

WP(C) 1777/2009

Delhi Abhibhavak Mahasangh &amp; Ors.

Vs.

Govt. of NCT of Delhi &amp; Ors.


## Report of Delhi High Court Committee for Review of School Fee for April 2018

No.DHCC/2018/10

Dated: 14/05/2018

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(a)	Final recommendations/ Review orders passed in the following cases:-		
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	1	10.04.2018	Recommendation in respect of <b>St. George's School, Alaknanda (B-668)</b> recommending regularisation of excess fee charged by the school.
	2	16.04.2018	Recommendation in respect of <b>St. John's School, Masjid Moth, Greater Kailash-III (B-688)</b> recommending regularisation of excess fee charged by the school.
	3	17.04.2018	Recommendation in respect of <b>VSPK International School, Sector-13, Rohini (B-602)</b> recommending refund of unjustified fee hike alongwith 9% interest.
	4	20.04.2018	Recommendation in respect of <b>Saraswati Vidyalaya Sr. Sec. School for Girls, Daryaganj (B-407)</b> recommending no intervention as the school refunded the excess fee charged by it during the course of hearing itself.
	5	20.04.2018	Recommendation in respect of <b>Arwachin Bharti Bhawan Sr. Sec. School, Vivek Vihar (B-336)</b> recommending no intervention.
	6	20.04.2018	Recommendation in respect of <b>The Mother's International School, Sri Aurobindo Marg (B-188)</b> recommending refund of unjustified fee hike alongwith 9% interest.
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Place: Delhi

  
 Secretary

Delhi High Court Committee for Review of School Fee

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

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

**In the matter of:**

**St. George's School, Alaknanda, New Delhi-110019 (B-668)**

Present: Sh.Gopan P.K., Finance Manager & Sh.Jinu Samuel, Accountant of the School.

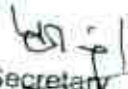
**Order of the Committee**

The school submitted copies of its annual returns and fee statements for the years 2006-07 to 2010-11, details of salary paid to the staff before implementation of VI Pay Commission and after its implementation and copy of the circular issued to the parents with regard to fee hike pursuant to order dated 11/02/2009 issued by the Director of Education with the Dy. Director of Education (South) (DDE). These were forwarded to the office of the Committee by the DDE.

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission which was followed by a reminder dated 27/03/2012. However, the school did not

St. George School, Alaknanda, New Delhi/B-668/Order

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respond to the same. Consequently, the Committee issued a fresh questionnaire on 12/09/2013. This time, the school responded and vide its letter dated 28/10/2013, it submitted that it had filed the reply on 12/09/2013 in the office of the Directorate of Education. A copy of the reply submitted to the Directorate of Education was also filed by the school.

The reply of the school was in the shape of 11 annexures with short answers to the questions. These annexures did not convey the exact answers to the questions raised by the Committee. However, as per the circular dated 17/03/2009 issued to the parents pursuant to order dated 11/02/2009, the school demanded a sum of Rs. 6,243 towards arrears. The break up of this amount was mentioned as Rs. 3,000 towards lump sum arrears for the period 01/01/2006 to 31/08/2008 and Rs. 2100 towards arrears for the period 01/09/2008 to 31/03/2009. The balance of Rs. 1143 was demanded as the arrears of incremental development fee for the period 01/09/2008 to 31/03/2009.

With regard to development fee, the school furnished detail of the collection of development fee and its utilisation for the years 2005 to 2009. It further stated that the development fee was capitalized and shown as development fund in the balance sheet. To the extent, the development fee was utilised for meeting cost of assets, it was transferred to general fund. Depreciation was provided on the fixed assets. However, the school conceded that depreciation reserve fund and unutilised development fund were not kept



in earmarked bank accounts, FDRs or investments. Thus, at the threshold itself, the school conceded that it was not fulfilling all the necessary pre conditions, on fulfillment of which only the school could charge development fee as per the ratio of the judgment of the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583.

As the information given in the reply to the questionnaire was not fully intelligible, the school was advised to furnish specific information in reply to the questions. The school vide its letter dated 21/11/2013, submitted the specific information, which is as under:

- (a) The total salary paid by the school for the month of February 2009 was Rs. 17,96,647 prior to implementation of the recommendations of VI Pay Commission, it rose to Rs. 26,93,133 for the month of March 2009 after implementation of the recommendations of VI Pay Commission.
- (b) The school paid a total sum of Rs. 45,86,619 as arrears of salary for the period 01/09/2008 to 31/03/2009 in March 2009.
- (c) The school paid a sum of Rs. 1,21,60,167 towards arrears for the period 01/01/2006 to 31/08/2008 in two installments in October 2009 and March 2010. Further, a sum of Rs. 43,96,079 was paid to the staff who had left the school.

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(d) The school collected a sum of Rs. 60,14,032 towards arrear fee for the period 01/01/2006 to 31/08/2008 and Rs. 58,46,980 for the period 01/09/2008 to 31/03/2009.

The Committee issued a notice dated 26/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period 01/04/2006 to 31/03/2011, details of the accrued liabilities of the school for gratuity and leave encashment. The school did not comply with this notice issued by the Committee. Consequently, the Committee issued a fresh notice requiring the school to appear before it on 10/09/2015.

The school furnished the details sought by the Committee vide its aforesaid notice on the date of hearing itself. The Committee noticed that the school had not furnished the information with regard to the arrears of development fee recovered by it for the period 01/09/2008 to 31/03/2009.

The authorized representatives who appeared for the school submitted that it had not furnished this information as the school has capitalized the arrears of development fee, and they were under the impression that it was required to be furnished only if the school treated it as a revenue receipt. The Committee also noticed that the school had not furnished the employee wise details of accrued liabilities of gratuity and leave encashment. The school was directed to furnish the missing information within seven days.

During the course of hearing, the Committee verified the payments of arrears of salary with the copies of the bank statements which were filed by the school. The same were found to be in order. The remaining information was also examined with reference to the audited financials of the school. The authorized representatives were partly heard in the matter and they submitted that although, clause 15 of the order dated 11/02/2009 issued by the Director of Education permitting the school to hike the fee was open to two interpretations when read along with clause 14, even if the school wrongly recovered arrears of development fee for the period 01/09/2008 to 31/03/2009 in excess of what was permitted, since the school incurred deficit on implementation of the recommendations of VI Pay Commission even after accounting for the excess fee recovered by it, the Committee ought to regularize the same as the Committee is vested with the power to recommend a fee hike higher than what had been allowed by the Director of Education in terms of its mandate given by the Hon'ble High Court in WP(C) 7777 of 2009. However,



since the details of arrears of development fee charged by the school had not been furnished, the Committee reserved its views on this aspect.

The school furnished the details of arrears of development fee and employee wise details of its accrued liabilities of gratuity on 17/09/2015. As per the detail submitted, the school collected a sum of Rs. 22,88,153 towards arrears of development fee. Its accrued liability for gratuity as on 31/03/2010 was Rs. 1,05,32,130. With regard to its accrued liability for leave encashment, the school submitted that there was no such liability as the leave entitlement is either availed off by the staff or encashed by them.

The matter could not be concluded due to change in constitution of this Committee on account of resignation of Justice Anil Dev Singh (Retd.). A fresh notice dated 20/03/2018 was issued to the school by the reconstituted Committee, requiring it to appear before it on 10/04/2018. The school put in its appearance through Sh. Gopan P.K., its Finance Manager and Sh. Jinu Samuel, its Accountant.

The Committee examined the preliminary calculation sheet prepared by it as per which, it arrived at the following conclusions:

- (a) The total current assets + investments of the school as on 31/03/2008 were to the tune of Rs. 32,55,992, as per details below:

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<u>Current Assets + Investments</u>	
Cash in Hand	12,526
Balance with Scheduled Banks	2,338,106
Deposits	10,500
Advances	894,860
<b>Total</b>	<b>3,255,992</b>

(b) The total current liabilities of the school as on that date were to the tune of Rs. 70,67,229, as per details below:

<u>Current Liabilities</u>	
Caution Money	6,611,325
Security Deposits	291,515
Expenses Payable	164,389
<b>Total</b>	<b>7,067,229</b>

The above showed an anomalous position. The position reflected that the school did not have sufficient funds even to meet its current liabilities. Current liabilities would normally exceed current assets only where short term funds were diverted for long term investments like investment in fixed assets etc. or where the funds were diverted for other use by the Parent Society. Such capital expenditure or diversion of funds to the Parent Society cannot be incurred or paid out of the fee charged by the schools and cannot form part of the fee structure of the school as per the ratio of the decision of the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583. Hence it became necessary to examine as to where the school was diverting its funds. The Committee observed that the school had taken secured loans



from banks for the purpose of acquisition of fixed assets and the repayment of such loans and payment of interest thereon was being made out of the fee charged from the students. This resulted in a mismatch between the current assets and current liabilities.

