same had been hiked by Rs. 300 per month for all the classes). Further, a sum of Rs. 1,19,03,401 was recovered as arrears of fee in accordance with the aforesaid order.

On examining the copies of annual returns filed by the school, the Committee observed that the school had been filing the bare Balance Sheets and Income & Expenditure accounts, without their schedules. Vide email dated 14/08/2013, the Committee required the school to file schedules of the audited financials for the years 2006-07 to 2010-11, which the school filed on 21/08/2013.

In the first instance, the preliminary calculations were made by the Chartered Accountants detailed with this Committee. As per their calculations, the school had a sum of Rs. 5,22,25,621 in its kitty as on 31/03/2008 while the total financial impact of the recommendations of VI Pay Commission was Rs. 2,08,78,981 upto 31/03/2010 and therefore, there was no necessity for the school to hike the fee for implementing the recommendations of VI Pay Commission. However, the CAs had extrapolated the figures of fee hike and salary hike by taking monthly differences therein, without reconciling the same with the audited Income & Expenditure Accounts.

The Committee issued a notice dated 30/03/2015, requiring the school to furnish the figures of arrear tuition fee, regular tuition fee, arrears of development fee, regular development fee, arrear salaries



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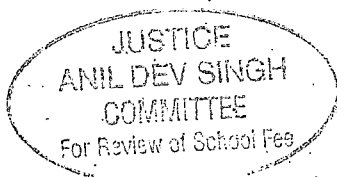
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and regular salaries for the years 2008-09, 2009-10 and 2010-11, in a structured format, duly reconciled with the audited Income & Expenditure Accounts. The school was also required to file a statement of account of the Society, as appearing in its books, details of accrued liabilities of gratuity and leave encashment, a copy of the circular issued to the parents regarding the fee hike. The school was also issued a questionnaire regarding development fee. The date of hearing fixed was 08/04/2015.

On the scheduled date, Sh. Ajay Kapoor, Manager of the school, Sh. Puneet Batra, Advocate, Sh. Narender Arora, Chartered Accountant and Sh. Rakesh Chawla, Accountant of the school appeared. They furnished only partly the information required by the Committee and requested for further time to furnish the remaining information.

On perusal of the circular dated 18/02/2009 issued by the school to the parents, the Committee observed that besides increasing tuition fee by Rs. 300 per month w.e.f. 01/09/2008, the school had also increased development fee by Rs. 45 per month with effect from the same date. This information was concealed by the school while furnishing its reply to the questionnaire. The Committee further noticed that the school recovered the incremental development fee @ 15% of the incremental tuition fee, when originally the school was charging development fee @ 10% of tuition fee, as per the fee schedule



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filed by it under section 17(3) of the Delhi School Education Act, 1973. The Committee also observed that the school had shown a sum of Rs. 16,69,370 as arrears of development fee for the period 01/09/2008 to 31/03/2009 while the arrears of tuition fee for the corresponding period were shown as Rs. 34,51,500. Thus apparently as per the information furnished by the school, the arrears of development fee recovered worked out to 48.36% of the arrears of tuition fee, which did not match with the circular issued by the school to the parents. There was an obvious mistake in the statement furnished by the school. The school sought some time to look into the matter.

On examining the details of arrear salary paid by the school, the Committee observed that the school had also included a sum of Rs. 9,18,045 as arrear salary which was outstanding even as on 31/03/2015. This position was conceded by the representatives of the school.

The matter was directed to be relisted on 21/04/2015, which was postponed to 24/04/2015. On this date, the aforesaid representatives of the school again appeared and filed a revised statement of fee and salaries for the year 2008-09 to 2010-11, after making necessary corrections. This statement was verified by the Committee with the books of accounts of the school.

While examining the books of accounts of the school, it emerged that the school had recovered development fee arrears @ 15% of

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tuition fee, not just for the incremental tuition fee but also on the pre increase tuition fee for the period 01/04/2008 to 31/08/2008. This explained the phenomenal rise in the percentage of incremental development fee to incremental tuition fee.

The school credits its profit for the year to the account of the parent society, instead of accumulating it with itself to be used for educational purposes. After such credits, the money is actually transferred to the account of the Society. In the year 2009-10, a sum of Rs. 1.94 crores was transferred to the Society and in the year 2010-11, the amount transferred was to the tune of Rs. 6.14 crores.

The school treats development fee as a revenue receipt and no earmarked funds are maintained for unutilised development fee and depreciation reserve fund.

The school filed details of accrued liabilities of gratuity and leave encashment as on 31/03/2010. The amount of liabilities on these two accounts are Rs. 1,09,43,099 and Rs. 42,26,117 respectively.

The Committee prepared a calculation sheet taking into account the funds available with the school as on 31/03/2008, the total financial impact of the recommendations of VI Pay Commission, the additional fee revenue generated by the school as a result of fee hike pursuant to order dated 11/02/2009 issued by the Director of Education, the amounts required to be kept in reserve for meeting the accrued liabilities of gratuity, leave encashment and for any future

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contingency. The calculation sheet prepared by the Committee, is as follows:

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Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report

| | Particulars | Amount (Rs.) | Amount (Rs.) |
|-------------|--|--------------|-------------------|
| | <u>Current Assets + Investments</u> | | |
| | Cash in hand | 295,957 | |
| | Cash at Bank | 5,336,504 | |
| | Investments | 49,200,000 | |
| | Accrued Interest | 3,765,553 | |
| | Transworld Fire Engineers | 135,000 | |
| | Prepaid AMC Expenses | 25,749 | |
| | Prepaid Insurance | 34,566 | |
| | TDS on KDR | 460,671 | 59,254,000 |
| Less | <u>Current Liabilities</u> | | |
| | Advance Center fee received | 24,695 | |
| | Advance Fee | 632,135 | |
| | Caution Money | 1,820,459 | |
| | Magazine Advt. & Advance Magazine Fee | 395,000 | |
| | Staff Cash security | 627,104 | |
| | Sundry Creditors | 634,910 | |
| | Bonus, Salary & Wages Payable | 2,137,504 | |
| | Expenses payable | 34,933 | |
| | TDS payable | 76,638 | 6,383,378 |
| | Net Current Assets + Investments (Funds Available) | | 52,870,622 |
| | Funds transferred to Parent Society in 2009-10 | | 19,386,829 |
| | Funds deemed to be available | | 72,257,451 |
| | Total Liabilities after implementation of VIth Pay Commission | | |
| Less | Arrear of Salary as per VI th Pay Commission 1.1.06 to 31.8.08 | 7,474,460 | |
| | Arrear of Salary for the period from 1.9.08 to 31.3.09 | 3,591,567 | |
| | Incremental Salary for 2009-10 (as per calculation given below) | 9,244,982 | 20,311,009 |
| | Excess / (Short) Fund Before Fee Hike | | 51,946,442 |
| Add | Total Recovery after VI th Pay Commission | | |
| | Recovery of Arrear tuition fee w.e.f 01.01.06 to 31.08.08 | 5,929,226 | |
| | Recovery of Arrear tuition fee w.e.f 01.09.08 to 31.03.09 | 4,327,885 | |
| | Arrear of Development fee w.e.f. 01.9.08 to 31.3.09 | 1,646,290 | |
| | Incremental fee for 2009-10 (as per calculation given below) | 9,750,457 | 21,653,858 |
| | Excess / (Short) Fund After Fee Hike | | 73,600,300 |
| Less | Reserves required to be maintained: | | |
| | for future contingencies (equivalent to 4 months salary) | 10,006,250 | |
| | for Gratuity as on 31.03.2010 | 10,943,099 | |
| | for Leave Encashment as on 31.03.2010 | 4,226,117 | 25,175,466 |
| | Excess / (Short) Fund | | 48,424,834 |

Development fee treated as revenue receipt and spent for revenue expenses:

For the year 2009-10

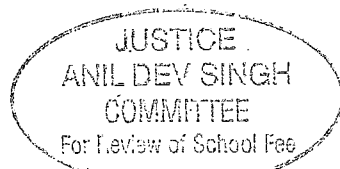
6,449,186

For the year 2010-11

7,973,650

Total

14,422,836

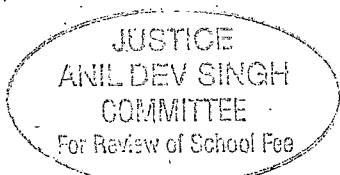


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Modern Public School, Shalimar Bagh, Delhi-110088**Working Notes:**

| | <u>2008-09</u> | <u>2009-10</u> |
|---|------------------|----------------|
| Normal/ regular salary as per I & E A/c | 20,773,768 | 30,018,750 |
| Incremental salary in 2009-10 | 9,244,982 | |
| | <u>2008-09</u> | <u>2009-10</u> |
| Regular Tuition fee as per I & E A/c | 33,344,235 | 43,094,692 |
| Incremental tuition fee in 2009-10 | 9,750,457 | |

As per the above calculation sheet, the school had available with it a sum of Rs. 5,28,70,622 as on 31/03/2008. The Committee has accepted the figure of gratuity and leave encashment liabilities of the school amounting to Rs. 1,09,43,099 and Rs. 42,26,117 respectively. Further, the Committee has calculated that the school ought to have funds in reserve for any future contingency to the tune of Rs. 1,00,06,250, which is equivalent to its expenditure on salary of four months. After reserving these sums out of the funds available, the school still had a sum of Rs. 2,76,95,156 at its disposal, which could have been utilised for implementation of the recommendations of VI Pay Commission. The total financial impact of implementation of the recommendations of VI Pay Commission was Rs. 2,03,11,009. Thus as per this calculation sheet, prima facie, it appeared that there was no necessity of increasing any fee or recovering any arrear fee for implementing the recommendations of VI Pay Commission. However, the school not only took full advantage of the order dated 11/02/2009 issued by the Director of Education and recovered the arrear fee as envisaged therein and hiked the tuition fee to the full extent, but also illegally hiked the rate of development fee, not only on the incremental

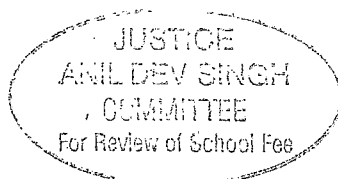


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tuition fee but also on the original tuition fee, which was not envisaged by the aforesaid order.

In order to afford an opportunity to the school to have its say on the calculations made by the Committee, a copy of the calculation sheet was furnished to the school vide notice dated 02/11/2015. The hearing was fixed for 28/11/2015, which was postponed to 01/12/2015 on account of certain exigencies. On this date, Sh. Ajay Kapoor, Puneet Batra and Sh. Narender Arora appeared and filed written submissions dated 26/11/2015. It was contended as follows:

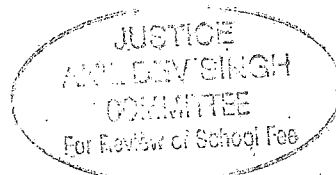
- (a) The savings which were available with the school at the time of issuance of order dated 11/02/2009, were accumulation of reserve fund during last 10 years to meet the likely expenditure on construction of building at a site allotted by DDA. To buttress its submission, reliance was placed on Rule 177 of the Rules.
- (b) The savings, which were accumulated out of tuition fee and development fee, were not free funds but committed funds. The school had an obligation that these were used for expansion/establishment of the school, which could not be utilised on account of litigations.
- (c) Modern Public School Education Society, which is the Parent Society of the school was allotted by DDA a four acre land for expansion of school in 1985. However, due to financial

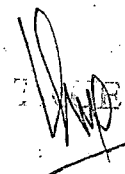


Modern Public School, Shalimar Bagh, Delhi-110088

constraints and technical difficulties, the school building could not be constructed till 04/01/2002. Thereafter, when the school wanted to construct the building, it ran into litigation with DDA. In 2009, an order was passed by the Delhi High Court directing DDA to sanction the building plans which were submitted in the year 2003 and ordered the Society to complete construction within two years. For this reason, an amount of Rs. 1.93 crores was transferred by the school to the Society. *"The school has to remain prepared in terms of above orders of Hon'ble Delhi High Court for construction of school building in two years on the 4 acres of land which requires huge amount of funds for construction. The approximate construction cost will much higher than Rs. 492 lacs, which automatically interpret that the school had to raise certain amount of funds from banks/financial institution to meet construction expenses/cost."*

- (d) Though a sum of Rs. 9,18,045 out of the arrear salary has not yet been paid, the same remains a liability and as such ought to be deducted from the funds available.
- (e) The amount of provisions like sport fund, library fund and laboratory fund amounting to Rs. 4,50,000, Rs. 1,05,000 and Rs. 90,000 ought to be considered as committed funds and therefore, reduced from the funds available.




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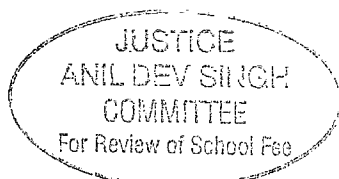
Modern Public School, Shalimar Bagh, Delhi-110088 000049

- (f) The school has kept separate records for development fund but while preparing final statement of account, school has been considering the development charged as part of the revenue receipt and thus the development fund also got merged in the general fund. Had it been so treated, the development fund would have appeared separately and would have been excluded from the funds available.

Discussion:

The Committee has considered the various contentions raised by the school. The submissions as recorded at (d) and (e) above are considered first. Vide these submissions, the school claims that a sum of Rs. 15,63,045 (9,18,045 + 4,50,000 + 1,05,000 + 90,000) ought to be excluded from the funds available, which the Committee has worked out. As noted supra, the school had a sum of Rs. 2,76,95,156 at its disposal, which could have been utilised for implementation of the recommendations of VI Pay Commission while the total financial impact of implementation of the recommendations of VI Pay Commission was Rs. 2,03,11,009. So even if these contentions of the school are accepted, there would be no effect on the final determination.

With regard to contention recorded at (a), (b) and (c) supra, vide which the school argued that the school had kept funds in reserve for constructing building at the 4 acre plot allotted by DDA in 1985 and



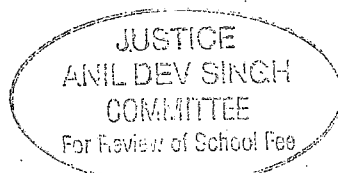
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thus the Committee ought to give due consideration to the requirement of school to keep funds in reserve for that purpose, the school did not come before the Committee with clean hands. It contended that the Hon'ble Delhi High Court, vide judgment dated 01/12/2009, had ordered the Society to complete the construction within two years and directed the DDA to issue NOC to MCD for sanction of building plans. The school tried to hoodwink the Committee by stating "*The school has to remain prepared in terms of above orders of Hon'ble Delhi High Court for construction of school building in two years on the 4 acres of land which requires huge amount of funds for construction. The approximate construction cost will much higher than Rs. 492 lacs, which automatically interpret that the school had to raise certain amount of funds from banks/financial institution to meet construction expenses/cost.*"

These contentions were made by the school on 01/12/2015 in its written submissions dated 26/11/2015. The school tried to pass off a single judge judgment dated 01/12/2009 in WP(C) 9321/2006 as the final judgment. When queried by the Committee, the school conceded that the Delhi Development Authority had filed an appeal before the Division Bench (LPA No. 487 of 2010) in which the single judge judgment had been overturned and thus the writ petition filed by the school was dismissed. Further the SLP filed by the Parent Society of the school was also dismissed by the Hon'ble Supreme Court on 13/05/2011. Thus, there was no possibility for the school



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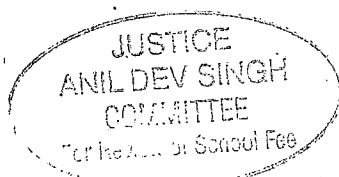
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to go ahead with the construction of building for which the school was supposedly keeping funds in reserve. Moreover, the Duggal Committee which was constituted by the Hon'ble Delhi High to examine the issue of fee hike for the purpose of implementation of the recommendations of V Pay Commission, had made the following recommendation with regard to the funds out of the fee of the students being used by the schools for construction of school buildings:

20. 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 ! (Para 7.24)

The Hon'ble Supreme Court also in the case of Modern School vs. Union of India (2004) 5 SCC 583, while considering Rule 177 of the Delhi School Education Rules, 1973, with regard to incurring of capital expenditure, held as follows:

"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. 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.



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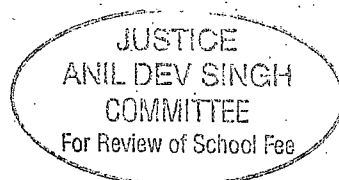
Modern Public School, Shalimar Bagh, Delhi-110088

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*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.*

The very fact that the school which claims that it could not start construction of the school building till 2003 on account of financial constraints, accumulated huge amount of surplus by 2008, shows that it was factoring in the building construction cost in the fee charged from the students from 2003 to 2008. Clearly, this was not permissible in view of the judgment of the Hon'ble Supreme Court, as cited supra.

Thus in view of the fact that the school could not factor in the capital expenditure on building in its fee structure and further that the construction of building became impossible in view of the final judgment of the Division Bench in LPA No. 487 of 2010, the Committee rejects the argument of the school that the funds accumulated for the supposed purpose of construction of school building ought not be considered as available for implementation of the recommendations of VI Pay Commission.



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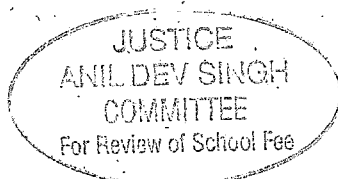
Secretary

The last issue that remains to be examined is with regard to the refund of development fee charged in the years 2009-10 and 2010-11. In reply to the questionnaire regarding development fee filed by the school on 24/04/2015, the school made the following admissions:

- (a) It was treating development fee as a revenue receipt in the accounts.
- (b) No separate depreciation reserve fund was maintained for depreciation on assets acquired out of development fee.

The remaining contentious issues raised with regard to no fund being available for being kept in a separate earmarked bank account on account of full utilisation of development fee and depreciation fund, need not be examined in the light of the above admissions made by the school, although there are inherent contradictions made in the submissions with regard to these issues. There is no denying the fact that separate bank accounts were not maintained for unutilised development fund. The entire development fund does not get spent, the moment development fee is received. There will always be a hiatus between the receipt of development fee and its utilisation and for this purpose an earmarked bank account to park the development fee in the interim is necessary.

There is no provision in law permitting Unaided Private Schools to charge development fee unlike Aided schools for which the legal provisions exist. Development fee came to be allowed to be charged by



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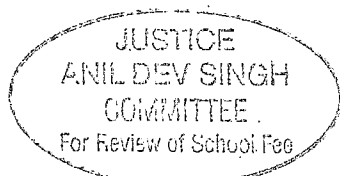
Modern Public School, Shalimar Bagh, Delhi-110088 000054

the Unaided Private Schools consequent to the recommendations of the Duggal Committee. It made the following recommendations with regard to charging of development fee:

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)

This recommendation of the Duggal Committee was considered by the Hon'ble Supreme Court in the aforesaid decision wherein it was held as follows:

25. In our view, on account of increased cost due to inflation, the management is entitled to create Development Fund Account. For creating such development fund, the management is required to collect development fees. In the present case, pursuant to the recommendation of Duggal Committee, development fees could be levied at the rate not exceeding 10% to 15% of total annual tuition fee. Direction no.7 further states that development fees not exceeding 10% to 15% of total annual tuition fee shall be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipments. It further states that development fees shall be treated as Capital Receipt and shall be collected only if the school maintains a depreciation reserve fund. In our view, direction no.7 is appropriate. If one goes through the report of Duggal Committee, one finds absence of non-creation of specified earmarked fund. On going through the report of Duggal Committee, one finds further that depreciation has been charged without creating a corresponding fund. Therefore, direction no.7 seeks to introduce a proper accounting practice to be followed by non-business organizations/not-for-profit organization. With this correct practice being introduced, development fees for supplementing the resources for purchase,



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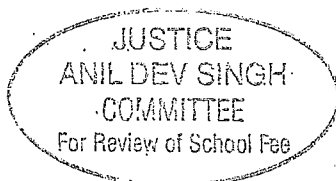
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Modern Public School, Shalimar Bagh, Delhi-110088

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

In view of the judgment of the Hon'ble Supreme Court, which affirmed the recommendations of the Duggal Committee, treating development fee as a capital receipt and maintaining earmarked accounts for unutilised development fund and depreciation reserve fund are mandatory requirements for charging of development fee. The Committee is of the view that since the school was not fulfilling the mandatory pre conditions for charging development fee, the school was not justified in recovering any amount by way of development fee. However, since the mandate of this Committee is to examine the issue of fee charged in pursuance of order dated 11/02/2009 and the Committee has examined the accounts of the schools upto 2010-11, the Committee is restricting its recommendations for the years 2009-10 and 2010-11 only. For the years prior to 2009-10 and after 2010-11, the Director of Education may examine the issue and take appropriate action as per law. The school in its revised fee statement filed on 24/04/2015, admitted that the development fee charged for the years 2009-10 and 2010-11 was Rs. 64,49,186 and Rs. 79,73,650.



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Determinations & Recommendations:

In the light of the above discussion, the Committee is of the view that:

- (a) The school ought to refund a sum of Rs. 2,16,53,858 which it recovered as arrear tuition fee, arrear development fee, additional development fee by hiking the rate of development fee to 15% from 10% in 2008-09 and the incremental tuition fee on account of hike effected in pursuance of order dated 11/02/2009 issued by the Director of Education, along with interest @ 9% per annum from the date of collection to the date of refund.
- (b) The school ought to refund the regular development fee of Rs. 64,49,186 charged in 2009-10 and Rs. 79,73,650 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: 25/04/2016

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JUSTICE
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COMMITTEE
For Review of School Fee

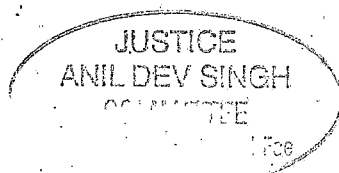
The Pinnacle School, Panchsheel Enclave, New Delhi-110017

In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school). The school submitted its reply vide its letter dated 06/03/2012, wherein it stated as follows:

- (a) The School had implemented the recommendations of VI Pay Commission and the increased salary of the staff were being paid w.e.f. 01/09/2008 and arrears for the period 01/01/2006 to 31/08/2008 had been paid.
- (b) The school had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education w.e.f. September 2008 and recovered the arrear fee as well as lump sum fee in terms of the aforesaid order.

Along with the reply, the school submitted detailed annexures showing the pre implementation salary as well as the post implementation salary and also the details of arrears paid to the staff. In respect of the fee also, the school gave details of the total arrear fee and lump sum fee collected from the students.

Meanwhile the Committee received a complaint/representation from one Ms. Bindu Khanna, a resident of D-688, IInd Floor, Chitaranjan Park, New Delhi-110019. The complaint suggested that the school had unjustifiably increased the fee in 2009-10, on the



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pretext of implementation of the recommendations of VI Pay Commission, when it had sufficient funds of its own which could have been utilised for meeting the increased liability on implementation of the recommendations. The complaint was suggestive of the fact that the management of the school diverted huge funds to themselves and to the society running the school. It was also alleged that the school was also running a Kindergarten section which also had substantial funds available with it but it was shown as an independent school in violation of circular no. 15072-15871 dated 23/03/1999, which mandated that all pre primary schools being run by the societies as branches of recognised schools, shall be deemed as one institution for all purposes. Various other irregularities were also mentioned in the complaint.

