WP(C) 7777/2009

Delhi Abhibhavak Mahasangh & Ors.

Vs.

Govt. of NCT of Delhi & Ors.

Report of Delhi High Court Committee for Review of School Fee for April 2017

Index

Place: Delhi

Date: 22-05-2017

Secretary

Delhi High Court Committee for Review of School Fee

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

Delhi High Court Committee for Review of School Fee
(Formerly Justice Anil Dev Singh Committee for Review of School Fee)
CAUSE LIST FOR APRIL 2017

Cause List for Friday, 7th April 2017

S. No.	Cat. No.	School Name & Address
1	B-574	Manav Bharti India International School, Panchsheel Park
2	B-581	St. Paul's Diocesan School, Jangpura
3	B-596	Vikas Bharti Public School, Sector-24, Rohini
4	B-602	VSPK International School, Sector-13, Rohini
5	B-616	St. Martin's Diocesan School, Delhi Cantt.
1	B-618	Mount Carmel School, Anand Niketan
2	B-388	Mount Carmel School, Dwarka
3	B-71	N.C. Jindal Public School, Punjabi Bagh

Cause List for Monday, 10th April 2017

S. No.	Cat. No.	School Name & Address
1	B-622	Hillwoods Academy, Preet Vihar
2	B-623	Col. Satsangi's Kiran Merorial School, Chhatarpur
3	B-638	Sneh International School, New Rajdhani Enclave
4	B-639	Nutan Vidya Mandir, Dilshad Garden

Cause List for Tuesday, 11th April 2017

S. No.	Cat. No.	School Name & Address
1	B-640	The Srijan School, North Model Town
2	B-653	Apeejay School, Sheikh Sarai-I
3	B-655	St. Anthony's Sr. Sec. School, Hauz Khas
4	B-665	Kalka Public School, Alaknanda

Cause List for Wednesday, 12th April 2017

S. No.	Cat. No.	School Name & Address
1	B-658	The Frank Anthony Public School, Lajpat Nagar
2	B-660	Tagore International School, East of Kailash
3	B-667	New Green Fields School, Saket
4	B-664	New Green Fields School, Alaknanda
5	B-669	Blue Bells International School, East of Kailash

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Delhi High Court Committee for Review of School Fee

Cause List for Tuesday, 18th April 2017

S. No.	Cat. No.	School Name & Address
1	B-683	The Baptist Convent School, Patparganj
2	B-684	Lovely Public Sr. Sec. School, Priya Darshini Vihar
3	B-686	Arunodaya Public School, Karkardooma Inst. Area
4	B-108	The Indian School, Josup Broz Tito Marg

Cause List for Monday, 24th April 2017

S. No.	Cat. No.	School Name & Address
1	B-119	Salwan Public School, Rajinder Nagar
2	B-53	Remal Public Sr. Sec. School, Sector-3, Rohini
3	B-57	St. Giri Sr. Sec. School, Sector-3, Rohini
4	B-438	Springdales School, Dhaula Kuan

Cause List for Thursday, 27th April 2017

S. No.	Cat. No.	School Name & Address
1	B-628	Upras Vidyalaya, Vasant Vihar
2	B-630	Jain Bharti Model School, Sector-16, Rohini
3	B-672	Don Bosco School, Alaknanda
4	B-677	Ganga International School, Hiran Kudna

Cause List for Friday, 28th April 2017

S. No.	Cat. No.	School Name & Address
1	B-300	Adharshila Vidya Peeth, CD Block, Pitampura
2	B-347	Ever Green Public School, Vasundhara Enclave
3	B-488	Queen Mary's School, Sect.25, Rohini
4	B-402	Gitarattan Jindal Public School, Sect.7, Rohini

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Delhi High Court Committee ★ For Review of School Fee ★

07/04/2017

B-574

000003

Manav Bharti India International School, Panchsheel Park, Delhi

Present : Sh. Sanjay Kapoor, CA, Ms. Shruti Pandey, Estate Manager, Sh. H.P. Sharma, Sr. Accountant & Sh. Vijay Maurya, Accountant of the school.

The school has furnished copies of actuarial valuation reports in respect of accrued liability of gratuity and leave encashment as on 31.3.2010. The respective figures are Rs. 89,90,324 for gratuity and Rs.19,64,954 for leave encashment. The school has also furnished statement of its account with Manav Bharti Institute of Child Education and Child Psychology which is the parent society of the school. The committee notices that there have been heavy transfers of funds from the school to the society. The authorized representatives states that the transfers are of mainly on two accounts.

Firstly, the investments made by the school which were reflected in the books of the school have been transferred to the books of the society on account of certain compliances required to be made. Secondly the society also runs a hostel for the students, the fee of which are collected by the school in the installments and subsequently transferred to the account of the society. It is submitted that the revenue expenses, assets and liabilities of the hostels are reflected in the balance sheet of the society. For the purpose of making relevant calculation the consolidated balance sheet of the society will be considered as society does not have any other activity apart from running two schools and the hostel.

It is submitted by the authorized representatives that the existing funds available with the school were set apart for the purpose of incurring capital expenditure in compliance with section 11 of Income Tax Act 1961 and therefore could not have been utilized for the purpose of meeting the additional liabilities arising on implementation of recommendations of 6th pay commission. However, it is considered that the school or the society did not have any source of funds other than the fee received from the students. The committee also notices that the investment made by the school are in mutual funds. The authorized representatives submits that the investments are in a way involuntarily as the banks transfer the money on its own to the mutual fund being administered by one of its subsidiaries.

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Delhi High Court Committee ★ For Review of School Fee ★

07/04/2017

B-574

000004

As per information required by the committee calculation sheet to be prepared. Matter to come up for further hearing on 2nd May 2017 at 11.00 A.M.

Photocopy received 12/4/17

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

07/04/2017

000005

B-581

St. Paul's Diocesan School, Jangpura, Delhi

Present : Sh. Sanjay Gupta, Accounts Asst., Sh. Bharat Gupta A/c & Sh. P.N. Biswas Academics of the school.

The school has furnished information required by the Committee on 17.3.2017 however, the committee observes that the information given is incomplete and the payments of arrears and salary do not match with the payments which have actually been debited in the bank account. The authorized representatives submit that the same would not match as there would be deduction of TDS. Besides some arrears are also paid in the year 2011-12 which are not shown in the statement of fee and salary filed by the school. They seeks some more time to furnish the correct information duly reconciled with the income and expenditure account and the bank statements. The same may be done within 10 days. Matter to come up for further hearing on 2nd May 2017 at 11.00 A.M.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

07/04/2017

000005

B-596

Vikas Bharti Public School, Sector-24, Rohini, Delhi

Present : Sh. Naresh, C.A., Ms. Rachna, Accountant, Sh. Diwij Kohli, Accountant & Sh. Shivam Setia Accountant of the school.

The calculation sheet could not be prepared as there is some apparent discrepancies in the financials of the school. Even today the authorized representatives unable to explain that. There are four balance sheet prepared by the society/school, one is for the main school and other for pre primary school the third one for the parent society and the fourth is a consolidation of all the three. It is submitted that the society does not have any other activity apart from this. And as such the consolidated balance sheet of the society may be considered for purpose of calculations. The committee observes that the consolidated balance sheet is very unintelligible as in certain cases the assets/liabilities of the society and the school are separately maintained and in some other cases they are consolidated. For the sake of clarity the authorized representatives appearing for the school submits that he will prepare income and expenditure account and balance sheet to show the transactions of individual as well as consolidated enteritis. The same may be filed within the 10 days.

The committee has also observed that the school has invested certain funds with two pvt. Ltd companies in the year 2009-10. As per the information filed by the school under cover of its letter dated 8.6.2015, the school had collected the arrear tuition fee for the purpose of payment of arrear salary, consequent to implementation of recommendations of 6th pay commission but the same had not been paid till 2010-11. It appears that the arrear fee collected was invested in FDRs with two private companies. The authorized representative appearing for the school is unable to explain these transactions and seeks sometime to do so. The school may file written submissions explaining these transactions within 15 days. Matter will come up for further on 3rd May 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

07/04/2017

000007

B-602

VSPK International School, Sector-13, Rohini, Delhi

An application has been received on behalf of the school seeking adjournment on the ground that its chartered account is not available. As requested the matter will come up for hearing on 01.5.2017

Dr. R.K. SHARMA	J.S.KOCHAR	JUSTICE ANIL KUMAR (Retd.)
MEMBER	MEMBER	CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

07/04/2017

000003

B-616

St. Martin's Diocesan School, Delhi Cantt., Delhi

Present :-Dr. A.D. Lyall, Principal/Manager, Sh. I.P. Pasricha CA and Sh. Mukesh Goel Accounts Officer of the school.

The committee has perused the circular dated 24.2.2009 issued by the school to the parents with regard to the hike in fee in pursuance of the order dated 13.02.2009 issued by the Directorate of Education for the purpose of implementation the recommendations of the 6th pay commission. As per the circular the school did not hike the tuition fee with w.e.f. 1.09. 2008, which entitled to do but hiked the same w.e.f. 01.4.2009. The hike in fee was @ Rs. 200 p.m. for classes 1to 8th and Rs.300 p.m. for classes 9th to 12th .The school however, recovered the lump sum amount for the period 0.1.1.2006 to 31.08.2008 @ Rs. 2500/3000 per student. The authorized representatives appeared for the school submit that the payment of arrears was staggered over a period of three four years starting from Feb.2009 and ending April 2012. The arrears were not paid in lump sum but were paid alongwith monthly salaries during this period. All the payments are made through direct bank transfers and the school has filed copies of bank statements in support of the same. The committee finds that the information given by the school in the format given by the committee alongwith notice dated 26.5.2015 would under the circumstances is incomplete as the committee had asked the information for the year 2010-11 only but the school has made payments of arrear salary beyond that period also. Accordingly the school is advised to file a revised statement given the required information upto the date of last payment of arrears as well as last receipt of arrear fee. The school is also advised to furnish one consolidated excel sheet given details of payment of arrears month wise. The same may be e mailed to the mail id of the committee.

As regards development fee, the school, in reply to the questionnaire issued by the committee has conceded that it was treating development fee as a revenue receipt and no earmarked development fund or depreciation reserve fund were maintained. Although it is stated that the school has now a depreciation reserve fund in Axis Bank. The committee also finds that the school has not furnished the details of its accrued liability of gratuity and leave encashment. The authorized rep. submits that actuarial valuation for these will be filed within 15 days. After receipt of this information as well as the revised statement and details of arrear payment, calculation sheet to be prepared. Matter to come up for further hearing on 2rd May 2017 at 11.00 A.M.

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Delhi High Court Committee for Review of School Fee

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

10.04.2017

B-622

Hillwoods Academy, Preet Vihar, Delhi

Present: Ms. Ranjana S Rautela, School Representative, Sh. Ashutosh, Sr. Accountant & Ms. Richa Bhatia Accountant of the school.

The authorized representatives appearing for the school submit that the fee was increased w.e.f. 01.08.2008 in accordance with the order dated 11.2.2009 issued by the Directorate of Education but no circular was issued to that effect. However, the parent were intimated by way of supplementary bills which were raised on 21.09.2009, copies of which have been filed. As per the supplementary bills, the tuition fee was increased by Rs.300 p.m. for classes I to V and Rs. 400 p.m. for class 11th & 12th (although the rate mentioned in the supplementary bills in Rs.300 p.m.) This seems to be a typographical error as the school was entitled to increase the fee @ Rs.400 p.m. for these classes. Besides the school also recovered lump sum fee @ Rs. 3000 per student for classes 1 to 10 & Rs. 3500 for classes 11 & 12th . The supplementary fee bills do not mention about any increase in development fee. The authorized representative appearing for the school submit that there was no increase in development fee w.e.f. 1.09.2008.

The school has filed revised fee and salary statement under cover of its letter dated 21.03.2017 in compliance with the order dated 09/03/2017 passed by the Committee. The revised statement shows the revisions in the figures of arrear tuition fee and regular tuition fee recovered during the year 2009-10 only. The issue of apparent abnormal hike in the aggregate tuition fee recovered in 2009-10 has still not been addressed. The authorized representative appearing for the school submit that the regular tuition fee for the year 2009-10 was inadvertently shown at a higher side as the recovery under certain other fee heads was inadvertently added to the tuition fee account. However, neither the details of such inadvertent increase has been given nor the school has produced its books of account before the Committee. The statement of fee and salary filed earlier to the Committee on 03/06/2015 shows with the junior school as well, which are not shown in the revised statement now filed. The authorized representative submit that although the total arrear collection of the school ought to have been Rs. 1,14,15,900, in actual fact, it was able to recover only 87,51,734.