As the school was funding its fixed assets out of the fee of the students, which normally should have been done out of the funds contributed by the Parent Society, the Committee worked out as to how much diversion had taken place during the years 2005-06 to 2009-10 so as to work out the figure of funds that ought to have been available with the school for the purpose of implementing the recommendations of VI Pay Commission. The Committee, on examining the audited financials of the school arrived at the following figures:

<b>Funds utilised in repayment of secured loans and interest thereon from 2005-06 to 2009-10</b>	
Decrease in Secured Loans in 2005-06	3,714,134
Decrease in Secured Loans in 2006-07	3,540,079
Decrease in Secured Loans in 2007-08	2,555,557
Decrease in Secured Loans in 2008-09	3,784,724
Decrease in Secured Loans in 2009-10	5,003,063
Interest on loans paid in 2005-06	1,632,031
Interest on loans paid in 2006-07	1,274,606
Interest on loans paid in 2007-08	942,827
Interest on loans paid in 2008-09	996,596
Interest on loans paid in 2009-10	523,590
<b>Total Diversion of funds towards repayment of loans and interest</b>	<b>23,967,207</b>

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Accordingly, the Committee considered that the school would have had a sum of **Rs. 2,01,55,970** available with it, had the funds not been diverted for repayment of loan and interest. This was arrived at as follows:

Particulars	Amount (Rs.)
Current Assets	32,55,992
Add Funds diverted for repayment of loans and interest	2,39,67,207
<b>Total</b>	<b>2,72,23,199</b>
Less Current Liabilities	70,67,229
<b>Funds that ought to have been available</b>	<b>2,01,55,970</b>

The Committee has taken a view in case of all the schools that the entire funds available with the school ought not be considered as available for the purpose of implementation of VI Pay Commission, but the school ought to retain with it reserves sufficient for meeting its accrued liability of gratuity and leave encashment, besides maintaining a reasonable reserve for future contingencies, which the Committee has been taking to be equivalent to four months salary.

As noticed above, the school stated that it did not have any accrued liability of leave encashment as on 31/03/2010. However, it had a liability of Rs. 1,05,32,130 towards gratuity as on 31/03/2010. Further, the Committee determined the requirement of the school to keep funds in reserve for future contingencies to be Rs. 1,28,18,627. Thus a total of Rs. 2,33,50,757 was the



requirement of the school to keep funds in reserve. As noticed above, even after considering the funds diverted by the school for repayment of loans taken for acquiring fixed assets, the funds that can be deemed to be available with the school amounted to Rs. 2,01,55,970 which is less than the requirement of the school to keep funds in reserve. Therefore, the Committee is of the view that the school did not have any funds of its own which could have been utilised by it for implementing the recommendations of VI Pay Commission. Thus a fee hike was necessary for this purpose. Whether the additional expenditure that befell on the school on implementation of recommendations of VI Pay Commission, justified the fee hike effected by the school or the fee hike resulted in excessive or deficient additional revenues, is the question to be determined by the Committee.

The total additional expenditure incurred by the school on implementation of the recommendation of VI Pay Commission amounted to Rs. 3,14,47,714 upto 31/03/2010 as per the following details:

<b>Additional Liabilities after implementation of 6th CPC :</b>	
Arrear of Salary as per 6th CPC from 1.1.06 to 31.8.08	14,331,547
Arrear of Salary as per 6th CPC from 1.9.08 to 31.3.09	4,586,619
Incremental Salary in 2009-10 (as per calculation below)	12,529,548
<b>Total</b>	<b>31,447,714</b>

	<b>2008-09</b>	<b>2009-10</b>
Normal/ Regular Salary	25,926,332	38,455,880
<b>Incremental salary 2009-10</b>	<b>12,529,548</b>	

The school hiked the regular tuition fee by Rs. 300 per month. Besides, it recovered a sum of Rs. 3,000 towards lump sum arrear fee for the period 01/01/2006 to 31/08/2008 and the arrears of incremental fee at the rate of Rs. 2100 per student for the period 01/09/2008 to 31/03/2009. The arrears of incremental development fee for this period were recovered by the school at the rate of Rs. 1143 per student.

For the purpose of making relevant calculations, we will deal separately with the arrears of incremental development fee recovered by the school. The additional revenue generated by the school by way of recovery of lump sum arrear fee for the period 01/01/2006 to 31/08/2008, arrears of incremental tuition fee for the period 01/09/2008 to 31/03/2009 and incremental tuition fee for the period 01/04/2009 to 31/03/2010. The school generated a total additional revenue of Rs. 1,92,22,349 as per the following details:

<b>Additional Recovery for 6th Pay Commission:</b>	
Arrear of tuition fee from 1.1.06 to 31.8.08	6,014,032
Arrear of tuition fee from 1.9.08 to 31.3.09	4,284,280
Incremental tuition fee in 2009-10 (as per calculation below)	8,924,037
<b>Total</b>	<b>19,222,349</b>

It is apparent from the above that the school incurred a **deficit of Rs. 1,22,25,365.** The total development fee recovered by the school and capitalized during the years 2009-10 and 2010-11 amounted to Rs. 1,56,05,082. This included a sum of Rs. 22,88,153 which was the arrears of incremental development fee for the period 01/09/2008 to 31/03/2009. As

stated above, this component of incremental fee is being dealt with separately by us. The remaining amount of Rs. 1,33,16,929 charged by the school for these two years was without complying with the pre conditions laid down by Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School (supra). Since the school incurred a deficit of Rs. 1,22,25,365 and since the school did not have sufficient funds even to keep adequate reserves for its liabilities of gratuity and for future contingencies ( the deficiency on this score amounted to Rs. 31,94,787 i.e. Rs. 2,01,55,970 - Rs. 2,33,50,757), the Committee is not inclined to direct refund any part of development fee charged by the school in the years 2009-10 and 2010-11 as that went into meeting the deficiency on implementation of the recommendations of VI Pay Commission.

The last question to be considered by the Committee is with regard to the arrears of incremental development fee recovered by the school for the period 01/09/2008 to 31/03/2009. The school submitted that the total amount recovered on this account was Rs. 22,88,153. The Committee notices that the school was charging development fee @ 10% of tuition fee in the year 2008-09. Clause 15 of the order dated 11/02/2009 issued by the Director of Education permitted the schools to increase the development fee w.e.f. 01/09/2008 which would be consequential to the increase in tuition fee with effect from the same date. As noticed above, the school increased the tuition fee by Rs. 300 per month w.e.f. 01/09/2008. This would have occasioned an increase in development fee by Rs. 30 per month and the total arrear of development fee

recoverable from the students for the period 01/09/2008 to 31/03/2009 would have been Rs. 210 per student. However, as noticed above, the school recovered the arrear of development fee for this period @ Rs. 1143 per student i.e. Rs. 163 per month (approx). Therefore, the school recovered arrears of incremental development fee for the period 01/09/2008 to 31/03/2009 in excess of what was permitted by order dated 11/02/2009 issued by the Director of Education by a sum of Rs. 933 per student.

The incremental development fee that was actually recovered by the school amounted to Rs. 22,88,153 whereas the school could have collected only a sum of Rs. 4,28,428 i.e. 10% of Rs. 42,84,280 which were recovered by it as arrears of incremental tuition fee for the period 01/09/2008 to 31/03/2009. Thus the school recovered a sum of Rs. 18,59,725 in excess of what was permitted by order dated 11/02/2009 issued by the Director of Education. In normal course, the Committee would have recommended its refund. However, the authorized representatives who appeared for the school submitted that this was not done intentionally but the decision was taken on account of misunderstanding of clauses 14 and 15 of the order dated 11/02/2009 and the school was of the view that it would increase the rate of development fee from 10% to 15% of the tuition fee and accordingly worked out the rate of incremental development fee. At any rate, he submitted that even this additional sum of Rs. 18,59,725 was utilised to meet the deficiency that arose on implementation of recommendations of VI Pay Commission and since this Committee is also authorized to recommend a hike in fee over and above



what was permitted by the Director of Education by its order dated 11/02/2009, the Committee ought to regularize the excess development fee recovered by it for the period 01/09/2008 to 31/03/2009 as even after taking this amount into consideration, the school was still in deficit.

There is force in the contentions raised by the authorized representatives of the school. The Hon'ble Delhi High Court, while constituting this Committee, observed in para 83 as follows:

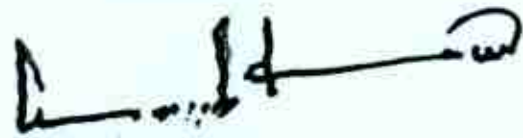
**83. We reiterate that the fee hike contained in orders dated 11.02.2009 was by way of interim measure. There is a need to inspect and audit accounts of the schools to find out the funds to meet the increased obligation cast by the implementation of VIth Pay Commission and on this basis, to determine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

In view of the mandate given to this Committee by the Hon'ble High Court, and in view of the fact that this school has been able to make out a case for higher increase in fee than was permitted by order dated 11/02/2009 issued by the Director of Education, the Committee is of the view that the excess development fee recovered by the school to the tune of Rs. 18,59,725, needs to be regularized. The school is not asking for any further hike in fee other than what it has already recovered.



**Conclusion:**


In view of the foregoing discussion, this Committee refrains from recommending the refund of excess development fee of Rs. 18,59,725 charged by the school for the period 01/09/2008 to 31/03/2009 and regularizes the same.



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



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



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

Dated 10/04/2018

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Secretary





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

**In the matter of:**

**St. John's School, Masjid Moth, Greater Kailash-III, New Delhi-  
110048 (B-688)**

Present: Nemo.

**Order of the Committee**

The school submitted copies of its annual returns and fee statements for the years 2006-07 to 2010-11, details of salary paid to the staff before implementation of VI Pay Commission and after its implementation and statement of fee structure for 2008-09 and 2009-10, consequent to fee hike as per order dated 11/02/2009 issued by the Director of Education with the Dy. Director of Education (South) (DDE). These were forwarded to the office of the Committee by the DDE.

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission which was followed by a reminder dated 27/03/2012.