It appears that prior to filing the complaint with this Committee, the complainant had also filed a similar complaint with the Department of Education and the Minister of Education of the Govt. of NCT of Delhi had constituted a Committee comprising of an Additional Director, a Dy. Director and Dy. Controller of Accounts of the Education Department. The aforesaid Committee examined the complaint and submitted its report on 29/11/2013, after giving personal hearings to the complainant on six occasions. The school was also given a personal hearing. The key findings of the Committee were as follows:

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ANIL DEV SINGH
COMMITTEE

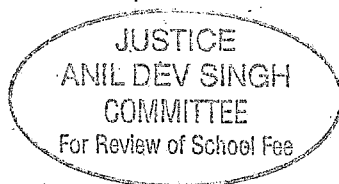
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The Pinnacle School, Panchsheel Enclave, New Delhi-110017

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- (a) Ms. Bindu Khanna, the complainant was a teacher employed by the school, who had been suspended and this led to the filing of the complaint by her.
- (b) The school had been granted provisional recognition which had not been regularized but the school continued to admit students and also obtained affiliation from CBSE. Despite absence of regularization, the school applied for upgradation and was even provisionally granted upgradation upto 2010. Thereafter, although the school applied for upgradation in 2010, the Department of Education has neither approved the upgradation nor rejected the same. Since the application for upgradation was not rejected, the school considered it as deemed approval.
- (c) The school had managed to continue to function as recognised school for nearly 35 years without complying with the provisions of Section 5 of the Delhi School Education Act, 1973 (hereinafter referred to as 'the Act').
- (d) The school was earlier functioning as a partnership between Ms. Gaile De Monte, Babs Noronha and Ms. C.Marrimen. On 21/01/1994, a society by the name of Babs Noronha Memorial Educational and Social Welfare Society was registered and the school was transferred from the partners to the aforesaid society but the same was done without



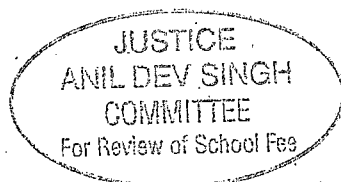
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permission from the Director, for which reason its recognition lapsed on that very day.

- (e) The school has been changing its premises from place to place, without prior permission of the Director.
- (f) The school's recognition stands lapsed not once but three times for violation of Rule 55.
- (g) The society obtained land in Panchsheel Enclave from DDA, whereas the Directorate of Education had issued sponsorship letter in favour of L & D O for allotment of land in Greater Kailash-I & II/Sadiq Nagar/Andrews Ganj.
- (h) The case of the school was expedited on VIP references wherein it was represented that the school was a minority institution. Although later, the society denied that it was so.
- (i) On 12/07/2005, the land allotment of the society was cancelled since the school failed to fulfill the freeship quota. The society was directed to handover the physical possession of the premises but the same was stayed by the Hon'ble High Court. The DDA asked the Education Department to immediately derecognize the school as its land allotment was cancelled but since the school was directed by the then E.O. to apply for the restoration of land, no action was taken by the Education Department regarding derecognition of the school.

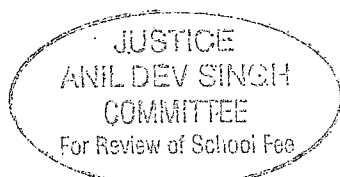


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- (j) The school had engaged under qualified and over aged staff and despite repeated letters to the school for removing over aged staff, the school not only retained them but appointed more of such over aged staff. The school deliberately omitted the names of the teachers from the staff statement to suppress the fact that they were over aged or working in its other school.
- (k) Whenever the school was asked to produce some records of the school, it took the plea that the records were lost during shifting or for some other reason.
- (l) Neither the current Principal of the school nor her predecessors, who are all related to each other, were appointed as per the procedure laid down under Rule 96 (3) of the Delhi School Education Rules, 1973 (hereinafter referred to as 'the Rules') nor were they having the prescribed qualifications for holding the post of Principal.
- (m) The school was reflecting the balance in the name of its parent society in various years, either on the liability side or on the asset side, suggesting diversion of funds from the school to the society which is impermissible.
- (n) The school was paying various sums to Wg. Cdr. Rae De Monte (Husband of the Principal and Chairman of the Managing Committee) and Mr. Trevor De Monte, his brother in the shape of retainership/professional charges, although



The Pinnacle School, Panchsheel Enclave, New Delhi-110017

the scheme of the management of the school prohibits any payment to the members of the Managing Committee.

(o) The salary increments granted to the Principal of the school were without authorisation of the Managing Committee.

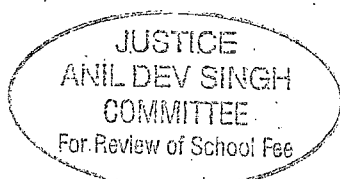
(p) The school was not showing the income of its pre nursery school at 36, Link Road, Lajpat Nagar, New Delhi in its accounts but the same was being diverted directly to the Society's account.

(q) The school was showing lower enrolment than the actual numbers to conceal its income as well as the number of EWS seats which is a percentage of the actual enrolments

Some other irregularities were also noticed by the Committee.

However, in so far as the justifiability of hike in fee for the purpose of implementation of the VI Pay Commission, it gave no findings.

In order to provide the school with an opportunity of being heard, the Committee issued a notice dated 22/08/2014 for hearing on 11/09/2014. The notice also required the school to furnish information regarding arrear as well as regular fee, arrear as well as regular salary paid by the school for the years 2008-09, 2009-10 and 2010-11 in order to assess the incremental fee and salary consequent to fee hike and implementation of VI Pay Commission report. The notice also required the school to furnish the details of its accrued liabilities of gratuity and leave encashment, besides furnishing the



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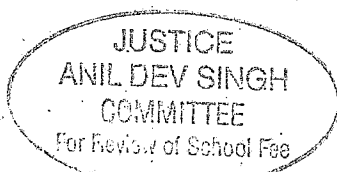
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statement of account of the parent society as appearing in the books of the school.

On the scheduled date, Sh. K.K. Batra, Manager, Sh. Ramji Lal Jonewal, Accounts Manager and Sh. Gaurav Jain, Accountant of the school. They did not submit the information sought by the Committee. However, they were apprised of the complaint made by Ms. Bindu Khanna and asked to respond to the same. They submitted that an inquiry was conducted by the Department of Education on her complaint, consequent to which the school was derecognized. Against the order of derecognition, the school filed a writ petition in the Delhi High Court but the same was disposed of with the directions to the school to file the statutory appeal before the Lt. Governor. They further informed that the LG had allowed the appeal the previous day. The representatives of the school were directed to file copies of the inquiry report, derecognition order, final order of the Hon'ble High Court and order of the Lt. Governor. These were filed by the school on 19/09/2014 under cover of its letter dated 17/09/2014.

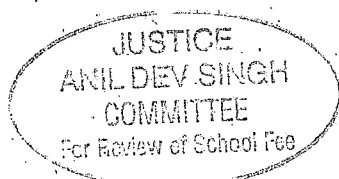
On 25/09/2014, a fresh notice was issued to hear the school on 16/10/2014, in the light of documents submitted by it. On the date of hearing, the school filed written submissions dated 11/09/2014, giving the information sought by the Committee vide notice dated 22/08/2014. With regard to the complaint of Ms. Bindu Khanna, the representatives submitted that the school had filed a rebuttal to the




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inquiry report in which various financial irregularities were alleged. The school was directed to file a copy of the show cause notice issued by the Director of Education and a copy of the statement in rebuttal filed by the school. At the request of the school, the matter was directed to be relisted on 03/11/2014. On this date, the school filed copies of the documents which it was directed to file and sought an adjournment on the ground that the Accounts Manager was on leave that day on account of personal reasons. Sh. K.K. Batra and Sh. Gaurav Jain who were present on that date were required to particularly comment on para 15 (b) of the inquiry report alleging a payment of Rs. 2,81,42,482 as retainership fee and professional charges paid to Wg. Cdr. R. De Monte, Chairman of the society and Trevor De Monte, his brother, para 15(c) regarding payment of salary to Principal by three cheques- one for salary, second for rent of residential premises at Gurgaon and third for maintenance of this premises, copy of lease deed of the residential premises, para 15(a) regarding non incorporation of accounts of play school in the accounts of the main school. Besides the school was also required to file full balance sheets along with schedules as the balance sheets filed along with returns under Rule 180 of the Rules were incomplete.

A fresh notice dated 28/11/2014 was issued to the school for hearing 10/12/2014. The school was also required to bring its entire accounting, fee and salary records for the years 2006-07 to 2010-11 for examination by the Committee.



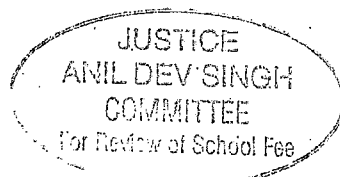
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On the scheduled date, the representatives of the school filed copies of the list of governing body along with copy of the rent deed of the house belonging to Ms. Gail De Monte, Principal for the residence of Mr. Trevor De Monte, the purported IT expert and retained as IT consultant. On query by the Committee, the representatives submitted that Mr. Trevor De Monte did not have any IT qualification but was an MBA. They submitted that Mr. R. De Monte, who was engaged as finance and administration consultant by the school, was practically overall Incharge of the school. The representatives were asked to file the details of payments made by way of consultancy fee/salary/rent to Mr. R. De Monte, Mr. Trevor De Monte, Ms. Gail De Monte and any other related party for the period 2006-07 to 2010-11. The school was also directed to file the audited balance sheets of the play school. They however, contended that the play school is for pre nursery students while the main school consists of classes pre primary to XII. The representatives however did not produce the books of accounts, fee and salary records of the school inspite of specific directions given to the school in the notice of hearing. The matter was directed to be relisted on 23/12/2014.

Meanwhile, the school, on 17/12/2014 filed details of retainership fee and honorarium for the period 2006-07 to 2010-11, details of salary paid to Ms. Gail De Monte (Principal) from 2006-07 to 2010-11 and copies of the financials of Tiny Tots School, which the school claimed to be a play school.



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From the details submitted by the school, the following position emerges:

| Retainership fee paid | Mr. Raeburn De Monte | Mr. Trevor De Monte |
|-----------------------|----------------------|---------------------|
| 2006-07 | 600,000 | 840,000 |
| 2007-08 | 660,000 | 900,000 |
| 2008-09 | 780,000 | 1,020,000 |
| 2009-10 | 780,000 | 1,020,000 |
| 2010-11 | 870,000 | 1,065,000 |
| Total | 3,690,000 | 4,845,000 |

On 23/12/2014 also i.e. the scheduled date of hearing, the representatives of the school did not produce its financial records. The school was warned that in case it did not produce its financial records on the next date, the Committee might draw an adverse influence against the school.

A fresh notice issued on 26/12/2014 for hearing the school on 02/01/2015. On this date, the school produced its books of accounts for the first time. The Committee observed that the school had shown a sum of Rs. 1,09,38,910 as Sundry Creditors as on 31/03/2008. On being asked to explain their nature, the representatives contended that they are old outstanding and were not actually payable and therefore they had been adjusted in the books of accounts in the subsequent years.

The details of arrear fee, arrear salary, regular fee and regular salary filed by the school vide its submission dated 11/09/2014 were examined with reference to the books of accounts. The Committee

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found that the figures furnished by the school with regard to regular salary for the years 2008-09 and 2009-10 did not match with the books of accounts. The figures as furnished by the school vis a vis the correct figures as per the books of accounts are as follows:

| Particulars | Amount as furnished by the school (Rs.) | Correct Amount as per the books of accounts (Rs.) |
|-----------------------------|---|---|
| Salary for the year 2008-09 | 2,54,90,388 | 1,57,34,072 |
| Salary for the year 2009-10 | 3,32,40,292 | 2,23,64,203 |

The Committee perused the statement of account of the society as appearing in the books of the school and observed that though the school was making some payments to the society, its overall balance remained in credit in the books of the school.

It was further submitted by the representatives that the school had an accrued liability of gratuity to the tune of Rs. 49,47,594 as on 01/07/2010 which was evaluated on actuarial basis by LIC of India. In support, the school filed a quotation given by the LIC to cover the employees under its group gratuity scheme. The school also filed details of its accrued liabilities of leave encashment as on 31/03/2010 which amounted to Rs. 24,30,756. Thus the total accrued liabilities of the school amounted to Rs. 73,78,351.

With regard to development fee, the Committee observed from the books of accounts and audited financials of the school that till the year 2007-08, development fee was treated as a revenue receipt. In

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For Review of School Fee

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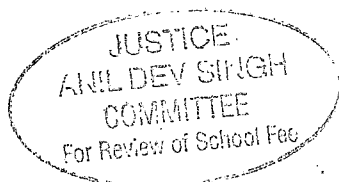
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2008-09, it was treated as a capital receipt. In 2009-10, it was capitalized to the tune of Rs. 38,55,360 and treated as a revenue receipt to the tune of Rs. 8,33,400. In 2010-11, the development fee was again treated as a revenue receipt and the amount collected on this account amounted to Rs. 49,06,980. However, even when it was capitalized in 2008-09 and 2009-10, it was spent mainly on revenue expenses. The unspent balance was not kept in an earmarked account. Some assets which were purchased out of development fee were debited to development fund account and hence no depreciation was charged thereon and no depreciation reserve fund was maintained in respect of such assets.

This Committee has perused the report of the Departmental Committee set up by the Education Minister of the Delhi Govt. and found it to be of no relevance (except to a very limited extent) to the task assigned to this Committee by the Hon'ble High Court in its judgment dated 12/08/2011 in WP (C) 7777 of 2009.

Discussion & Determination:

For the purpose of determining whether the fee hiked by the school pursuant to order dated 11/02/2009 issued by the Director of Education was justified or not, the Committee had in the first instance, got the preliminary calculations prepared by the Chartered Accountants (CAs) detailed with this Committee. On a closer scrutiny of the calculations prepared by the CAs, the Committee found that



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Secretary

The Pinnacle School, Panchsheel Enclave, New Delhi-110017

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they had not considered the aspect of development fee which prima facie appeared to be unjustified as the same was in violation of the guidelines laid down by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. Further the Committee observed that the preliminary calculations made by the CAs were based on the extrapolation of monthly difference in salary as well as fees, prior to implementation of VI Pay Commission and after its implementation and also that the CAs had taken the figures in the audited balance sheets at their face value, which needed to be modulated in light of the subsequent findings of the Committee.

The contentious issues with regard to this school need to be addressed.

- (i) There is no doubt that the school is run by a family consisting of Mr. R. De Monte, Chairman of the Managing Committee, his wife Ms. Gail De Monte, the Principal of the school and his brother Mr. Trevor De Monte. While the salary and rent of the accommodation occupied by the Principal of the school cannot be questioned, the Committee considers that the amount of retainership or honorarium paid to Mr. R. De Monte and Mr. Trevor De Monte are clearly diversion of school funds for unauthorized purposes. As conceded by the representatives of the school, Mr. Trevor De Monte, the so

JUSTICE
ANIL DEV SINGH

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T. C. C. K.
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called IT expert, did not have any IT qualifications, the amount paid to him cannot be considered as having been paid for educational purposes. In respect of the amount paid to Mr. R. De Monte, there is a clear bar on payment of any remuneration to any member of the Managing Committee of the school. Moreover, they are members of the society running the school and any remuneration paid to them would amount to a payment to the society itself. The schools are forbidden from transferring any funds to their parent societies vide the judgments of the Hon'ble Supreme Court in the cases of Modern School (supra) and Action Committee (2009) 11 SCALE 77. In view of this, the Committee will consider the payments made to these two gentlemen out of the school funds to be part of funds available to the school.

- (ii) As conceded by the representatives of the school that the Sundry Creditors amounting to Rs. 1,09,38,910 as on 31/03/2008 were not actually payable, the Committee will omit these liabilities from its calculations.
- (iii) The Committee will take into reckoning the correct amount regular salary for the years 2008-09 and 2009-10, as per the books of accounts rather than the figures furnished by the school vide its written submissions.

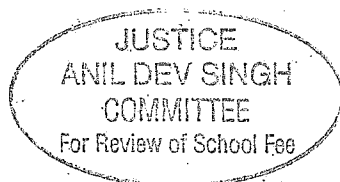
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COMMITTEE
School Fee

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- (iv) In view of the fact that the overall balance of the society in the books of the school remained in credit, the Committee does not consider the amounts paid by the school to its parent society to be diversion of funds.
- (v) The Committee will duly factor in the accrued liabilities of gratuity and leave encashment in its final determinations.
- (vi) The Committee considers the development fee charged by the school in 2009-10 and 2010-11 to have been unjustifiably charged in light of the fact that the school was not fulfilling the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School (supra) in as much as the school was treating the development fee as a revenue receipt and utilising it for meeting the revenue expenses. Even in the years in which it was capitalized, it was utilised for meeting revenue expenses and neither any earmarked account was maintained for development fund nor depreciation reserve fund.

In the light of the above discussion, the Committee prepared a calculation sheet as follows:



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The Pinnacle School, Panchsheel Enclave, New Delhi-110017

Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report

| | Particulars | Amount (Rs.) | Amount (Rs.) |
|-------------|--|--------------|--------------------|
| | Funds Diverted by the school from 1.1.2006 to 31.3.2011 : | | |
| | Retainership Fee paid to Mr. Raeburn Demonte | 3,690,000 | |
| | Retainership Fee paid to Mr. Trevor Demonte | 4,845,000 | 8,535,000 |
| | Current Assets | | |
| | Cash in hand | 33,352 | |
| | PNB :- | | |
| | Current A/c | 1,738,945 | |
| | PTA Fund A/c | 1,031,581 | |
| | Security A/c | 283,101 | |
| | United Bank - Saving A/c | 34,791 | |
| | Standard Chartered - Current A/c | 5,651 | |
| | Deposits :- | | |
| | FDR No. 060200PR00001328 | 398,240 | |
| | FDR No. 060200PR00007331 | 333,956 | |
| | Loans & Advances :- | | |
| | Advance to Staff | 31,900 | |
| | Kamani Auditorium | 50,000 | 3,941,517 |
| Less | Current Liabilities:- | | |
| | Salaries to teaching staff | 919,185 | |
| | Salaries to non-teaching staff | 127,407 | |
| | Wages to 4th Class | 88,188 | |
| | PF payable | 124,122 | |
| | Audit Fee Payable | 26,910 | |
| | Retainership Fees & Honorarium Payable | 169,052 | |
| | TDS Payable | 88,919 | |
| | Bus Contractor Payable | 73,454 | |
| | Security Deposits (Refundable) | 1,704,184 | |
| | Advance fee for New Session | 693,000 | 4,014,421 |
| | Net Current Assets + Funds diverted | | 8,462,096 |
| Less | Total Liabilities after VIth Pay | | |
| | Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.08.08 | 4,541,781 | |
| | Arrear of Salary as per 6th CPC w.e.f. 01.09.08 to 31.03.09 | 3,285,210 | |
| | Incremental salary in 2009-10 (as per calculation below) | 6,630,131 | 14,457,122 |
| | Excess / (Short) Fund Before Fee Hike | | (5,995,026) |
| Add | Total Recovery after VI th Pay Commission | | |
| | Arrear of tuition fee recovered for the period 01.01.06 to 31.08.08 | 2,915,915 | |
| | Arrear of Tuition fee received for the period 01.09.08 to 31.03.09 | 2,978,500 | |
| | Arrear of Development fee received for the period 01.09.08 to 31.03.09 | 1,280,175 | |
| | Incremental Tuition fee in 2009-10 (as per calculation given below) | 5,954,700 | 13,129,290 |
| | Excess / (Short) Fund After Fee Hike | | 7,134,264 |
| Less | Reserves required to be maintained: | | |
| | for future contingencies (equivalent to 4 months salary) | 7,454,734 | |
| | for gratuity and Leave Encashment as on 31.03.2010 | 7,378,351 | 14,833,085 |
| | Excess / (Short) Fund | | (7,698,821) |

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for Review of School Fee

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| | |
|---|-------------------------|
| Development fee refundable being treated as Revenue income & used for Revenue expenditure: | |
| 2009-10 | 3,855,360 |
| 2010-11 | <u>4,906,980</u> |
| | 8,762,340 |
| Less: Shortfall as above | <u>(7,698,821)</u> |
| Net Amount refundable | <u>1,063,519</u> |

A copy of the aforesaid calculation sheet was furnished to the school vide notice dated 01/12/2015 for rebuttal if any. On the date of hearing i.e. 15/12/2015, they filed written submissions dated 10/12/2015 explaining certain points but did not dispute the calculation sheet. A final hearing was afforded to them on 23/12/2015 when the representatives of the school were heard by the Committee. Once again they did not dispute the calculation sheet.

Recommendations:

In light of the above discussion and determination, the Committee recommends that the school ought to refund a sum of Rs. 10,63,519 out of the development fee recovered by it for the year 2010-11 along with interest @ 9% per annum from the date of collection to the date of refund.

Sd/-

CA J.S. Kochar
Member

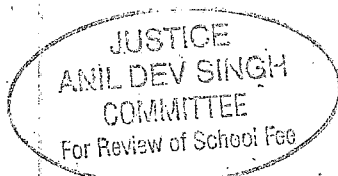
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 25/04/2016



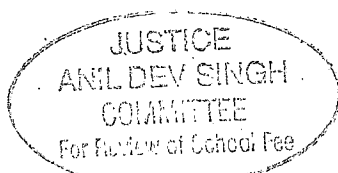
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Greenway Modern Sr. Sec. School, Dilshad Garden, Delhi-110095

In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school), which was followed by a reminder dated 27/03/2012. In response, the Committee received a letter dated 28/03/2012 from the school stating that it had submitted the requisite information to the Dy. Director of Education, District North East, Yamuna Vihar, Delhi under cover of its letter dated 27/02/2012. However, a copy of the letter giving information the Dy. Director was not submitted by the school.

The Committee requisitioned the documents submitted by the school from the Dy. Director concerned which were forwarded to this office. On examination of the documents, the same were found to be copies of the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 ('the Rules'). Replies to the queries raised by the Committee vide questionnaire dated 27/01/2012 did not appear to have been submitted. The Committee issued a revised questionnaire to the school vide letter dated 06/05/2013 requiring the school to furnish its reply within 15 days. However, a letter dated 23/05/2013 was received from the school stating that the details were being prepared and it would take 15 more days to complete. Finally the school submitted its reply under cover of its letter dated 12/06/2013.