With regard to payment of arrear salary, the school has furnished copies of the bank statements and the instructions sheet to the bank for payment thereof. All the arrear payments are claimed to have been made through direct bank transfer and this claim is supported by copies of bank statement filed. The authorized representative submits that the regular salary is paid through direct bank transfer only and month wise sheet showing such payment is filed and the bank statements to show the relevant debits have also been produced.

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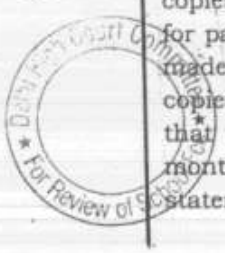

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B622

10.04.2017

The school in its submission dated 03/06/2015 has stated that there were no accrued liability of gratuity and leave encashment as on 31/03/2010. However during the course of hearing, it is submitted that the school may be given some time to furnish the details of such liabilities which definitely existed as the school is 35 years old.

With regard to development fee, the school submits that it is treated as a revenue income in its books and no earmarked development fund or depreciation fund are maintained. In the year 2009-10, it recovered Rs. 19,05,821 on this account while in the year 2010-11, it recovered a sum of Rs. 14,65,390.

The school will file a revised statement of fee and salary incorporating therein the figures of junior school as well and will also produce its books of accounts and fee receipts before the Committee for verification of its claim in the year 2008-09 that some tuition fee was wrongly booked under other heads. Matter to come up for further hearing on 03/05/2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

(Ritu Bhatia)
28/4/17

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Delhi High Court Committee for Review of School Fee

10.04.2017

000011

B-623

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

Present : Sh. Surendra Prasad, Asstt. Manager, Sh. Ram Lal Pandit, Sr. Accountant & Sh. Sunil Kohli, A/c Supervisor of the school.

The school is offering day boarding and full boarding facilitates to the students.

The committee has examined the circular dated Feb. 27, 2009 issued by the school to the parents with regard to hike in fee w.e.f. 01.09.2008 and also for recovery of arrears for the period 01.1.2006 to 31.08.2008. As per the circular the school recovered the following fee purportedly in pursuance of order dated 11.2.2009 issued by the Director of Education.

	Boarding			Day Boarding		
	7 months fee from Sept. 2008 to March 2009	Arrear for the period 31.08.2008	Total	7 months fee from Sept. 2008 to March 2009	Arrear for the period before 31.08.2008	Total
Nur-II	9,900.00	4500.00	14,400.00	3,300.00	4,500.00	7,800.00
III-V	10,250.00	4,500.00	14,750.00	3,850.00	4,500.00	8,350.00
VI-VIII	11,000.00	4,500.00	15,500.00	4,550.00	4,500.00	9,050.00
IX-X	12,600.00	4,500.00	17,100.00	5,000.00	4,500.00	9.500.00
XI-XII	13,550.00	4,500.00	18,050.00	5,600.00	4,500.00	10,100.00

Received 17-4-2017

The Committee observes that the school recovered arrear fee for 7 months w.e.f. 01.09.2008 to 31 .3.2009 which was much in access of what was permitted vide the aforesaid order dated 11.2.2009. As per the fee schedules filed by the school, vide its letter dated 11.09.2014, the school was charging annual tuition fee for the year 2008-09 at the following rates for different classes

Class	Annual Tuition Fee	Monthly Tuition Fee
I to II	7200	600
III to V	7320	610
VI to VIII	8220	685
IXth & Xth	9060	755
XIth & XIIth	10020	835

The above table would show that the tuition fee charged by the school in the year 2008-09 was in the range of Rs. 501 to Rs.1000 for all the

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Delhi High Court Committee for Review of School Fee

classes and as per the order dated 11.2.2009 the school was entitled to increase tuition fee w.e.f. 01.09.2008 @ Rs.200 p.m. only. However, the school increased the fee by much more than Rs.200/- as would be apparent from the above two tables.

Similarly for the arrears for the period 01.01.2006 to 31.8.2008 the school was entitled to recover Rs.2500 only. However, as the per the circular issued to the parents the school recovered the same @ Rs.4500. On top of it the Manager of the school filed an affidavit before the Committee stating that the school had not made any fee hike on account of implementation of 6th pay commission in the years 2009-10.

The committee has also received a complaint from one Sh. Vipin(Social Activities) stating that the school was charging exorbitant fee on various practices. A copy of the complaint is given to the authorized representatives appearing for the school for response. Notice be also issued to the complainant for 3rd May 2017. Matter will be come up for hearing on 3rd May 2017 at 11.00 A.M.

Dr. R.K. SHARMA	J.S.KOCHAR	JUSTICE ANIL KUMAR (Retd.)
MEMBER	MEMBER	CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

10.04.2017

B-638

Sneh International School, New Rajdhani Enclave, Delhi

Present : Sh. Manu R.G. Luthra, CA/AR & Ms. Navita Chopra, Accountant of the school.

The school has filed a comparative statement in respect of the salary paid to the employees in 2008-09 and in 2009-10 showing the increment in salaries on account of implementation of recommendations of the 6th pay commission w.e.f. 01.04.2009. The statement also shows the percentage increased of salaries which ranges between 56% and 88%. It is submitted by the authorized representatives appearing for the school that the abnormal hike increase in % is on account of the fact that upto 2008-09 the school was not paying salaries fully in accordance with the recommendations of the 6th pay commission.

The committee finds that the figures of salary given by the school in its various submissions before the committee is not the same. The figures that appear in the audited financials of the school are also a different set of figures.

The committee has examined the books of accounts and salary records of the school and has observed that the salary paid to the staff for the month of June in both 2008-09 and in 2009-10 is a small fraction of the total salary paid to the staff in other months. In 2008-09 while the average salary paid to the staff was around Rs.4,40 lakhs, the salary paid for the month of June 2008 was just Rs.86,000. Similarly in 2009-10 while the average salary paid to the staff in other months was around Rs.9 lakhs, the salary paid for the month of June was just Rs. 4 lakhs approximately. The committee has examined the salary registers for both the years 2008-09 and 2009-10 and observes that a large number of teachers are retrench by the school in the month of June and in July new teachers are appointed.

The school is required to furnish a statement showing the salary paid to each staff member month wise for the years 2008-09 and 2009-10. The same may be done within 10 days. Matter to come up for further hearing on 3rd May 2017 at 11.00 A.M.

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Delhi High Court Committee * For Review of School Fee *

Dr. R.K. SHARMA
MEMBER

J.S. KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

10.04.2017

B-639

Nutan Vidya Mandir, Dilshad Garden, Delhi

Present : Sh. Jitendra Sirohi, Advocate of the school.

At the request of the authorized representative appearing for the school, the matter is adjourned to 04/05/2017. The school will furnish details of transactions with Parishad Cooperative Bank and also details of its over draft account with Oriental Bank of Commerce and Corporation Bank and the amount appearing as capital expenditure in its balance sheet without any details thereof.

Dr. R.K. SHARMA
MEMBER

J.S. KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
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Delhi High Court Committee for Review of School Fee

11.04.2017

000015

B-640

The Srijan School, North Model Town, Delhi

Present : Sh. Vincent Ashish Moses, Principal, Sh. Devashish Tewary, Administrative Officer, Ms. Shweta Bansal, Accountant of the school.

The Committee has perused circular issued by the school to the parents with regard to fee hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education. As per the circular, the school hiked tuition fee @ Rs. 500 per month w.e.f. 01/09/2008 and accordingly recovered Rs. 3,500 per student for the period 01/09/2008 to 31/03/2009. The lump sum arrear fee for the period 01/01/2006 to 31/08/2008 was also recovered @ Rs. 4,500 per student. In addition, the school recovered a sum of Rs. 6,345 per student towards 15% of development fee of the increased tuition fee for the entire year 01/04/2008 to 31/03/2009. Although the tuition fee was increased w.e.f. 01/09/2008 the development fee was recovered w.e.f. 01/04/2008. The authorized representatives appearing for the school submit that the school was not charging development fee prior to 01/04/2008 and after the receipt of the aforesaid order dated 11/02/2009 issued by the Director of Education, the school introduced this new head of fee with retrospective effect from 01/04/2008.

The Committee has gone through the file of the school and observes that some complaint was received in respect of the excessive fee charged by the school from the students. The complaint in brief was on the following aspect

(a) Staff working in the factories run by the owner of the school are paid salaries from the school
(b) Sardar Jaspal Singh who is the Chief Accountant of DPS Dwarka is paid Rs. 15,000 for every visit and the money is taken in the name of his wife through cheque.
(c) The money collected from the students for excursion trip is not brought into the books of the school.
(d) 15 cars for owners and 27 buses were purchased from school money. The loan taken from the banks as well as the interest thereon are repaid from the fee collection.
(e) Telephone, mobile, patrol, house hold items of owners are paid by the school by over billing.
(f) Building construction and furniture etc. are acquired/constructed from the loan taken by the school which is pre paid from the school fee with interest.
(g) The expenses booked under building maintenance head and transport are overbilled.
(h) Managing Committee member Mrs. Parthasarthi is paid more than Rs. 30 lacs every year by cheque

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Delhi High Court Committee For Review of School Fee

000016

B-640

11.04.2017

It appears that in pursuance of this complaint, the Director of Education had ordered an inspection and its report is also available on file.

The copy of the complaint on which the Director of Education had also made an inspection is given to the authorized representatives appearing for the school. The school is required to file its response in writing within 10 days. Matter will come up for further hearing on 04/05/2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Committee for Review of School Fee

11.04.2017

B-653

Apeejay School, Sheikh Sarai-I, New Delhi

Present : Sh. S.K. Murgai, Financial Advisor, Sh. Bharat Bhushan, General Manager, Sh. A.P. Sharma, Principal, Sh. Rajiv Jain, Sr. Accountant, Sh. Sunil Bhatt, Sr. Accountant of the school.

The school has furnished a summary of fixed deposits with banks as on 31.3.2007 to 31.3.2011 which were purportedly earmarked for development fund accumulated depreciation reserve fund alongwith a detailed thereof. The Committee has examined the audited financials of the school viz a viz a statement of unutilized development fund held at the end of every year and finds that the two do not match. The authorized representatives appearing for the school submit that the accounting practice being followed by the school is that the development fee collected during previous years is transferred to general reserve in the current year as the entire amount of unspent development fund is spent during the current year. However, the amount i.e. spent out of current years development is not transferred and therefore three is a mismatch.

The school will file a statement showing the development fee receipt since the year, the school started charging the same vis a vis the development fee utilized on purchase or up gradation of eligible assets only and the balance of development fund held every year. The same exercise will also be carried out with respect to depreciation reserve fund and the total of unutilized development fund and depreciation reserve fund will be mentioned. The same be done within 10 days. Matter will come up for further hearing on 4th May 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee * For Review of School Fee *

11.04.2017

B-655

St. Anthony Sr. Sec. School, Hauz Khas, New Delhi.

Present: Sh. Chandan Kumar Pali, Accountant, Sh. J.A. Martins, CA and Sh. Sajan, Office incharge of the school.

A copy of the calculation sheet prepared by the Committee has been given to authorized representative appearing for the school as prima facie it appears that the school may be required to make a refund of Rs. 4,45,454. The school may file its response before the next date of hearing. Matter may come up for further hearing on 04/05/2017.

Dr. R.K. SHARMA	J.S.KOCHAR	JUSTICE ANIL KUMAR (Retd.)
MEMBER	MEMBER	CHAIRPERSON

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Delhi High Court Committee for Review of School Fee

11.04.2017

B-665

Kalka Public School, Alaknanda, New Delhi

Present : Sh. Vinod Clerk, Sh. Santosh U Accountant & Sh. Mubarak A/c Asstt. of the school.