St. John's School, Masjid Moth, Greater Kailash-III/Order

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*[Signature]*  
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However, the school did not respond to the same. Consequently, the Committee issued a fresh questionnaire on 31/05/2013. This time, the school responded and vide its letter dated 07/11/2013, it submitted as follows:

- (a) It implemented the recommendations of VI Pay Commission and started paying the increased salary from July 2009. However, it did not pay the arrears of salary which would have been payable on account of the recommendations being effective from 01/01/2006. At the same time, it stated that it had not recovered any fee arrears from the students also.
- (b) The regular tuition fee was increased w.e.f. 01/04/2009 in accordance with the order dated 11/02/2009 issued by the Director of Education.
- (c) The school charged development fee in all the five years for which the information was sought by the Committee i.e. 2006-07 to 2010-11. In particular, it recovered a sum of Rs. 2,07,025 in 2009-10 and Rs. 1,62,250 in 2010-11 on this account. The same was treated as a revenue receipt and utilised for meeting routine revenue expenses.

It would be apparent that the school at the threshold itself admitted that the school was not fulfilling any of the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School vs.



Union of India ( 2004) 5 SCC 583, which required the school to treat the development fee as a capital receipt and to utilise the same for purchase of upgradation of furniture and fixture and equipments.

The Committee issued a notice dated 26/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period 01/04/2006 to 31/03/2011, details of the accrued liabilities of the school for gratuity and leave encashment. The school did not comply with this notice issued by the Committee. Consequently, the Committee issued a fresh notice requiring the school to appear before it on 01/09/2015.

On the date of hearing, Sh. Thomas Philip, Secretary and Sh. Raji Varghese, Treasurer of the Parent Society appeared along with Sh. Jolly P.S. Accountant of the school. They furnished an inchoate reply to the

notice issued by the Committee and submitted that the school was an unaided Christian Minority Middle School and had a low student strength of only 369 from class nursery to class VIII. Further the income of the school was very limited.

The Committee required the school to furnish complete information as sought by it. The school was also required to produce its books of accounts, bank statement, fee and salary record before the audit officer of the Committee for verification of the information furnished by the school.

On 11/09/2015, Sh. Varghese and Sh. Jolly produced the relevant records before the audit officer of the Committee, which were verified by her. She recorded that the school had increased the tuition fee in 2009-10 to the following extent:

Class	Tuition 2008-09 (Rs.)	Fee	Tuition 2009-10 (Rs.)	Fee	Increase in 2009-10 (Rs.)
Nursery & KG	550		800		250
I & II	625		900		275
III & IV	715		950		235
V	715		1100		385
VI to VIII	770		1100		330

It was noted by her that the school was authorized to increase the tuition fee by a maximum of Rs. 200 per month as per order dated 11/02/2009 issued by the Director of Education. However, the actual

increase effected by the school was more than that was authorized by the aforesaid order. She also confirmed that the school had not charged any arrear fee from the students, while at the same time, it did not pay any arrear salary to the staff too. She also recorded that there were some minor variances between the figures that emanated from the books of accounts of the school vis a vis those which were carried to the balance sheet. The recommendations of VI Pay Commission were implemented by the school w.e.f. July 2009 and the school had been paying salary through direct bank transfer to the accounts of the staff.

A fresh notice of hearing was issued to the school for 20/10/2015. On this date, Sh. Verghese and Sh. Jolly again appeared and were heard by the Committee. The Committee also perused the observations made by the audit officer and concluded that not much was to be read in the minor discrepancies between the books of accounts and the audit balance sheet. The representatives of the school submitted that at the time of audit, certain adjustments are made in the financials of the school, as suggested by the auditors, but inadvertently such adjustments are not made in the books of accounts. With regard to hike in fee which was more than what was permitted to the school, the authorized representatives submitted that in view of the poor financial position of the school, it could not have implemented the recommendations of VI Pay Commission without hiking the fee, to the extent it did as the school was originally charging a very low amount of fee. It was further

submitted that even the higher fee hike was not sufficient for the school to absorb the additional expenditure on salary on account of implementation of the recommendations of VI Pay Commission. They submitted that the higher fee hike effected by the school ought to be regularized by the Committee in view of the deficit incurred by the school on implementation of the recommendations of VI Pay Commission. However, the matter could not be concluded on account of the resignation of Justice Anil Dev Singh (Retd.) as Chairman of the Committee. A fresh notice of hearing was issued by the reconstituted Committee for hearing the school <sup>for</sup> today. However, no body appeared on behalf of the school. The Committee, in order to examine the justifiability of the fee hike effected by the school, prepared the following calculation sheet based on its audited balance sheet as on 31/03/2009 and the information furnished by the school in response to the notices issued by the Committee and during the course of hearing.

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Statement showing Fund available as on 31.03.2009 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash	30,420	
	Bank Balances	712,459	
	FDRs with accrued interest thereon	557,958	
	TDS on FDs	28,002	
	Fee receivable	7,300	1,336,139
<b>Less</b>	<u>Current Liabilities</u>		
	Student Security Deposit	501,600	
	EWS Grant	1,768	
	Fees received in advance	421,100	
	Electricity & Water payable	6,182	
	TDS payable	1,229	
	Telephone Expenses payable	1,938	
	Audit Fee payable	4,500	
	Salary payable	251,725	
	Security Service payable	6,602	
	PF Payable	45,613	
	Transportation Expenses payable	56,300	
			1,298,557
<b>Less</b>	<b>Net Current Assets + Investments (Funds Available)</b>		<b>37,582</b>
	<b>Additional Liabilities on implementation of 6th CPC:</b>		
	Incremental Salary for 2009-10 (as per calculation below)	1,527,392	1,527,392
	<b>Excess / (Short) Fund Before Fee Hike</b>		<b>(1,489,810)</b>
<b>Add</b>	<b>Additional Recovery for 6th CPC:</b>		
	Incremental tuition fee for 2009-10 (as per calculation below)	1,141,285	1,141,285
	<b>Excess / (Short) Fund After Fee Hike</b>		<b>(348,525)</b>

**Development fee refundable being treated as revenue receipt:**

For the year 2009-10	Rs.
For the year 2010-11	207,025
<b>Total</b>	<b>162,250</b>
<b>Less: Shortfall in tuition fee</b>	<b>369,275</b>
	<b>(348,525)</b>
	<b>20,750</b>
<b>Less: Reserves required to be maintained:</b>	
for future contingencies (equivalent to 4 months salary)	1,717,674
	<b>(1,696,924)</b>

**Working Notes:**

	<b>2008-09</b>	<b>2009-10</b>
Normal/ regular salary	3,625,630	5,153,022
<b>Incremental salary in 2009-10</b>	<b>1,527,392</b>	
	<b>2008-09</b>	<b>2009-10</b>
Normal/ Regular Tuition fee	3,224,507	4,365,792
<b>Incremental tuition fee in 2009-10</b>	<b>1,141,285</b>	

St. John's School, Masjid Moth, Greater Kailash-III/ Order

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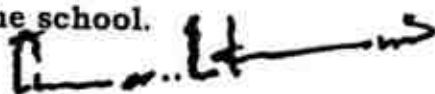
For the purpose of making the relevant calculations, the Committee has taken the figures of actual fee hike effected by the school.

The above calculations show that the school had a paltry sum of Rs.37,582 available with it as on 31.3.2009. It prospectively hiked the fee after the issuance of order dated 11/02/2009 issued by the Director of Education, at the rates which have been noticed earlier and which were more than the rates at which the school could have increased the fee. The school prospectively increased the salary of the staff in terms of the recommendations of the 6<sup>th</sup> pay commission w.e.f. 01/07/2009. While the total incremental liability on account of increased salary amounted to Rs.15,27,392, the incremental revenue generated by the school by way of fee hike for the year 2009-10 amounted to Rs.11,41,285. After considering the funds available with the school at the threshold, the school incurred a deficit of Rs.3,48,525. This amount of deficit has been worked out without taking into consideration the requirement of the school to keep funds in reserve for future contingencies. Though the school was not fulfilling the pre conditions prescribed for charging of development fee as it was treating the same as a revenue receipt and utilizing the same for meeting its revenue expenses, the total collection under this head in the years 2009-10 & 2010-11 amounted to Rs.3,69,275. Keeping in view the deficit incurred






by the school on implementation of the recommendations of the 6<sup>th</sup> pay commission albeit prospectively and the requirement of the school to keep funds in reserve, the committee is of the view that no intervention is called for in the matter of fee hike effected by the school w.e.f. 1.4.2009 prospectively, despite the same being more than the hike permitted by the Director of Education. **It is to be noted that as per the mandate of the Hon'ble Delhi High Court in WP (C) 7777 of 2009, where the schools claim that the hike permitted by the Directorate was not sufficient for the schools to implement the recommendations of VI Pay Commission, and the schools are able to establish such a claim before this Committee, the Committee has the power to recommend a higher fee than what is permitted by the Directorate vide order dated 11/02/2009. In this case, the Committee is satisfied that the school required a higher fee hike than was permitted to it and in exercise of such power, we regularize the higher fee charged by the school.**



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



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

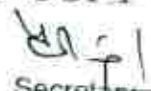


**Dr. R. K. Sharma**  
(Member)

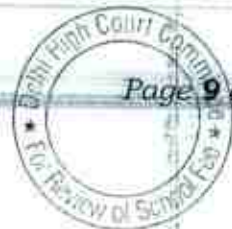
Dated 16/04/2018

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

**In the matter of:**

**VSPK International School, Sector-13, Rohini, Delhi (B-602)**

Present: Sh. Biman Chakravarti C.A., Sh. Anand Jain, C.A., with Sh. S.K. Gupta, Chairman, & Sh. Narender Kumar, Accountant of the school.

**Order of the Committee**

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission. This was followed by a reminder dated 27/03/2012.