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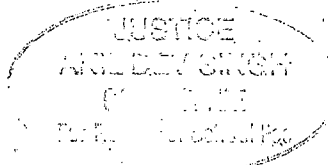
Greenway Modern Sr. Sec. School, Dilshad Garden, Delhi-110095

As per the reply received, the school stated that it had implemented the recommendations of VI Pay Commission w.e.f. 01/05/2009. The total monthly salary prior to implementation was Rs. 18,03,282, which rose to Rs. 27,85,109 after its implementation. A sum of Rs. 1,46,89,077 was paid as arrears for the period January 2006 to March 2009. A sum of Rs. 1,14,70,598 was recovered as arrear fee from the students while the monthly fee had also been increased w.e.f. 01/04/2009. A comparative chart was enclosed with the reply showing the fee hike as follows:

| Class | Monthly tuition fee (Rs.) (pre increase) | Monthly tuition fee (Rs.) (post increase) | Increase in monthly tuition fee (Rs.) |
|------------|--|---|---------------------------------------|
| I | 1305 | 1605 | 300 |
| II to V | 1275 | 1575 | 300 |
| VI to VIII | 1360 | 1660 | 300 |
| IX | 1460 | 1760 | 300 |
| X | 1715 | 2115 | 400 |
| XI & XII | 2055 | 2555 | 500 |

Initially preliminary calculations were made by the Chartered Accountants detailed with this Committee. However, the Committee found them to be incorrect and unreliable as they did not tally with the audited financials of the school.

The Committee issued a notice dated 27/04/2015 for providing it an opportunity of being heard on 12/05/2015 (postponed to 13/05/2015). The notice required the school to furnish complete



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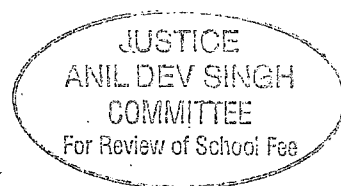
Secretary

Greenway Modern Sr. Sec. School, Dilshad Garden, Delhi-110095

break up of fee and salary for the years 2008-09 to 2010-11 as per the audited Income & Expenditure Accounts, showing separately the arrear fee and salary and regular fee and salary for the respective years, details of accrued liabilities of gratuity and leave encashment and statement of account of the parent society as appearing in the books of the school. The school was also required to produce its complete accounting fee and salary records for perusal by the Committee.

On the date fixed, Sh. Manoj Jain and Sh. Rahul Jain, Chartered Accountants appeared with authorisation from the Manager of the school. They filed the requisite information. On perusal of the details filed by the school, the Committee observed as follows:

- (a) A large number of employees had been paid arrears of salary either by bearer cheques or in cash.
- (b) In the statement of accrued liability of gratuity, the liability owed to sum of the employees was shown to be in excess of Rs. 3.50 lacs which was the maximum amount payable to them as per law as on 31/03/2010. Some other employees who had put in less than five years of service and therefore did not qualify to be paid any gratuity had also been included.



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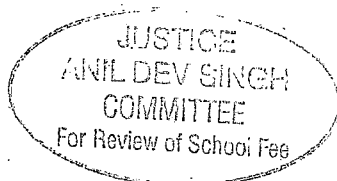
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The representatives of the school were advised to file the details of arrears paid by cross cheques, bearer cheques and cash and also to file a correct statement of accrued liability of gratuity.

Further the representatives of the school contended that in the year 2009-10, some part of annual charges had been wrongly credited to tuition fee account and requested for some time to furnish the correct position. They are advised corrected details by 31/05/2015.

The school under cover of its letter dated 29/05/2015 filed the following details:

- (a) A revised statement of gratuity, excluding the employees with less than five years of service and restricting the liability to Rs. 3.50 lacs as on 31/03/2010. As per the revised detail, the accrued liability of gratuity as on 31/03/2010 was Rs. 83,36,953.
- (b) Copy of ledger account of the school in the books of the society which showed that funds had actually flown from the society to the school and not vice versa. However, all the payments made by the society to school were in cash and not through banking channels.
- (c) A statement showing payment of arrear salary through account payee cheques.
- (d) A detail showing an amount of Rs. 14,16,630 which was inadvertently booked as tuition fee in 2009-10 instead of



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Greenway Modern Sr. Sec. School, Dilshad Garden, Delhi-110095

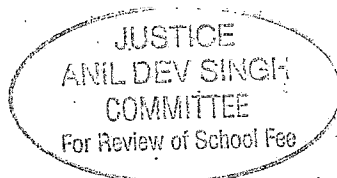
annual charges. It was accordingly requested that the tuition fee of 2009-10 be considered as 5,20,56,311 instead of Rs. 5,34,72,941 which was reported in the information furnished on 13/05/2015.

The Committee has considered the contentions of the school. It is of the considered view that the payments of arrear salary shown to have been made either in cash or by bearer cheques have not actually been made as there was no plausible reason for doing so, particularly when the school made substantial payments by account payee cheques. Payments of arrear salary amount to a sizeable sum and it is inconceivable that they would be made in cash or by bearer cheques.

The Committee also considers that adequate funds need to be kept in reserve by the school to cover its accrued liabilities of gratuity and leave encashment besides maintaining a reserve for any future contingency equivalent to four months salary.

The Committee accepts that it was merely an accounting error to show a part of annual charges as tuition fee in the financials of the school. The Committee would take the correct amount of tuition fee for the year 2009-10 in its calculations.

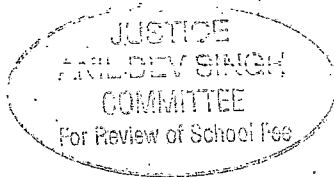
With regard to development fee, although the school stated in its reply to the questionnaire that it was maintaining earmarked accounts for development fund and depreciation reserve fund, on



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perusal of the balance sheets of the school, the Committee has not come across any such earmarked funds. Moreover, the school also stated that development fee was treated as a capital receipt in the accounts of the school but the audited balance sheets show that the same has been treated as a revenue receipt in all the years and particularly in 2009-10 and 2010-11. Thus the school was not fulfilling any of the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583.

Based on the audited financials of the school and information furnished and clarifications provided during the course of hearing and the findings of the Committee as per the above discussion, the Committee prepared the following calculation sheet:



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Greenway Modern Sr. Sec. School, Dilshad Garden, Delhi-110095

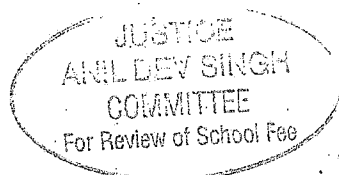
| Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report | | | |
|---|--|--------------|--------------------|
| | Particulars | Amount (Rs.) | Amount (Rs.) |
| | <u>Current Assets + Investments</u> | | |
| | Cash in hand | 45,665 | |
| | Bank Balance | 15,100,613 | |
| | FDRs with accrued interest | 4,538,628 | 19,684,906 |
| Less | <u>Current Liabilities</u> | | |
| | Audit fee | 10,000 | |
| | Salary & PF Payable | 2,122,280 | |
| | Caution Money | 740,900 | |
| | Gratuity Payable | 450,000 | |
| | TDS Payable | 97,210 | 3,420,390 |
| | Net Current Assets + Investments (Funds Available) | | 16,264,516 |
| Add | Funds apparently diverted in payment of interest and repayment of loans from 2008-09 to 2009-10 | | |
| | Funds available before implementation of 6th Pay Commission report | | 16,264,516 |
| Less | Total Liabilities after implementation of VIth Pay Commission | | |
| | Arrear of Salary as per VI th Pay Commission from 1.1.2006 to 31.3.2009 | 14,689,077 | |
| | Incremental Salary in 2009-10 (as per working notes given below) | 4,872,583 | 19,561,660 |
| | Excess / (Short) Fund Before Fee Hike | | (3,297,144) |
| Add | Total Recovery after VI th Pay Commission | | |
| | Arrear of tuition fee for the period 1.1.2006 to 31.3.2009 | 11,470,598 | |
| | Incremental Tuition Fee in 2009-10 (as per working notes given below) | 13,168,775 | 24,639,373 |
| | Excess / (Short) Fund After Fee Hike | | 21,342,229 |
| Less | Reserves required to be maintained: | | |
| | for future contingencies (equivalent to 4 months salary) | 10,830,509 | |
| | for Gratuity as on 31.03.2010 | 8,336,953 | |
| | for Leave Encashment as on 31.03.2010 | 2,453,269 | 21,620,731 |
| | Excess / (Short) Fund | | (278,502) |

Development fee refundable having been treated as revenue receipt

| | Rs. |
|---|-------------------|
| 2009-10 | 6,309,000 |
| 2010-11 | 6,713,965 |
| | 13,022,965 |
| Less: Shortfall on implementation of 6th CPC report | (278,502) |
| Net Amount refundable | 12,744,463 |

Working Notes:

| | 2008-09 | 2009-10 |
|---|-------------------|------------|
| Salary | 27,618,945 | 32,491,528 |
| Incremental Salary in 2009-10 | 4,872,583 | |
| | 2008-09 | 2009-10 |
| Tuition Fee | 38,887,536 | 52,056,311 |
| Incremental Tuition Fee in 2009-10 | 13,168,775 | |

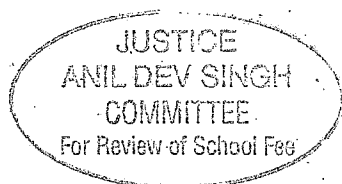


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As would be evident from the above calculation sheet, although the school was apparently justified in hiking the tuition fee, the school was apparently required to refund the development fee to the tune of Rs. 1,27,44,463. Accordingly an opportunity was afforded to the school vide notice dated 26/11/2015 requiring the school to have its say in rebuttal, if any. A copy of the calculation sheet was furnished to the school and the date of hearing was fixed as 03/12/2015. However, the school did not avail itself of the opportunity so given as nobody appeared on the date of hearing. Accordingly the hearing was closed. However, on 04/12/2015, a letter was received on behalf of the school that it could not appear on the date of hearing which was 03/12/2015 as the notice of the Committee was received on 03/12/2015 itself. On verification, the Committee found that the notice was sent to the school vide speed post tracking no. ED 741049501 IN on 27/11/2015 and had been delivered to the school on 28/11/2015. In this view of the matter, the Committee is of the view that the school intentionally did not avail of the opportunity provided by the Committee with a view to postponing the adverse consequences that would follow.

In view of the above discussion, the Committee is of the view that the school was not justified in recovering development in 2009-10 and 2010-11 to the extent of Rs. 1,27,44,463 which it



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Greenway Modern Sr. Sec. School, Dilshad Garden, Delhi-110095

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

Recommended accordingly.

Sd/-

Sd/-

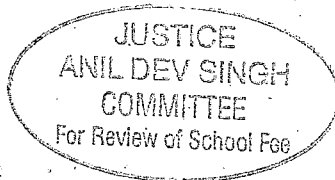
Sd/-

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

Dated: 25/04/2016



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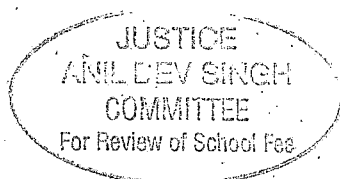
Cambridge School, Srinivaspuri, New Delhi-110065

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The Committee in a meeting held with the Dy. Directors of all the districts of the Directorate of Education advised them to forward the returns filed by the schools under Rule 180 of the Delhi School Education Rules, 1973 ('the Rules') and fee statements filed by them under Section 17(3) of the Delhi School Education Act, 1973 ('the Act') along with details of salary and arrears of salary paid before and after implementation of VI Pay Commission and the fee hiked by the school consequent to the issuance of order dated 11/02/2009 by the Director of Education. A copy of the circular issued to the parents regarding fee hike was also required to be filed. The required returns and statements were furnished by the school to the Education Officer of the concerned zone which in turn were forwarded to the office of this Committee.

Perusal of the circular dated March 2009 issued to the parents showed that the school had hiked the monthly tuition fee by Rs. 400 per month w.e.f. 01/09/2008, development fee by Rs. 60 per month. A sum of Rs. 3,500 in lump sum was also demanded from parents to cover the arrears of salary for the period 01/01/2006 to 31/08/2008. Apparently the hike in fee, except development fee, was in accordance with the circular dated 11/02/2009 issued by the Director of Education.

In the first instance, the preliminary calculations were made by the Chartered Accountants (CAs) detailed with this Committee. As per



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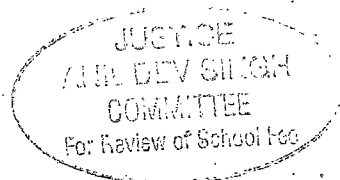
Cambridge School, Srinivaspuri, New Delhi-110065 000084

their calculation, the school had funds to the tune of Rs. 2,91,41,568 available with it as on 31/03/2008 and the total financial impact of implementation of the recommendations of VI Pay Commission was Rs. 2,03,30,402. Accordingly, as per the calculations made by the CAs, the school was not required to hike any fee for implementation of the recommendations of VI Pay Commission and the total impact of such implementation could have been absorbed by the school from the funds already available with it.

The Committee reviewed the calculations made by the CAs and found the following shortcomings therein:

- (a) They had not taken into account the increased salary for the period 01/09/2008 to 31/03/2009.
- (b) No allowance had been made for the accrued liabilities of gratuity and leave encashment nor any allowance was made for the requirement of the school to keep funds in reserve for future contingencies.

As the audited financials of the school gave a consolidated picture without any break up of specific information required by the Committee for making the relevant calculations, the Committee vide notice dated 14/05/2015 required the school to furnish the details regarding arrear fee, regular tuition fee, arrear salary and regular salary for the years 2008-09 to 2010-11, in a structured format, duly reconciled with the audited Income & Expenditure Accounts. The



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Cambridge School, Srinivaspuri, New Delhi-110065

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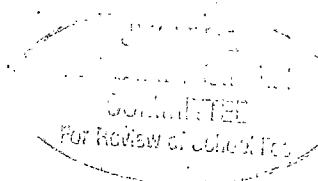
Committee also required the school to furnish bank statements showing payment of arrear salary, a statement of the society running the school as appearing in the books of the school, details of accrued liability of gratuity and leave encashment. A questionnaire was also issued to the school seeking specific answers to the relevant questions necessary for the purpose of making relevant calculations.

The school filed its detailed response under cover of its letter dated May 30, 2015. Perusal of the reply given by the school to the questionnaire issued by the Committee, showed that the school was charging development fee in all the years for which information was sought i.e. for the years 2006-07 to 2010-11. While the school gave accounts of collection of development fee, no account was given for utilisation of the same. However, it was conceded that the school did not maintain any earmarked accounts for development fund and depreciation reserve fund in respect of the assets acquired out of development fund.

The school was afforded an opportunity of being heard on 17/11/2015 vide notice dated 28/10/2015. The school was advised to produce the entire accounting records, fee records, salary records, TDS and Provident Fund returns for the year 2006-07 to 2010-11 for verification by the Committee. The hearing was postponed to 02/12/2015 with due intimation to the school. On the scheduled date, Sh. M.P.S. Dagar, Administrative Officer and Sh. Vinod Kumar

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Cambridge School, Srinivaspuri, New Delhi-110065 000086

D., Sh. Mukesh Chaudhary and Sh. A.C. Prusty, Office Assistants of the school appeared and produced the required records. They contended that the fee hiked by the school was justified as the school had fully implemented the recommendations of VI Pay Commission. They further submitted that the school had actually revised the salaries w.e.f. 01/09/2008 and hence no arrears were paid for the period 01/09/2008 to 31/03/2009. The arrears for the period 01/01/2006 to 31/08/2008 were paid through banking channels. Copies of bank statements were produced in support of their contentions.

With regard to regular development fee, they submitted that though it is treated as a capital receipt in the books, no earmarked bank accounts or FDRs were maintained for development fund or depreciation reserve fund. They were confronted with the fee schedules for the year 2008-09 with regard to the charge of development fee. The Committee pointed out that in 2008-09, as per the original fee schedule filed under section 17(3) of the Act, the development fee was charged uniformly @ Rs. 1380 per annum, irrespective of the tuition fee. In percentage terms, it worked out to 6.89% to 7.6% of the tuition fee. However, the arrears of incremental development fee for the period 01/09/2008 to 31/03/2009 were recovered @ Rs. 60 per month on an incremental tuition fee of Rs. 400 per month, i.e. @ 15% of tuition fee. The representatives of the school

JUSTICE
ANIL DEV SINGH
COMMITTEE

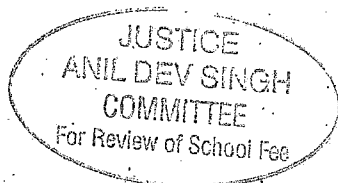
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conceded to this position but contended that as per order dated 11/02/2009, they were entitled to recover the increased development fee at the rate of 15% of increased tuition fee.

Since the school started paying increased salary as per the recommendations of VI Pay Commission w.e.f. 01/09/2008 itself and accordingly no arrears were paid for the period 01/09/2008 to 31/03/2009, the representatives were advised to furnish the break up of salary for 2008-09 to calculate the financial impact of the recommendations of the VI Pay Commission. Although the school, in response to the earlier notice had submitted the details of accrued liability of gratuity which amounted to Rs. 2,50,23,003, the school had not submitted the details of accrued liability of leave encashment. The school was advised to furnish the same. The matter was directed to relisted on 15/12/2015.

The school furnished the information required on the previous date of hearing and as per the information furnished, it emerged that the total salary paid for the period 01/09/2008 to 31/03/2009 after implementation of the report of the VI Pay Commission was Rs. 2,19,06,863 which would have been Rs. 1,49,97,973 had the revision not taken place w.e.f. 01/09/2008. Thus the total impact of the implementation of VI Pay Commission report for the aforesaid period of 7 months was Rs. 69,08,890.



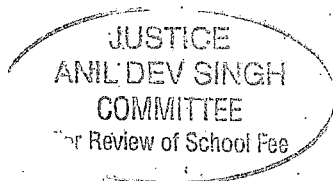
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The accrued liability on account of leave encashment was Rs. 97,24,334 as on 31/03/2010, as per the details filed by the school. The matter was adjourned for 26/12/2015 to confront the school with the calculation sheet to be prepared by the Committee based on the financials of the school and the information provided in response to the notices issued and that provided during the course of hearings.

The Committee reviewed the financials of the school, the fee schedules and the information provided during the course of hearings. The Committee feels satisfied with the credibility of the information. However with regard to the information regarding accrued liability of gratuity as on 31/03/2010, the Committee observed that in respect of a number of employees, the school had taken the liability in excess of Rs. 3,50,000, which was the maximum limit payable as on that date under the provisions of the Payment of Gratuity Act, 1972. Accordingly the allowance for accrued liability of gratuity has been taken at Rs. 2,20,30,143 by the Committee in its calculations. An allowance of Rs. 1,47,69,699 which is equivalent to 4 months salary has also been made in respect of funds to be kept in reserve by the school for meeting any unforeseen contingencies.

Accordingly, the Committee has prepared the following calculation sheet to assess the justifiability of fee hike effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education:



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| Statement showing Fund available as on 31.03.2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report | | | |
|---|--|--------------|--------------|
| | Particulars | Amount (Rs.) | Amount (Rs.) |
| | <u>Current Assets</u> | | |
| | Cash in hand | 8 | |
| | Bank Balance | 225,985 | |
| | Fixed Deposits with banks | 30,237,212 | |
| | TDS | 216,027 | |
| | Loan to Staff | 98,173 | |
| | Interest accrued on FD | 2,444,618 | |
| | Fee recoverable | 33,225 | |
| | Dwivedi Construction | 575,954 | |
| | Onkar Plaster | 131,744 | |
| | Sanjay Saini | 15,000 | |
| | Arc Aircone | 200,000 | |
| | DTC | 559,450 | 34,737,396 |
| Less | <u>Current Liabilities</u> | | |
| | Advance fee received | 4,233,314 | |
| | Refundable security | 174,788 | |
| | Other payable | 253,631 | |
| | Caution Money | 1,082,000 | 5,743,733 |
| | Net Current Assets | | 28,993,663 |
| Less | Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.08.08 | 15,298,712 | |
| | Incremental salary from 01.09.08 to 31.03.09 | 6,908,890 | |
| | Incremental Salary in 2009-10 (as per calculation given below) | 13,885,432 | 36,093,034 |
| | Excess / (Short) Fund Before Fee Hike | | (7,099,371) |
| Add | Arrear of Tuition fee for the period from 01.01.06 to 31.08.08 | 5,924,463 | |
| | Arrear of Tuition fee for the period from 01.09.08 to 31.3.09 | 5,064,000 | |
| | Arrear of Development fee from 1.09.08 to 31.3.09 | 759,600 | |
| | Incremental fee in 2009-10 (as per calculation given below) | 10,484,240 | 22,232,303 |
| | Excess / (Short) Fund After Fee Hike | | 15,132,932 |
| Less | Reserves required to be maintained: | | |
| | for future contingencies (equivalent to 4 months salary) | 14,769,699 | |
| | for Gratuity as on 31.03.2010 (restricted to Rs.3.5 lacs) | 22,030,143 | |
| | for Leave Encashment as on 31.03.2010 | 9,724,334 | 46,524,176 |
| | Excess / (Short) Fund | | (31,391,244) |

Working Notes:

| | 2008-09 | 2009-10 |
|--|-------------------|------------|
| Salaries as per Income & Expenditure Account | 34,587,661 | 53,495,491 |
| Add: Contribution to PF, EPF & DLI | 2,744,893 | 2,600,019 |
| Total salaries | 37,332,554 | 56,095,510 |
| Less: Arrear of salary paid in the year as per detail provided by school | 6,908,890 | 11,786,414 |
| Salary expenditure for the year (Balancing figure) | 30,423,664 | 44,309,096 |
| Incremental Salary in 2009-10 | 13,885,432 | |
| Total Tuition Fee as per Income & Expenditure Account | 45,920,093 | 45,415,870 |
| Less: Arrear of Tuition fee received as per detail provided by school | 10,988,463 | |
| Tuition fee for the year | 34,931,630 | 45,415,870 |
| Incremental Tuition Fee in 2009-10 | 10,484,240 | |

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fees

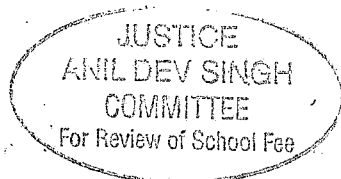
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On 26/12/2015, the representative of the school appeared and sought adjournment. However, in view of the calculations which the Committee had made, it was not considered necessary to give a further hearing to the school and accordingly, the request for adjournment was declined.

The above calculation sheet shows that although the school had surplus fund amounting to Rs. 1,51,32,932, after effecting the fee hike permitted by circular dated 11/02/2009, when we take into account the requirement of the school to keep funds in reserve for meeting its accrued liabilities of gratuity and leave encashment and for meeting any unforeseen contingency, the school did not have any surplus funds. In fact, if these requirements were taken into account, the school is found to be short of funds to the tune of Rs. 3,13,91,244.