The committee has perused copy of circular dated 17.3.2009 issued by the school to the parents of the students regarding fee hike in pursuance of order dated 11.2.2009 issued by the Director of Education. As per the circular, the school increased the tuition fee @ Rs.300 p.m. for classes 1 to 5 and Rs. 400 p.m. for classes 6 to 12 w.e.f. Sept. 2008. Accordingly the school recovered arrears of tuition fee @ Rs.2100/2800 per student for the 7 months period of Sept.2008 to March 2009. The school also recovered the lump sum arrear amounting to Rs.3000/3500 per student for the period 1.1.2006 to 31.8.2008. Besides these the school also recovered arrears of development fee @ Rs. 315/420 per student for the 7 months period i.e. 15% of the increased tuition fee. On top of it the school recovered development fee on arrears for the period January 2006 to August 2008 @ Rs.450 per student of classes 1 to 5 and Rs.525 per student of classes 6 to 12 for the period Jan 2006 to August 2008.

The order dated 11.2.2009 issued by the Director of Education did not permit the recovery of development fee arrear for the period January 2006 to August 2008.

In pursuance of notice dated 24.5.2009 issued by the Committee the school filed its response vide letter dated 8.6.2013. On perusal of the fee and salary statement filed by the school, it is apparent that the school recovered arrear fee for the period 1.1.2006 to 31.3.2009 which amounting to Rs.1,15,35,691 in the year 20091-10 itself. Further the arrears of development fee amounting to Rs.68,185 were recovered in 2010-11. Thus the school had recovered a sum of Rs.1,16,03,876 on account of arrear fee the bulk of which was collected in the year 2009-10 itself. However, the arrear salary paid by the school , as reflected in the said statement is only Rs.12,13000 in 2009-10 & Rs.40,46,522 in 2010-11. We are informed that after 2010-11 also the school made some arrear payment, the details of which are as follows:-

As on 31.3.2017 a sum of Rs. 2,94,674 was still pending.

Year	Amount of arrears Paid
2011-12	20,000
12-13	Nil
13-14	22,55,384
14-15	4,48,486
15-16	50,000
16-17	0

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Secretary

Delhi High Court Committee For Review

11.04.2017

B-665

Thus the school collected arrear fee in the year 2009-10 but did not disperse the arrear salary fully even up to 2016-17.

Thus committee has examined the audited financials of the school and observes that the school is indulging in profiteering as would be evident from the following figures:-

Financial Year	Fee Charges from the students	Net Profit	Depreciation	Total Cash Profit	% of cash profit to fees
2006-07	4,26,77,730	1,27,31,344	48,14,340	1,75,45,684	41.11%
2007-08	4,58,19,378	1,58,65,526	40,80,889	1,99,46,415	43.53%
2008-09	6,64,03,237	2,29,48,461	46,36,127	2,75,84,588	41.54%
2009-10	9,43,20,324	3639452l	3878288	4,02,72,809	42.69%
2010-11	10,29,54,937	5,7443034	33,18,629	6,07,61,663	59.01%

The above figures speaks for themselves that the school is running on commercial lines. While it was earning huge profits year after years it did not pay arrears of salary even to the extent of collection of arrear fee from the students and the same has been staggered over almost 8 years.

The school was clearly capable of absorbing the effect of implementations of the recommendation of 6th pay commission out of its own resources . The total impact of implementing the recommendations of 6th pay commission was Rs.86,55,250 by way of arrear salary and Rs. 72,52,651 by way of incremental salary during the year 2009-10 (as per the revised statement of fee and salary filed vide letter dated 11.4.2017 during the course of hearing, the regular normal salary for the year 2008-09 was Rs. 1,64,33,930 which rose to Rs.2,36,86,581). The school had cash profit of Rs.4,02,72,808. Even if the additional fee recovered by the school by way of arrears or increased fee in the year 2009-10 amounting to Rs.02,37,98,792 is excluded from this, the school still had a cash surplus of Rs. 01,64;74,016 in that year itself. In view of the forgoing discussion the committee is of the view that the school did not need to hike any fee at all for the purpose of implementation of the recommendations of 6th pay commission nor to recover any arrear fee. The entire amount of arrear fee recovered amounting to Rs. 1,15,35,691 and also the incremental fee during the year 2009-10 amounting to Rs.01,,22,63,101 ought to be refunded to the students alongwith interest @ 9% per annum from the date of collection to the date of refund. We may also notice that the school had transferred funds to its parents society i,e, Kalka Education Society to the tune of Rs. 3,10,10,321, Kalka Public School Meerut Rs,6,84,87,64, Kalka Institute of Research and advanced study 30,96,886 and Kalka Dental College amounting to Rs.88,83,964. Thus the fee recovered from the students was diverted to these sister institutions of the school.

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Delhi High Court Committee ★ For Review ★

B-645

000021

11.04.2017

With regard to development fee, the committee notices that the school was charging development fee every year and treating it as a revenue receipt. In the year 2009-10 it recovered a sum of Rs. 67,20,576 as development fee while in the year 2010-11 it recovered a sum of Rs. 83,48,063 on this account. Since the school was not fulfilling the basic pre condition of treating development fee as a capital receipt and creating a fund for the purpose of purchase or up gradation of furniture and fixtures' equipments. The school was not maintaining any earmarked depreciation reserve fund . The school was not entitled to charge any development fee in terms of the recommendations of the Duggal Committee which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583. The committee is therefore of the view that the school ought to refund the development fee charged in these two years amounting to Rs.1,50,68,639 alongwith a interest @9% per annum from the date of collection to the date of refund.

Recommended accordingly. Recommendations pronounced after the conclusion of the meeting of the committee in the presence of authorized representatives of the school.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee * For Review of School Fee *

12.04.2017

B-658

The Frank Anthony Public School, Lajpat Nagar, Delhi

Present: Sh. Ashok Kumar, Accounts Officer of the school.

An application has been received from the principal of the school requesting to postpone the hearing to 2nd week of May 2017, as he is not able to find this information required by the committee on the last date of hearing. On 10.3.2017 when the hearing took place, the committee had only required the school to furnish the basis of making provisions for accrued liability of gratuity and leave encashment in its balance sheet. No fresh information or documents was required to be prepared. In the circumstances, the Committee is provisionally taking the amount of accrued liabilities of gratuity and leave encashment as provided by the school in its balance sheet for the purpose of making elementary calculations. In case, the school finds the liabilities to be more or less than what is provided in the balance sheet, it may furnish the same before the next date of hearing. As per the provisional calculation so made, the Committee observes that the school may be required to refund certain amount of fee. Accordingly, a copy of the provisional calculation sheet is given to the authorized representative of the school. The school may file its rebuttal, if any, on or before the next date of hearing. Matter comes up for further hearing on 15/05/2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

12.04.2017

B-660

Tagore International School, East of Kailash, Delhi

Present : Ms. Nidhi Rewari, Accounts Assistant of the school.

An application has been received on behalf of the school seeking a fresh date in July 2017 due to its administrative officer indispose. The request cannot not be granted. The committee observes that the information filed by the school in response to the notice dated 26.5.2015 vide its letter dated July 15. 2015 is scanty and incorrect on the face of it. As per copy of the circular which was issued to the parents regarding fee hike, the school collected arrear fee for the period Sept. 2008 to March 2009 as well as lump sum fee for the period January 2006 to August 2008. However, in the fee and salary statement which is unsigned and filed by the school the school, has not shown any arrear fee for the period 1.9.2008 to 31.3.2009. The audited financials of the school do not give any detail schedules in its annexure. The information regarding accrued liabilities of gratuity and leave encashment are mere figures given by the school without any calculations. The school is required to file a correct and quick response to the notice dated 26.5.2015 issued by the committee within 15 days. Matter will be heard on 15.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee * For Review of School Fee *

12.04.2017

000024

B-667

New Green Fields School, Saket, Delhi

Present : Sh. Bishm P Mahapatra Accountant of the school.

A request has been received on behalf of the school seeking 10 days time to submit the written submissions on certain issues. The committee had examined the matter in detail on 14.3.2017 . The authorized representative appearing for the school was heard at length and it was only at his own request the school was allowed to file its written submission within one week. However, even almost a month after the last date of hearing the school has not filed any written submissions and today the school is again seeking 10 days time to submit the written submissions.

The hearing is closed in the matter. However, the school may file its written submissions within 10 days.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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12.04.2017

B-664

New Green Fields School, Alaknanda, Delhi

Present : Sh. Bishm P Mahapatra, Accountant & Sh. Rajesh Sharma Accountant of the school.

An application has been received on behalf of the school seeking 10 days time to file the written submissions. The Committee had adjourned the hearing on 14.3.2017 at the request of the authorized representative appearing for the school to submit that since the case of Alaknanda branch of the school is more or less the same as Saket branch therefore both the cases will be heard together. The hearing in the case of Saket branch have already been closed, however in the case of this school since no effective hearing have taken place the request of the school is granted. The school may file its written submissions within 10 days and the matter will be heard on 15.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

12.04.2017

000026

B-669

Blue Bells International School, East of Kailash, Delhi

Present : Sh. S.S. Kalra, Auditor & Sh. Nirmal Chand Rana. Accounts Officer of the school.

The committee has examined the circular dated 27.2.2009 issued by the school to the parents regarding fee hike in pursuance of order dated 11.2.2009 issued by the Director of Education. The school has filed a copy of the circular alongwith other details vide its letter dated 9.7.2015. The circular does not give any details regarding the amount of fee hike except showing that the fee hike has been made in accordance with the aforesaid order dated 11.2.2009. The committee has also come across copies of two circular filed by the school with the Directorate of , both of which are dated 19.2.2009. It appears that one of these circular is for the student of class X and other one is for the students of class XII. However, the fee hike effected by the school w.e.f. 01.9.2008, as mentioned in these two circulars is Rs.500 per month w.e.f. Sept. 2008. The lump sum arrear fee mentioned in the books of accounts is Rs. 4500 per student. However, the total amount of fee arrear i.e. shown to be recovered from the students of class X is Rs.15095 while the same for the students of class XII is Rs. 9625.

20-4-17

When the fee hike is the same for all the classes, the total amount of fee arrears cannot be different. The school has not brought its fee records for the committee to verify correct amount of fee arrears that has been recovered from the students of different classes.

In view of the aforesaid inconsistencies in the surplus, the school is required to file a class wise detail of the amount of fee arrear actually covered mentioning therein the rate at which they are recovered. This information may be filed within 10 days.

Matter will come up for further hearing on 15.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

18.04.2017

B-683

The Baptist Convent School, Patparganj, Delhi

Present: Dr. Mahima Malik, Manager/ Principal of the school.

5. The school has not yet been able to file the certificate from the bank regarding mode of payments of salaries. It is submitted by Ms. Mahima Malik the Manager of the school that the school applied to the bank for issuance of certificate of 17.3.2017, but the bank has not yet provided the same to the school. She seeks some more time to file the certificate. Further the committee had observed in the last hearing that the school did not issue any circular to the parents regarding fee hike but in the fee schedules, it was observed that the fee hike was Rs. 200 /- per month . In the absence of any circular or the fee records which have not been produced, it is neither possible to verify the extent of fee hike nor the date w.e.f which the hike was effected. The committee has observed that the fee schedules for the year 2010-11 filed by the school showed that the fee charged in that year by the school viz a viz that charged in 2009-10 was as follows:-

Class	Tuition Fee in 2009-10	Tuition Fee in 2010-11	Increase in 2010-11
1	925	2090	1165
2	925	1620	695
3 to 5	925	1485	560
6 to 8	985	1485	500
9	1080	1485	405

6. In addition to tuition fee, the school, under the other heads also increased fee in 2010-11. This indicates that the fee hike in 2010-11 was between 45% and 110%. This was over and above the fee hike of Rs.200 per month in 2009-10 in pursuance of order dated 11.2.22009 issued by the Directorate of Education.

7. The Manager of the school has not produced the fee and salary records and books of accounts despite clear directions in the notice dated 13.12.2016 issued by this Committee.

8. In these circumstances the committee would have drawn an adverse influence against the school. However at the request of the Manager of the school one more opportunity is given to the school to produce its complete records. The same would be produced before the audit officer of the committee on 03.5.2017 at 11.00 A.M for verification.

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Delhi High Court Committee ★ For Review of School Fee ★

18.04.2017

During the course of hearing she has made another submissions in the last date of hearing it was inadvertently stated that up to 2008-09 the school was not charging any development fee. However on checking of records it is found that the school was charging development fee since its inception under different fee head that is CDF (Child Development Fund). The Committee has gone through the records submitted by the school with regard to the development fee and notices that the school had furnished details of development fee in 2008-09 & 2010-11 in its reply along with the details of utilization. The school has admitted that the development fee was treated as a revenue receipt and was also utilized for routine revenue expenses and no earmarked funds were maintained for depreciation reserve fund.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of

18.04.2017

000029

B-684

Lovely Public Sr. Sec. School, Priya Darshini Vihar Delhi

Present : Mrs. S.D. Malik, Chairperson & Ms. Monica, Representative of CA of the school.