The school filed its reply dated 24/07/2012, as per which it submitted as follows:

- (a) It had implemented the recommendations of VI Pay Commission and started paying the increased salary to the staff w.e.f. 01/04/2009. As per the details enclosed with the reply, the total expenditure on salary that was incurred by the school for the month of March 2009

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amounted to Rs. 10,51,490 which rose to Rs. 15,62,458 for the month of April 2009.

- (b) It paid arrears of salary to the staff and as per the details enclosed with the reply, the total amount of arrears that were paid aggregated Rs. 42,03,794.
- (c) It increased the tuition fee @ Rs. 500 per month uniformly for all the classes i.e. Nursery to XII. Further, as per the details enclosed with the reply, the school collected arrear fees from the students of different classes at different rates without giving any break up as to how the different rates had been arrived at. Further the total of arrear fee collected by the school was also not given.

The relevant calculations to examine the justifiability of fee hike and recovery of arrear fee effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education, were in the first instance made by the Chartered Accountants deputed with this Committee by the Directorate of Education (CAs). However, the calculations were not found to be reliable as ex facie the calculations made by the CAs revealed that the school had current liabilities which were almost four times the amount of current assets, indicating a negative working capital and such negative figure ought to have been ignored and ought to have been considered as an indicator that the school was either siphoning of the funds or was diverting the fee collected from the students for the purpose of creating fixed assets. These factors were not taken into account by the CAs.

The Committee issued a notice dated 26/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period 01/04/2006 to 31/03/2011, details of the accrued liabilities of the school for gratuity and leave encashment. A fresh questionnaire seeking specific replies in relation to collection and utilisation of development fee was also issued along with the notice. The information required by the Committee was to be submitted within 10 days of the issuance of notice. However, the school filed a letter dated 04/06/2015 requesting for more time as the school was closed for summer vacation.

The school furnished the information in response to the notice dated 26/05/2015 issued by the Committee under cover of its letter dated 13/07/2015. The information furnished by the school, so far as it is considered relevant for making the required calculations, is as follows:

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Particulars	Amount (Rs.)
Lump sum arrear Fee collected by the school for the period 01/01/2006 to 31/08/2008	8,45,870
Arrear of incremental tuition fee for the period 01/09/2008 to 31/03/2009	9,52,000
Arrear of incremental development fee for the period 01/09/2008 to 31/03/2009	97,650
Arrear salary for the period for the period 01/01/2006 to 31/08/2008	40,79,700
Arrear salary for the period for the period 01/09/2008 to 31/03/2009	Nil

Particulars	F.Y. 2008-09 (Rs.)	F.Y. 2009-10 (Rs.)	Increase in 2009-10 (Rs.)
Regular/normal tuition fee	2,60,38,311	3,53,17,849	92,79,538
Regular normal salary	1,45,52,878	2,33,45,295	87,92,417

The school also furnished copies of the actuarial valuation report as per which the accrued liability on account of gratuity as on 31/03/2010 amounted to Rs. 10,69,841 while that for leave encashment, it amounted to Rs. 18,83,054.

The school also furnished copies of the ledger accounts of its parent society, as appearing in its books of accounts. As per the said ledger account, the corpus fund of the society in the school was overdrawn to the extent of Rs. 68,44,039 as on 01/04/2006. The amount of the overdrawn corpus fund escalated to Rs. 1,65,94,574 as on 31/03/2010.

A copy of the circular that was issued to the parents regarding fee hike pursuant to order dated 11/02/2009 of the Director of Education was also filed, as per which the school demanded a sum of Rs. 3,500 as arrears of incremental

fee for the period 01/09/2008 to 31/03/2009, Rs. 350 as arrears of incremental development fee for the same period and Rs. 4,500 towards lump sum arrear fee for the period 01/01/2006 to 31/08/2008.

The school also furnished its reply to the questionnaire regarding development fee, as per which it admitted that the school charged development fee in all the five years for which the information was sought by the Committee.

We shall deal with the issue of development fee first before examining the justifiability of recovery of arrear fee and incremental fee for the purpose of implementation of the recommendations of VI Pay Commission.

**Development fee:**

As per the reply to the questionnaire issued by the Committee, the school stated that the development fee was treated as a capital receipt. Separate depreciation reserve fund was maintained in the books only. No earmarked development fund or unutilised development fund accounts were maintained.

The reply furnished by the school was cross checked with the fee schedules filed by the school as part of its annual returns filed under Rule 180 of the Delhi School Education Rules, 1973 as well as its audited financials.

The Committee observed that the school was economical with the truth and had in fact blatantly resorted to falsehood as well as fabrication of documents.

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Contrary to its averment that the development fee was treated as a capital receipt, the Committee found that it had been treated as a revenue receipt in all the five years for which the information was called for. Further, in order to cover up the falsity, the school filed a fresh set of its audited financials for the year 2007-08, which were different from the audited financials filed by the school along with its annual return under Rule 180. In the fresh set of financials, the school not only showed the development fee as a capital receipt but also different figures of expenditure.

As per the financials originally filed by the school, the school earned a net income of Rs. 4,81,679.78 but as per the fresh set of financials, the same figure was converted into a loss of Rs. 96,741.22. Surprisingly, both the original as well as the revised financials carry the audit report of the same auditors M/s. Surinder Verma Associates, Chartered Accountants with the same date i.e. 30<sup>th</sup> June 2008. In the original report, the auditors stated as follows:

*"In our opinion and to the best of our information and according to the explanation given to us, the said accounts give a true and fair view..... In case of Income & Expenditure Account, of the **excess of income over expenditure** for the year ended on that date"*

In the second report of the same date, the auditors have stated as follows:

*"In our opinion and to the best of our information and according to the explanation given to us, the said accounts give a true and fair view..... In case of Income & Expenditure Account, of the **excess of expenditure over income** for the year ended on that date"*

It is obvious that the school has tried to mislead this Committee by furnishing fabricated financials, apparently in collusion with its auditors.



Moreover, the fee schedules filed by the school as part of its returns filed under Rule 180 which are basically copies of the fee statements filed by the school with the Director of Education under Section 17(3) of the Delhi School Education Act, 1973 before the start of the academic session, do not show that the school was charging any development fee. It appears that the information regarding charging of development fee was also concealed from the Directorate of Education.

Further, the Committee observes that the development fee charged by the school, as reflected in its audited Income & Expenditure Accounts and also admitted by the school in its reply to the questionnaire issued by the Committee for the years 2006-07 to 2010-11, was as follows:

Year	Development Fee received (Rs.)
2006-07	4,29,400
2007-08	8,00,500
2008-09	6,95,950
2009-10	50,76,349
2010-11	7,02,388

While the development fee charged by the school in the years 2006-07 to 2008-09 and again in 2010-11 was a small amount of around Rs. 7 to 8 lacs, presumably from the new students only, the school recovered a whopping sum of Rs. 50,76,349 in the year 2009-10. As observed supra, the fee schedules filed by the school for the year 2009-10 with the Directorate of Education, did not show any development fee nor the circular dated 19<sup>th</sup> February 2009 issued to



the parents pursuant to order dated 11/02/2009 gave any indication of the charge of the development fee in 2009-10.

The Committee is of the view that the development fee charged by the school in 2009-10 and 2010-11, the years with which this Committee is concerned, was not just irregular on account of the school not fulfilling even the basic pre condition of treating it as a capital receipt and utilising it for purchase or upgradation of furniture and fixture but also for the reason that the school surreptitiously recovered the same without specifically informing the parents or the Director of Education, who has the power to regulate the fee to prevent commercialisation.

Section 17(3) of the Delhi School Education Act, 1973, reads as follows:

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

In the case of Modern School vs. Union of India (2004) 5 SCC 583, which this Committee is bound to follow by the mandate given to it by the Hon'ble Delhi High Court, the first issue that was admitted by the Hon'ble Supreme Court was as follows:

*(a) Whether the Director of Education has the authority to regulate the quantum of fees charged by un-aided schools under section 17(3) of Delhi School Education Act, 1973?*

The finding of the Hon'ble Supreme Court is given in para 17 of the judgment, which reads as follows:

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

The Hon'ble Supreme Court further went on to give specific directions to the Director of Education to examine the fee statements filed by the schools in order to see whether the schools were resorting to commercialisation of Education. Such direction is contained in para 21 of the judgment and the same reads as follows:

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*"..... It is for this reason that under Section 17(3) of the Act, every school is required to file a statement of fees which they would like to charge during the ensuing academic year with the Director. In the light of the analysis mentioned above, we are directing the Director to analyse such statements under section 17(3) of the Act and to apply the above principles in each case. This direction is required to be given as we have gone through the balance-sheets and profit and loss accounts of two schools and prima facie, we find that schools are being run on profit basis and that their accounts are being maintained as if they are corporate bodies. Their accounts are not maintained on the principles of accounting applicable to non-business organizations/not-for-profit organizations."*

It is clear from a combined reading of section 17(3) and the judgment of the Hon'ble Supreme Court that the school cannot recover any fee which is not mentioned in the statement of fee filed by the school with the Director of Education before the start of academic session. As mentioned above, the school did not include the development fee charged by it in the fee statement in any of the years. However, since the mandate of this Committee is to examine the fee charged by the school in pursuance of the order dated 11/02/2009 issued by the Director of Education, it is restricting its recommendations in respect of the development fee charged by the school in the years 2009-10 and 2010-11 only. The Director of Education may take an appropriate view in the matter in respect of the remaining years.