With regard to the regular development fee for the years 2009-10 and 2010-11, although the Committee is of the view that the school was not fulfilling the pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583, no adverse view is being taken by the Committee in view of the fact that the development fee collected for these two years was Rs. 68,56,713 and Rs. 76,64,904 while the school had a deficit of Rs. 3,13,91,244

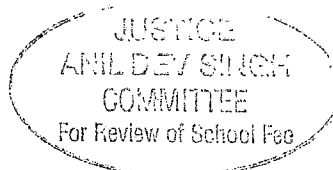


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after implementation of the VI Pay Commission report and the requirement of the school to keep funds in reserve.

However, the Committee is of the view that the incremental development fee recovered by the school @ Rs. 60 per month on a increase in tuition fee of Rs. 400 per month was not only unjustified but also illegal as the same was not permitted by the order dated 11/02/2009 of the Director of Education, as contended by the school. The aforesaid order was primarily to permit the schools to hike the tuition fee and not development fee. However, if the development fee is charged as a percentage of tuition fee, any hike in tuition fee would automatically result in a hike in development fee. But the hike in development fee would be at the same rate at which it was being originally charged. If the development fee was originally charged at a fixed rate, the hike in tuition fee would not result in a hike in development fee. As noticed supra, the school was charging development fee at fixed rate of Rs. 1380 per annum in the year 2008-09, irrespective of the level of tuition fee. Hence any hike in tuition fee would not result in a hike in development fee. The order dated 11/02/2009 as aforesaid did not permit the schools to hike development fee to 15% of tuition fee when the schools were charging development fee at a rate which was less than 15% or at a rate which was not linked to the tuition fee. Hike in development fee to 15% of tuition fee w.e.f. 01/09/2008 when the school was originally charging



development fee at a rate less than 15% would amount to a hike in the middle of the academic year which is clearly prohibited by section 17(3) of the Act.

In view of the foregoing discussion, the Committee is of the view that the school ought to refund the incremental development fee charged for the period 01/09/2008 to 31/03/2009, which amounts to Rs. 7,59,600, along with interest @ 9% per annum from the date of collection to the date of refund, despite the fact that the school was in deficit after implementation of the recommendations of VI Pay Commission as this recovery is patently illegal.

Sd/-

CA J.S. Kochar
Member

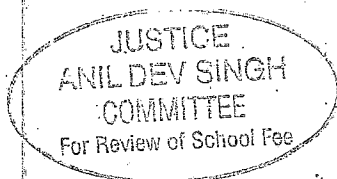
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 25/04/2016



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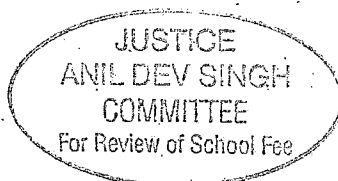
Secretary

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The Committee issued a Public Notice dated 18/01/2012, inviting all the stake holders to give their representations for consideration by the Committee for the purpose of examining the justifiability of the fee hike effected by the schools in terms of order dated 11/02/2009 issued by the Director of Education.

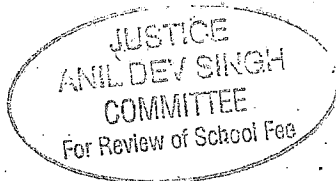
In response to the public notice, a representation dated 07/02/2012 was received from Sh. B. Suresh Kumar, BMV PTA Vice Chairman and Sh. Raj Kumar Jain, BMV PTA Secretary, contending that the school had increased tuition fee and other charges arbitrarily since Sept. 2008 after the implementation of VI Pay Commission report. The complaint was countersigned by one Sh. R.S. Sisodiya, father of a student of class IV B of the school. The complaint alleged that

- (i) The school had collected huge money as arrears, once in February 2009 and then in July 2009 in addition to tuition fee hike from Sept. 2008.
- (ii) In 2009-10 also, the school collected extra development fee.
- (iii) Again in 2010-11, the school hiked the fee ranging between 15% and 20% and again collected two installments of arrears in April 2010 and July 2010.
- (iv) In 2011-12 also, the school increased the tuition fee by huge 30% along with increased development fee.



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- (v) To calculate how much arrears was required to be paid to teaching and non teaching staff in 2008-09, it is necessary to have the annual returns of the school (including staff statements, salary disbursement statements, detailed balance sheets and Income & Expenditure statements from 2005-06 onwards. It was requested that this Committee ought to order the school and the Directorate of Education to submit complete annual returns from 2005-06 onwards.
- (vi) The school is running special education section for slow learning students, which is running into huge losses and such losses are being charged by the school to other parents.
- (vii) Despite the school having huge deposit of development fund, the school continues to collect development fund every year. Further, a capital expenditure of Rs. 14,23,826 is shown in the year 2010-11 but the expenditure from development fund is zero.
- (viii) The school is diverting a huge sum from the school fund to Shikshan Bharti Society every year.
- (ix) The school has not followed all the terms and conditions laid down by DOE in its circular's dated 11/02/2009 and 16/04/2010 and has increased tuition fee and collected

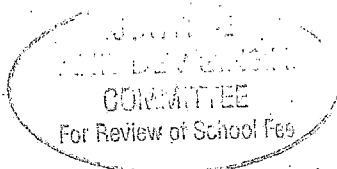


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arrear fee arbitrarily. It has not utilised the funds available with it before hiking the tuition fee.

The complainants were called by the Committee on 17/02/2012, when Sh. Mohan Gopalan and Sh. R.S. Sisodiya appeared and were heard by the Committee. The main grievance of the complainants was that they had not been provided with the annual returns and balance sheets of the school from 2005-06 onwards either by the school or by the Directorate of Education. However, they expressed a general view that the fee hiked by the school for the purpose of implementation of VI Pay Commission report, was on the higher side. They were informed that the Committee would call for the relevant documents and information from the school as well as from the Directorate of Education and based thereon, would make appropriate determinations.

The Committee, immediately after it started functioning, convened two meetings of the Dy. Directors of various districts of the Directorate of Education, to sensitize them of the job entrusted to the Committee by the Hon'ble Delhi High Court and informed them that for accomplishing its purpose, the Committee needed to have the annual returns filed by the schools under Rule 180 of Delhi School Education Rules, 1973 for the years 2006-07 to 2010-11 along with the information regarding the arrear fee recovered by the schools, the arrear salary paid by them for implementation of the



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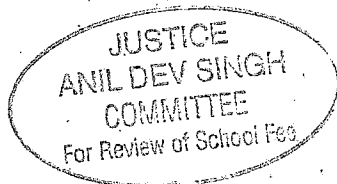
recommendations of VI Pay Commission, the incremental fee and incremental salary on account of such implementation.

Further, in order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi.

While no reply was received to the aforesaid questionnaire from the school, the Committee received copies of the annual returns filed by the school for the years 2006-07 to 2010-11 through the office of the concerned Dy. Director of Education. Thereafter, some more complaints which were addressed to the Director of Education, were received in the office of the Committee.

Some more developments took place subsequently, which need a mention here. It appears that Sh. R.S. Sisodiya and others had filed a writ petition (WP (C) 1889/2012) in the Hon'ble Delhi High Court in which similar grievances were raised by the parents. The petition was disposed off by the Hon'ble High Court vide order dated 09/07/2015 with the following directions:

- (i) *That the impugned fee hike, if not referred to the Committee already in place be considered and examined by the Committee already in existence.*



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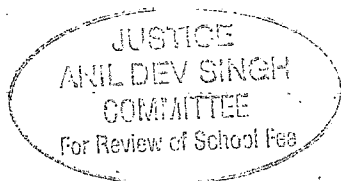
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- (ii) *The terms and conditions of examination by the Committee, including as to the fee and other expenses of the Committee, shall be the same as in force vis a vis other schools;*
- (iii) *Needless to state that the findings of the Committee would be binding on all, though it would be open to challenge, if available in law; and*
- (iv) *The respondent no.2 school, if not already noticed by the Committee for appearance on 31st July 2015, should also appear before the Committee on the said date at 11.00 A.M. so that the matter can be considered.*

On 31/07/2015, Sh. R.S. Sisodiya and Sh. R.K. Jain, representing the parents appeared before the Committee and filed a copy of the aforesaid order dated 09/07/2015, passed by the Hon'ble High Court. In compliance with the directions contained in the aforesaid order, Ms. Anju Tandon, Principal of the school also appeared alongwith Sh. V.K. Sarin, FAO; Ms. Geeta Bansal, DFAO and Sh. Santosh Kumar Sahewali, Chartered Accountant of the school. They also filed a copy of the aforesaid order dated 09/07/2015.

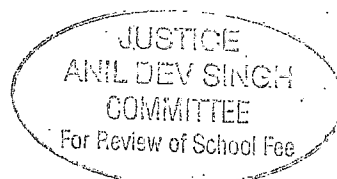
At the outset, it would be apposite to examine as to which fee hike was impugned in the writ petition filed by the parents before the Hon'ble High Court.




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Perusal of the copy of writ petition shows that the following prayers were made therein:

- (i) *Pass or issue the appropriate writ or direction to the Respondent No. 1 to investigate the representations/complaints of the petitioners and take appropriate action against the Respondent No.2, as per law;*
- (ii) *Pass or issue the appropriate writ or direction to the Respondent No. 1 to restrain the Respondent No. 2 from giving effect to their order dated 10/02/2012 to increase the 10% fee hike and corresponding collection of the development fund for the academic year 2012-13.*
- (iii) *Pass or issue the appropriate writ or direction to the Respondent No. 1 to investigate the representations/complaints made by the petitioners against the Respondent No. 2 for earlier fee hike and for roll back of the earlier decision of 30% fee hike and collection of development fund in year 2011-12 and for the adjustment/return with interest of the already received excess amount from the students.*
- (iv) *Pass or issue the appropriate writ or direction to the Respondent No. 1 to investigate the representations/complaints made by the petitioners*



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against the Respondent No. 2 and to direct the Respondent No.2 for return/adjust the excess amount of Rs. 4800/- taken as arrears in year 2010-11 to adjust the amount as income of the school that has been shown as deficit for last 5 years in lieu of expenditure towards special education, EWS concession, amount paid to Shikshan Bharati.

(v) Pass or issue the appropriate writ or direction to the Respondent No. 1 and the Respondent No.4 to audit the accounts of the Respondent No. 2 for last five years and upto date and also to continue to do so every year in terms of section 18(6) of the Delhi School Education Act, 1973 and Rules 170 and 180 of the Delhi Education Rules, 1973 with Article 149 of the Constitution of India.

(vi) Any other or further order which this Hon'ble Court deems fit and proper may also be passed, in the interest of justice.

This Committee, by virtue of the decision of the Hon'ble High Court in WP(C) 7777 of 2009 was constituted to consider the justifiability of fee hike effected by all the unaided private schools in Delhi, in pursuance of order dated 11/02/2009 issued by the Director of Education. The terms of reference of this Committee, as culled out from the judgment, are to be found in the following passage:



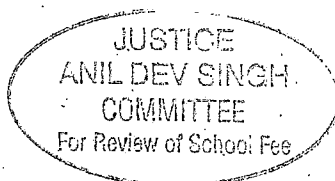
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"This Committee will be for the period covered by the impugned order dated 11.02.2009 and specifically looking into the aspect as to how much fee increase was required by each individual school on the implementation of the recommendation of VIth Pay Commission, i.e., it would examine the records and accounts, etc. of these schools and taking into consideration the funds available, etc. at the disposal of schools at that time and the principles laid down by the Supreme Court in Modern School and Action Committee Unaided Pvt. Schools as explained in this judgment."

Vide order dated 11/02/2009 issued by the Director of Education, the schools were permitted to hike the tuition fee w.e.f. 01/09/2008 at rates which varied with the tuition fee charged by the schools in 2008-09, for the purpose of implementation of the recommendations of VI Pay Commission. Besides, the schools were also permitted to recover lump sum arrears to cover the arrears payable to staff for the period 01/01/2006 to 31/08/2008. Consequential increase in development fee on account of increase in tuition fee w.e.f. 01/09/2008 was also permitted to the schools. As per clause no.5 of this order, the schools were not permitted any further increase in tuition fee till March 2010. Effectively this meant that the fee hike effected w.e.f. 01/09/2008, would continue for the financial year 2009-10 also.



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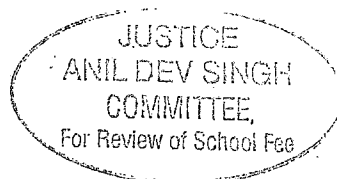
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As per the aforesaid order, the fee hike was not mandatory and if the schools had sufficient funds at their disposal, such funds were required to be utilised for paying the arrears and also absorb the hike in regular salary on account of implementation of the recommendations of VI Pay Commission. This was affirmed by the Hon'ble High Court in the judgment dated 12/08/2011 in WP(C) 7777 of 2009. While examining the hike in tuition fee and consequential hike in development fee, the principles laid down by the judgments of the Hon'ble Supreme Court in the cases Modern School vs. Union of India (2004) 5 SCC 583 and Action Committee Unaided Pvt. Schools and Ors. v. Director of Education and Ors. 2009 (11) SCALE 77 had to be kept in view.

In the judgment of Modern School (supra), the Hon'ble Supreme Court, examined Direction Nos. 7 and 8 of order dated 15/12/1999, which read as follows:

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

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



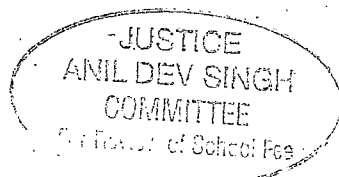
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With regard to Direction No. 7, the Hon'ble Supreme Court held as follows:

25. In our view, on account of increased cost due to inflation, the management is entitled to create Development Fund Account. For creating such development fund, the management is required to collect development fees. In the present case, pursuant to the recommendation of Duggal Committee, development fees could be levied at the rate not exceeding 10% to 15% of total annual tuition fee. Direction no.7 further states that development fees not exceeding 10% to 15% of total annual tuition fee shall be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipments. It further states that development fees shall be treated as Capital Receipt and shall be collected only if the school maintains a depreciation reserve fund. In our view, direction no.7 is appropriate. If one goes through the report of Duggal Committee, one finds absence of non-creation of specified earmarked fund. On going through the report of Duggal Committee, one finds further that depreciation has been charged without creating a corresponding fund. Therefore, direction no.7 seeks to introduce a proper accounting practice to be followed by non-business organizations/not-for-profit organization. With this correct practice being introduced, development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipments is justified. Taking into account the cost of inflation between 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.

With regard to Direction No.8, the Hon'ble Supreme Court held as follows:

"23. Rule 177(1) refers to income derived by unaided recognized school by way of fees and the manner in which it shall be applied/utilized. Accrual of income is indicated by rule 175, which states that income accruing to the school by way of fees, fine, rent, interest, development fees shall form part of Recognized Unaided School Fund Account. Therefore, each item of income has to be separately accounted for. This is not being done in the present case. Rule 177(1) further provides that



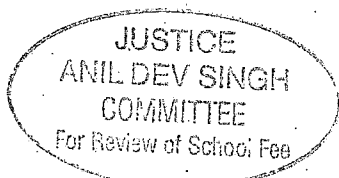
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income from fees shall be utilized in the first instance for paying salaries and other allowances to the employees and from the balance the school shall provide for pension, gratuity, expansion of the same school, capital expenditure for development of the same school, reserve fund etc. and the net savings alone shall be applied for establishment of any other recognized school under rule 177(1)(b). Under accounting principles, there is a difference between appropriation of surplus (income) on one hand and transfer of funds on the other hand. In the present case, rule 177(1) refers to appropriation of savings whereas clause 8 of the order of Director prohibits transfer of funds to any other institution or society. This view is further supported by rule 172 which states that no fee shall be collected from the student by any trust or society. That fee shall be collected from the student only for the school and not for the trust or the society. Therefore, one has to read rule 172 with rule 177. Under rule 175, fees collected from the school have to be credited to Recognized Unaided School Fund. Therefore, reading rules 172, 175 and 177, it is clear that appropriation of savings (income) is different from transfer of fund. Under clause 8, the management is restrained from transferring any amount from Recognized Unaided School Fund to the society or the trust or any other institution, whereas rule 177(1) refers to appropriation of savings (income) from revenue account for meeting capital expenditure of the school. In the circumstances, there is no conflict between rule 177 and clause 8.

In Action Committee Unaided Pvt. Schools and Ors. (supra), which was primarily a judgment to review the judgment in the Modern School case, the Hon'ble Supreme Court, with regard to Direction No. 8 modified the decision in the Modern School case, as follows:

18.) *S/Shri Soli J. Sorabjee and Salman Khurshid, learned senior counsel appearing on behalf of the Action Committee and other review petitioners, submitted that clause 8 of the Order issued by DOE dated 15/12/1999 is causing administrative difficulties which needs to be clarified. This Court vide majority judgment has held that clause 8 is in consonance with rule 177 of Delhi School Education Rules, 1973. Rule 177 has been quoted hereinabove. Under clause 8, DOE has stipulated that "no amount whatsoever shall be transferred from the*



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recognised unaided school fund of a school to the society or the trust or any other institution." According to the learned senior counsel, a rider needs to be introduced in clause 8, namely, "except under the management of the same society or trust". Thus, according to the learned counsel, if the suggested rider is added in clause 8 then the Management would have no grievance with the majority view. Thus, according to the learned counsel, clause 8 should be read as follows:

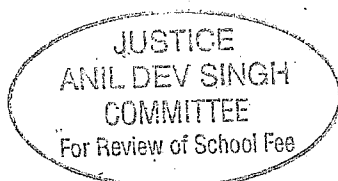
"No amount whatsoever shall be transferred from the recognised unaided school fund of a school to the society or the trust or any other institution except under the management of the same society or trust".

19. *According to the learned counsel, if the suggested rider is added to clause 8 then it would subserve the object underlying the 1973 Act.*

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

Thus, the following principles emerge from the two judgments of the Hon'ble Supreme Court, which can be encapsulated as follows:

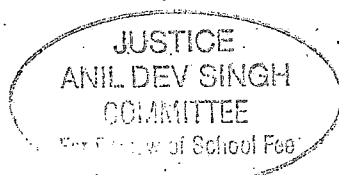
1. The schools may charge development fee to create a development fund, at a rate not exceeding 15% of the tuition fee subject to fulfillment of the following conditions:
 - (i) Development fee is treated as a capital receipt;
 - (ii) It is utilised for purchase, upgradation or replacement of furniture & fixtures and equipments;



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- (iii) Earmarked development fund is maintained to park the unutilised development fee and income accruing on investments out of development fund/depreciation reserve fund;
- (iv) Earmarked depreciation reserve fund is maintained equivalent to an amount charged as depreciation in the revenue accounts of the school.
- (v) The school cannot transfer to its parent Society/Trust, any amount out of the Recognised Unaided School Fund (which would primarily consist of the revenues of the school out of fee, other than development fee). However, it may transfer funds to another institution under the same Management to establish more schools, subject to a reasonable fee structure being in place.

This Committee, by its mandate, is required to keep the above principles in view while examining the issue of fee charged by the schools in pursuance of order dated 11/02/2009 issued by the Director of Education. It would be appropriate to state here that clause no. 7 of order dated 15/12/1999 was repeated as clause no. 14 of order dated 11/02/2009, the only change being the rate of development fee was increased from 10% to 15% in the new order. Clause No. 8 of the order dated 15/12/1999 was repeated verbatim



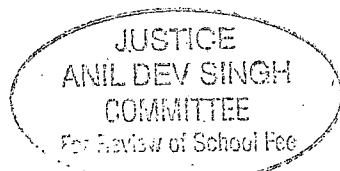
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as clause no. 23 of order dated 11/02/2009, notwithstanding the judgment of the Hon'ble Supreme Court in the case of Action Committee Unaided Pvt. Schools and Ors. (supra), vide which clause no. 8 of order dated 15/12/1999 was modified. To that limited extent, clause no. 23 of order dated 11/02/2009 is ultra vires.

Since the fee hike permitted vide order dated 11/02/2009 was to continue for the year 2009-10, the examination of fee charged by the school by this Committee, would normally extend to the fee charged upto financial year 2009-10. However, in case the school hikes the fee in subsequent years also for the purpose of implementation of the recommendations of VI Pay Commission, the examination by this Committee would extend upto that year.

Vide judgment dated 09/07/2015 in WP(C) 1889/2012, the ambit of this Committee has been widened in respect of this particular school, to also examine the fee hike effected in 2011-12 and 2012-13 also.

From the documents submitted by the school as also its communications with the Committee from time to time, it has emerged that for the purpose of implementation of the recommendations of VI Pay Commission, the school hiked the tuition fee and development fee w.e.f. 01/09/2008, purportedly in accordance with the directions contained in order dated 11/02/2009 issued by the Director of Education. The tuition fee for



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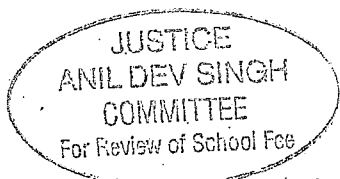
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classes KG to X was raised by Rs. 300 per month and for classes XI & XII, it was raised by Rs. 400 per month. The arrears for the period 01/09/2008 to 31/03/2009 were accordingly collected. In 2009-10, no further hike in tuition fee was effected.

However, the school felt that the hike that was permitted by the Directorate of Education for the purpose of implementation of recommendations of VI Pay Commission was not adequate as the additional expenditure that befell on the school was not fully covered by the fee hike which was permitted to the school. Accordingly it raised a grievance before the Grievance Redressal Committee, which was constituted vide para 10 of order dated 11/02/2009. The school sought to recover an additional amount of Rs. 4,800 (one time payment) from each student or in the alternative Rs. 400 per month in 12 installments starting from 01/04/2009.

The said grievance was disposed off by an order dated 26/11/2009 passed by the Director of Education vide which the request of the school was declined as in the opinion of the Grievance Redressal Committee, the school had sufficient liquid funds and would have a surplus amount of liquid funds amounting to Rs. 85.44 lacs after meeting its full liabilities on account of implementation of VI Pay Commission.

Notwithstanding the rejection of the grievance petition, the school filed a fresh petition on 03/12/2009 before the Director of Education, disputing the earlier findings and reiterated its request



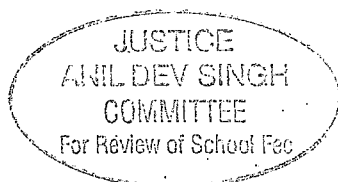
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for being allowed to further hike the fee as proposed in its earlier petition. The school states its second grievance petition has not been rejected and in the circumstances, the school considered it as its acceptance. Accordingly, the school proceeded to raise its tuition fee in the year 2010-11. Initially, vide a decision taken by the Managing Committee on 25/03/2010, the school raised its tuition fee by amounts ranging between Rs. 415 and Rs. 550 per month in the year 2010-11. Subsequently, by a decision taken on 21/04/2010, the monthly increase in tuition fee was rolled back to 10% over the fee of 2009-10 + Rs. 100 per month for all the students. In addition, a one time lump sum amount was charged @ Rs. 4,800 per student except for classes KG and I from whom no lump sum amount was recovered, and the students of class II from whom Rs. 1,600 was recovered and students of class III from whom, a sum of Rs. 3,200 was recovered.