The Committee has perused the details of mode of payment of the arrears which has been filed by the school today. It is observed that out of total of about 1.08 crores that has been paid as arrears, only about Rs. 18.00 lacs have been paid by way of account payee cheques as per submission of the school. The remaining amount is admittedly paid either by cash or by bearer cheques.

The Committee has examined the monthly regular salary records of the school along with the bank statements and it observes that in respect of most of the teachers, the narration given by the bank is merely the name of the person. Such narrations are given either in case of bearer cheques or in case of transfer cheques if the payees maintain there account in the same bank. It further observes that the cheques are encashed after the considerable long time from the date of their issue and that too in batches of 8 to 10 employees on a particular date. The authorized representatives of the school state that admittedly some of these cheques would be bearer but some could also be transfer account payee cheques which have issued to the teachers who maintain their account in the same bank i.e. Axis Bank. They were asked to get a certificate from the bank regarding the mode of payment of salary cheques from the bank. However,they submit that it would be very difficult as the banks usually don't cooperate in such matters.

The school is required to file a monthly statement employee wise mentioning the cheque no., account no. and date of its issuance, date of its encashment for 2009-10 as the school claims that it has implemented the recommendations of VI Pay Commissionw.e.f. 1.04.2009. This statement may be filed within 4 weeks. Matter will come up for further hearing on 08/06/2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

18.04.2017

000030

B-686

Arunodaya Public School, Karkardooma Inst. Area Delhi

Present : Ms. Raj Abrol, Director & Sh. Bhogsur Rawat, Accountant of the school.

The school has filed a revised reply to the notice dated 26.5.2015 issued by the Committee. The information contained in which is stated to be in confirmative with the audited financials of the school. Although the letter filed by the school mentioned that the statement of account of the parent society or parents society as appearing in the books of the school from 01.4.2006 to 31.3.2011 is enclosed, the committee finds that it is its not enclosed. The school has furnished details of its accrued liabilities of gratuity as on 31.3.2008 and as on 1.3.2010. The column relating to the liability for leave encashment has been left blank indicating that no such liability was outstanding as on 31.3.2010.

The committee has perused the circular dated 6.3.2009 issued by the school to the parents alongwith copy of the resolution passed by the managing committee of the school, with regard to fee hike in pursuance of order dated 11.2.2009 issued by the Directorate of Education. As per the circular the school hiked the tuition fee by Rs.200 p.m. w.e.f. 01.8.2008. However, the detail of classes to which this hike relate has not been mentioned in the circular. On the basis of fee schedule of the school for 2008-09, the school was entitled to increase the fee by Rs.300 per month for classes 11th & 12th. However, Mrs. Raj Abrol Director of the school who is present during the course of hearing has stated that the hike was uniform for all the classes and arrears of only 6 months were recovered instead of 7 months upto 31.3.2009. The circular issued to the parents is citing about the arrears for the period 01.1.2006 to 31.8.2008. The copy of the resolution of the Managing Committee which have been filed, indicates that the school recovers lump sum arrears @ 3000 per student. However, during the course of hearing , it has been stated that the school recovered the same @ 2000 per student. The Audit Officer of the committee will verify these facts with reference to the fee records & books of accounts of the school. The school should produce the same on 25.4.2017.

During the course of hearing the Director of the school has submitted that a payment of Rs.20,000 per student is recovered at the time of admission of the student and the same goes to the parental society. She submits that the society utilizes this amount for construction of building, payment of house tax and lease rent. The school will file the audited balance sheet of the society from 2006-07 to 2010-11 on 25.4.2017. The school will also furnish the copy of ledger account of the society as appearing in its books for the years

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Delhi High Court Committee ★ For Review ★

18.04.2017

2006-7 to 2010-11. Thereafter calculation sheet to be prepared and matter will come up for further hearing on 16th May 2017.

Dr. R.K. SHARMA	J.S.KOCHAR	JUSTICE ANIL KUMAR (Retd.)
MEMBER	MEMBER	CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

18.04.2017

000032

B-108

The Indian School, Josup Broz Tito Marg, Delhi

Present : Mr. K.S. Vaid, Manager, Mr. Vishesh Bajaj, Consultant, Mr. Brijesh Kumar Singh, Asstt. Bursar of the school.

The school has furnished the details of provisions made in respect of arrear fee and arrear salary in its books for different years vis a vis the payments made. As per the details furnished the school made a total provision of Rs. 1,77,77,183. However, the total payments made in the different years amount to Rs. 1,50,71,293. The authorized submitted that since the provision in 2007-08 was made on estimated basis, an excess provision came to be made and accordingly an amount of Rs. 15,37,186 was reversed in 2013-14. Thus effectively, the liability of the school for the payment of arrears was Rs. 1,62,39,987. A balance of Rs. 11,68,693 is still outstanding. The school has furnished the list of 18 employees to whom this liability pertains. The authorized representatives states that they have left the school and did not claim arrears.

The Committee observes that the school has been making payment of salaries to its employees through direct bank transfer and therefore most of these ex employees, if not all, would still be having their account with same bank. Even otherwise, it should not be difficult to locate these employees.

The school will make payment of the arrears due to them before the next date of hearing and produce evidence before the Committee in the shape of its bank statement showing the payment. In case, the arrears are not paid to these 18 ex employees, the amount must go back to the students from whom the fee was collected for this purpose.

In respect of arrear fee also, the school has furnished a statement showing the accruals made in different years vis a vis the amounts actually received. It is observed that the school has recovered the entire amount of arrear fee amounting to Rs. 1,00,24,815.

The school has also furnished an employee wise detail of its accrued liability on account of Earned Leave as on 31/03/2010. The liability of the school is Rs. 18,15,310 as per statement filed by the school.

Calculation sheet to be prepared. To come up for further hearing on 15/05/2017 at 11.00 a.m.

Photo Copye Received 25/4/17

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review ★

24.04.2017

000033

B-119

Salwan Public School, Rajindr Nagar, Delhi

Present: Sh. J.N. Chopra, Director Financials, Sh. S.N. Dixit, Director Accounts Sh. Sunil Chandra, Accountant, Ms. Narindr Kaur, Accountant, Maj. Gen. S. Shukla (Retd.), of the school

Arguments heard. Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee For Review of School Fee

24.04.2017

000034

B-53

Remal Public Sr. Sec. School, Delhi

Present : Sh. Rohit Bajaj, Manager of the school.

The school had not furnished the audited financials of pre primary school as required vide notice dated 26.5.2015. While preparing the calculation sheet committee noticed that the same has not been furnished even till date. The matter also came up for hearing on 15.3.2017. Accordingly the school was telephonically informed to furnish the same. The school furnished the balance sheet for 2007-08 to 2010-11 on 18.4.2017. The calculation sheet prepared requires to be rechecked to incorporate financials of pre primary school. The matter will now come up for hearing on 6th May 2017

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

24.04.2017

B--57

St. Giri Sr. Sec. School, Delhi

Present : Sh. Arun Kumar, Accountant of the school

The school has filed an application on behalf of the school seeking adjournment on account of its Accounts Manager being out of station. In compliance with the directions given by the committee on 20.3.2017 the school furnished a statement of mode of payment of salary in 2008-09 and 2009-10 on 27.3.2017. As it is apparent in statement the school has always been paying salary either in cash or by bearer cheques in both the years. Further, there was a drop in staff strength from March 2009 to April 2009 when the school has implemented the recommendations of the 6th pay commission. The total no. of teachers employed in March 2009 were 63 while those shown to have been employed in April 2009 is 57. The school has omitted the students strength in 2008-09 and 2009-10 as was required to be given in the format given by the committee. On examining the annual returns filed by the school under Rule 180 of Delhi School Educations Rules 1973, the committee observes that a total no. of students in 2008-09 was 1594 when in 2009-10, it was 1552. Further the committee notices that the staff statement as on July 2009 which was furnished by the school as part of its annual returns shows that it had 77 staff members out of which 70 were teachers.

The school is required to produce its books of accounts and salary registers for 2008-09 and 2009-10 on 16th May 2017. The school is also required to produce appointment letters and increment letters given to the staff. The matter will come up for hearing on 16th May 2017.

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-5-17

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

24.04.2017 000036

B-438

Springdalers School, Dhaula Kuan, Delhi

Present : Sh. Satinder Kalra, C.A., Ms. Tejinder Kaur, Accountant & Sh. Somdatt Sharma, Accountant of the school.

The school has filed written submissions dated 24.4.2017 and the authorized representative has contended that since after using the development fee, the school was left with no fund to be kept in earmarked account, the school was not required to maintain any earmarked fund. He has relied upon the order dated 16.4.2016 issued by the Director of Education which mandates that the format of the returns and documents to be submitted by the school under Rule 180 of Delhi School Education Rues 1973, shall be as the format attested by the Institute of Chartered Accountants of India, established in the Chartered Accounts Act 1949 (38 of 1949) in guidance note on Accounting by schools 2005 or as amended from time to time by this institute.

The Committee has gone through the formats as prescribed by the Directorate of Education under aforesaid order and observes that development fund and depreciation reserve fund are shown separately as part of designated funds in the balance sheet and not in income and expenditure accounts. The authorized representative contends that since there is no surplus in the revenue account no funds could be transferred to development and depreciation fund which would be kept in earmarked bank accounts. The school is required to first credit the development fee and its income and expenditure accounts as prescribed in the format of Institute of Chartered Accountants of India.

Arguments heard. Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee For Review of School Fee

000037

27.04.2017

B-628

Upras Vidyalaya, Vasant Vihar, Delhi

Present: None.

In compliance with the directions of the committee dated 09.3.2017, the school filed copies of its statements of accounts with Union Bank of India Vasant Vihar, New Delhi on 3.4.2017.

Since Sh. PK. Srivastava , Principal of the school had stated on the last date of hearing that the school did not have any records pertaining to the period in which arrear fee was charged and arrear salary was paid, no useful purpose is served by keeping the matter pending. Accordingly the hearing is closed and recommendations reserved.

Read 1/05/2017

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee For Revision of School Fee

27.04.2017

000038

B-630

Jain Bharti Model School, Sector-16, Delhi

Present : Sh. Kamal Jeet, Office Boy of the school.

On the last date of hearing i.e. 9.3.2017, the school did not produce its books of accounts despite being specially asked to do so vide notice issued by the committee. Accordingly the matter was adjourned and specific directions were issued to the school to produce its books of accounts. Today an application has been received on behalf of the principal of the school through an office boy of the school, who does not carry any authorization to appear before the committee. The application states that due to some emergency the Manager of the school Sh. Sanjeev Kumar Jain had to go out of Delhi, and more time is sought for doing the needful.

At an earlier stage also when the records were sought from the school for verification, the audit officer of the committee reported that the school had not produced the details of arrear payments which they claim to have made nor produced acquittance roll of the staff showing payment of arrears to them. The school had also not produced its bank statements in evidence of the regular salary having been paid through bank transfers (the arrears are admittedly paid in cash). Again in reply to notice dated 26.5.2015 issued by the committee, the school had not produced copies of its statements of accounts with its parents society as appearing in its books. Instead the school filed copies of the balance sheet of the parents society with a note that it was a consolidated balance sheet which contained the financials of the school as well as Jain Bharti Institute of Higher Education Rohini.

It appears that the school is avoiding producing the records which are required by the committee to examine firstly, whether the school has implemented the recommendations of 6th pay commission, as on when the fee hiked and arrear fee recovered by it, pursuant to order dated 11.2.2009 of the Director of Education, was justified.

In view of the above mentioned facts, the committee is inclined to draw an adverse reference of the school. However in the interest of justice the school is given one more opportunity to produce its complete financials records i.e. books of accounts, fee records, salary records, bank statements, Provident fund returns and TDS returns on 16th May 2017. In case the school again defaults in producing the records as mentioned above, the committee will draw an adverse view of the school.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

27.04.2017

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B-672

Don Bosco School, Alaknanda, Delhi

Present : None.

The school has not filed the information regarding fee and salary as per the format given in the notice dated 26.5.2015, despite being specifically required to do so on the last date of hearing i.e. 14.3.2017.