**In view of the above discussion, the school ought to refund the development fee of Rs. 50,76,349 charged in 2009-10 and Rs. 7,02,388 charged in 2010-11, along with interest @ 9% per annum from the date of collection to the date of refund.**



**Recovery of arrear fee and incremental fee for implementation of the recommendations of VI Pay Commission:**

As per the figures furnished by the school, the school recovered a total arrear fee of Rs. 18,95,520 ( 8,45,870 + 9,52,000 +97,650) while it paid a total sum of Rs. 40,79,700 towards arrear salary. Thus there was a deficiency of Rs. 21,84,180 on account of the arrears.

With regard to the incremental salary for the year 2009-10, the school incurred an expenditure of Rs. 87,92,417 in 2009-10 but at the same time it generated additional revenue of Rs. 92,79,538 by way of fee hike. Thus on this account, the school generated a surplus of Rs. 4,87,121.

Over all the school apparently incurred deficit of Rs. 16,97,059 (21,84,180 - 4,87,121 ). The school stated that, in this view of the matter, the Committee may hold that the fee hike effected by the school was justified.

However, as noticed above, prima facie it appeared that the school was resorted to commercialisation of education as the contribution of the parent society in the corpus of the school was negative and it appeared that the entire infrastructure i.e. the fixed assets of the school were financed out of the fee of the students over a period of years.

The issue of incurring capital expenditure out of the fee of the students was for the first time considered by the Duggal Committee which was appointed by the Hon'ble Delhi High Court to examine the issue of fee hike effected by the school for implementation of the recommendations of V Pay Commission. The Committee observed as follows:

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the Duggal Committee was alive to the potential misuse of Development fee for creating permanent Fixed Assets like land and building out of the development fee recovered from the students. In fact, it specifically observed, in para 20 as follows:

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

The report of the Duggal Committee was considered by the Hon'ble Supreme Court in the case of Modern School (supra), the Hon'ble Supreme Court dealt with this matter as follows:

*"19. It was argued on behalf of the management that rule 177 allows the schools to incur capital expenditure in respect of the same school or to assist any other school or to set up any other school under the same management and consequently, the Director had no authority under clause (8) to restrain the school from transferring the funds from the Recognized Unaided School Fund to the society or the trust or any other institution and, therefore, clause (8) was in conflict with rule 177.*

*20. We do not find merit in the above arguments. Before analyzing the rules herein, it may be pointed out, that as of today, we have Generally Accepted Accounting Principles (GAAP). As stated above, commercialization of education has been a problem area for the last several years. One of the methods of eradicating commercialization of education in schools is to insist on every school following principles of accounting applicable to not-for-profit organizations/ non-business organizations. Under the Generally Accepted Accounting Principles, expense is different from expenditure. All operational expenses for the current accounting year like salary and allowances payable to employees, rent for the premises, payment of property taxes are current revenue expenses. These expenses entail benefits during the current*

accounting period. Expenditure, on the other hand, is for acquisition of an asset of an enduring nature which gives benefits spread over many accounting periods, like purchase of plant and machinery, building etc. Therefore, there is a difference between revenue expenses and capital expenditure. Lastly, we must keep in mind that accounting has a linkage with law. Accounting operates within legal framework. Therefore, banking, insurance and electricity companies have their own form of balance-sheets unlike balance-sheets prescribed for companies under the Companies Act 1956. Therefore, we have to look at the accounts of non-business organizations like schools, hospitals etc. in the light of the statute in question.

21. In the light of the above observations, we are required to analyse rules 172, 175, 176 and 177 of 1973 rules. The above rules indicate the manner in which accounts are required to be maintained by the schools. Under section 18(3) of the said Act every Recognized school shall have a fund titled "Recognized Unaided School Fund". It is important to bear in mind that in every non-business organization, accounts are to be maintained on the basis of what is known as 'Fund Based System of Accounting'. Such system brings about transparency. Section 18(3) of the Act shows that schools have to maintain Fund Based System of Accounting. The said Fund, contemplated by Section 18(3), shall consist of income by way of fees, fine, rent, interest etc. Section 18(3) is to be read with rule 175. Reading the two together, it is clear that each item of income shall be accounted for separately under the common head, namely, Recognized Unaided School Fund. Further, rule 175 indicates accrual of income unlike rule 177 which deals with utilization of income. Rule 177 does not cover all the items of income mentioned in rule 175. Rule 177 only deals with one item of income for the school, namely, fees. Rule 177(1) shows that salaries, allowances and benefits to the employees shall constitute deduction from the income in the first instance. That after such deduction, surplus if any, shall be appropriated towards, pension, gratuity, reserves and other items of appropriations enumerated in rule 177(2) and after such appropriation the balance (savings) shall be utilized to meet capital expenditure of the same school or to set up another school under the same management. Therefore, rule 177 deals with application of income and not with accrual of income. **Therefore, rule 177 shows that salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings. Therefore, capital expenditure cannot constitute a component of the financial fees structure as is submitted on behalf of the schools. It also shows that salaries and allowances are revenue expenses incurred during the current year and, therefore, they have to come out of the fees for the current year whereas capital expenditure/capital investments have to come**

from the savings, if any, calculated in the manner indicated above. .....

In order to afford the school an opportunity of being heard, the Committee issued a notice to the school requiring it to appear before it on 23/01/2017. However, on account of certain exigencies, the date of hearing was postponed to 08/03/2017. On this date, Sh. S.K. Gupta, Chairman of the school appeared with Sh. Anand Jain, Chartered Accountant, Sh. Pankaj Gupta, Director of the school and Sh. Narender Jindal, Accountant of the school. The Committee observed that the school had raised heavy loans for creations of fixed assets and apparently the principle amount and interest on such loans was paid out of the funds of the school which were contributed by the students by way of fee. The Committee also observed that the school was not filing the receipt and payment accounts as part of annual returns prescribed under Rule 180 although this statement was specifically required to be filed. As the Committee felt that this was a crucial document to examine the application of fee funds of the school, it directed the school to file the same for the years 2006-07 to 2010-11. The school furnished the Receipt and Payment Accounts for the years 2006-07 to 2010-11 on 20/03/2017. The same were examined by the Committee on the next date of hearing. The Committee observed that as on 31/03/2009, the written down value of total fixed assets of school was Rs. 9,06,54,563 but the corpus fund as on that date was in the negative zone to the tune of Rs. 1,04,47,066. The outstanding loans against the fixed assets on that date were Rs. 9,46,46,730.

The authorized representatives appearing for the school stated that the only source of income of the school was the fee it recovered from the students and whatever fixed assets were to be acquired for the purpose of running the school would naturally come from the fee of the students. It was further stated that the fixed assets were acquired out of the loans and not necessarily from the fee of the students.

The Committee has considered the submissions made by the authorized representatives of the school. So far as the submission that the fixed assets can only be created out of the fee of the students, the same runs contrary to the judgment of the Hon'ble Supreme Court in the case of Modern School (supra) wherein it has been clearly laid down that capital expenditure cannot form part of the fee structure. Further, the submission that the fixed assets were financed out of secured and unsecured loans ignores the fact that the repayment of such loans and interest thereon would come from the fee of the students and such repayment would amount to capital expenditure as the loans have been taken for creating fixed assets. It is also necessary to note that not just the repayment of loans, the corpus contributed by the parent society was also in the negative zone. This indicates that whatever the parent society might have contributed as corpus in the beginning for setting up school was not only withdrawn over a number of years but has also been overdrawn. In order to take a holistic view of the situation, the Committee prepared a statement showing the long terms funds raised by the school vis a vis the capital



expenditure incurred by it and the amount transferred by it to the parent society for the years 2006-07 to 2009-10, for which the accounts are available with the Committee. The statement prepared by the Committee is as follows:

VSPK International School									
Year	Long Term Funds raised (in Rs.)				Capital Payments Made (in Rs.)				Net Inflow (outflow)
	Development Fee	Receipts from Society	Receipt of Loans	Total	Re-payment of Loans	Payment towards Fixed Assets	Payment to Society	Total	
2006-07	769,400	280,000	27,258,736	28,308,136	29,703,170	1,750,283	1,034,080	32,487,533	(4,179,397)
2007-08	790,750	595,000	15,304,000	16,689,750	19,695,138	2,156,879	-	22,052,017	(5,362,267)
2008-09	891,200	1,145,000	24,577,321	26,613,521	19,093,763	15,634,460	28,125	34,756,348	(8,142,827)
2009-10	4,940,849	1,142,500	26,437,064	32,520,413	36,104,544	1,782,788	70,000	37,957,332	(5,436,919)
Total	7,392,199	3,162,500	93,577,121	104,131,820	104,796,615	21,324,410	1,132,205	127,253,230	(23,121,410)

It is obvious from the above table that just in a period of 4 years, the school diverted the fee revenue of the students towards making capital expenditure and transfer of funds to the society to the tune of Rs. 2,31,21,410. If similar computations are made for the previous years, the result would be more adverse. However, even proceeding on the basis that the school diverted a sum of Rs. 2,31,21,410 which if had not been diverted would have been available with the school for meeting its increased financial obligations for implementing the recommendations of VI Pay Commission. Even after providing for the requirement of the school to keep funds in reserve for its accrued liabilities of gratuity amounting to Rs. 10,69,841 and for leave encashment amounting to Rs. 18,83,054, the school would have been left with surplus funds

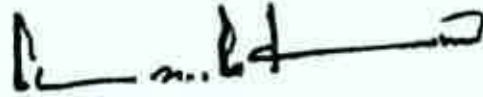
of Rs. 2,01,68,515. Further providing the requirement of the school to keep funds in reserve for future contingencies amounting to Rs. 77,81,765 which is equivalent to four months salary for the year 2009-10, the school would have been left with **Rs. 1,23,86,750** which would have been available to it for implementing the recommendations of VI Pay Commission. As noted above, this amount has been calculated just by taking the funds illegally diverted by the school towards its parent society and for creation of fixed assets, which function falls in the domain of the parent society. The additional expenditure that the school incurred on implementing the recommendations of VI Pay Commission amounted to Rs. 40,79,700 towards arrear salary and Rs. 87,92,417 towards incremental salary for the year 2009-10, totaling **Rs. 1,28,72,117**, which is almost equal to the funds that would have been available with the school had the same not been diverted.