It is of some significance that the parents in WP(C) 1889/2012, have not disputed the hike in fee effected by the school w.e.f. 01/09/2008, in pursuance of the order dated 11/02/2009 issued by the Director of Education, which hike continued in the year 2009-10. Their grievance pertains to the hikes effected in 2010-11, 2011-12 and 2012-13. The Committee has also examined the fund position of the school. While it is not in doubt the school had liquid funds as determined by the Grievance Redressal Committee, the Committee notes that no consideration was given to the accrued



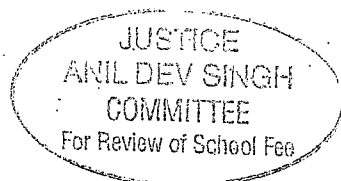
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liability of gratuity and leave encashment while working out the fund position by the said Committee. Moreover, no allowance was made for keeping adequate funds in reserve for future contingencies. This Committee has consistently taken a view that the entire funds available with the school ought not be considered as available for implementation of the recommendations of VI Pay Commission but the school must keep in reserve funds sufficient to meet the accrued liability of gratuity and leave encashment besides keeping funds in reserve equivalent to four months salary for any future contingencies. The school has filed actuarial valuation reports in respect of accrued liabilities of gratuity and leave encashment. If such liabilities are considered, the fee hike effected by the school w.e.f. 01/09/2008 cannot be considered as unjustified.

In view of these facts as also the fact that the parents have not disputed the fee hike so effected, the Committee is of the view that so far as the fee hike effected by the school w.e.f. 01/09/2008 to 31/03/2010 as also the arrears collected in terms of order dated 11/02/2009 are concerned, no intervention is called for.

The school has not made any claim before this Committee that the fee hike was less than what was required in order to implement the recommendations of VI Pay Commission, after considering the funds available with it. On the contrary, the school took an extra ordinary step of suo motu enhancing the fee in the



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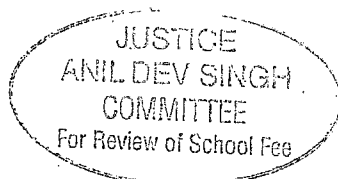
year 2010-11 on the pretext that the hike allowed vide order dated 11/02/2009 was inadequate, despite rejection of its petition before the Grievance Redressal Committee. If the school was not satisfied with the decision of Grievance Redressal Committee, it ought to have challenged the same in appropriate proceedings instead of riding roughshod over it.

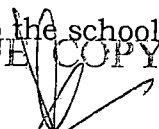
In order to carry out the mandate given to this Committee by the Hon'ble High Court in WP(C) 1889/2012, on 31/07/2015, the parents/ writ petitioners, were required to file a complete set writ petition and a copy of the rejoinder to counter affidavit filed by them.

The school was also required to file:

- (a) fee schedules for the year 2008-09 to 2012-13 as well as circulars intimating the fee schedules and any adhoc increases during the year.
- (b) Copies of annual returns filed by the school under Rule 180 of Delhi School Education Rules, 1973.
- (c) a copy of the counter affidavit filed by the school in the writ petition before the Hon'ble High Court.
- (d) Copies of Allotment letters and lease deeds of various parcels of land allotted to the school.

The school was also required to furnish details of different activities/institutions being run from the land allotted to the school.



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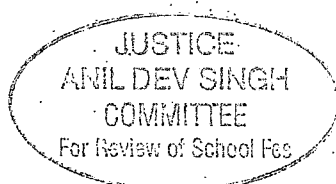
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The parents also filed a representation before the Committee, a copy of which was furnished to the school with the directions to file its reply by 12/08/2015. The matter was directed to be relisted on 13/08/2015.

On 13/08/2015, the parties again appeared. The school filed copies of lease deeds of different plots of land allotted to Bhartiya Vidya Bhavan (BVB). It was submitted that in all, four plots were allotted on which, besides the school, BVB was running other institutions and also carrying out many other activities. No rent or license fee was being charged from such other institutions nor the net income generated from other activities was reflected in the financials of the school.

However, the school did not file the fee schedules for the year 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 despite direction given on the earlier date. The Committee also observed that the returns filed by the school under Rule 180 of the Delhi School Education Rules 1973, for the years 2006-07 to 2010-11 were inchoate and disjointed and did not contain all the statements as prescribed under the rules.

Perusal of the copy of writ petition filed by the parents shows that the following issues were raised by the petitioners.

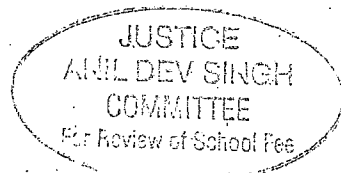


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- (a) The school was not justified in collecting arrears of Rs. 4,800 per student in the months of April 2010 and July 2010, when it had already recovered the arrears in 2008-09 and 2009-10, in accordance with the order dated 11/02/2009 issued by the Director of Education, for the purpose of implementation of the recommendations of VI Pay Commission.
- (b) The increase in regular tuition fee ranging between 15 & 18% in 2010-11 and 30% in 2011-12 with corresponding increases in development fee was also not justified.
- (c) The hike of 10% in tuition fee in 2012-13 was also not justified.
- (d) The school has been illegally transferring funds to its parent body M/s. Shikshan Bharti and charging the same to the revenue of the school, thus creating artificial deficits.
- (e) The Director of Education has a duty to regulate the fee of the school as provided in section 17(3) of the Delhi School Education Act, 1973, as held by the Hon'ble High Court in Delhi Abhibhavak Mahasangh vs. Govt. of NCT of Delhi WP (C) No. 7777 of 2009. However, it failed to do so despite complaints made to it.
- (f) The Delhi Kendra of Bhartiya Vidya Bhavan, runs a number of vocational courses from the premises of the school using its furniture, audio vedio equipment, class IV staff, security



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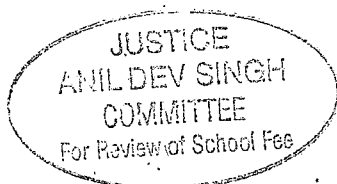
guards, electricity etc. and earns a substantial profits but the same are not reflected as the income of the school.

Perusal of the counter affidavit filed by the school shows that it rebutted all the contentions raised by the parents. In particular, the school stated that

- (a) It did not receive any direction from the Director of Education for change in its fee structure, which is always filed as per section 17(3) of the Delhi School Education Act, 1973.
- (b) The school pays 2.5% of its income as administrative charges to its parent body M/s. Shikshan Bharti which administers all the schools run by Bhartiya Vidya Bhavan Trust in India and which renders many support services to the school and conducts inspections, workshops, seminars and conferences.
- (c) The building is the property of Bhartiya Vidya Bhavan and the school has been given this building for use for education of children during school timings only. The school is being charged 50% of the depreciation on building as rent by Bhartiya Vidya Bhavan. The vocational courses run by the Delhi Kendra of Bhartiya Vidya Bhavan have nothing to do with the school.

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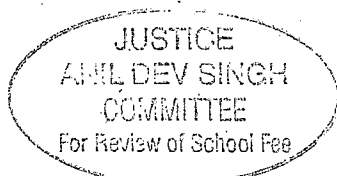
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The school as well as the parents/writ petitioners have been extensively heard on various dates and the submissions made by them have been duly considered.

In order to examine the issues raised in the writ petition in their proper perspective, this Committee is of the view that the answer to the following rival contentions is necessary to arrive at a just decision:

- (a) Did the school file the fee statement, as approved by the Managing Committee of the school on 25/03/2010, with the Director of Education, before the start of academic session 2010-11, as required by section 17(3) of the Delhi School Education Act, 1973? If yes, was the Director of Education lax in not interfering with the fee hike proposed? And if no, what is the effect of not filing the fee statement by the school before the start of academic session?
- (b) Could the school hike the fee further as per the decision taken by the Managing Committee of the school on 21/04/2010 i.e. after the start of the academic session, without the prior approval of the Director of Education as provided in section 17(3) of the Delhi School Education Act, 1973?
- (c) Whether the school could transfer money to M/s. Shikshan Bharti, the parent body of the school, by way of administrative charges? If not, to what effect?

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- (d) Whether the school could allow user of its land and other fixed assets to the Delhi Kendra of Bhartiya Vidya Bhavan, free of charge, for running vocational courses? If not, to what effect?
- (e) Whether the school could allow user of its land to Bhawan's Usha & Lakshmi Mittal Institute of Management, free of charge? If not, to what effect?
- (f) Whether the fee hiked by the school in 2011-12 and 2012-13 was justified?

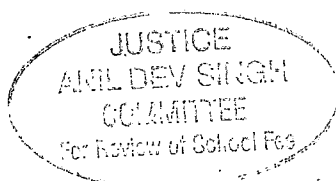
At the outset, it would be apposite to reproduce Section 17(3) of the Delhi School Education Act, 1973. It reads as follows:

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

It is apparent that the schools have to levy fee during an academic session in accordance with the fee statement filed by it before the start of the academic session. The academic session starts from 01st April every year. Accordingly the fee statement is required to be filed by every school latest by 31st March. Further, in case the school wants to increase the fee after the start of the academic session, it is required to obtain prior approval of the Director of Education.

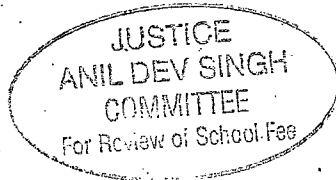
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In this particular case, the Managing Committee of the school approved the fee structure for 2010-11 in its meeting held on 25/03/2010. The fee structure, so far as monthly fees are concerned, that was approved in this meeting was as follows:



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| Class | Tuition fee | Computer fee | Science Fee | Total |
|------------------|-------------|--------------|-------------|-------|
| KG | 1980 | | | 1980 |
| I-II | 1980 | 100 | | 2080 |
| III-IV | 2040 | 100 | | 2140 |
| V | 2040 | 100 | | 2140 |
| VI-VIII | 2100 | 100 | | 2200 |
| IX | 2230 | 100 | 50 | 2380 |
| X WOC | 2230 | | 50 | 2280 |
| X WC | 2230 | 200 | 50 | 2480 |
| XI-XII Art, Cor | 2460 | | | 2460 |
| XI-XII Com.S. | 2460 | 300 | 80 | 2840 |
| XI-XII SCI | 2460 | | 80 | 2540 |
| XI-XII ART. Com. | 2460 | 300 | | 2760 |
| SPL. EDU. | 2820 | 100 | | 2920 |

This structure was made effective w.e.f. 01/04/2010. However, w.e.f. 21/04/2010, the hike in monthly fee was purportedly rolled back partly but lump sum arrears amounting to Rs. 1600 to Rs. 4800 were charged from the students. The monthly fee structure after the purported roll back was as follows:

| Class | Tuition fee | Computer fee | Science Fee | Total |
|-----------------|-------------|--------------|-------------|-------|
| KG | 1825 | | | 1825 |
| I | 1825 | 100 | | 1925 |
| II | 1825 | 100 | | 1925 |
| III | 1880 | 100 | | 1980 |
| IV | 1880 | 100 | | 1980 |
| V | 1880 | 100 | | 1980 |
| VI-VIII | 1935 | 100 | | 2035 |
| IX | 2055 | 100 | 50 | 2205 |
| X WOC | 2055 | | 50 | 2105 |
| X WC | 2055 | 200 | 50 | 2305 |
| XI-XII Art, Cor | 2265 | | | 2265 |
| XI-XII Com.S. | 2265 | 300 | 80 | 2645 |

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ANIL DEV SINGH
COMMITTEE
SECRETARY

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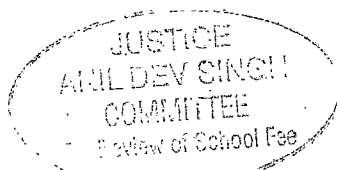
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| | | | | |
|------------------|------|-----|----|------|
| XI-XII SCI | 2265 | | 80 | 2345 |
| XI-XII ART. Com. | 2265 | 300 | | 2565 |
| SPL. EDU. | 2600 | 100 | | 2700 |

After factoring in the arrears charged by the school as per the decision dated 21/04/2010, the effective monthly fee for different classes was as follows:

| Class | Tuition fee | Computer fee | Science Fee | Monthly component of arrears | Total |
|------------------|-------------|--------------|-------------|------------------------------|-------|
| KG | 1825 | | | 0 | 1825 |
| I | 1825 | 100 | | 0 | 1925 |
| II | 1825 | 100 | | 133 | 2058 |
| III | 1880 | 100 | | 267 | 2247 |
| IV | 1880 | 100 | | 400 | 2380 |
| V | 1880 | 100 | | 400 | 2380 |
| VI-VIII | 1935 | 100 | | 400 | 2435 |
| IX | 2055 | 100 | 50 | 400 | 2605 |
| X WOC | 2055 | | 50 | 400 | 2505 |
| X WC | 2055 | 200 | 50 | 400 | 2705 |
| XI-XII Art, Cor | 2265 | | | 400 | 2665 |
| XI-XII Com.S. | 2265 | 300 | 80 | 400 | 3045 |
| XI-XII SCI | 2265 | | 80 | 400 | 2745 |
| XI-XII ART. Com. | 2265 | 300 | | 400 | 2965 |
| SPL. EDU. | 2600 | 100 | | 400 | 3100 |

The above table shows the correct picture of the monthly fee charged during the year 2010-11. In order to find whether the fee was rolled back on 21/04/2010, as claimed by the school, or was actually increased, we have to juxtapose the fee of different classes as per the structure approved on 25/03/2010 against the fee eventually charged as per the decision dated 21/04/2010. The following table would



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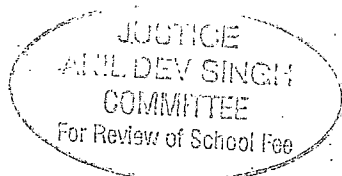
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show the variation in fee as per the two decisions taken by the
 Managing Committee:

| Class | Total monthly fee as per decision dated 25/03/2010 | Total monthly fee as per decision dated 21/04/2010 | Variation |
|------------------|---|---|-----------|
| KG | 1980 | 1825 | -155 |
| I | 2080 | 1925 | -155 |
| II | 2080 | 2058 | -22 |
| III | 2140 | 2247 | +107 |
| IV | 2140 | 2380 | +240 |
| V | 2140 | 2380 | +240 |
| VI-VIII | 2200 | 2435 | +235 |
| IX | 2380 | 2605 | +225 |
| X WOC | 2280 | 2505 | +225 |
| X WC | 2480 | 2705 | +225 |
| XI-XII Art, Cor | 2460 | 2665 | +205 |
| XI-XII Com.S. | 2840 | 3045 | +205 |
| XI-XII SCI | 2540 | 2745 | +205 |
| XI-XII ART. Com. | 2760 | 2965 | +205 |
| SPL. EDU. | 2920 | 3100 | +180 |

It is apparent that vide decision dated 21/04/2010, the fee of most classes was actually increased over the fee fixed vide decision dated 25/03/2010, despite the school claiming that the fee was rolled back after parents protested. Only for classes KG, I & II, there was a marginal decline in fee.

We have already observed that after the start of the academic session, the fee can be increased only with the prior approval of the Director of Education. Admittedly, in this case, no prior approval was obtained from the Director. On the contrary, the Director of



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Education specifically declined to the proposal of the school to increase the fee or charge any arrears over and above the fee hiked in pursuance of order dated 11/02/2009.

In view of the foregoing discussion, the Committee is of the view that the school illegally hiked the fee as per its decision dated 21/04/2010.

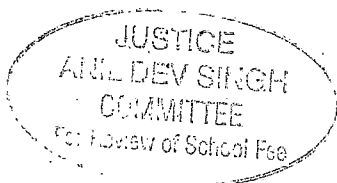
We have already noticed that the school has to file its statement of fee to be charged in the ensuing academic session latest by 31st March of the previous academic session. For the fee proposed to be charged in 2010-11, the school was required to file the fee statement with the Director of Education latest by 31/03/2010. The school in its counter affidavit filed before the Hon'ble High Court stated as follows:

"I say that the Respondent no. 2 did not receive any directions from DOE regarding changing in its fee structure which is always placed before the DOE well in advance for directions, if any. This is in accordance with Section 17(3) of the Delhi School Education Act and Rules, 1973, circulated by DOE, vide Govt. of NCT circular no. 1978 dated 16/04/2010 quoted as Annexure C of the petition."

However, on pointed queries made by the Committee, the school in its written submissions dated 15th September 2015, stated

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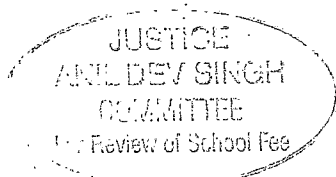
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"In view of the reservations of the parents on the increase in the fee, the school fee structure for 2010-11 could not be submitted before the 31st March, 2010 to the Director of Education, as required. However, the school fee structure for 2010-11 (as decided in SMC meeting of 25th March 2010 and rolled back to 10% with the approval of the Chairperson on Director, Delhi Kendra's note dated 22nd April 2010 were sent to the Director of Education vide Manager (Mehta Vidyalaya's) letter no. BVB/DK-MV/DOE-CORR/10-11/1034 dated 11.05.2010 (Encl.-5).

In view of the foregoing submission of the school, it is abundantly clear that the school did not file the fee statement for the year 2010-11 by 31/03/2010, as required by law i.e. Section 17(3) of DSEA, 1973. Hence, there is no way the Director of Education could have intervened to give any directions to the school with regard to roll back of any fee. It is significant that the fee structure, as passed in the Managing Committee meeting held on 25/03/2010 was made operative w.e.f. 01/04/2010. It would be worthwhile to examine the fee structure that came into effect from 01/04/2010 vis a vis the fee structure for the immediately preceding year. The following chart would illustrate this:

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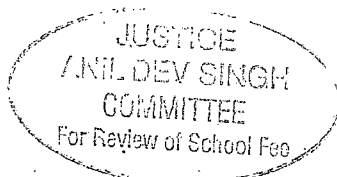


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| Year | 2009-10 | | | | 2010-11 (MC Meeting dt. 25.3.2010) | | | | | |
|------------------|-------------|--------------|-------------|-------|------------------------------------|--------------|-------------|-------|-----------------|-----------------|
| | Tuition fee | Computer fee | Science Fee | Total | Tuition fee | Computer fee | Science Fee | Total | Hike in 2010-11 | Percentage Hike |
| KG | 1565 | | | 1565 | 1980 | | | 1980 | 415 | 26.52% |
| I-II | 1565 | 100 | | 1665 | 1980 | 100 | | 2080 | 415 | 24.92% |
| III-IV | 1620 | 100 | | 1720 | 2040 | 100 | | 2140 | 420 | 24.42% |
| V | 1620 | 100 | | 1720 | 2040 | 100 | | 2140 | 420 | 24.42% |
| VI-VIII | 1665 | 100 | | 1765 | 2100 | 100 | | 2200 | 435 | 24.65% |
| IX | 1775 | 100 | 50 | 1925 | 2230 | 100 | 50 | 2380 | 455 | 23.64% |
| X WOC | 1775 | | 50 | 1825 | 2230 | | 50 | 2280 | 455 | 24.93% |
| X WC | 1775 | 200 | 50 | 2025 | 2230 | 200 | 50 | 2480 | 455 | 22.47% |
| XI-XII Art, Cor | 1965 | | | 1965 | 2460 | | | 2460 | 495 | 25.19% |
| XI-XII Com.S. | 1965 | 300 | 80 | 2345 | 2460 | 300 | 80 | 2840 | 495 | 21.11% |
| XI-XII SCI | 1965 | | 80 | 2045 | 2460 | | 80 | 2540 | 495 | 24.21% |
| XI-XII ART. Com. | 1965 | 300 | | 2265 | 2460 | 300 | | 2760 | 495 | 21.85% |
| SPL. EDU. | 2270 | 100 | | 2370 | 2820 | 100 | | 2920 | 550 | 23.21% |

Section 17(3) of DSEA, 1973 is an important tool which empowers the Director of Education to regulate fee charged by the private un-aided schools. The modus provided by the section is that before the schools fix the fee for the academic session, the Director has an opportunity to examine the fee structure to satisfy himself that the fee charged by the school is reasonable and is not motivated by reasons of profit making. The Hon'ble Supreme Court in case of Modern School Vs. The Union of India & Ors. (2004) 5 SCC 583 laid down the following law:

"17. In the light of the judgment of this Court in the case of Islamic Academy of Education (supra) the provisions of 1973 Act and the rules framed thereunder may be seen. The object of the said Act is to provide better organization and development of school education in Delhi and for matters connected thereto. Section 18(3) of the Act states that in every recognized unaided school, there shall be a



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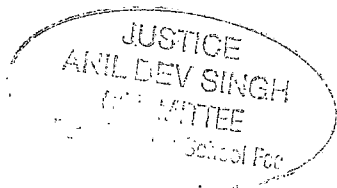
fund, to be called as Recognized Unaided School Fund consisting of income accruing to the school by way of fees, charges and contributions. Section 18(4)(a) states that income derived by unaided schools by way of fees shall be utilized only for the educational purposes as may be prescribed by the rules.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

The Hon'ble Supreme Court, further gave the following directions to the Director of Education:

"It is for this reason that under Section 17(3) of the Act, every school is required to file a statement of fees which they would like to charge during the ensuing academic year with the Director. In the light of the analysis mentioned above, we are directing the Director to analyse such statements under section 17(3) of the Act and to apply the above principles in each case. This direction is required to be given as we have gone through the balance-sheets and profit and loss accounts of two

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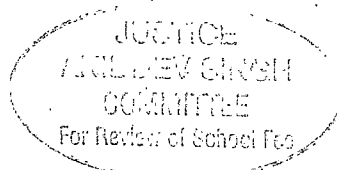
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schools and prima facie, we find that schools are being run on profit basis and that their accounts are being maintained as if they are corporate bodies. Their accounts are not maintained on the principles of accounting applicable to non-business organizations/not-for-profit organizations."

However, the moot question is as to what consequences would befall where the school does not file the fee statement before the start of the academic session. Whether, in such a case, the school would be prohibited from charging any fee at all? In the opinion of the Committee, that can never be the purpose of this provision of law for in that case, the operations of the school would come to a grinding halt. On the other hand, the schools can very well avoid any kind of regulation of fee by simply refraining from filing the fee statement before the start of the academic session. The law does not provide for any consequences for infraction of this provision. In such a situation, the provision has to be purposively construed. The purpose, as also held by the Hon'ble Supreme Court, is to empower the Director to regulate the fee of the schools so as not to lead to commercialisation of education. Hence, this Committee is of the view that the interests of the school as well as the parents of the students would be served if the school is allowed to hike its fee by about 10% over the fee of the immediately preceding academic session, for which the statement under section 17(3) of the Act had been filed by the school and thus fulfilled the regulatory requirement.