It appears that the required information can be constructed from the audited financials given by the school alongwith the supplementary information given subsequently. In the circumstances no useful purpose will be served by keeping the matter pending. In case the committee finds that any information is still required, the committee may give fresh notice to the school.

Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

27.04.2017

000040

B-677

Ganga School, Hiran Kunda, Delhi

Present : Sh. R.K. Narang, Office Supdt. Of the school.

On the last date of hearing i.e. 14.3.2017 the school was directed to file copies of all the judgments of the cases which have been filed by the staff members, consequently to which the school made payment of arrear salary to them. The authorized representative appearing for the school has filed copies of judgments/orders of 18 cases, three of which are stated to be pending. The school has merely filed copies of the orders which record settlement effected through the mediation in conciliation Centre of the Delhi High Court without filing a copy of the settlement.

The school is directed to furnish a detailed statement showing the amounts paid to the staff members as arrears year wise, alongwith copies of the settlements arrived it between the school and the staff members. The evidence of payment i,.e. the bank statement shall also be filed.

The school stated on the last date of hearing that for payment of arrears the school started recovering Rs. 5100 from the passed out students. The school will also file a detail of arrears of fee so recovered year wise till date. The school will also furnish copies of its audited financials. Subsequently financial year 2010-11, till date. Similarly the fee schedules of the school, as filed by it under section 17 (3) with the Directorate of Education will also be submitted alongwith proof of filing the same with the Director of Education.

These be done within 2 weeks. Matter will come up for further hearing on 17th May 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

28.04.2017

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B-300

Adharshila Vidya Peeth, CD Block, Pitampura, Delhi

Present: Sh. Byomakesh Mishra, Principal, Sh. Vijay Kumar Sharma, Accountant, Ms. Ruchika Khattar, Teacher, Ms. Pooja Aggarwal, Consultant & Sh. Rahul Aggarwal, Consultant of the school.

In compliance with the directions given by the committee on 20.3.2017, the school has furnished the required details on 3.4.2017. As per the details submitted there was net addition of 294 fee paying students in the year 2009-10 and the total amount of regular fee received from them was Rs.83,07,360. It is submitted by the authorized representative of the school that this amount cannot be considered as incremental fee recovered in pursuance of order dated 11.2.2009 issued by the Director of Education as the fee from these students received after the issuance of such order. Number of students increased on account of addition of class 12 in the school which was not in the year 2008-09.

Recd. 4/5/17 (Ramesh Garg)

With regard to the number of teachers and other staff employed by the school, as per the statement filed by the school there were 107 staff members in 2008-09 . However, in 2009-10 they got reduced to 102. It is submitted by the authorized representatives that the teachers who teach students of class 11 are the same as the teachers who teach students of class 12. And as such no additional teachers were required on account of increase in number of students due to introduction of class 12.

The committee has examined the annual returns filed by the school under Rule 180 of Delhi School Education Rules 1973 and observes that in 2008-09 in the staff statement submitted by the school, number of teachers and other staff was reported to be 54 while number of teachers and other staff it was reported in 2009-10 was 64. The authorized representatives state that the difference is on account of the contractual teachers which are not included in the staff statement filed with the Directorate of education. The school has also filed statement of estimated liability on account of leave encashment in respect of 53 staff members and the total amount is Rs.3,98,021.

On the calculation sheet the authorized representative submits that the funds applied in payment of interest and repayments of loan from 2006-07 to 2009-10 for loans taken for purchase of fixed assets amounting to Rs.2,15,64,675 are not included as the same as it had already been utilized before the order of 11.2.2009 issued by the Director of education. And as such these funds are not available with

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Delhi High Court Committee * For Review of School Fee *

28.04.2017

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the school when the decision to hike of fee was taken. It is further submitted that the development fund to the extent it is utilized for purchase of eligible assets ought not be included in the amount that the school may be required to refund, if any, as the school is fulfilling all the pre conditions for charging development fee as laid down by the Hon'ble Supreme Court in the case of Modern School.

Arguments heard. Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee
For Review of School Fee

28.04.2017

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B-347

Evergreen Public School, Vasundhara Enclave, Delhi

An application has been received from the authorized representative of the school expressing inability to attend the hearing on account of pre occupation. The hearing was originally scheduled for 25.4.2017. However, the same had been postponed due to certain exigencies. In view of these circumstances, the matter will be relisted on 17.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

28.04.2017

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B-488

Queen Mary's School, Sec.25, Rohini, Delhi

Present : None.

The matter was called out at morning but no body appeared on behalf of the school. It has again been called out at the end but nobody is present on behalf of the school. However, since the date originally given to the school was 25.4.2017 and the committee could not be held on that due to certain exigencies the matter is being adjourned to 17.5.2017. Fresh notice may be issued for next date.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee For Review of School Fee

28.04.2017

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B-402

Gitarattan Jindal Public School, Sector, Delhi

Present : Sh. R.N. Jindal, Chairman, Ms. Niti Tandon, Accountant & Ms. Seema Gupta Accout Asstt. of the school.

On the last date of hearing i.e. 22.03.2017, the Committee had observed that statement of Fee and Salary filed by the school was ex-facie incorrect. Accordingly, the school was directed to file a fresh statement in respect of the junior as well as senior school separately within 15 days. The Chairman of the school, also stated that the format to be filed this time will be duly certified by the Auditor of the school. The school submitted a clarificatory letter dated 26.4.2017 alongwith which it filed the fresh statement of fee and salary in respect of Senior school only. Even that is not certified by the auditor of the school. The Committee finds that even this statement is incorrect as the school has shown recovery of no arrear fee at all whereas as per the circular issued to the parents, the school had recovered the full amount of arrear fee as per the order dated 11.2.2009 issued by the Director of Education. The Committee has examined the books of accounts of the school and finds that the school recovered arrear fee in 2008-09 as well as in 2009-10 as follows:-

Particulars	2008-09	2009-10	2010-11	Total
Arrear Fee	Rs.1,740,798	Rs.1,685,550	-	Rs.3,426,348

Likewise, the arrear salary shown to have been paid in the said statement does not tally with the books of accounts of the school. As per the books of accounts, the school has paid arrear salary as follows:

Particulars	2008-09	2009-10	2010-11	Total
Arrear Salary	-	Rs.1,896,704	Rs.1,529,644	Rs.3,426,348

Received 21/4/17

In respect of the regular salary also, the Committee finds that there was an abnormal increase of about 104% in the regular salary paid by the school in 2009-10 when it claims to have implemented the recommendations of 6th pay Commission. The Comparative figures for 2008-09 and 2009-10 are as follows:

Particulars	2008-09	2009-10	2010-11	% increase
Regular Salary	Rs.6,453,939	Rs.13,184,793	Rs.6,730,854	104%

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Delhi High Court Committee ★ For Review of School Fee ★

28.04.2017

The Chairman of the school who is present has offered a very incredible explanation regarding the hike in salary in 2009-10. He states that there were 5 PGTs in 2008-09 which increased to 9 in 2009-10. However, there was neither any appreciable increase in the number of students nor any new sections/ streams were added in 2009-10. Further, he stated that the abnormal hike is also due to the fact that till 2008-09, the school was not paying full salary even as per the recommendations of 5th Pay Commission. The differential amount was Rs.2,71,735.

In view of the repetitive failure of the school to furnish information required by the committee for examining justifiability of fee hike effected by it in pursuance of order dated 11.2.2009 and any credible justification for abnormal hike in salary in 2009-10, the Committee is of the view that the school is not coming out with true facts.

The Chairman of the School requests for another opportunity to furnish proper information and documents. Although the committee is not inclined to give any further time to the school as already 6 hearings have been held but in the interest of justice, the school may furnish the complete and correct information within 10 days. However, the hearing is closed.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

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

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

In the matter of:

Hamdard Public School, Sangam Vihar, Delhi (B-576)

Present: Sh. Zubair A Khan, Principal, Sh. Talib Ali, CAO, Sh. Tufail Ahmed, O.S., Sh. Iilzzat AG, Accountant, Sh. Saroj Kumar Jha, Accountant of the school.

Recommendations of the Committee

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission. As the school did not furnish reply to the same, a reminder dated 27/03/2012 was sent to the school. It appears that the school did not respond to the reminder also. Again a detailed questionnaire was sent to the school, incorporating there certain relevant questions regarding the justifiability of charging development fee. The school furnished a detailed reply vide its letter dated 08/11/2013. As per the reply submitted by the school,

(a) It had implemented the recommendations of VI Pay Commission w.e.f. 01/09/2008, although the salary of staff was increased w.e.f.

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Delhi High Court Committee ★ For Review of School Fee ★

01/07/2009. The school paid arrears for the period Sept. 2008 to June 2009.

(b) The school increased the tuition fee of the students w.e.f. 01/04/2009 and also collected arrears of fee amounting to Rs. 15,36,172.

(c) The school was charging development fee, which was being utilised for purchase of furniture & fixture and equipments. The unutilised development fee along with the depreciation on assets created out of development fee were kept in earmarked saving bank and FDRs accounts with UCO bank, Sangam Vihar (The school also furnished copies of the bank statements and the earmarked FDRs. However with regard to treatment of development fee in its accounts, the school stated that it was treated as a revenue receipt.

The Committee issued a notice dated 25/05/2015 seeking information about the regular tuition fee, arrear fee, regular salary and arrear salary in a format it deviced to facilitate the calculations. The information was duly submitted by the school.

The school was also afforded an opportunity of being heard on 08/03/2017. On this date, Sh. Zubair A Khan, Principal, Sh. Talib Ali, CAO, Sh. Tufail Ahmed, O.S., Sh. Iilzzat AG, Accountant, Sh. Saroj Kumar Jha, Accountant of the school appeared before the Committee and were heard.

The Committee has perused the circular issued by the school to the parents regarding hike in fee pursuant to order dated 11/02/2009 issued by

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Delhi High Court Committee For Review of School Fee

the Director of Education. As per the circular, the tuition fee had been increased by Rs. 200 per month w.e.f. 01/04/2009. The school did not recover any arrear fee for the period 01/09/2008 to 31/03/2009. However the arrears for the period 01/01/2006 to 31/08/2008 have been recovered in accordance with rates prescribed by the order dated 11/02/2009. They further submitted that till 2008-09, the school was not charging any development fee. However, the school started charging the same @ 15% of tuition fee w.e.f. 01/04/2009. The authorised representatives appearing for the school submitted that although the same was treated as a revenue receipt in the books till 31/03/2015, the school was fulfilling the substantive pre conditions as regards its utilisation and maintenance of earmarked fund accounts in the bank. They further submitted that as the substantive pre conditions were being fulfilled by the school, its treatment as revenue receipt would be of no consequence as the same can be treated as merely accounting error. They further submitted that w.e.f. 2015-16, the school had started treating it as a capital receipt.

During the course of hearing, a submission was made on behalf of the school that the school runs on no profit no loss basis and during several years in the past i.e. prior to 2009-10, the school did not hike any fee at all i.e. not even 10% permitted by the Director of Education. They also furnished a chart showing the fee charged by the school from the year 2000-2001 to 2016-2017 to highlight this fact. In particular it was stated that no hike in fee was made during the immediately preceding year i.e. 2008-09 and the school continued to charge the same fee which it was charging in the year 2007-08. They also

cited the cases of many other schools where the Committee has held that where the school did not hike any fee at all in the immediate preceding year i.e. 2008-09, the fee hike in 2009-10 ought not be considered as having been hiked in pursuance of order dated 11/02/2009 but the hike should be spread over the years prior to 2009-10 in which the fee was not hiked.

It was further submitted that as would be apparent from the fee schedules filed by the school, tuition fee charged by it in 2000-2001 remained constant upto 2003-04. In 2004-05, it was increased by a mere 8.54% after three years. The same fee continued upto 2006-07 i.e. no increase for the next two years. In 2007-08, the school hiked the fee by 10% after two years. Again in 2008-09, the school did not hike any fee. In 2009-10, the school hiked the fee by Rs. 200 per month which was a very nominal hike considering no hike in the previous years and also considering the fact that the school implemented fully the recommendations of VI Pay Commission w.e.f. 01/09/2008. It was further submitted that there was an initial understanding with the staff that they would not demand any arrears of salary for the period 01/01/2006 to 31/08/2008 considering the fact that the students would not be able to bear the huge financial burden of arrear fee for that period. However, subsequently 22 teachers who had earlier agreed to accept the arrear payment w.e.f. 01/09/2008 reneged on the arrangement and approached the Hon'ble Delhi High Court which ordered the payment to be made w.e.f. 01/01/2006. The school had to make payment for this period without charging any arrear fee for this period and the financial position of the school was not very sound as to be

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Delhi High Court Committee ★ For Review of School Fee ★

able to make this payment. However, the school paid the arrears for this period in Feb. 2015 and July 2015 and also decided to pay the arrears to the remaining staff in 8 instalments in 2015-16 and 2016-17.