**In view of the above reasons, the Committee is of the view that the school did not need to hike any fee or recover any arrear fee for implementing the recommendations of VI Pay Commission. Instead it ought to have recovered the required amount from its parent society. Consequently, the Committee is of the view that the school ought to refund the entire amount of arrear fee amounting to Rs. 18,95,520 and the incremental fee for the year 2009-10 amounting to Rs. 92,79,538, besides the development fee charged by it in 2009-10 and 2010-11 amounting to**


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Rs. 57,78,737, along with interest @ 9% per annum from the date of collection to the date of refund.


Ordered accordingly.



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



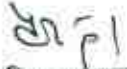
**J.S. Kochhar**  
(Member)



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

Dated 17/04/2018

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

**In the matter of:**

**Saraswati Vidyalaya Senior Secondary for Girls, Daryaganj, Delhi-  
110002 ( B-407)**

Present: Ms. Geeta K. Pruthy, Administrator with Sh. M.D. Samwal,  
Chief Accountant of the school.

**Order of the Committee**

The school submitted copies of its annual returns for the years 2006-07 to 2010-11 to the Education Officer of the Directorate of Education under cover of its letter dated 29/10/2011. These were forwarded to the office of this 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. The school gave very cryptic answers to the specific questions contained in the questionnaire which required detailed information from the school. As the information furnished by the school

*Saraswati Vidyalaya Sr. Sec. for Girls, Daryaganj/B-407/Order*

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was found to be inadequate, the Committee issued a revised questionnaire on 17/07/2013. Although the response submitted by the school to this questionnaire on 29/07/2013 was also not satisfactory, it appeared that the school had implemented the recommendations of VI Pay Commission w.e.f. 01/03/2009 and for the purpose of meeting its additional liabilities on account of increased salaries and arrears, the school increased the tuition fee of the students by Rs. 200 per month w.e.f. 01/09/2008 and accordingly collected the arrears of tuition fee for the period 01/09/2008 to 31/03/2009 @ Rs. 1,400 per student. Besides, the school also collected lump sum arrear fee for the period 01/01/2006 to 31/08/2008 @ Rs. 2,500 per student. It gave statement of salary arrears for the period 01/01/2006 to 28/02/2009, which amounted to Rs. 41,76,336, without mentioning whether such arrears had been paid by the school or the arrears were still payable by the school. Subsequently on 30/07/2013, the school filed copies of arrear payment sheets, showing receipt of arrear cheques by the staff for the period January 2006 to February 2009.

In the first instance, the relevant calculations to examine the justifiability of fee hike were made by the Chartered Accountants deputed with this Committee to assist it, by the Directorate of Education. They determined that prima facie, the school did not require any fee hike for implementing the recommendations of VI Pay Commission as the school was possessed of sufficient funds of its own. However, the Committee

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did not rely on the calculations made by the CAs as they had not taken into account the requirement of the school to keep funds in reserve for meeting its accrued liability of gratuity and leave encashment etc.

The Committee issued a notice dated 22/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of accounts of the school for the period 01/04/2006 to 31/03/2011, details of the accrued liabilities of the school for gratuity and leave encashment. The school, instead of giving the aggregate figures, gave details of monthly fees per student and the arrear fee recovered per student.

As the school was not submitting the figures necessary for calculations, the Committee fixed the hearing of the school for 08/08/2015. On this date, Ms. Rini Rakesh, Principal, Ms. Geeta K. Pruthi, Administrator and Mr. M.D. Samwal, Chief Accountant of the

Saraswati Vidyalaya Sr. Sec. for Girls, Daryaganj/B-407/Order

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school appeared and were partly heard. They submitted that the school had implemented the recommendations of VI Pay Commission and hiked the tuition fee as well as recovered the arrear fee in terms of order dated 11/02/2009 issued by the Director of Education. They however, submitted that the school did not recover any arrears of development fee as the same was not hiked w.e.f. 01/09/2008. As the school had not furnished the information in the format devised by the Committee, the school was directed to produce its books of accounts, bank statements, fee and salary records for the year 2008-09 and 2009-10 before the audit officer, in order that the Committee could ascertain the required information..

On 17/08/2015, the Chief Accountant of the school appeared before the audit officer of the Committee and produced the relevant records. He also furnished the information in the format prescribed by the Committee. The audit officer of the Committee verified the information with regard to fee and salary furnished by the school with reference to the books of accounts produced by it. She confirmed that the school had implemented the recommendations of VI Pay Commission and paid a total sum of Rs. 41,76,336 towards arrears salary for the period 01/01/2006 to 28/02/2009 in three instalments. She also observed that the salary was paid through account payee cheques after proper deductions of provident fund and TDS. However, the matter could

not be concluded on account of resignation of Justice Anil Dev Singh as Chairman of the Committee.

The reconstituted Committee issued a fresh notice to the school for hearing on 13/11/2017. On the date of hearing, Ms. Geeta K. Pruthy and Sh. M.D. Samwal, appeared and were partly heard. They submitted that the school had recovered a total of Rs. 25,80,150 as arrears fee from the students but had paid a sum of Rs. 41,76,336 as arrear salary to the staff. The additional amount of Rs. 15,96,186 was paid by the school out of its own funds and in this view of the matter, it was submitted that the fee hike effected by the school was justified.

The Committee was of the view that the submission made on behalf of the school was too simplistic and detailed calculations were required to be made to examine whether the school required a fee hike at all as it could be possessed of adequate funds from which it could have met its additional liabilities arising on implementation of the recommendations of VI Pay Commission. Accordingly, a calculation sheet was prepared by the Committee, as per which, the Committee determined that the school had available with it a sum of **Rs. 1,21,38,426** as on 31/03/2008 i.e. before effecting the fee hike. Out of this, the requirement of the school to keep funds in reserve for meeting its accrued liabilities of gratuity, leave encashment and a reasonable reserve for future contingencies, was **Rs. 96,55,244**, leaving a sum of

Saraswati Vidyalaya Sr. Sec. for Girls, Daryaganj/B-407/Order

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**Rs. 24,83,182** available with the school which could have been utilised for implementing the recommendations of VI Pay Commission. The total financial impact of implementation of the recommendations of VI Pay Commission on the school was **Rs. 48,00,938**. Thus there was a short fall of **Rs. 23,17,756** which the school required to make good by recovering arrear fee and increasing the regular fee in the year 2009-10. However, the arrear fee recovered by the school itself amounted to **Rs. 25,80,150**, as admitted by the school. Thus, prima facie, there was an excess recovery of **Rs. 2,62,394**, which appeared to be unjustified. The school also increased the regular fee in the year 2009-10 by Rs. 200 per month and such increase yielded a further additional revenue of **Rs. 11,42,860**, which appeared to be wholly unjustified. Thus in view of the Committee, the school collected a total sum of Rs. 14,05,254 by way of excessive arrear fee and incremental tuition fee in the year 2009-10.

A copy of the detailed calculation sheet drawn up by the Committee was furnished to the authorized representative of the school on 12/12/2017, for rebuttal, if any. The hearing in the matter was fixed for 18/01/2018. The calculation sheet as given to the school was as follows:

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Statement showing Fund available as on 31.03.2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Imprest Account	27	
	Central Bank of India (CA)	426,977	
	FDR (Scholarship Fund)	20,000	
	FDRs ( Staff Retirement Fund)	5,701,737	
	Maintenance Fund	3,967,688	
	School Fund	2,707,218	12,823,647
<b>Less</b>	<u>Current Liabilities</u>		
	Advance Fee Received	183,180	
	Audit Fee payable	14,944	
	Establishment payable	397,546	
	Expenses payable	4,565	
	New Star Security	9,904	
	PF Contribution payable	68,404	
	TDS payable	6,678	685,221
	<b>Net Current Assets + Investments</b>		<b>12,138,426</b>
<b>Less</b>	<b>Reserves required to be maintained:</b>		
	for future contingencies (equivalent to 4 months salary)	3,376,616	
	for accrued liability towards Leave Encashment as on 31.03.10	2,170,564	
	for accrued liability towards Gratuity as on 31.03.2010	4,108,064	9,655,244
	<b>Funds available for implementation of 6th CPC</b>		<b>2,483,182</b>
<b>Less</b>	<b>Additional Liabilities after implementation of 6th CPC:</b>		
	Arrear of Salary as per 6th CPC	4,176,336	
	Incremental Salary for 2009-10 (as per calculation below)	624,602	4,800,938
	<b>Excess / (Short) Fund Before Fee Hike</b>		<b>(2,317,756)</b>
<b>Add</b>	<b>Additional Recovery for 6th CPC:</b>		
	Arrear of tuition fee	2,580,150	
	Incremental tuition fee for 2009-10 (as per calculation below)	1,142,860	3,723,010
	<b>Excess / (Short) Fund After Fee Hike</b>		<b>1,405,254</b>

**Working Notes:**

	<b>2008-09</b>	<b>2009-10</b>
Normal/ regular salary	9,505,245	10,129,847
<b>Incremental salary in 2009-10</b>	<b>624,602</b>	
	<b>2008-09</b>	<b>2009-10</b>
Normal/ Regular Tuition fee	9,064,040	10,206,900
<b>Incremental tuition fee in 2009-10</b>	<b>1,142,860</b>	

The school filed a letter dated 08/01/2018, stating therein that the school did not have any objection to the statement prepared by the Committee and the Managing Committee of the school had decided to refund the excess amount to individual students. Further the amount to be refunded to each individual student had already been worked out and the refund process had already started.