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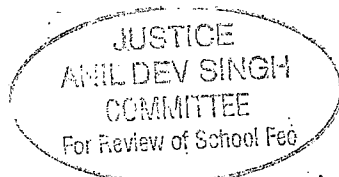


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In this particular case, as would be evident from the table given hereinafter, the hike in fee effected by the school for the year 2010-11 as per the initial decision dated 25/03/2010 of the Managing Committee, was between 21 and 26.5%.

This Committee is of the view that the school ought to roll back the hike in its fee to 10% of the fee charged for the year 2009-10, which was in accordance with the order dated 11/02/2009 issued by the Director of Education. The fee recovered over and above that level ought to be refunded alongwith interest @ 9% per annum.

The next question that requires to be answered is whether the school could transfer money to M/s. Shikshan Bharti, its parent body by way of administrative charges. We have already noticed that the Hon'ble Supreme Court in the judgments of Modern School (supra) and Action Committee (supra) has held that the schools cannot transfer any funds to its parent Societies. In view of this, this Committee has no hesitation in concluding that the school could not transfer any money to M/s. Shikshan Bharti, whether by way of administrative charges or otherwise. To the extent, the school has transferred funds to Shikshan Bharti, the funds are deemed to be available with the school for meeting its regular expenses. The effect of such transfer as also the permissive use of other valuable assets of the school by its parent body would be cumulatively considered.



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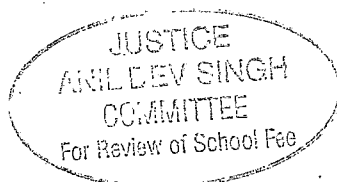
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As regards the use of various parcels of land allotted to Bhartiya Vidya Bhavan, Delhi Kendra is concerned, as per the submissions made by the school during the course of hearing on 13/08/2015 and perusal of copies of lease deeds of plots filed by the school, the position with regard to the usage of premises/land allotted for the purpose of school is as follows:

| S. N. | Particulars of land | Date of Allotment | Area and premium/lease rent | Purpose as per allotment letter | Actual usage of land | Rent or Licence fee charged from other institutions using the school premises |
|-------|------------------------|-------------------|--|---|--|---|
| 1 | Main Building plot | 26.12.1951 | 1.30 acres. Lease rent Rs. 325 per annum | Bhavan's cultural activities | Partly by School and partly for Bhavan's cultural activities | NIL |
| 2 | Plot No.2, Lytton Lane | 06.04.1968 | 0.54 acres. Premium Rs. 2700 + lease rent Rs. 135 per annum | Construction of building for expansion of existing school and <u>for no other purpose and no portion of the building to be let out without prior permission of L & D O.</u> | (a) Morning : By the school, (b) Evening : By (1) Academy of languages (2) Rajendra Prasad College of Mass Communication & Media, (3) Sanskrit Classes, (4) Astrology Classes, (5) Periodical lectures on cultural subjects, (6) Library. | NIL |
| 3 | Plot No.4, Lytton Road | 11.10.1971 | 0.87 acres. Premium Rs. 4350 + lease rent Rs. 217 per annum | Construction of building for expansion of existing school and <u>for no other purpose and no portion of the building to be let out without prior permission of L & D O</u> | Bhavan's Usha & Laxmi Mittal Institute of Management | NIL |
| 4 | Plot No.6,8 and 10 | 05.06.1976 | 2.13 acres. Premium Rs. 639420 + Lease rent Rs. 15985 per annum | Playground and for no other purpose | School | |

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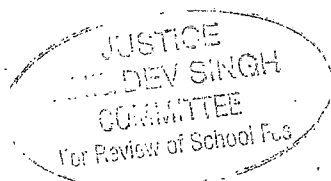
It would be apparent from the above table that only plot at S.No. 1 was allotted for use for Bhavan's cultural activities while the remaining plots were allotted exclusively for school building and playground. There was a covenant specifically restricting the use of plots for other purposes or for letting out. Such big plots were allotted in Lutyen's Delhi at nominal premiums/lease rent as the allotments were made for the purpose of running a school which is supposed to be run without any profit motive.

The above table would show that while the plot at S.No. 1 was allotted for Bhavan's cultural activities, only plot at S.No. 4 out of the remaining plots is being used exclusively for school as its playground.

Plot No.2, Lytton Lane measuring 0.54 acres was allotted to the school for Construction of building for expansion of existing school and for no other purpose and no portion of the building was to be let out without prior permission of L & D O. However, as per the submissions of the school, the same was also being used for running (1) Academy of languages (2) Rajendra Prasad College of Mass Communication & Media, (3) Sanskrit Classes, (4) Astrology Classes, (5) Periodical lectures on cultural subjects, besides the school. It was contended that vide letter dated 30.4.1968, the Ministry of Works, Housing & Supply, GOI expressed the view that these activities are covered under the term "School".

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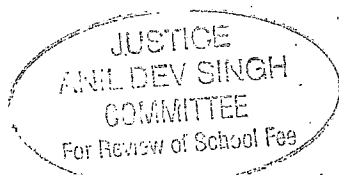
Secretary



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The contention of the school, if taken to its logical conclusion, would imply that the income generated by way of fee and other charges by undertaking such activities also belongs to the school and ought to have been credited to the school fund. Admittedly the school is not doing so. It was conceded by the representatives of the school that the incomes and expenditures in relation to the above activities are reflected in the balance sheet of the Delhi Kendra of Bhartiya Vidya Bhavan. To say it differently, the Income which legitimately should have come to the coffers of the school, has gone to the coffers of the parent body of the school. Had the school been in receipt of such income, year after year, its funds would have swelled. Rule 172 of Delhi School Education Rules, 1973 (DSER) forbids the parent trust or society running the schools from collecting any fee, contribution or other charges from the students. Further it provides that such fee contribution or other charges shall be collected in the own name of the school and a proper receipt shall be granted by the school for every such collection. Hence, this is a self destructive argument which is raised by the school. Far from serving its cause, it actually defeats the case of the school.

This Committee is of the view that the view of Ministry of Works Housing & Supply, Govt. of India that such activities are covered under the term school, is for the limited purpose of the usage of land i.e. that if such activities are carried out from the premises of the



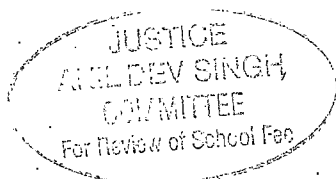
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school, it may not amount to misuse of land as per the master plan. However, what cannot be lost sight of is the fact that the main building from which the school is running is situated on a plot at S.No.1 in the above table which measures 1.30 acres and this plot was allotted, not for establishing the school but for Bhavan's cultural activities. However, part of the building is being used for running the school and the other part is being used for Bhavan's cultural activities. So there is no question of the plot meant for the school being used by the Delhi Kendra of Bhartiya Vidya Bhavan for running its cultural activities. In fact this plot was specifically allotted for use by the Delhi Kendra for its cultural activities. It is only subsequently that the school got established on this plot.

So far as the plot at S.No. 2 is concerned, there is no doubt that it was allotted for the purpose of school and admittedly a part of it is being used by BVB for running its cultural activities as well as some language and other courses. This no doubt is in contravention of the provisions of Rule 50 of The Delhi School Education Rules, 1973, which provides for the conditions for recognition of schools. One of the conditions prescribed vide this rule is that the school is not run for profit to any individual, group or association of individuals or any other persons. Another condition mentioned is that the school buildings or other structures or the grounds are not used during the day or night for commercial or residential purposes or for communal,

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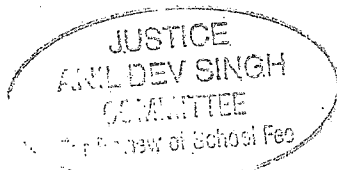
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political or non educational activity of any kind whatsoever. However, keeping in view that this plot measures 0.54 acres and the fact that the plot at S.No.1 which measures 1.30 acres was being allowed by BVB to run the school, this can be considered as a quid pro quo for the use of plot no. 1 by the school. This Committee is not concerned with the violation of conditions of recognition, but to look into the fact that whether the school was diverting or foregoing its income. The Committee does not think so in view of the above premises.

With regard to plot no. 4, measuring 0.87 acres, which was avowedly allotted for Construction of building for expansion of existing school and for no other purpose and no portion of the building to be let out without prior permission of L & D O, there is not even a pretention that the school is using it for its own purpose. From this premises, a management institute by the name of 'Bhavan's Usha & Laxmi Mittal Institute of Management' is being run and the school is not being remunerated in any manner by way of any rent or license fee. On this plot, the school is clearly engaged in carrying out commercial activities from the premises which were allotted to it for running a school and for no other purpose. While this Committee is not concerned with the breach of conditions of recognition, atleast the benefit of the income generated/foregone from such activities ought to have enured to the school. Had it happened, the level of fee charged from the students could have been considerably less. Atleast what the



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school could do was to moderate the fee of the students in view of the fact that it was foregoing substantial revenues in favour of its parent body by allowing the user of its land for commercial purposes. This factor also persuades us to take the view that we are taking.

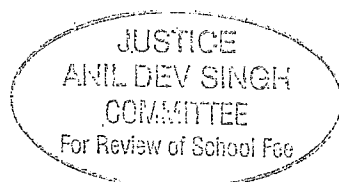
The fee charged by the school in the years 2011-12 and 2012-13 was as follows:

| Class | 2011-12 | | | | 2012-13 | | | |
|------------------|-------------|--------------|-------------|-------|-------------|--------------|-------------|-------|
| | Tuition fee | Computer fee | Science Fee | Total | Tuition fee | Computer fee | Science Fee | Total |
| KG | 2375 | | | 2375 | 2615 | | | 2615 |
| I-II | 2375 | 100 | | 2475 | 2615 | 100 | | 2715 |
| III-IV | 2440 | 100 | | 2540 | 2680 | 100 | | 2780 |
| V | 2440 | 100 | | 2540 | 2680 | 100 | | 2780 |
| VI-VIII | 2515 | 100 | | 2615 | 2765 | 100 | | 2865 |
| IX | 2675 | 100 | 50 | 2825 | 2945 | 100 | 50 | 3095 |
| X WOC | 2675 | | 50 | 2725 | 2945 | | 50 | 2995 |
| X WC | 2675 | 100 | 50 | 2825 | 2945 | 100 | 50 | 3095 |
| XI-XII Art, Cor | 2945 | | | 2945 | 3240 | | | 3240 |
| XI-XII Com.S. | 2945 | 300 | 80 | 3325 | 3240 | 300 | 80 | 3620 |
| XI-XII SCI | 2945 | | 80 | 3025 | 3240 | | 80 | 3320 |
| XI-XII ART. Com. | 2945 | 300 | | 3245 | 3240 | 300 | | 3540 |
| SPL. EDU. | 3380 | 100 | | 3480 | 3720 | 100 | | 3820 |

The percentage increase in 2011-12 was upto 30% over the fee charged for the immediately preceding year, while in 2012-13, it was within 10%. However, since the base fee for the year 2010-11 has been interfered with by us, the percentage increase in 2011-12 and 2012-13 would be much higher.

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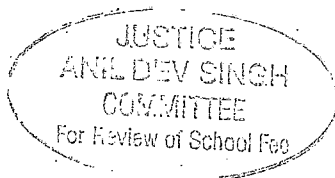
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In view of the fact that no compelling reasons have been made out by the school for the extra ordinary hike and also in view of the fact that the school was generating substantial incomes by using the land which was allotted for the school and also in view of the fact that the school was transferring money to its parent body M/s. Shikshan Bharti, the Committee is of the view that the interests of both the parents as well as the school would be served if the hike in fee 2011-12 and 2012-13 is restricted to 10% over the fee charged for the immediately preceding year, as moderated by the Committee for the year 2010-11. Any amounts recovered in excess of such fee ought to be refunded to the parents along with interest @ 9% per annum.

To sum up, this Committee recommends the school to roll back its fee for the years 2010-11, 2011-12 and 2012-13 in the following manner and refund the amount charged by the school in excess of the fee determined by this Committee, alongwith interest @ 9% per annum:



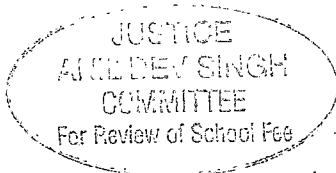
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**Bhartiya Vidya Bhavan's Mehta Vidyalaya, Kasturba Gandhi Marg,
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I. Year 2010-11

| Class | Monthly Fee for the 2009-10 as per DoE's order dated 11/02/2009 | Monthly fee for the year 2010-11 after factoring the lump sum fee charged as per MC decision dated 21.04.2010 | Monthly fee for the year 2010-11 as per the decision of this Committee | Amount to be refunded per month per student | Lump sum refundable amount for the year per student |
|------------------|---|---|--|---|---|
| KG | 1,565 | 1,825 | 1,722 | 103 | 1,236 |
| I | 1,665 | 1,925 | 1,832 | 93 | 1,116 |
| II | 1,720 | 2,058 | 1,892 | 166 | 1,992 |
| III | 1,720 | 2,247 | 1,892 | 355 | 4,260 |
| IV | 1,720 | 2,380 | 1,892 | 488 | 5,856 |
| V | 1,720 | 2,380 | 1,892 | 488 | 5,856 |
| VI-VIII | 1,765 | 2,435 | 1,942 | 493 | 5,916 |
| IX | 1,925 | 2,605 | 2,118 | 487 | 5,844 |
| X WOC | 1,825 | 2,505 | 2,008 | 497 | 5,964 |
| X WC | 2,025 | 2,705 | 2,228 | 477 | 5,724 |
| XI-XII Art, Cor | 1,965 | 2,665 | 2,162 | 503 | 6,036 |
| XI-XII Com.S. | 2,34 | 3,045 | 2,580 | 465 | 5,580 |
| XI-XII SCI | 2,045 | 2,745 | 2,250 | 495 | 5,940 |
| XI-XII ART. Com. | 2,265 | 2,965 | 2,492 | 473 | 5,676 |
| SPL. EDU. | 2,370 | 3,100 | 2,607 | 493 | 5,916 |



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II. Year 2011-12

| Class | Monthly fee for 2010-11, as determined by this Committee | Monthly fee for the year 2011-12 as charged by the school | Monthly fee for the year 2011-12 as per the decision of this Committee | Amount to be refunded per month per student | Lump sum amount refundable amount for the year per student |
|------------------|--|---|--|---|--|
| KG | 1,722 | 2,375 | 1,894 | 481 | 5,772 |
| I | 1,832 | 2,475 | 2,015 | 460 | 5,520 |
| II | 1,892 | 2,475 | 2,081 | 394 | 4,728 |
| III | 1,892 | 2,540 | 2,081 | 459 | 5,508 |
| IV | 1,892 | 2,540 | 2,081 | 459 | 5,508 |
| V | 1,892 | 2,540 | 2,081 | 459 | 5,508 |
| VI-VIII | 1,942 | 2,615 | 2,136 | 479 | 5,748 |
| IX | 2,118 | 2,825 | 2,330 | 495 | 5,940 |
| X WOC | 2,008 | 2,725 | 2,209 | 516 | 6,192 |
| X WC | 2,228 | 2,825 | 2,451 | 374 | 4,488 |
| XI-XII Art., Cor | 2,162 | 2,945 | 2,378 | 567 | 6,804 |
| XI-XII Com.S. | 2,580 | 3,325 | 2,838 | 487 | 5,844 |
| XI-XII SCI | 2,250 | 3,025 | 2,475 | 550 | 6,600 |
| XI-XII ART. Com. | 2,492 | 3,245 | 2,741 | 504 | 6,048 |
| SPL. EDU. | 2,607 | 3,480 | 2,868 | 612 | 7,344 |

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COMMITTEE
For Review of School Fee

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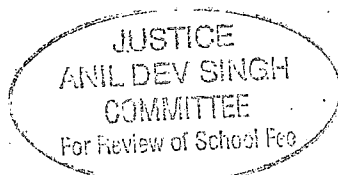
III Year 2012-13

| Class | Monthly fee for 2011-12, as determined by this Committee | Monthly fee for the year 2012-13 as charged by the school | Monthly fee for the year 2012-13 as per the decision of this Committee | Amount to be refunded per month per student | Lump sum amount refundable amount for the year per student |
|------------------|--|---|--|---|--|
| KG | 1,894 | 2,615 | 2,083 | 532 | 6,384 |
| I | 2,015 | 2,715 | 2,216 | 499 | 5,988 |
| II | 2,081 | 2,715 | 2,289 | 426 | 5,108 |
| III | 2,081 | 2,780 | 2,289 | 491 | 5,892 |
| IV | 2,081 | 2,780 | 2,289 | 491 | 5,892 |
| V | 2,081 | 2,780 | 2,289 | 491 | 5,892 |
| VI-VIII | 2,136 | 2,865 | 2,350 | 515 | 6,180 |
| IX | 2,330 | 3,095 | 2,563 | 532 | 6,384 |
| X WOC | 2,209 | 2,995 | 2,430 | 565 | 6,780 |
| X WC | 2,451 | 3,095 | 2,696 | 401 | 4,812 |
| XI-XII Art, Cor | 2,378 | 3,240 | 2,616 | 624 | 7,488 |
| XI-XII Com.S. | 2,838 | 3,620 | 3,121 | 499 | 5,988 |
| XI-XII SCI | 2,475 | 3,320 | 2,722 | 598 | 7,176 |
| XI-XII ART. Com. | 2,741 | 3,540 | 3,015 | 525 | 6,300 |
| SPL. EDU. | 2,868 | 3,820 | 3,155 | 665 | 7,980 |

Summation:

As per the above discussion and findings, the Committee makes the following recommendations:

- (a) The fee hiked by the school w.e.f. 01/09/2008 upto 31/03/2010 as also the arrears recovered in pursuance of order dated 11/02/2009 issued by the Director of Education, requires no intervention.
- (b) The fee charged by the school for the years 2010-11, 2011-12 and 2012-13 be rolled back in accordance with the determinations made by this Committee as above and the amounts charged/recovered in excess of such



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determinations, be refunded to the students, alongwith
interest @ 9% per annum from the date of recovery of fee
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: 25/04/2016



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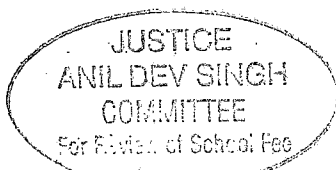
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In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school). The school submitted its reply under cover of its letter dated 09/03/2012, vide which it stated as follows:

- (a) The School had implemented the recommendations of VI Pay Commission and the increased salary of the staff were being paid w.e.f. 01/09/2008.
- (b) The school had increased the fee in terms of order dated 11/02/2009 issued by the Director of Education.

Nothing was stated with regard to payment of arrear salary or the quantum of fee hike or the recovery of fee arrears. Some salary payment vouchers were enclosed with the reply without any explanation.

The returns filed by the school under Rule 180 of Delhi School Education Rules were requisitioned from the office of the concerned Dy. Director of Education. On perusal of the returns, the Committee came across a circular dated 12/02/2009 issued by the school to the parents of the students informing them that the Directorate of Education had, vide order dated 11/02/2009, permitted the school to hike the fee @ Rs. 400 per month w.e.f. 1st Sept. 2008, besides recovering lump sum arrears of Rs. 3,500. There was no mention of



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any hike in development fee or recovery of any arrears of development fee for the period 01/09/2008 to 31/03/2009. However, it appears that the aforesaid said hike was effected without calling for any meeting of the Parent Teacher Association (PTA) as mandated vide clause 3 of the aforesaid order dated 11/02/2009. To overcome this anomaly, it appears that a meeting of the PTA was convened on 25/02/2009. A copy of resolution adopted by the executive of the PTA was filed by the school along with its reply to the questionnaire. However, this resolution merely stated that the hike in fee be made as per notification of Govt. of NCT of Delhi w.e.f. September 2008 and the arrears of fee be also realised from the parents in accordance with the said notification, without any specifics. This resolution was signed by 21 out of 31 members of Executive Body of PTA.

A copy of an office order dated 25/02/2009 signed by the Principal of the school and meant for the Accounts branch of the school was filed by the school along with its annual returns. By the said office order, the accounts branch of the school was directed to raise the development fee to Rs. 950 per quarter from the existing Rs. 250 per quarter w.e.f. April 2009 so as to bring it to 15% of the tuition fee as permitted by the order of Directorate of Education. There was no direction to recover any arrears of development fee for the period 01/09/2008 to 31/03/2009.

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COMMITTEE
School Fee

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Copy of another resolution purportedly passed on 14/03/2009 by the same body was also enclosed which, however, stated that the development fee be charged from the students @ 15% of tuition fee w.e.f. 01/09/2008 as per instructions contained in order no. DE/15/Act/2009/1414-1434 dated 25/02/2009 in three equal instalments by 30/04/2009, 31/07/2009 and 31/10/2009. However this resolution was signed by only 10 out of 31 Members of the Executive Body. It was not clear from the copy of the resolution as to whether the signatories were parents or teachers. Moreover, this decision was not conveyed to the parents. During the course of hearings before the Committee, the representatives of the school informed that these arrears were collected in the year 2009-10 along with regular fee for that year.

The Committee issued a notice dated 23/01/2015 for providing it an opportunity of being heard on 25/02/2015. The notice required the school to furnish complete break up of fee and salary for the years 2008-09 to 2010-11 as per the audited Income & Expenditure Accounts, showing separately the arrear fee and salary and regular fee and salary for the respective years, details of accrued liabilities of gratuity and leave encashment and statement of account of the parent society as appearing in the books of the school. The school was also required to produce its complete accounting fee and salary records for perusal by the Committee. The school was also issued a questionnaire seeking specific information with regard to charging and

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G. DEV SINGH

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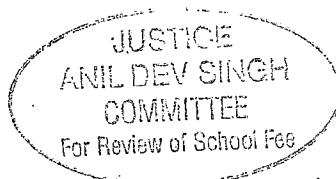
utilisation of development fee and maintenance of earmarked depreciation reserve and development funds.

On the date fixed, Dr. Usha Ram, Principal of the school appeared alongwith Sh. Sanjay Upadhaya, Manager and Ms. Neeru Nanda, Accountant. They filed the requisite information. A reply to the questionnaire regarding development fee was also filed. We will advert to the same when we discuss the issue of development fee.

The information regarding fee and salaries (both regular as well as arrears) was checked with reference to the audited financials of the school. The following discrepancies were observed in the information furnished:

| Particulars | As per information furnished | | As per audited financials | |
|---|------------------------------|-------------|---------------------------|-------------|
| | 2008-09 | 2009-10 | 2008-09 | 2009-10 |
| Arrear of Tuition Fee for the period 01/09/2008 to 31/03/2009 | 63,44,800 | | 62,88,800 | |
| Regular/normal tuition fee for the year | 5,07,62,013 | | 5,08,18,013 | |
| Arrear salary for the period 01/01/2006 to 31/08/2008 | 89,35,608 | 1,34,03,401 | 0 | 1,35,69,769 |
| Arrear salary for the period 01/09/2008 to 31/03/2009 | 99,78,592 | | 98,68,552 | |
| Regular normal salary for the year | 4,34,76,357 | 6,33,08,428 | 5,48,02,600 | 6,48,67,320 |

It was also observed that the school had transferred certain funds to the parent society.