The Committee considered submissions made on behalf of the school and also examine the documents produced by it as well as its bank statements showing payment of arrear salaries. However, with regard to the claim of the school no fee was increased in 2008-09 as compared to 2007-08 it directed its audit officer to examine the books of accounts and fee records of the school to verify the claim of the school.

The Committee has held in cases of various other schools e.g. Sardar Patel Vidyalaya and Gurusharan Convent School, that where the school did not hike any fee at all in the previous year, the hike should be spread over to the previous years in which the school did not hike any fee at all. The audit officer examined the fee and accounting records of school and vide its note dated 16/03/2017 confirmed that the school charged the same fee in the years 2007-08 and 2008-09, i.e. there was no hike in fee in 2008-09.

Following the view taken by the Committee in case of several other schools and also considering the fact that the school had to make payment of arrear salary for the period 01/01/2006 to 31/08/2008 without any arrear fee for that period, the Committee is of the view that

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no intervention is called for so far as the hike in tuition fee and recovery of arrear fee for the period 01/09/2008 to 31/03/2009 is concerned.

Development Fee:

The Committee has considered the submissions of the school. There are two types of pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. The first is with regard to the accounting treatment of the development fee i.e. it should be treated as a capital receipt. The second set of pre conditions are substantive in nature i.e. development fee should be utilised for purchase/upgradation of furniture and fixture and equipments, unutilised development fee should be kept in an earmarked development fund account and the accumulated depreciation on the assets created out of development fund ought to be kept in an earmarked account so that the same is available to the school when the time comes for replacement of the assets which had been created out of development fee.

The Committee is of the view that if the school is fulfilling the substantive pre conditions, the mistake committed by it in making wrong entries in its books of accounts i.e. treatment of development fee as revenue receipt instead of capital receipt, ought not be held against the school.

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The Committee therefore, is of the view that since the school is fulfilling the substantive pre conditions, which the Committee has verified, no intervention is required with regard to development fee also.

Recommended accordingly.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K.Sharma
(Member)

Date: 07/04/2017

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

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

In the matter of:

Kalka Public School, Alaknanda, Delhi (B-665)

Present: Sh. Santosh U Accountant, Sh. Mubarak A/c Asstt., & Sh. Vinod Clerk of the school.

Recommendations of the Committee

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission. As the school did not furnish reply to the same, a reminder dated 27/03/2012 was sent to the school. The school did not respond to the reminder also. Again a detailed questionnaire was sent to the school, incorporating therein certain relevant questions regarding the justifiability of charging development fee on 03/12/2013. The school furnished its reply vide its letter dated 19/12/2013. As per the reply submitted by the school,

(a) It had implemented the recommendations of VI Pay Commission w.e.f. 01/07/2009, although the salary of staff was increased w.e.f. 01/07/2009.

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Delhi High Court Committee for Review of School Fee

(b) It paid arrears of salary w.e.f. 01/01/2006 (as per copies of ledger accounts filed, the school continued to pay arrears upto 15/10/2013 on which date it still had a liability of Rs. 17,10,728.

(c) The school increased the tuition fee of the students w.e.f. 01/04/2009 @ Rs. 300 per month for students of classes I to V and Rs. 400 per month for students of classes VI to XII.

(d) The school collected arrears of fee @ Rs. 5865 per student of classes I to V and Rs. 7245 per student of classes VI to XII.

(e) The school was charging development fee in all the five years for which the information was sought i.e. 2006-07 to 2010-11. The amount recovered in 2009-10 was **Rs. 67,20,576** and that in 2010-11, **Rs. 83,48,063.**

With regard to the treatment of development fee in its accounts as well as maintenance of earmarked development fund and depreciation reserve fund, the school gave no specific reply.

The Committee issued a notice dated 26/05/2015 seeking information about the regular tuition fee, arrear fee, regular salary and arrear salary in a format it devised to facilitate the calculations. The information was duly submitted by the school on 08/06/2015.

In order to provide an opportunity to the school to justify the fee hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education, a notice dated 27/12/2016 was issued to the school requiring it to

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Delhi High Court Committee For Review of School Fee

produce its books of accounts and other relevant records and to appear before the Committee on 25/01/2017. However, since term of the this Committee expired on 31/12/2016, the hearing was rescheduled for 10/03/2017 after the term of the Committee was extended by the Hon'ble Delhi High Court. The school sought adjournment on 10/03/2017 on account of its pre occupation with the admission process and the board exams. The request of the school was acceded to by the Committee and the hearing was rescheduled for 11/04/2017. On this date, Sh. Santosh U, Accountant, Sh. Mubarak, Account Asstt. and Sh. Vinod, Clerk appeared and produced the required records which were examined by the Committee. The authorized representatives of the school were also heard by the Committee.

The Committee perused copy of circular dated 17.3.2009 issued by the school to the parents of the students regarding fee hike in pursuance of order dated 11.2.2009 issued by the Director of Education. As per the circular, the school increased the tuition fee @ Rs.300 p.m. for classes 1 to 5 and Rs. 400 p.m. for classes 6 to 12 w.e.f. Sept. 2008. Accordingly, the school recovered arrears of tuition fee @ Rs.2100/2800 per student for the 7 months period of Sept.2008 to March 2009. The school also recovered the lump sum arrear amounting to Rs.3000/3500 per student for the period 1.1.2006 to 31.8.2008. Besides these, the school also recovered arrears of development fee @ Rs. 315/420 per student for the 7 months period i.e. 15% of the increased tuition fee. On top of it the school also recovered development fee on arrears for the period January 2006 to August 2008 @ Rs.450 per student of classes 1 to 5

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Delhi High Court Committee for Review of School Fee

and Rs.525 per student of classes 6 to 12 for the period Jan 2006 to August 2008.

The order dated 11.2.2009 issued by the Director of Education did not permit the recovery of development fee arrear for the period January 2006 to August 2008.

The school had initially filed a statement of fee and salary in the format prescribed by the Committee as per which it had shown that the arrears of salary for the period 01/01/2006 to 31/08/2008 that were paid to the staff amounted to Rs. 12,13,000 in 2009-10 and Rs. 40,46,522 in 2010-11. However, during the course of hearing, on 11/04/2017, the school filed a revised statement showing the arrears salary at Rs. 86,55,250 in 2009-10, and no arrear payment in 2010-11. The Committee perused the books of the accounts of the school and notices that the figure of arrear payment as originally filed by the school was correct. The school paid only Rs. 12,13,000 as arrears in 2009-10. However, it made a provision in the books to reflect the liability of the balance amount of arrears amounting to Rs. 74,42,250, out of which it paid a sum of Rs. 40,46,522 in 2010-11, leaving an unpaid amount of Rs. 33,95,728 as on 31/03/2011. The school collected the entire arrear fee for the period 1.1.2006 to 31.3.2009 which amounted to Rs.1,15,35,691 in the year 2009-10 itself. Only arrears of development fee amounting to Rs. 68,185 were recovered in 2010-11.

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Delhi High Court Committee * For Review of School Fee *

Thus while the school had recovered bulk of the arrear fee amounting to Rs.1,16,03,876 in the year 2009-10 itself, it did not pay the entire arrear salary of Rs. 86,55,250 in 2009-10,only a small sum of Rs.12,13,000 was paid in 2009-10 and that too at the fag end of the year. It is noticeable that the arrear fee collected by the school was in excess of its total liability of arrear salary by an amount of approximately Rs. 30.00 lacs

During the course of hearing, we are informed that after 2010-11 also the school made some arrear payment, the details of which are as follows:-

As on 31.3.2017 a sum of Rs. 2,94,674 was still pending.

Year	Amount of arrears Paid
2011-12	20,000
2012-13	Nil
2013-14	22,55,384
2014-15	4,48,486
2015-16	50,000
2016-17	0
Total	27,73,870

However, the aforesaid sum is not over and above the sum of Rs. 86,55,250 payable by the school but is a part of it.

Thus while the school collected arrear fee in the year 2009-10 but it did not disperse the arrear salary fully even up to 2016-17.

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Delhi High Court Committee For Review of School Fee

The Committee examined the audited financials of the school and observes that the school is indulging in profiteering as would be evident from the following figures:-

Financial Year	Fee Charged from the students	Net Profit	Depreciation	Total Cash Profit	% of cash profit to fees
2006-07	4,26,77,730	1,27,31,344	48,14,340	1,75,45,684	41.11%
2007-08	4,58,19,378	1,58,65,526	40,80,889	1,99,46,415	43.53%
2008-09	6,64,03,237	2,29,48,461	46,36,127	2,75,84,588	41.54%
2009-10	9,43,20,324	36394521	3878288	4,02,72,809	42.69%
2010-11	10,29,54,937	5,7443034	33,18,629	6,07,61,663	59.01%

The above figures speak for themselves. The school is running on commercial lines and is profiteering from the fee charged from the students. While it was earning huge profits year after year it did not pay arrears of salary even though the total arrear fee recovered by the school was in excess of its total liability of arrear payment to the staff.

The school was clearly capable of absorbing the effect of implementation of the recommendation of 6th pay commission out of its own resources . The total impact of implementing the recommendations of 6th pay commission was Rs.86,55,250 by way of arrear salary and Rs. 72,52,651 by way of incremental salary during the year 2009-10 (The regular normal salary for the year 2008-09 was Rs. 1,64,33,930 which rose to Rs.2,36,86,581). The school had cash profit of Rs. 4,02,72,808. Even if the additional fee recovered by the school by way of arrears or incremental fee in the year 2009-10 amounting to Rs. 2,37,98,792 is excluded from this, the school still had a cash surplus of Rs. 1,64,74,016 in that year itself.

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Delhi High Court Committee ★ For Review of School Fee ★

In view of the forgoing reasons the committee is of the view that the school did not need to hike any fee at all for the purpose of implementation of the recommendations of 6th pay commission nor to recover any arrear fee. The entire amount of arrear fee recovered amounting to Rs. 1,15,35,691 and also the incremental fee during the year 2009-10 amounting to Rs. 1,22,63,101 ought to be refunded to the students alongwith interest @ 9% per annum from the date of collection to the date of refund.

We have also noticed that the school had transferred huge amount of funds to its Parent society i,e, Kalka Education Society (Rs. 3,10,10,321) and other sister institutions like Kalka Public School Meerut (Rs,6,84,87,64), Kalka Institute of Research and Advanced Study (30,96,886) and Kalka Dental College (Rs.88,83,964). Thus the fee recovered from the students was diverted to these sister institutions of the school.

With regard to development fee, the committee notices that the school was charging development fee every year and treating it as a revenue receipt. In the year 2009-10 it recovered a sum of Rs. 67,20,576 as development fee while in the year 2010-11 it recovered a sum of Rs. 83,48,063 on this account. Since the school was not fulfilling the basic pre condition of treating development fee as a capital receipt and creating a fund for the purpose of purchase or up gradation of furniture and fixtures' equipments. The school was also not maintaining any earmarked

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Delhi High Court Committee For Review of School Fee

depreciation reserve fund . The school was not entitled to charge any development fee in terms of the recommendations of the Duggal Committee which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583. The Committee is therefore of the view that the school ought to refund the development fee charged in these two years amounting to Rs.1,50,68,639 in pursuance of order dated 11/02/2009 issued by Director of Education alongwith a interest @9% per annum from the date of collection to the date of refund.

Recommended accordingly. Recommendations pronounced after the conclusion of the meeting of the Committee in the presence of Authorized Representatives of the school.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K. Sharma
(Member)

Date: 11/04/2017

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Delhi High Court Committee for Review of School Fee

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

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

In the matter of:

Sahoday Sr. Sec. School, Safdarjung Dev. Area, Delhi (B-500)

Present. Mr. Joselyna Martin, CA, Ms. Anjali Chadha, Accountant and Ms. K. Anny Office In charge of the school.

Recommendations of the 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). As no reply was received from the school, a reminder was sent on 27/03/2012, which again remained unresponded.