On 18/01/2018, Ms. Geeta Pruthy, Administrator of the school appeared and filed the list of individual students to whom the refund was due. The aggregate amount of refund that the school was contemplating to make was Rs. 14,05,525 as against Rs. 14,05,254 determined by the Committee ( the difference is on account of rounding of). She submitted that it would take about one month to complete the process of refund. Accordingly, the next date of hearing was fixed for 20/02/2018. On this date, Ms. Pruthy appeared and submitted that the process of refund may take some more time. Accordingly the matter was adjourned to 17/04/2018. On this date, a telephonic request was received from the school for a short adjournment. The request was acceded to and the school was directed to appear on 20/04/2018 i.e. today.

Ms. Geeta Pruthy appears and submits a detail of fee that was refundable to the students vis a vis the amount that already had refunded. She submits that out of a total sum of Rs. 14,05,525, the school had already refunded Rs. 11,63,025. She filed a statement

showing that a sum of Rs. 16,800 was refunded to 12 students @ Rs. 1400 per student, Rs. 5,100 was refunded to 3 students @ Rs. 1700 per student and Rs. 11,41,125 was refunded to 537 students @ Rs. 2125 per student. In support of this contention, she filed copies of bank statements of the school highlighting the encashment of the cheques given to the students which were presented in clearing. She also filed copies of speed post registration slips showing dispatch of refund cheques to the students. She further submitted that the cheques of only 115 students remained to be encashed. Out of this, cheques of 64 students had been delivered but had not yet been presented in the bank while the speed post covers in respect of 51 students had been returned undelivered. She also filed a copy of Public Notice that was given in Hindustan Times of 26<sup>th</sup> February 2018, advising such students to collect the refund cheques from the school. She submitted that about 83 % of total amount of refund had already been made and the school was taking all the necessary steps to advise the parents to collect the refund cheques from the school which had been returned undelivered.

**In view of the fact that the school has accepted the determinations made by the Committee with regard to excess fee collected by it and has also refunded a substantial portion of such excess fee during the course of hearing and the Committee is satisfied with the bona-fides of the school in making refund of the remaining amount, the Committee is of the view that no further**

*Saraswati Vidyalaya Sr. Sec. for Girls, Daryaganj/B-407/Order*

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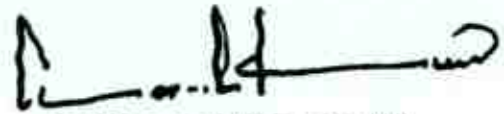
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intervention is required to be made in this case with regard to fee hike effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education.


Before parting with the matter, it would be in order to mention that the school substantively complied with the preconditions for charging the development fee.



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




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



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

Dated 20/04/2018

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

**In the matter of:**

**Arwachin Bharti Bhawan Sr. Sec. School, Vivek Vihar , Delhi-110095  
(B-336)**

Present: Sh. Dinesh Chawla and Sh. Vicky Sumbly, Chartered Accountants with Sh. Anurup Sharma, Director, of the school.

**Order of the Committee**

The school submitted copies of its annual returns and fee statements for the years 2006-07 to 2010-11 and other connected information with the Dy. Director of Education (East) (DDE). These were forwarded to the office of the Committee by the DDE under cover of its letter dated 25/01/2012.

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission which was followed by a reminder dated 27/03/2012. However, the school did not respond to the same. Consequently, the Committee issued a fresh questionnaire on 06/05/2013. This time, the

Arwachin Bharti Bhawan Sr. Sec. School, Vivek Vihar, Delhi/B-336/Order

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school responded and vide its letter dated 21/05/2013 submitted as follows:

- (a) It implemented the recommendations of VI Pay Commission prospectively w.e.f. 01/04/2009. However, no arrear salary was paid to the staff and no fee arrears were charged from the students. However, the regular tuition fee was increased w.e.f. 01/04/2009 in accordance with the order dated 11/02/2009 issued by the Director of Education.
- (b) The school charged development fee in all the five years for which the information was sought by the Committee i.e. 2006-07 to 2010-11. In particular, it recovered a sum of Rs. 77,90,700 in 2009-10 and Rs. 91,52,200 in 2010-11 on this account. The same was recognised as a capital receipt w.e.f. 2008-09 and utilised for development activities like building renovation/upgradation and for purchase/additions in fixed assets. However, no earmarked depreciation reserve fund was maintained and development fund was fully utilised.


In the first instance, the relevant calculations to examine the justifiability of fee hike effected by the school pursuant to order dated 11/02/2009 were made by the Chartered Accountants deputed by the Directorate of Education to assist this Committee (CAs). They determined that the school recovered more fee than was required to

implement the recommendations of VI Pay Commission prospectively w.e.f. 01/04/2009 and the excess amount recovered by the school that was provisionally calculated by them was Rs. 74,20,495. The Committee reviewed the calculations made by the CAs and observed that they had not taken into consideration the requirement of the school to keep funds in reserve for the purpose of meeting its accrued liabilities of gratuity and leave encashment besides reasonable reserve which the school should be keeping. Moreover, the figures taken by the CAs did not reconcile with the audit financials of the school. Therefore, the calculations made by the CAs were not found acceptable by the Committee.

In order to make the relevant calculations, the Committee issued a notice dated 14/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission, duly reconciled with the audited financials of the school. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period

Anwachi Bharti Bhawan Sr. Sec. School, Vivek Vihar, Delhi/B-336/Order

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01/04/2006 to 31/03/2011, details of the accrued liabilities of the school for gratuity and leave encashment.

The school submitted its reply vide letter dated 29/05/2015. It was mentioned that as the school did not find it feasible to charge arrear fee from the parents, the arrear salary to staff was not paid and the fee was only prospectively hiked w.e.f. 01/04/2009. It was also mentioned that there was no transaction between the school and the society during this period 01/04/2006 to 31/03/2011. The school also stated that no objection had been raised by any parent with regard to hike in fee for the year 2009-10. The school furnished details of accrued liability of gratuity and leave encashment as on 31/03/2010. The liability on account of gratuity was estimated to be Rs. 1,34,06,686 and that on account of leave encashment to be Rs. 76,93,951.

The Committee issued a notice requiring the school to appear before it on 19/07/2016 along with its books of accounts, fee and salary records and also the audited financials of the pre primary school or a hostel which the school might be running.

On the date of hearing, Sh. Dinesh Chawla, and Sh. Vicky Sumbly, Chartered Accounts appeared along with Sh. Anurup Sharma, Director, of the school. They sought some more time. Accordingly the matter was adjourned to 24/08/2016.

Arwachin Bharti Bhawan, Sr. Sec. School, Vivek Vihar, Delhi/B-336/Order

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On the next date, the Committee examined the fee hike effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education for the purpose of implementation of the recommendations of VI Pay Commission 01/04/2009. It observed that the school hiked the monthly tuition by Rs. 300 p.m. for primary and middle classes and Rs. 400 p.m. for Secondary and Senior Secondary classes. Besides, the school hiked the annual charges from Rs. 1400 in 2008-09 to Rs.2200 in 2009-10. The annual development fee was also increased from Rs.1300 in 2008-09 to Rs.2200 in 2009-10.

The authorized representatives appearing for the school reiterated that the school did not recover any arrear fee for the period 1.1.2006 to 31.3.2009 and consequently did not pay the arrear salary to the staff for that period.

On a query by the Committee the authorized representatives of the school submitted that the Parent Society of the school also ran a pre primary school which is the entry level school for the students. The financials of the pre primary school were separately prepared and not merged with the financials of the Senior Secondary School.

The Committee observed that the school had not filed copies of the audited financials of the pre primary school for the years 2006-07 to 2010-11, despite being required to do so vide notice dated 30/06/2016. Accordingly, the school was directed to submit the same along with the

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information sought by the Committee vide notice dated 14.05.2015 in respect of the pre primary school.

The Committee observed that as per the information filed by the school under cover of its letter dated 29/05/2015, the total fee revenue of the school (other than development fee) increased from Rs.4.69 cr. In 2008-09 to 6.19 cr. in 2009-10. The expenditure of the salary for the same period increased from 1.92 cr. to Rs. 2.96 Crores. Therefore, on the face of it appeared that the school might have hiked fee more than what was required to implement the recommendations of the 6<sup>th</sup> pay commission. This position was also reflected by the balance sheets of the school as on 31.3.2009 & 31.03.2010. The net current assets and investments were Rs.52.42 lakhs as on 31/03/2009 which rose to Rs. 208.67 lakhs as on 31/03/2010 . The authorized representatives submitted that the fee hike was not excessive as the school required to keep funds in reserve for meeting its accrued liabilities of gratuity and leave encashment which were quite heavy, besides keeping a reasonable reserve for future contingencies.

With regard to development fee , the Committee noticed that the school had not furnished the details of its utilization. On perusal of the balance sheet of the school as on 31.3.2010, the Committee observed that the total addition of fixed assets in the year 2009-10 was Rs. 28.00 lakhs out of which Rs.13.22 lakhs represented the purchase of new

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vehicles. Similarly in the year 2010-11 the total addition to fixed assets was Rs. 57.01 lakhs out of which a sum of Rs. 1.50 lakh represented addition to building. The Committee also took note of the fact that no depreciation reserve fund was maintained by the school and no earmarked bank account or FDRs were maintained for development fund which were necessary pre conditions for charging the development fee. The matter was adjourned for 07/10/2016, with the direction to the school to file the documents and furnish the information with regard to the pre primary school and such other information which it may be deem proper for justifying the hike in fee.