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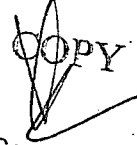
Laxman Public School, Hauz Khas, New Delhi-110016

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During the course of hearing, the representatives of the school contended that the school hiked the tuition fee @ Rs. 400 per month w.e.f. 01/09/2008. Development fee, as originally charged, in 2008-09 was a fixed amount of Rs. 250 per quarter, i.e. Rs. 1000 per annum. Such development fee was not linked to the tuition fee. However, the same was hiked to 15% of total tuition fee w.e.f. 01/09/2008 and the arrears were collected accordingly for the period 01/09/2008 to 31/03/2009. The representatives contended that this was done on the basis of an order dated 25/02/2009 issued by the Directorate of Education, a copy of which was placed on record. It was submitted that the fee hike by the school was justified in view of the increased liability of the school on account of implementation of the recommendations of VI Pay Commission. It was also contended that the school actually withdrew a sum of Rs. 64,88,767 from its development fund in order to meet the shortfall in salaries.

With regard to accrued liabilities of gratuity and leave encashment, the school stated that it had taken a group gratuity policy from LIC and the outstanding value of the fund liability was provided in the balance sheet. However, no provision was made for accrued liability of leave encashment and the same was accounted for on payment basis. The school was given liberty to file a detailed statement of its liability for leave encashment as on 31/03/2008 and 31/03/2010.

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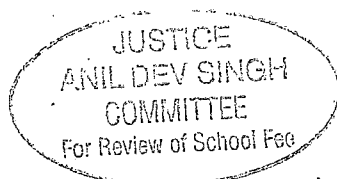
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During the course of hearing, the Committee observed that the school had introduced a new fee head as 'Administrative Charges' for new students, at the time of admission. A sum of Rs. 5,000 was collected at the time of admission from the new students w.e.f. 2009-10. The school contended that the same was reported to the Director of Education in its fee statement filed under Section 17(3) of the Delhi School Education Act, 1973.

Availing of the liberty granted, the school vide letter dated 04/03/2015 furnished the detail of accrued liability of leave encashment. As per the details furnished, the total liability on this account as on 31/03/2010 was **Rs. 1,23,68,735.**

While making the relevant calculations in order to determine the justifiability of fee hike effected by the school, the audit officer of the Committee observed that from the annual returns of the school, it appeared that the school was also running a pre primary school as well as a hostel, whose revenues and expenses were not merged in the balance sheet of the main school. Accordingly, vide notice dated 14/05/2015, the school was requested to furnish the information with regard to fee and salary of the pre primary school as well as hostel as also the audited financials of these two units.

In reply, the school, vide its letter dated 20/05/2015 stated that the pre primary school was merged with the main school in July 2004. As such the financials of the main school contained the revenues and



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expenses of the pre primary classes also for the years 2008-09, 2009-10 and 2010-11, which the school had furnished to the Committee. With regard to the hostel, it was submitted that the school was not charging any additional fee from the hostel students. The boarding and lodging charges were spent on running and maintenance of the hostel and further that the hostel has been closed w.e.f. 01/05/2015. However, the audited financials of the hostel were not furnished.

Perusal of the resolution of the parent society passed on 20/07/2004 showed that the accounts of the pre primary school were prospectively merged in the accounts of the main school only w.e.f. 22/07/2004. The assets and liabilities, including bank balances as on 22/07/2004, were apparently not transferred to the main school and for this reason, an account of pre primary school was still appearing in the balance sheet of the main school as on 31/03/2011. This position is fortified by the notes on accounts (Schedule X of the balance sheet). Vide note no. 7, it was stated as follows:

"7. W.e.f. 1st August 2004, Receipts and Expenditures of pre primary section have been merged in the main account of the school. However, assets and liabilities of pre primary section are still not merged in the balance sheet of the main school by the management and to that extent, the school accounts do not reflect a true and fair state of its affairs."

As there appeared to be a gap between the requirement of the Committee and the understanding of the school authorities, a notice was issued dated 23/06/2015 for hearing on 20/07/2015. On this date, Sh. Sanjay Upadhyay, Manager of the school appeared and was

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CHIEF JUSTICE

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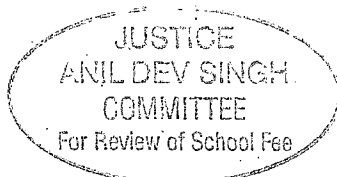
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informed of the specific requirements of the Committee. He stated that he joined the school only about a year back and was not fully aware of the position. Accordingly, one last opportunity was given to the school to furnish the last audited balance sheets of the pre primary school as well as of the hostel, within one week.

The school vide its letter dated 27/07/2015 admitted that the assets and liabilities of the pre primary school were merged in the balance sheet of the main school only in the year 2013-14. However, it again did not furnish the balance sheets of the pre primary school for the period prior to its merger in 2013-14. The balance sheets of the hostel were however, submitted. On 30/07/2015, the school submitted the so called balance sheet of the pre primary school as on 31/03/2005, which would make any accountant hang his head in shame. On the assets side of the balance sheet were fixed assets worth Rs. 1.74 crores, while on the liability side there were current liabilities to the tune of Rs. 31.97 lacs and **"Balance of Receipt and Payment account"** amounting to Rs. 1.42 crores. Balance of receipt and payment account is the cash and bank balances held by the school. Their appearance on the liability side of the balance sheet would mean negative balances. While there can be a negative bank balance in the shape of an overdraft, the bank balances were shown as NIL in the balance sheet. That would leave the possibility of a negative cash balance to the tune of Rs. 1.42 crores. A negative cash balance is an impossibility. Moreover, the cash in hand as shown in



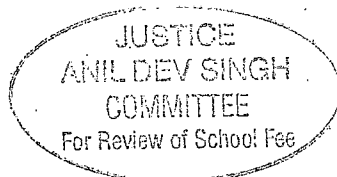
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the balance sheet was also NIL. Negative cash balance would theoretically arise when the cash payments exceed cash receipts, an impossible situation. Obviously this pretense of balance sheet was a manufactured document. On top of it, it was signed by M/s. Gupta Pathak & Co., Chartered Accountants, without any indication as to whether it was drawn from the books of accounts or whether it had been audited.

As the school appeared to be consciously concealing the funds available with the pre primary school before its merger with the main school, the Committee issued another notice dated 12/10/2015 requiring the school to appear before it on 21/10/2015. On this date, the Principal, the Manager and the Manager-Accounts of the school appeared. They were informed that the balance sheet did not appear to have been prepared in accordance with generally accepted accounting principles and did not reflect the state of affairs of the school. They were required to file a recast Balance Sheet, Income & Expenditure Account and Receipt and Payment Account of the pre primary school as on 31/03/2005 and also its pre merger balance sheet along with the bank statements/pass books of all the bank accounts from 2004-05 to 2013-14. This was required to be done within one week. The school submitted the required documents on 28/10/2015 and 02/11/2015. While the school had all along been claiming that there were no transactions in the pre primary school between 2004 when the school was officially merged with the main



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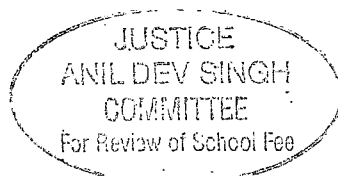
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school and 2014 when its assets and liabilities were transferred to the books of the main school, the Committee finds that there were transactions in the pre primary school between 2004 and 2014 as the balance sheets of the two years did not show identical balances under various heads, which would have been the case if there were no transactions. In the circumstances, the Committee concludes that the school has not come clean before the Committee with regard to the funds of its pre primary school. Therefore, irrespective of the findings of the Committee with regard to the justifiability of hike in fee for the purpose of implementation of the recommendations of VI Pay Commission, which findings would be based on the audited balance sheets of the main school and hostel, the Committee would recommend a special inspection in the affairs of the school to ascertain as to what happened to the funds which were available with the pre primary school before it was merged in the main school.

Determinations:

1. Arrears of Development Fee for the period 01/09/2008 to 31/03/2009:

Before proceeding further, it would be in order to reproduce here below the contents of the aforesaid order dated 25/02/2009, which the school has relied upon to justify recovery of the differential amount of development fee for the period 01/09/2008 to 31/03/2009. It has already been noticed that such recovery was effected without



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specifically informing the parents about the same, as part of the regular fee for the year 2009-10. The aforesaid order dated 25/02/2009 reads as under:

Directorate of Education (Act Branch)

Room No. 212 "A", Old Secretariat, Delhi-110054

No. DE/15./Act/2009/1414-1484

Dated:25/02/2009

ORDER

It is brought to the notice of all recognised unaided private schools that para 6 of the order No. F.DE/15/Act/2009/778 dated 11/02/2009 shall henceforth be read as:

Para 6:- "The parents of children, other than those studying in class X & XII shall be allowed to deposit the arrears on account of the above tuition fee effective from 1st September 2008 and the consequent 15% hike in development in three equal installments i.e. by 31st March, 2009, 31st July 2009 and 31st October 2009 respectively.

Sd/-

(CHANDRA BHUSHAN KUMAR)
DIRECTOR OF EDUCATION

To,

The Managing Committee,
Through the Manager of the School
All recognised unaided schools in the NCT of Delhi.

It is apparent that vide the above said order, para 6 of the order dated 11/02/2009 was substituted. The para of the order dated 11/02/2009, which was substituted read as follows:

"6. The parents shall be allowed to deposit the arrears on account of the above tuition fee effective from 1st September 2008 by 31st March 2009."

Reading the two together, it is evident that by substituting para 6 with the original order, only the time of deposit of arrears was staggered. The amendment cannot be read to permit the schools to

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increase the development fee to 15% of the tuition fee, where the development fee charged earlier was at a rate which was less than 15% of tuition fee or was charged at a fixed rate, not linked with the tuition fee. This also becomes clear from the use of the word 'consequent' before 15% in the order dated 25/02/2009. The 'consequent' increase of 15% would only be when the school was originally charging development fee @ 15% of tuition fee.

The order dated 11/02/2009 primarily contained directions to the school to implement the recommendations of VI Pay Commission and for this purpose permitted increase in monthly tuition fee and recovery of lump sum arrears for payment of back arrears. It did not permit any increase in development fee being charged by the school, much less to the extent of 15% of tuition fee. However, since the schools are permitted to charge development fee upto 15% of tuition fee, any increase in tuition fee would entail an increase in development fee in case such development fee is recovered as a percentage of tuition fee. The percentage of development fee being charged by the school was not allowed to be raised by the aforesaid order. Nor would there be any resultant increase in development fee where the development fee was charged not as a percentage of tuition fee but at a fixed rate. Such consequential increase in development fee for the period 01/09/2008 to 31/03/2009 was permitted vide clause 15 of the aforesaid order dated 11/02/2009. The same reads as under:

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COMMITTEE
School Fee

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

As already noticed, the school was originally charging development fee at a fixed rate of Rs. 250 per quarter, irrespective of the amount of tuition fee. Hence, the school could not have recovered any arrears of development fee for the period 01/09/2008 to 31/03/2009 as there would not be any 'consequent' increase in development fee as a result of increase in tuition fee. The school had originally understood the order dated 11/02/2009 correctly and did not envisage any increase in development fee. However, it appears that the school took undue advantage of the subsequent order dated 25/02/2009 by misinterpreting the same and recovered the arrears of development fee without even any specific information to the parents.

As per the submissions dated 25/02/2015 filed by the school, the school admitted to have recovered a sum of Rs. 36,88,606 as arrears of development fee for the period 01/09/2008 to 31/03/2009. The Committee is of the view that the school was not justified in recovering the same as such recovery was not authorized by the order dated 11/02/2009 read with order dated 25/02/2009 issued by the Director of Education. The same ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund.

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School Fee

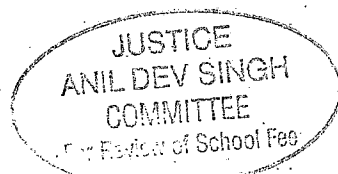
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2. Administrative Charges recovered :

As noticed supra, the school recovered a fee styled as 'Administrative Charges' which was introduced as a new head in the year 2009-10. As per the information furnished, this was recovered from the new students @ Rs. 5000 per student at the time of admission. It was contended by the school that the same was reported in the fee statement filed under Section 17(3) of Delhi School Education Act, 1973 and the Director of Education took no objection to it. The Committee is of the view that the school was not entitled to charge any lump sum fee over and above the admission fee of Rs. 200 per student at the time of admission. There mere fact that the Director of Education took no objection to an illegal charge cannot be a justification for the illegal charge itself. Since it was introduced only in the year 2009-10, when the impact of implementation of the recommendations of VI Pay Commission was the maximum, the Committee is of the view that this was designed to raise additional resources for bolstering the funds of the school, by charging additional fee over and above that permitted by the order dated 11/02/2009 issued by the Director of Education. The charge of 'Administrative charges' in 2009-10 and subsequent years, being patently illegal, the school ought to refund the same along with interest @ 9% per annum from the date of collection to the date of refund.



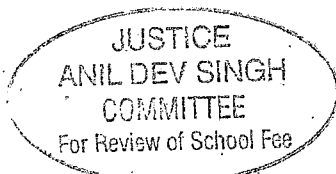
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3. Tuition Fee:

The Committee has examined the annual returns of the school, the reply to the questionnaire, the audited financials of the main school and the hostel and the submissions made before it by the representatives of the school. As noticed supra, the information furnished by the school vide its submissions dated 25/02/2015 was at variance with the audited financials of the school. The Committee finds that the financials of the main school were audited by M/s. Thakur, Vaidyanath Aiyar & Co., a very old and reputed firm of Chartered Accountants. The financials of the school are properly drawn up and give the information required with proper classifications and break ups and explanatory notes. Therefore, the Committee relies more on the figures reflected in the audited financials rather than the information furnished by the school in its written submissions.

The Committee finds that the school had transferred funds to its parent society from time to time. This is in violation of the mandate of the Hon'ble Supreme Court in the cases of Modern School vs. Union of India (2004) 5 SCC 583 and Action Committee Unaided Private School vs. Director of Education & ors. (2009) 11 SCALE 77. This has also been adversely commented upon by the auditors in their report. In the calculations made by the Committee, the Committee has included the amounts so transferred to the society in the funds



Laxman Public School, Hauz Khas, New Delhi-110016

available with it, which could have been utilised for meeting the additional expenditure on account of implementation of VI Pay Commission report. Based on the audited financials of the school, the Committee has prepared the following calculation sheet:

| Statement showing Fund available as on 31.03.2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report | | | | |
|--|---|---------------------|------------------|---------------------|
| | Particulars | Main School | Hostel | Total |
| | <u>Current Assets + Investments</u> | | | |
| | Cash/ Cheque in hand | 9,685 | 85,620 | 95,305 |
| | Bank Balance | 904,261 | 3,699,884 | 4,604,145 |
| | Fixed Deposits & Investments | 8,670,116 | - | 8,670,116 |
| | LPS Society | 371,480 | - | 371,480 |
| | LPS PP | 1,032,240 | - | 1,032,240 |
| | LPS Hostel | (148,508) | - | (148,508) |
| | Loans and advances | 1,758,366 | 414,708 | 2,173,074 |
| | | 12,597,640 | 4,200,212 | 16,797,852 |
| Less | <u>Current Liabilities</u> | | | |
| | Caution Money from students | 1,890,526 | 1,018,800 | 2,909,326 |
| | Expenses payable | - | 297,271 | 297,271 |
| | Stale Cheque liability | 872,608 | 102,453 | 975,061 |
| | Provision for Audit fee | 183,707 | - | 183,707 |
| | Amount payable | 4,490 | - | 4,490 |
| | Bank Overdraft | 1,068,918 | - | 1,068,918 |
| | Fee received in advance | 2,136,783 | 931,000 | 3,067,783 |
| | Other Creditors | - | 25,000 | 25,000 |
| | Student Balance (NET) | - | 39,163 | 39,163 |
| | Wct payable | 36,765 | - | 36,765 |
| | Income Tax payable | 45,823 | - | 45,823 |
| | | 6,239,620 | 2,413,687 | 8,653,307 |
| | Net Current Assets + Investments (Funds Available) | 6,358,020 | 1,786,525 | 8,144,545 |
| | Funds transferred to Society in 2008-09 and 2009-10 | 2,015,639 | - | 2,015,639 |
| | Total funds deemed to be available | 8,373,659 | 1,786,525 | 10,160,184 |
| | Total Liabilities after implementation of VIth Pay Commission | | | |
| | Arrear of 6th CPC from 01.01.2006 to 31.03.2009 as per Income & Expenditure Account | 23,438,321 | - | 23,438,321 |
| Less | Incremental Salary in 2009-10 as per calculation given below | 10,064,720 | - | 10,064,720 |
| | | 33,503,041 | - | 33,503,041 |
| | Excess / (Short) Fund Before Fee Hike | (25,129,382) | 1,786,525 | (23,342,857) |
| Add | Total Recovery after VI th Pay Commission | | | |
| | Arrears of tuition fee from 01.01.2006 to 31.08.2008 | 8,110,951 | - | 8,110,951 |

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COMMITTEE
Tuition Fee

Laxman Public School, Hauz Khas, New Delhi-110016 000153

| | | | |
|---|----------------|------------------|------------------|
| Arrears of tuition fee from 01.09.2008 to 31.03.2009 | 6,288,800 | - | 6,288,800 |
| Incremental Tuition Fee in 2009-10 as per calculation given below | 11,658,745 | - | 11,658,745 |
| | 26,058,496 | - | 26,058,496 |
| Excess / (Short) Fund After Fee Hike | 929,114 | 1,786,525 | 2,715,639 |

It is apparent from the above statement that the school recovered a sum of Rs. 27,15,639, in excess of its requirements for implementation of the recommendations of VI Pay Commission. However, the above amount has been worked out without providing for any sums to be kept in reserve for future contingencies and for meeting the accrued liabilities of gratuity and leave encashment. As noticed supra, the school had a liability of Rs. 1,13,19,714 payable to LIC for past service of gratuity and an accrued liability of Rs. 1,23,68,735 for leave encashment as on 31/03/2010. In view of these liabilities, the Committee leaves the question of any refund out of tuition fee, subject to the result of the finding in the special inspection regarding the funds available in respect of the pre primary school.

Regular Development Fee:

In reply to the questionnaire regarding development fee filed by the school on 25/02/2015, the school stated that it charged development fee in all the five years for which the information was sought. The development fee charged in 2009-10 amounted to Rs. 85,46,770 while that charged in 2010-11 amounted to Rs. 1,04,29,238. It was stated that the same was treated as a capital receipt and utilised for purchase of fixed assets except in 2010-11 when a part of it was utilised for payment of salaries. It was also

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stated that the school was maintaining earmarked FDRs in respect of depreciation reserve fund. However, it did not file any evidence of such earmarked FDRs. In the notes of accounts (Schedule X of the balance sheet as on 31/03/2009), the school however, stated that it did not earmark the investments to specific fund like development fund, benevolent fund, depreciation reserve fund, LPS special funds (Note. No. 15). This schedule is duly authenticated by the statutory auditors of the school. The Committee is therefore of the view that the school was not correct in stating that it was maintaining earmarked FDRs for depreciation reserve fund and the school was not compliant with the recommendations of Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School (supra). The amount recovered as development fee in 2009-10 and 2010-11 was Rs. 1.90 crores. However, as in the case of tuition fee, the question of refund of development fee for the years 2009-10 and 2010-11, is being left open as it would be subject to the result of the special inspection. In case the special inspection reveals a deficit in the tuition fee account after implementation of the recommendations of VI. Pay Commission, such deficit will be set off against the development fee for the years 2009-10 and 2010-11 and if there remains a surplus of development fee after such set off, the same would be refunded by the school along with interest @ 9% per annum. If the deficit in tuition fee account is more than the development fee for the years 2009-10 and 2010-11, no further action would be required. However, if the result of

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special inspection reveals that there was actually an excess in tuition fee account, such excess would be refunded along with the full amount of development fee for the years 2009-10 and 2010-11. Needless to say that all such refunds will be made along with interest @ 9% per annum from the date of collection to the date of refund.

Recommendations:

In view of the foregoing determinations, the Committee recommends as follows:

- (i) The school ought to refund a sum of Rs. 36,88,606 recovered as arrears of development fee for the period 01/09/2008 to 31/03/2009 along with interest @ 9% per annum from the date of collection to the date of refund.
- (ii) The school ought to refund the amount of Rs. 5,000 which was charged under a new head of 'Administrative Charges' w.e.f. 2009-10, from the new students at the time of admission. This ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund. Similar action ought to be taken in respect of 'Administrative Charges' collected in the subsequent years also.
- (iii) The Director of Education ought to conduct a special inspection with a view to ascertaining the ultimate

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Director of School Fee

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destination of the funds, which were available with the pre primary school before its merger with the main school. In case it finds that the same were not transferred to the main school but diverted to some other body or the Parent Society, the same ought to be factored in to determine whether the school had sufficient funds for implementation of the recommendations of VI Pay Commission and accordingly determine whether any part of the tuition fee or development fee is refundable, in light of the above findings of the Committee.

Recommended accordingly.

Sd/-

CA. J.S. Kochar
Member

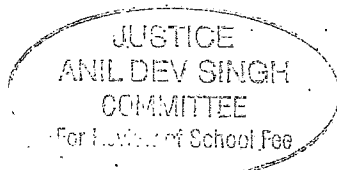
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 25/04/2016



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In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school), which was followed by a reminder dated 27/03/2012. In response, the Committee received a letter dated 09/05/2012 from the school stating that:

- (a) It had implemented the recommendations of VI Pay Commission and the increased salary of the staff was being paid w.e.f. 01/01/2006 (sic).
- (b) It has paid arrears of salary consequent to implementation of VI Pay Commission report in five installments starting from April 2009 to March 2010, alongwith the payment of monthly salaries.
- (c) It has increased the fee w.e.f. 01/09/2008, in pursuance of the order dated 11/02/2009 issued by the Director of Education and also recovered the lump sum fee as envisaged therein.

Along with the reply, the school enclosed a copy of the circular issued to the parents regarding increase in fee pursuant to order dated 11/02/2009. As per the circular, a demand was raised for the increased tuition fee @ Rs. 200 per month, development fee @ Rs. 20 per month and lump sum arrears of Rs. 2,500 per student.

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COMMITTEE
FOR THE STUDENT SCHOOL FEE

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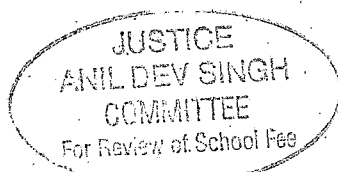
~~The Committee notices that the development fee was raised @ 10% of the incremental tuition fee and originally also the school was charging development fee @ 10% of tuition fee.~~

The Committee noticed that the file received from the concerned district of the Directorate of Education did not contain copies of complete returns that might have been filed by the school under Rule 180 of Delhi School Education Rules, 1973. Accordingly copies of the returns were requisitioned from the school vide letter dated 07/05/2013. The same were furnished by the school under cover of its letter dated 17/05/2013.