The Committee issued a revised questionnaire to the school incorporating therein the relevant questions with regard to collection and utilisation of development fee in order to examine whether the pre conditions laid down by the Hon'ble Supreme Court in case of Modern School vs. Union of India (2004) 5 SCC 583 were fulfilled or not. It may be stated here that the Committee by its mandate is required to examine whether the principles laid down by the Hon'ble Supreme Court are followed or not by the school.

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Sahoday Sr. Sec. School, Safdarjung Enclave, New Delhi (B-550)

Delhi High Court Committee For Review of School Fee

The school in its reply filed under cover of its letter dated Oct. 07, 2013 stated as follows:

(a) It had implemented the recommendations of VI Pay Commission w.e.f. 01/09/2009.

(b) It had paid arrears of salary from January 2006 to August 2008 in five installments i.e. April 2009, August 2009, January 2010, January 2011 and April 2011.

(c) It had recovered the arrears of fee for the period 01/01/2006 to 31/08/2008 and further increased the fee charged w.e.f 01/09/2008 which was recovered in lump sum for seven months i.e. 01/09/2008 to 31/03/2009.

(d) It was charging development fee in all the five years for which the information was sought i..e. 2006-07 to 2010-11. However, the same was treated as a Revenue receipt and further no depreciation reserve fund was maintained in respect of depreciation charged by revenue in respect of the assets acquired out of development fee.

From the reply of the school to the questionnaire issued by the Committee, it is apparent that the school was not fulfilling the basic pre conditions laid down by the Duggal Committee for charging development fee, which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School (supra).

The relevant calculations to examine the necessity and justifiability of the fee hike effected by the school as also the recovery of arrear fee in pursuance of order dated 11/02/2009 were, in the first instance, prepared by the Chartered Accountants attached with this Committee. The calculations made by them revealed that the school had enough resources of their own and did not need to hike any fee or recover any arrear fee for meeting the additional expenditure on account of the implementation of the recommendations of VI Pay Commission. However, the Committee did not accept the calculations made by them as they neither provided for any contingency reserve to be kept by the school nor for the reserves required to be maintained for accrued liability of gratuity and leave encashment.

The Committee issued a notice dated 25/05/2015 seeking information in a structured format with regard to regular fee and hiked fee as well as regular salary and hiked salary for implementation of recommendations of VI Pay Commission. The school furnished the required information under cover of its letter dated nil, which was received in the office of the Committee on 15/07/2015. The Committee thereafter issued notice dated 20/09/2016 requiring the school to appear before it on 05/10/2016 and producing the entire fee accounting and salary records before it. On this date, the authorized representatives of the school appeared and the Committee examined the records produced by the school.

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The Committee perused the circular dated March 12, 2009 issued by the school to the parents regarding fee hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education. As per the circular, the school hiked the tuition fee w.e.f. 01/09/2008 @ Rs. 200 per month for classes Nursery to V, @ Rs. 300 per month for classes VI to XII. Accordingly arrears for 7 months from Sept. 2008 to March 2009 were collected. Additionally, the school also recovered lump sum development fee @ Rs. 100 from the students of each class at a fixed rate Rs. 100 for the seven months period.

It was submitted by the authorized representatives that the arrears of development fee as a percentage of arrears of tuition fee of the 7 months period is less than that originally charged in 2008-09. The authorized representatives of the school submitted a copy of fee schedule of 2008-09 and 2009-10 in support of their contention.

The Committee perused the fee structure of the school for the year 2009-10 and it showed that the school further hiked the fee w.e.f. 1.4.2009 for all the classes. It is necessary to note here that para 5 of the order dated 11/02/2009 issued by the Director of Education stipulated that the schools could not hike any further fee for the year 2009-10.

The Committee also perused the information furnished by the school in response to notice dated 25th May 2015 and observed that the statement of fee and salary filed by the school giving break up of different components of

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fee and salary including arrears for the period 1.1.2006 to 31.08.2008 and observed certain discrepancies therein with regard to arrears of salary made by the school for the period 01.09.2008 to 31.03.2009. The authorized representative of the school submitted that the recommendations of the Sixth Pay Commission were actually implemented w.e.f. Sept. 2009 and the school paid arrears for the period 1st Sept. 2008 to 31st Aug. 2009. However, the same had been inadvertently shown as arrears for the period 01.9.2008 to 31.03.2009. Further the arrears paid for the period upto 31.08.2008 in the original statement filed were shown to have been paid in the year 2010-11. On a query by the Committee the authorized representative of the school stated that this figure includes arrears amounting to Rs.33,85,624 for the period 1.04.2009 to 31.08.2009 and he filed a statement to this effect signed by the Manager of the school.

It is submitted by the authorized representatives that the arrears of salary as well as the regular salary to the staff were paid through bank transfers or by account payee cheques only along with the monthly salary.

The school furnished details of its accrued liability of gratuity and leave encashment as on 31.03.2008 and 31.03.2010. The liability in respect of gratuity amounted to Rs. 97,06,928 as on 31.3.2010 while that for leave encashment it was Rs. 41,57,619. The authorized representatives submitted that besides these liabilities the school needs to keep funds in reserve for future contingencies equivalent to four months salary.

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Delhi High Court Committee For Review of School Fee

With regard to development fee, the Committee examined the audited financials of the school and observed that it was indeed being treated as a Revenue receipt, as reported by the school in its reply to the questionnaire.

While examining the audited financials of the school the Committee observed that the school also charged building fee in the year 2009-10. The amount collected on this account as per the Receipt of Payment account of the school was Rs. 6,10,000. In the year 2010-11 the school changed the nomenclature for the fee as one time fee and collected an amount of Rs.16,09,000 in that year.

Based on the information furnished by the school, which was verified by the Committee, the following calculation sheet was prepared by the Committee:

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Delhi High Court Committee ★ For Review of School Fee ★

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	Sr. Sec.	Pre-Primary	Total
	Current Assets + Investments			
	Cash in hand	60,706	1,045	61,751
	Bank Balances	15,785,867	2,747,949	18,533,816
	Fixed Deposits	3,275,158	4,604,117	7,879,275
	Inter School Balances	108,832	(108,832)	-
	Advances recoverable in Cash or Kind	139,944	-	139,944
	Total Current Assets+ Investment	**19,370,507**	**7,244,279**	**26,614,786**
Less	*Current Liabilities*			
	Total Current Liabilities	-	-	-
	Net Current Assets + Investments (Funds available)	**19,370,507**	**7,244,279**	**26,614,786**
Less	**Reserves required to be maintained:**			
	for future contingencies (equivalent to 4 months salary)	7,213,293	-	7,213,293
	for accrued liability towards Leave Encashment as on 31.03.2010	4,157,619	-	4,157,619
	for accrued liability towards Gratuity as on 31.03.2010	9,706,928	-	9,706,928
		(1,707,333)	**7,244,279**	**5,536,946**
Less	**Additional Liabilities after implementation of 6th Pay Commission:**			
	Arrear of Salary as per 6th CPC	8,279,234	-	8,279,234
	Incremental Salary for 2009-10 (as per calculation given below)	7,631,642	-	7,631,642
	Excess / (Short) Fund Before Fee Hike	**(17,618,209)**	**7,244,279**	**(10,373,930)**
Add	**Total Recovery for implementation of 6th Pay Commission:**			
	Arrear of tuition fee	7,692,600	-	7,692,600
	Arrear of development fee	167,800	-	167,800
	Incremental tuition fee for 2009-10 (as per calculation given below)	4,069,062	-	4,069,062
	Excess / (Short) Fund After Fee Hike	**(5,688,747)**	**7,244,279**	**1,555,532**

	Rs.
(1)Development fee refundable being treated as a revenue receipt:	
For the year 2009-10	2,995,300
For the year 2010-11	3,811,200
	6,806,500
(2) Excess Tuition Fee refundable	**1,555,532**
(2) Building Fund recovered in 2009-10, refundable	**610,000**
(3) One time Fee recovered in 2010-11, refundable	**1,609,000**
Total Amount refundable	**10,581,032**

Working Notes:

	2008-09	2009-10
Normal/ regular salary	14,008,237	21,639,879
Incremental salary in 2009-10	**7,631,642**	

	2008-09	2009-10
Normal/ Regular Tuition fee	21,579,903	25,648,965
Incremental tuition fee in 2009-10	**4,069,062**	

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Delhi High Court Committee ★ For Review of School Fee ★

The aforesaid calculations sheet showed that after taking into account the funds available with the school and its requirement to keep funds in reserve for contingencies, accrued liabilities of gratuity and leave encashment, the school had available with it a sum of Rs. 55,36,946 against which the additional expenditure to be incurred by it on account of implementation of VI Pay Commission was Rs. 1,59,10,876 (82,79,234 + 76,31,642). Thus the school needed to bridge a gap of Rs. 1,03,73,930 by way of recovery of arrear fee and incremental tuition fee in the year 2009-10. However, the school recovered a sum of Rs. 1,19,29,462 by way of arrear fee and incremental fee during 2009-10 in pursuance of order dated 11/02/2009. Thus the school, prima facie recovered a sum of Rs. 15,55,532 in excess of its requirements for implementation of the recommendations of VI Pay Commission. Besides, since the school was not fulfilling even the basic pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court, the Committee considered the school was not entitled to recover any development fee. However, it recovered a sum of Rs. 29,95,300 in 2009-10 and Rs. 38,11,200 in 2010-11. Besides, the Committee considered that the recovery of building fund amounting to Rs. 6,10,000 in 2009-10 and Rs. 16,09,000 recovered as one time fee in 2010-11 was contrary to the mandate of order dated 11/02/2009 issued by the Director of Education as well as section 17(3) of the Delhi School Education Act, 1973 since the same was not reported to the Director of Education in the fee schedules filed by it. Thus the Committee prima facie determined that sum of Rs. 1,05,81,032 ought to be refunded to the students.

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Delhi High Court Committee For Review of School Fee

A copy of the calculation sheet prepared by the Committee was provided to the authorized representatives of the school for rebuttal if any.

The school filed written submission dated 20/03/2017 and the authorized representative appearing for the school was heard at length.

He submitted that although the school had treated development fee as a revenue receipt but the same was utilized only for the permitted purposes i.e. purchase of furniture, fixture and equipments. He further submits that the school was not charging any depreciation in its accounts, and hence there was no requirement of any earmarked depreciation reserve fund. He further submitted that in a subsequent year, the school created a capital reserve fund out of the school fund which was equivalent to the written down value of fixed assets which were permitted to acquire out of development fee. Further whatever was left out of development fee charged over the past years was transferred to an earmarked development fund and was clearly invested in demarcated FDRs. The school also created a depreciation reserve fund equivalent to depreciation charged for the past 4-5 years but the same was shown as part of the school fund. Accordingly an opportunity was given to the school to file its balance sheets for subsequent years in which the purported rectifications were carried out in its accounts.

It was also submitted that the Committee has considered some of the fees recovered in 2010-11 as refundable but the liability for gratuity and leave encashment has been considered upto 2009-10.

So far as this contention of the authorized representative is concerned, the Committee has considered only the development fee and one time fee recovered by

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Delhi High Court Committee ★ For Review of School Fee ★

the school in 2010-11 as refundable. The one time fee recovered by the school did not form part of the fee schedules filed by it under section 17(3) of the Delhi School Education Act, 1973 and was therefore clearly illegal. The development fee recovered in 2010-11 was also considered as illegally recovered for the reason that the school was not entitled to recover it as it did not fulfill the requirements laid down for its recovery by the Hon'ble Supreme Court. Otherwise, all the calculations have been made with regard to the funds available with the school as on 31/03/2008 which was latest year prior to the fee hike as per order dated 11/02/2009 and has taken effect of the incremental fee and incremental salary for the year 2009-10 as the order dated 11/02/2009 mandated that no further fee hike would be made by the school in 2009-10 apart from the hike that was permitted w.e.f. 01/09/2008. Accordingly this argument of the authorized representative is rejected.

The authorized representatives then submitted that the school has provided a reserve equivalent to 10% of savings as arrived at with reference to Rule 177 and the same are sacrosanct and the school was obliged to maintain the same and therefore should not have been taken as part of funds available with the school for the purpose of implementation of recommendation of VI Pay Commission.