Initially preliminary calculations were made by the Chartered Accountants detailed with this Committee. However, the Committee observed that while working out the funds available with the school, no allowance has been made for the accrued liabilities of gratuity and leave encashment nor for any reserve for future contingencies. Accordingly, the Committee did not place any reliance on the calculations made by the CAs.

The Committee issued a notice dated 06/05/2015 to the school for providing it an opportunity of being heard on 14/05/2015. The notice required the school to furnish complete break up of fee and salary for the years 2008-09 to 2010-11 as per the audited Income & Expenditure Accounts, showing separately the arrear fee and salary and regular fee and salary for the respective years, details of accrued

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liabilities of gratuity and leave encashment and statement of account of the parent society as appearing in the books of the school. The school was also required to produce its complete accounting fee and salary records for perusal by the Committee.

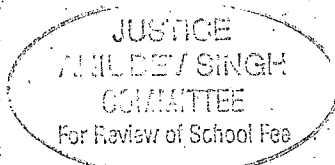
On the date fixed, Sh. Edwin Codthuz, Sr. Accountant of the school appeared along with Ms. Lini John, Head Clerk. They furnished the information sought by the Committee. However, on perusal of the details filed by the school, the Committee observed that while the figures of fee and arrears of fee, as furnished by the school matched with the respective Income & Expenditure Accounts of those years, the figures of salary and arrears of salary did not. The representatives of the school sought time to file a revised statement, duly reconciled with the Income & Expenditure Accounts.

The school also filed a reply to the questionnaire regarding development fee in which it was stated that development fee was treated by the school as a capital receipt. However, during the course of hearing, the Committee verified this fact from the financials of the school and found that the same was treated as a revenue receipt.

It was contended by the representatives of the school that the school had fully implemented the recommendations of VI Pay Commission but the school did not have ample funds of its own. So it had to resort to a fee hike and also recover the arrears of fee as per order dated 11/02/2009.

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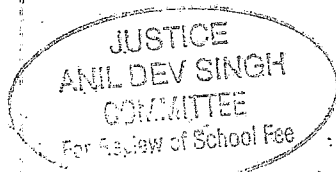
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The school was given an opportunity to file a revised statement showing the correct position with regard to payment of regular salary and arrear salary for the years 2008-09, 2009-10 and 2010-11. The school furnished the revised statement on 20/05/2015. The same was checked with the audited Income & Expenditure Accounts and was found to be in order.

The audit officer of the Committee was tasked with the preparation of the calculation sheet, to examine the justifiability of fee hike effected by the school. She prepared the following calculation sheet:



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| Statement showing Fund available as on 31-03-2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report | | | |
|--|--|---------------------|---------------------|
| | Particulars | Amount (Rs.) | Amount (Rs.) |
| | <u>Current Assets + Investments</u> | | |
| | Cash in hand | 55,302 | |
| | Cash at Bank | 2,417,008 | |
| | Fixed Deposits including Reserve Fund | 4,065,416 | 6,537,726 |
| Less | <u>Current Liabilities</u> | | |
| | Fees received in advance | 456,880 | |
| | TDS payable on contractor | 1,241 | 458,121 |
| | Net Current Assets + Investments | | 6,079,605 |
| Less | Total Liabilities after Vith Pay | | |
| | Arrear of Salary as per VI th Pay Commission (w.e.f. 01.01.2006 to 31.08.2008) | 5,026,000 | |
| | Arrear of Salary as per VI th Pay Commission (w.e.f. 01.09.2008 to 31.03.2009) | 4,640,238 | |
| | Incremental Salary for 2009-10 (as calculated below) | 3,827,275 | 13,493,513 |
| | Excess / (Short) Fund Before Fee Hike | | (7,413,908) |
| Add | Total Recovery after VI th Pay Commission | | |
| | Arrear of Tuition fee w.e.f 01.01.06 to 31.08.08 | 3,789,375 | |
| | Arrear of Tuition fee from 01.09.2008 to 31.03.2009 | 2,425,745 | |
| | Incremental Tuition Fee in 2009-10 (as calculated below) | 5,920,076 | 12,135,196 |
| | Excess / (Short) Fund After Fee Hike | | 4,721,288 |
| Less | Reserve required to be maintained: | | |
| | for future contingencies (equivalent to 4 months salary) | 4,176,289 | |
| | for Gratuity and leave encashment as on 31.03.2010 | 5,081,580 | 9,257,869 |
| | Excess / (Short) Fund | | (4,536,581) |

Development fee refundable having been treated as revenue receipt

| | Rs. |
|---|-------------------------|
| 2009-10 | 3,167,724 |
| 2010-11 | 4,010,931 |
| | <u>7,178,655</u> |
| Less: Shortfall on implementation of 6th CPC report | <u>(4,536,581)</u> |
| Net Amount refundable | <u>2,642,074</u> |

Working Notes:

| | 2008-09 | 2009-10 |
|---|-------------------------|----------------|
| Salary | 8,701,592 | 12,528,867 |
| Incremental Salary in 2009-10 | <u>3,827,275</u> | |
| Tuition Fee | 15,331,686 | 21,251,762 |
| Incremental Tuition Fee in 2009-10 | <u>5,920,076</u> | |

As per the above calculation sheet, the school had a sum of Rs. 60,79,605 as funds available with it for implementation of the recommendations of VI Pay Commission, without taking into account the

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COMMITTEE
For Review of School Fee

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requirement of school to keep funds in reserve for accrued liabilities of gratuity, leave encashment and future contingencies. The additional expenditure on account of implementation of the recommendations of VI Pay Commission upto 31/03/2010 was Rs. 1,34,93,513, leaving a deficit of Rs. 74,13,908. The requirement of the school to keep funds in reserve was to the tune of Rs. 92,57,869. Therefore, if the fee hike resulted in additional revenues upto Rs. 1,66,71,777 i.e. 74,13,908 + 92,57,869, the same would be justified. As per the above calculation sheet, the additional revenue generated by the school was Rs. 1,21,35,196. Therefore, prima facie, the fee hike effected by the school appeared to be justified as even after effecting the fee hike, the school was in deficit to the tune of Rs. 45,36,581.

However, since the school treated development fee as a revenue receipt, the Committee was, prima facie, of the view that the same charged in 2009-10 and 2010-11 in pursuance of order dated 11/02/2009 of the Director of Education, ought to be refunded after setting of the deficit on account of implementation of the recommendations of VI Pay Commission. The development fee charged in 2009-10 was admittedly Rs. 31,67,724 and that charged in 2010-11 was admittedly Rs. 40,10,931. The aggregate development fee charged in these two years was s. 71,78,655 and after setting of the deficit of Rs. 45,36,581, there remained a sum of Rs. 26,42,074 which the Committee found to be, prima facie, refundable.

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In order to afford an opportunity to the school to have its say, the Committee forwarded a copy of the calculation sheet to the school vide notice dated 02/11/2015. The date of hearing fixed was 28/11/2015, which was postponed to 01/12/2015. On this date, Sh. Justin Fernandez, an MC Member appeared with Sh. Edwin Cadthur and Ms. Lini John. They filed written submissions dated 01/12/2015.

Shorn of unnecessary details, the representatives of the school submitted that the development fee in 2009-10 and 2010-11 was erroneously shown as revenue receipt. The mistake was later on rectified in the subsequent years. Although shown as a revenue receipt, the development fee was not utilised for meeting any revenue expenditure but was actually put in an earmarked bank account. The withdrawal from this bank account were utilised for capital expenditure to acquire permitted assets i.e. furniture & fixture and equipments. The balance in the earmarked bank account is more than the unutilised development fee and the depreciation reserved acquired out of development fee.

The Committee has considered the contentions of the school. In order to appreciate the contention of the school, it would be necessary to see if despite treating the development fee as a revenue receipt in 2009-10 and 2010-11 (which is later on rectified), whether the school utilised the same for meeting revenue expenditure, because the school was fulfilling the other pre conditions of keeping the unutilised development fee and depreciation reserve in an earmarked bank account. For this, the

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following figures are extracted out from the Income & Expenditure accounts for the years 2009-10 and 2010-11:

| Particulars | 2009-10 | 2010-11 |
|---------------------------------------|-------------|-------------|
| Total Fee (including development fee) | 2,83,02,868 | 3,16,11,910 |
| Development fee | 31,67,724 | 40,10,931 |
| Net excess of income over expenditure | 44,18,280 | 64,55,859 |

It is obvious from the above figures that even if development fee was not treated as a revenue receipt, the school had a surplus (excess of income over expenditure) in both the years. This supports the argument of the school that development fee, although erroneously shown as a revenue receipt, was not utilised for meeting revenue expenditure.

In the circumstances, the Committee is of the view that treatment of development fee as a revenue receipt was merely an accounting error which was rectified in the subsequent years and the school is not required to make refund of any part of development fee charged in 2009-10 and 2010-11.

Recommended accordingly.

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

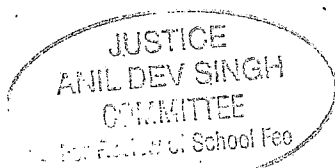
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Dr. R.K. Sharma
Member

Dated: 25/04/2016

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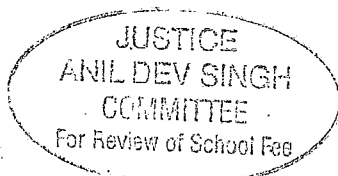
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The Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised private schools in Delhi (including this school in order to have information regarding the salary hike consequent to implementation of VI Pay Commission report and the fee hike effected by the schools in pursuance of order dated 11/02/2009 issued by the Director of Education.

It appears that the school instead of submitting its reply to this Committee, submitted the same to the Dy. Director of Education of the concerned district under cover of its letter dated 27/02/2012. The copy of the same was forwarded to this office, along with the returns filed by the school under Rule 180 of the Delhi School Education Rules, 1973 ('the Rules') by the Dy. Director of Education under cover of her letter dated 1st May, 2012.

In the reply to the questionnaire, the school stated that it had implemented the recommendations of VI Pay Commission w.e.f. 1st January 2006 and for the purpose of meeting the additional expenditure, it had hiked the fee and recovered the arrears in terms of order dated 11/02/2009 issued by the Director of Education. The school claimed to have paid total arrears amounting to Rs. 56,03,890 to the staff consequent to the implementation of recommendations of VI Pay Commission. It also stated that it had recovered a total amount of Rs. 43,44,845 as arrears of fee pursuant to order dated



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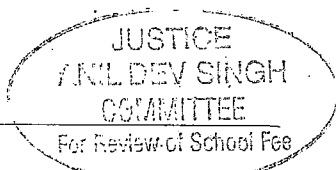
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11/02/2009. Certain other statements were also submitted by the school through the Dy. Director of Education but the information contained therein were incoherent.

A revised questionnaire was issued to the school on 09/05/2013 for further clarification and for eliciting the response of the school on certain issued regarding development fee. The reply to this questionnaire was submitted by the school under cover of its letter dated 23/05/2013. As per the reply submitted, the school clarified that it had implemented the recommendations of the VI Pay Commission w.e.f. September 2008 and paid the arrears for the period 01/01/2006 to 31/08/2008. The total arrears, now claimed to have been paid amounted to Rs. 62,37,820 as the school claimed that it had paid a further amount of Rs. 6,33,930 after the submission of information earlier. The total collection of arrear fee was also revised to Rs. 46,88,950. The school enclosed the fee schedules of 2008-09 and 2009-10, showing that the tuition fee charged from April 2008 to August 2008 was at the rate of Rs. 1815 per month which was increased to Rs. 2215 per month w.e.f. 01/09/2008. The development fund charged was Rs. 660 per annum and there was no hike in that. In 2009-10, while the tuition fee remained at Rs. 2215 per month, the development fund was increased to Rs. 3,980 per annum, which was stated to be in accordance with the order dated 11/02/2009 of the Director of Education. Interestingly in the fee

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schedules filed by the school as part of returns under Rule 180 of the Rules, the school had mentioned the development fund to be Rs. 600 in 2008-09 as well as in 2009-10. The school did not furnish any specific reply to the questions regarding collection of development fee, utilisation of the same and maintenance of earmarked accounts of development fund and depreciation reserve fund.

In the first instance, the preliminary calculations were made by the Chartered Accountants (CAs) detailed with this Committee. As per their calculation, the school had funds to the tune of Rs. 11,95,249 available with it as on 31/03/2008 and the total financial impact of implementation of the recommendations of VI Pay Commission was Rs. 1,07,38,008. Thus there was a deficit of Rs. 95,42,759 which needed to be bridged by way of recovery of arrear fee and incremental fee as per order dated 11/02/2009. However, the school recovered a sum of Rs. 1,04,87,750 resulting in excess recovery of Rs. 9,44,991.

The Committee reviewed the calculations made by the CAs and found that they had not made any allowance for the accrued liabilities of gratuity and leave encashment nor any allowance was made for the requirement of the school to keep funds in reserve for future contingencies. Moreover the Committee felt that the calculations were based on the figures provided by the school which lacked clarity and coherence. Accordingly the Committee felt that more information is

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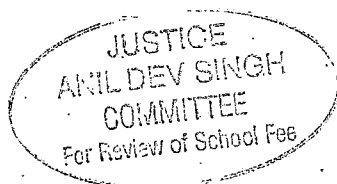
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required, more so because the audited financials of the school gave a consolidated picture without any break up of specific information required by the Committee for making the relevant calculations. The Committee vide notice dated 15/05/2015 required the school to furnish the details regarding arrear fee, regular tuition fee, arrear salary and regular salary for the years 2008-09 to 2010-11, in a structured format, duly reconciled with the audited Income & Expenditure Accounts. The Committee also required the school to furnish bank statements showing payment of arrear salary, a statement of the society running the school as appearing in the books of the school, details of accrued liability of gratuity and leave encashment.

The school filed its detailed response under cover of its letter dated June 10, 2015. In the reply, the school again revised the figures of arrear fee collected and arrear salary paid. It now stated that the school had paid arrears amounting to Rs. 16,57,964 for the period 01/09/2008 to 31/03/2009 and Rs. 52,19,548 for the period 01/01/2006 to 31/08/2008, thus aggregating Rs. 68,77,512. In respect of arrear fee, it now stated that it had recovered a sum of Rs. 25,83,000 for the period 01/01/2006 to 31/08/2008 and Rs. 17,64,000 for the period 01/09/2008 to 31/03/2009, thus aggregating Rs. 43,47,000. These figures were reconciled with the audited Income & Expenditure Accounts. It was also stated that the



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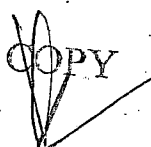
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school had not recovered any arrears of development fee that would have resulted from an increase in tuition fee for the period 01/09/2008 to 31/03/2009.

The school was afforded an opportunity of being heard on 17/11/2015 vide notice dated 28/10/2015. The school was advised to produce the entire accounting records, fee records, salary records, TDS and Provident Fund returns for the year 2006-07 to 2010-11 for verification by the Committee. The hearing was postponed to 02/12/2015 with due intimation to the school. On the scheduled date, Sh. M.P.S. Dagar, Administrative Officer and Sh. Rahul Verma, and Ms. Kanika Saxena, Office Assistants of the school appeared and produced the required records. They contended that the fee hiked by the school was justified as the school had fully implemented the recommendations of VI Pay Commission. The arrears for the period 01/01/2006 to 31/03/2009 were paid through banking channels. Copies of bank statements were produced in support of their contentions. The Committee however noted that the school had not given any specific replies to the questionnaire regarding development fee nor had filed the details of accrued liability of leave encashment. The representatives were advised to file the details before the next date of hearing which was fixed for as 15/12/2015.

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The school furnished the information required on the previous date of hearing and as per the information furnished, the school charged development fee in all the five years for which the information was sought. The development fee charged in 2009-10 and 2010-11, which was in pursuance of order dated 11/02/2009 was Rs. 38,64,550 and Rs. 44,42,375 respectively. It was further stated that the school had not utilised the development fee as it was kept in reserve for major capital expenditure such as expansion and building of class room etc. It was further stated that the school had utilised part of the development fee for meeting its revenue expenditure but the same was not debited to the development fund account. Finally it was conceded that no earmarked accounts were maintained for development fund and depreciation reserve fund.

It was submitted that while the school makes regular provision of gratuity in its books which is based on actual calculations, the school does not provide for the accrued liability on account of leave encashment. However, the accrued liability on account of leave encashment was Rs. 28,43,258 as on 31/03/2010, as per the details filed by the school. The gratuity liability as on that date was Rs. 97,38,127 as per the details filed. The matter was adjourned for 26/12/2015 to confront the school with the calculation sheet to be prepared by the Committee based on the financials of the school and

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the information provided in response to the notices issued and that provided during the course of hearings.

The Committee reviewed the financials of the school, the fee schedules and the information provided during the course of hearings. Although the Committee is not very happy with the prevarications made by the school on various occasions in providing conflicting figures, the Committee feels that the figures which tally with the audited financials have to be preferred over the various figures which were given without being reconciled with the audited financials. With regard to the information regarding accrued liability of gratuity as on 31/03/2010, the Committee observed that in respect of a number of employees, the school had taken the liability in excess of Rs. 3,50,000, which was the maximum limit payable as on that date under the provisions of the Payment of Gratuity Act,1972. Accordingly the allowance for accrued liability of gratuity has been restricted to Rs. 78,84,168 by the Committee in its calculations. An allowance of Rs. 52,79,392 which is equivalent to 4 months salary has also been made in respect of funds to be kept in reserve by the school for meeting any unforeseen contingencies.

Accordingly, the Committee has prepared the following calculation sheet to assess the justifiability of fee hike effected by the

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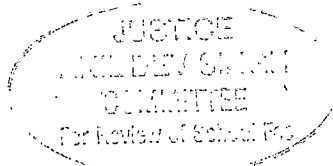
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school pursuant to order dated 11/02/2009 issued by the Director of
Education:

| Statement showing Fund available as on 31.03.2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report | | | |
|---|--|--------------|--------------|
| | Particulars | Amount (Rs.) | Amount (Rs.) |
| | <u>Current Assets</u> | | |
| | Cash in hand | - | |
| | Bank Balance | 816,225 | |
| | Fixed Deposits with banks | 4,000,000 | |
| | TDS | 20,356 | |
| | Loan to Staff | 30,002 | |
| | Interest accrued on FD | 60,479 | |
| | Advances | 170,000 | 5,097,062 |
| Less | <u>Current Liabilities</u> | | |
| | Advance fee received | 3,281,625 | |
| | Retention money and student fee | 101,627 | |
| | Caution Money | 541,500 | 3,924,752 |
| | Net Current Assets | | 1,172,310 |
| Less | Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.03.09 | 6,877,512 | |
| | Incremental Salary in 2009-10 (as per calculation given below) | 4,469,528 | 11,347,040 |
| | Excess / (Short) Fund Before Fee Hike | | (10,174,730) |
| Add | Arrear of Tuition fee for the period from 01.01.06 to 31.03.09 | 4,347,000 | |
| | Incremental fee in 2009-10 (as per calculation given below) | 2,288,211 | 6,635,211 |
| | Excess / (Short) Fund After Fee Hike | | (3,539,519) |
| Less | Reserves required to be maintained: | | |
| | for future contingencies (equivalent to 4 months salary) | 5,279,392 | |
| | for Gratuity as on 31.03.2010 (restricted to Rs.3.5 lacs) | 7,884,168 | |
| | for Leave Encashment as on 31.03.2010 | 2,843,258 | 16,006,818 |
| | Excess / (Short) Fund | | (19,546,337) |

Working Notes:

| | 2008-09 | 2009-10 |
|--|------------------|----------------|
| Salaries as per Income & Expenditure Account | 12,014,941 | 17,170,549 |
| Add: Contribution to PF, EPF & DLI | 1,011,670 | 1,011,626 |
| Total salaries | 13,026,611 | 18,182,175 |
| Less: Arrear of salary paid in the year as per detail provided by school | 1,657,964 | 2,344,000 |
| Regular Salary expenditure for the year (Balancing figure) | 11,368,647 | 15,838,175 |
| Incremental Salary in 2009-10 | 4,469,528 | |
| | 2008-09 | 2009-10 |
| Total Tuition Fee as per Income & Expenditure Account | 21,196,779 | 19,479,940 |
| Less: Arrear of Tuition fee received as per detail provided by school | 4,347,000 | 341,950 |
| Tuition fee for the year | 16,849,779 | 19,137,990 |
| Incremental Tuition Fee in 2009-10 | 2,288,211 | |



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On 26/12/2015, the representative of the school appeared and sought adjournment. However, in view of the calculations which the Committee had made, it was not considered necessary to give a further hearing to the school and accordingly, the request for adjournment was declined.

The above calculation sheet shows that the school had funds to the tune of Rs. 11,72,310 as on 31/03/2008. The impact of the revision of salaries and payment of arrears consequent to recommendations of VI Pay Commission was Rs. 1,13,47,040 upto 31/03/2010, leaving an uncovered deficit of Rs. 1,01,74,730 which needed to be bridged by recovering arrear fee and incremental fee as per order dated 11/02/2009. However, the recoveries on these account were only Rs. 66,35,211, leaving a deficit of Rs. 35,39,519. This is without giving any consideration for the requirement of school to keep funds in reserve for gratuity, leave encashment and reserve for future contingencies, which the Committee has determined to be Rs. 1,60,06,818 in aggregate.

In view of the foregoing, the Committee is of the view that no intervention is required so far as the issue of hike in tuition fee or recovery of arrear fee in pursuance of order dated 11/02/2009 issued by the Director of Education. It is worthwhile to note that the school has not made any claim for being allowed to hike the fee over and

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above that permitted the Director of Education vide the aforesaid order.

With regard to the regular development fee for the years 2009-10 and 2010-11, although the Committee is of the view that the school was not fulfilling the pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583, no adverse view is being taken by the Committee in view of the fact that the development fee collected for these two years was Rs. 38,64,550 and Rs. 44,42,375 while the school had a deficit of Rs. 35,39,519 on tuition fee account and Rs. 1,60,06,818 on account of provision for gratuity, leave encashment and reserve for future contingencies.

In view of the foregoing discussion, the Committee is of the view that no intervention is required either in the matter of hike in tuition fee or recovery of arrear fee or recovery of development fee in pursuance of order dated 11/02/2009 issued by the Director of Education.

Sd/-

CA J.S. Kochar
Member

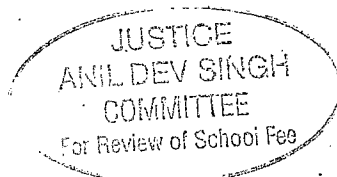
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Dated: 25/04/2016



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