The order dated 11/02/2009 issued by the Director of Education in exercise of the powers conferred under sub section 3 of Section 17, sub section 3 of Section 24 of the Delhi school Education Act, 1973 read with sub section 4 & 5 of the section 18 of the Delhi School Education Rules, 1973 and with Rules 50, 51, 177 and 180 of Delhi School Education Rules, 1973 all other enabling powers,

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Delhi High Court Committee For Review of School Fee

clearly mandated that a fee hike was not mandatory for recognized unaided school in the NCT of Delhi and further that all schools must first of all explore the possibility of utilizing the existing reserves to meet any shortfall in payment of salaries and allowances, as a consequence of increase in the salaries and allowances of the employees. The aforesaid order dated 11/02/2009 has been upheld by the Hon'ble Delhi High Court in WP (C)7777 of 2009 and as such has become binding on all the Unaided Pvt Schools in Delhi. In view of this , the argument advanced by the authorized representative to the effect that existing reserves could not have been utilized for payment of increased salaries consequent to the recommendations of VI Pay Commission, does not holds any ground. His further submission that the hike in fee was approved by Parent Teacher Association at its meeting held on 05/04/2009 and as such the hike in fee was justified and in accordance with the order dated 11/02/2009. The Hon'ble Delhi High Court in the aforesaid judgment in WP (C) 7777 of 2009 has held that the clause regarding approval of Parent Teacher Association is contrary to the law laid down by the Hon'ble Supreme Court and the Parent Teacher Association has no role to play in the fixation of fees by the school.

It was lastly submitted that Sahodya Sr. Sec School is a minority institution and therefore its right to administer the school is covered under article 30 of the constitution and has relied upon the judgment of the Hon'ble Supreme Court in the case of TMA Pai Foundation & vs. State of Karnataka.

In the aforesaid judgment in WPC 7777 of 2009, the Hon'ble Delhi High Court has considered this judgment of the Hon'ble Supreme Court and has

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Delhi High Court Committee For Review of School Fee

concluded that the order dated 11/02/2009 issued by the Director of Education is applicable to minority institution also. Accordingly this argument of the school is also rejected.

The school was given an opportunity to file its balance sheets for the years in which the purported rectification entries regarding development fund and depreciation reserve fund were carried out within 10 days. However, even after 22 days the school has not filed the balance sheets. Accordingly the Committee concludes that the school cannot support its contention made during the course of hearing.

In view of the aforesaid discussion, the Committee is of the view that no interference is required to be made in its preliminary calculations determining that the school ought to refund a sum of Rs. 1,05,81,032. The Committee recommends the same to be done along with interest @ 9% per annum from the date of collection to the date of refund.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K.Sharma
(Member)

Date: 18/04/2017

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Delhi High Court Committee * For Review of School Fee *

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

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

In the matter of:

New Green Field School, Saket, New Delhi (B-667)

Present: Sh. Ashwani Parbhakar, Manager, Sh. Naveen Chawla, Chartered Accountant of the school.

Recommendations of the Committee

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission. As the school did not furnish reply to the same, a reminder dated 27/03/2012 was sent to the school. The school did not respond to the reminder also. Again a detailed questionnaire was sent to the school, incorporating therein certain relevant questions regarding the justifiability of charging development fee on 11/09/2013. The school furnished its reply vide its letter dated 23/09/2013. As per the reply submitted by the school,

(a) It had implemented the recommendations of VI Pay Commission w.e.f. 01/03/2009.

(b) It paid arrears of salary w.e.f. 01/01/2006 to 28/02/2009.

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(c) The school increased the tuition fee of the students w.e.f. 01/09/2008 @ Rs. 200 per month.

(d) The school collected Rs. 2,500 per student as lump sum fee for the period 01/01/2006 to 31/08/2008.

(e) The school did not charge any development fee for the years 2006-07 to 2010-11 for which the information was sought by the Committee.

Based on the audited financials of the school, the Chartered Accountants attached with this Committee made the relevant calculations and determined that the school had available with it a sum of Rs. 10,38,37,528 as on 31/03/2008, as against which the financial impact of the recommendations of VI Pay Commission was Rs. 2,54,46,228.

The Committee issued a notice dated 26/05/2015 seeking information about the aggregate amounts regular tuition fee, arrear fee, regular salary and arrear salary in a format it devised to facilitate the calculations. The information was duly submitted by the school on 09/11/2015.

In order to provide an opportunity to the school to justify the fee hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education, a notice dated 30/12/2016 was issued to the school requiring it to to appear before the Committee on 30/01/2017 and to produce its books of accounts and other relevant records for verification by the Committee. However, since term of this Committee expired on 31/12/2016, the hearing was rescheduled for 14/03/2017 after the term of the Committee was extended

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Delhi High Court Committee For Review of School Fee

by the Hon'ble Delhi High Court. On this date, Sh. Ashwani Prabhakar, Manager and Sh. Navin Chawla, Chartered Accountant of the school appeared and produced the required records which were examined by the Committee. The authorized representatives of the school were also heard by the Committee.

The Committee examined the circular dated 25/02/2009 issued by the school to the parents of the students regarding fee hike in pursuance of order dated 11/02/2009 issued by the Director of Education. As per the circular, the school hiked the tuition fee by Rs. 200 per month w.e.f. 01/09/2008 and accordingly recovered arrears of Rs. 1400 for the period 01/09/2008 to 31/03/2009. Besides, the school also recovered lump sum arrear fee of Rs. 2,500 per student for covering the salary arrears for the period 01/01/2006 to 31/08/2008. The circular does not mention about any increase in development fee. During the course of hearing, the authorized representatives appearing for the school have clarified that the school does not charge any development fee.

The Committee then examined the audited financials of the school and observed that there was development fund reflecting in the balance sheet. The authorized representatives clarified that the school fund has been given the nomenclature of the development fund and it was not accumulated by any development fee that might have been charged by the school.

The Committee examined the balance sheet of the school as on 31/03/2008 which was the last audited balance sheet available prior to fee

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Delhi High Court Committee ★ For Review of School Fee ★

hike. The Committee observed that the school had a total sum of Rs.10,72,05,378 as its current assets which mainly comprised of balance in saving bank accounts, fixed deposit account and interest accrued on fixed deposit. As against this, current liabilities payable by the school were Rs. 11,67,300 towards student security deposit, Rs. 950 as fee received in advance, Rs. 17,31,257 as salary payable and Rs. 4,65,691 as expenses payable. In all the total current liabilities of the school amounted to Rs. 33,65,198. Thus the net current assets i.e. the funds avialble with the school as on 31/03/2008 were Rs. 10,38,40,180 (10,72,05,378 – 33,65,198).

The requirement of reserves to be kept by the school is calculated as follows:

Amount equivalent to four months' salary for the year 2009-10 to be kept as contingency reserve	1,12,67,960
Reserve for accrued liability of gratuity as on 31/03/2010 as per the statement filed by the school	1,74,31,893
Reserve for accrued liability of leave encashment as on 31/03/2011 as per the statement filed by the school	52,20,854
Total	**3,39,19,707**

Thus the funds, which in the opinion of the Committee were available with the school which could have been utilized for implementing the recommendations of VI Pay Commission were Rs. 6,99,20,473 (10,38,40,180 - 3,39,19,707).

The total salary arrears that were paid by the school in terms of recommendations of VI Pay Commission were Rs. 1,55,63,670 as per the statement filed by the school. Further the incremental salary in the year 2009-10 that resulted on account of increase in salary as per the recommendations of VI

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For Review of School Fee

Pay Commission amounted to Rs. 1,03,64,418. Thus the total financial impact of the implementation of the recommendations of VI Pay Commission was Rs. 2,59,28,080 (1,55,63,670 + 1,03,64,418).

It is apparent from the above discussion that the school had sufficient funds of its own for implementing the recommendations of VI Pay Commission and did not need to hike any fee or recover any arrear fee. However, the school admittedly recovered a total sum of **Rs. 1,15,09,650** as arrear fee for the period 01/01/2006 to 31/03/2009 and the incremental tuition fee in 2009-10 as a result of hike in tuition fee as per order dated 11/02/2009 amounted to **Rs. 76,00,590** in the year 2009-10. Thus the total additional fee collected by the school in pursuance of order dated 11/02/2009 of the Director of Education amounted to **Rs. 1,91,10,240,** which in the opinion of the Committee was unjustified in view of the funds already held by the school prior to fee hike. In fact even after the payment of arrears and increased salaries on account of implementation of the recommendations of VI Pay Commission, the school would have been left with Rs. 4,39,92,393 (6,99,20,473 - 2,59,28,080) in its kitty.

The authorized representative appearing for the school submitted that in a meeting of the Managing Committee held on 6th Sept. 2007, it was resolved that a proper basket ball ground should be prepared and the vacant land available in school should be cleaned and filled up so that the buses could be parked within the school complex and the school have earmarked funds for these purposes. On a query by the Committee, he submitted that a sum of Rs. 23,11,300 was spent on

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New Green Field School, Saket, New Delhi (B-667)

Delhi High Court Committee for Review of School Fee

the basket ball court and Rs. 72,52,524 was spent on the land and other development in the school in the year 2009-10 and 2010-11.

Although the Committee is of the view that the school could not have given preference to the expenditure to be incurred for repairing basket ball court and development of land when it had to meet its statutory obligation of payment of increased salaries on account of implementation of the recommendations of VI Pay Commission as Rule 177 of the Delhi School Education Rules, 1973, the order dated 11/02/2009 issued by Director of Education as well as judgment of the Hon'ble Delhi High Court in WP (C) 7777 of 2009 vide which this Committee was constituted clearly mandated that the school ought not to increase the fee and pass the burden of implementation of the recommendations of VI Pay Commission to the parents of the students if it had sufficient funds of its own at its disposal, the school would still have surplus fund to the tune of Rs. 3,44,28,569 after incurring these capital expenditures.

The authorized representatives of the school then contended that a sum of Rs. 6,31,48,435 was spent for purchase of land at Neb Sarai in 2009-10 and 2010-11 and therefore the fee hike was justified.

The sum and substance of the submissions are that the hike in school fee was necessary to meet these capital expenditure incurred by the school. the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583 had held that the capital expenditure cannot form part of fee structure.

Order dated 11/02/2009 was issued for allowing the schools to hike fee specifically for the purpose of implementation of the recommendations of VI Pay

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Delhi High Court Committee ★ For Review of School Fee ★

Commission. It categorically stated that a fee hike is not mandatory and that all the schools must first of all explore the possibilities for utilizing the existing reserves to meet the short fall in payment of salaries and arrears and after that only if any school feels it necessary to hike the tuition fee, it will do so in accordance with the slabs prescribed in the order. The hike in tuition fee in pursuance of this order would not have been utilized for purchase of land or for any other purposes.

The authorized representative appearing for the school then sought some time to make written submissions. The school was given one week's time to do so and the matter was directed to be relisted on 12/04/2017. Surprisingly, on 12/04/2017, the school filed an application seeking 10 days more time to file the written submissions. The Committee granted 10 days time to the school to file its written submissions as was requested.

The school filed its written submissions on 19/04/2017 and submitted certain calculations which showed a saving of Rs. 3,30,78,820 as worked out under Rule 177 (2) of the Delhi School Education Rules, 1973. However, it contended that a sum of Rs. 1,49,99,050 was spent on capital expenditure and it was covered under proviso to Rule 177 (1) and a sum of Rs. 3,36,76,540 was on account of specific receipts on account of activity fee and annual fee, which was covered under Rule 177(3) and therefore, the school did not have any surplus fund.

The Committee has considered the written submissions filed by the school and finds that the same are not tenable in view of the fact that Rule

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Delhi High Court Committee * For Review of School Fee *

177 itself states that the first charge on the fee shall be the salary and allowances payable to the staff. If at all, there is surplus after payment of salaries, the other sub rules would apply. As we have found that the funds available with the school were much more than the incremental salary and arrears payable to the staff on account of implementation of recommendations of VI Pay Commission, the school was not justified in hiking any fee at all or to recover any arrear fee. The school admittedly recovered a total sum of Rs. 1,15,09,650 as arrear fee for the period 01/01/2006 to 31/03/2009 and the incremental tuition fee in 2009-10 as a result of hike in tuition fee as per order dated 11/02/2009 which amounted to Rs. 76,00,590 in the year 2009-10. The total additional fee thus recovered by the school in pursuance of order dated 11/02/2009 of the Director of Education amounted to Rs. 1,91,10,240, which the school ought to refund along with interest @ 9% per annum from the date of collection to the date of refund.

Recommended accordingly.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K. Sharma
(Member)

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Delhi High Court Committee For Review of School Fee

Date: 24/04/2017