The school furnished the audited financials of the pre primary school (nursery) on 08/09/2016. The same were examined by the Committee. The Committee prepared the following calculation sheet, based on the combined figures emanating from the audited financials of the Senior Secondary School as well as the Nursery school in order to examine the justifiability of hike in fee effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education:

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Statement showing Fund available as on 31.03.2009 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. Sc. School	Nursery	Total
	<u>Current Assets</u>			
	Cash in Hand	47,060	-	47,060
	Bank Balance	5,493,970	2,216,905	7,710,875
	Advance to staff	5,000	82,200	87,200
	TDS Refund	97,273	65,633	162,906
	Deposits (FDRs)	2,815,105	6,058,789	8,873,894
	<b>Total Current assets</b>	<b>8,458,408</b>	<b>8,423,527</b>	<b>16,881,935</b>
<b>Less</b>	<u>Current Liabilities</u>			
	Caution Money	3,096,270	519,100	3,615,370
	TDS payable	2,575	-	2,575
	Scavenging Services	32,000	-	32,000
	<b>Total Current Liabilities</b>	<b>3,130,845</b>	<b>519,100</b>	<b>3,649,945</b>
	<b>Net Current Assets</b>	<b>5,327,563</b>	<b>7,904,427</b>	<b>13,231,990</b>
<b>Less</b>	<b>Funds to be kept in reserve (Combined):</b>			
	for future contingencies equivalent to 4 months salary	9,873,201	717,065	10,590,265
	towards accrued liability for Gratuity as on 31.3.2010	13,406,686	-	13,406,686
	towards accrued liability for Leave Encashment as on 31.3.10	7,693,951	-	7,693,951
	Total funds to be kept in reserve	30,973,838	717,065	31,690,902
	<b>Excess / (Short) Funds before implementation of 6th CPC</b>	<b>(25,646,275)</b>	<b>7,187,362</b>	<b>(18,458,912)</b>
<b>Less</b>	Arrear of Salary as per 6th CPC w.e.f. 01.01.06 to 31.03.09	-	-	-
	Incremental Salary as per 6th CPC in 2009-10	10,379,170	628,946	11,008,116
	<b>Excess / (Short) Funds Before Fee Hike</b>	<b>(36,025,445)</b>	<b>6,558,416</b>	<b>(29,467,028)</b>
<b>Add</b>	Tuition Fee Arrear from 01.01.06 to 31.03.09	-	-	-
	Development Fee arrear from 01.09.08 to 31.03.09	-	-	-
	Incremental Tuition fee in 2009-10	12,916,662	1,998,925	14,915,587
	<b>Excess / (Short) Funds After Fee Hike</b>	<b>(23,108,783)</b>	<b>8,557,341</b>	<b>(14,551,441)</b>

Development fee refundable as the pre-conditions for charging the same not being fulfilled:

For the year 2009-10 as per Receipts & Payments Account

For the year 2010-11 as per Receipts & Payments Account

**Total**

Add: Excess of funds after fee hike

**Total amount refundable**

Sr. Sc. School	Nursery	Total
7,790,700	-	7,790,700
9,152,200	-	9,152,200
<b>16,942,900</b>	<b>-</b>	<b>16,942,900</b>
(23,108,783)	8,557,341	(14,551,441)
<b>(6,165,883)</b>	<b>8,557,341</b>	<b>2,391,459</b>

Working Notes:

Sr. Secondary School:

**Increase in Normal/ regular salary**

Normal/ regular salary of Sr. Secondary school

**Incremental salary in 2009-10**

2008-09	2009-10
19,240,432	29,619,602
<b>10,379,170</b>	

**Increase in tuition fee**

Regular/ Normal Tuition fee of Sr. Secondary school

**Incremental tuition fee in 2009-10**

2008-09	2009-10
42,090,281	55,006,943
<b>12,916,662</b>	

Arwachin-Bharti Bhawan Sr. Sec. School, Vivek Vihar, Delhi/B-336/Order

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**Nursery School:**

	2008-09	2009-10
<b>Increase in Normal/ regular salary</b>		
Normal/ regular salary of Nursery school	1,522,248	2,151,194
<b>Incremental salary in 2009-10</b>	<b>628,946</b>	
<b>Increase in fee</b>		
Regular/ Normal fee of Nursery school	5,467,485	7,466,410
<b>Incremental fee in 2009-10</b>	<b>1,998,925</b>	

Facially, it appeared that while the tuition fee hike effected by the school was justified in view of its funds position as moderated for its requirement to keep funds in reserve for future contingencies, since the school was not fulfilling the pre conditions laid down by the Duggal Committee for charging development fee, the school was not justified in charging the development fee. After adjustment of the deficit incurred by the school on implementation of the recommendations of VI Pay Commission, the school was, prima facie, required to refund a sum of Rs. 23,51,459 out of the development fee charged by it for the year 2010-11. A copy of the above calculation sheet was furnished to the school on 07/10/2016 for rebuttal if any.

The school filed its rebuttal on 17/11/2016 vide which it raised the following issues based on which it disputed the preliminary calculations made by the Committee:

- (a) The Committee had not considered the liabilities on account of gratuity and leave encashment in respect of the staff of the nursery school, the same amounted to Rs. 13,93,113 for

gratuity and Rs. 5,91,201 for leave encashment (The details of gratuity and leave encashment of nursery school were enclosed).

- (b) The Committee had not considered that the balance sheet of the nursery school was in fact the balance sheet of the parent society, which was also running an aided Secondary School. The Society was contributing 5% of the establishment expenses of the aided school. The total contribution in 2009-10 towards the establishment expenses of the aided school was Rs. 22,31,000 and the school ought also be allowed a reserve against the contribution of establishment expenses of the aided school, equivalent to four months salary, as provided for the Senior Secondary and Nursery school.
- (c) There were outstanding liabilities for payment of the share of expenses (like salary/bonus and contingencies expenses ) of the aided school. The amount of outstanding liability as on 31/03/2010 was Rs. 2,67,236 as on 31/03/2010 ( the school submitted a detail of its outstanding liabilities). Since the books of accounts were maintained on cash basis, these liabilities were not reflected in the balance sheet of the society but the same ought to be considered by this Committee, as it would affect the funds position. Similarly the school also owed its share of liability (5%) to be paid at the time of retirement of

employees of the aided school. The school furnished its detail and quantified the amount at Rs. 1,44,796.

**Discussion and Determination:**

The Committee has considered the issues raised by the school in rebuttal to the calculation sheet. The school had not furnished the details which it enclosed with the rebuttal and hence the same were not factored in the preliminary calculation sheet prepared by the Committee. However, since the school has submitted these details, though belatedly, the Committee would take the same into account while making the final determinations.

- (a) The Committee agrees with the contention of the school regarding taking into account its requirement to keep funds in reserve for meeting the accrued liabilities of gratuity and leave encashment of the staff of the nursery school. Had such details been given earlier, the same would have been factored in the calculation sheet prepared by the Committee.
- (b) In principle, the Committee agrees with the contention of the school that its outstanding liabilities on account of payment of its share of expenses of the aided school run by the parent society, ought to be taken into account while working out the funds position of the school. This is on account of the fact that the Committee has considered the entire funds available with

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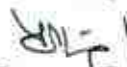
the parent society as available with the Senior Secondary School and Nursery School. However, the Committee does not agree with the contention of the school that it may be allowed a reserve to be maintained for future contingencies of the aided school, since that school stands on its own and any future contingency would be taken care of by the Government which provides the aid. The Committee, as noted above, will duly consider its share of liability in the terminal benefits of the employees of the aided school.

With the aforesaid remarks, the preliminary determination of the refund that the school was required to make stands modulated as under:

Particulars		Amount (Rs.)
Refund as determined in the preliminary calculation sheet		23,91,459
(a) Accrued liabilities of gratuity and leave encashment of the staff of nursery school (13,93,113+5,91,201)	19,84,314	
(b) Outstanding liabilities of the Society's share (5%) of the expenses of aided school as on 31/03/2010	2,67,236	
(c) Society's share in Accrued liability of terminal benefits of the staff of aided school.	<u>1,44,796</u>	
		23,96,346

As is obvious from the above determinations, the reductions required to be made from the provisional figure of refund are more than the amount of provisionally determined refund. Hence, the

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Committee is of the view that the fee hike effected by the school prospectively w.e.f. 01/04/2009 was justified and no intervention is called for.



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



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



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

Dated 20/04/2018

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

**In the matter of:**

**The Mother's International School, Sri Aurobindo Marg, New Delhi-  
110016 ( B-188)**

Present: Sh. Anil Jain, Sh. Om Prakash, Sh. Keshav, all office staff of the school.

**Order of the Committee**

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission. The school responded vide its letter dated 19/03/2012 and submitted as follows:

- (a) It implemented the recommendations of VI Pay Commission and the increased salary to the staff was being paid w.e.f. 01/01/2006 (sic).
- (b) The school paid arrear salary, the details of which were enclosed with the reply. The total amount of arrear salary claimed to have been paid amounted to Rs. 1,93,07,427.

*The Mother's International School, Aurobindo Marg, New Delhi/B-188/Order*

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(c) The school hiked the fee w.e.f. 01/09/2008 in pursuance of order dated 11/02/2009 issued by the Director of Education. The hike in fee was @ Rs. 500 per month for pre primary classes and @ Rs. 400 per month for classes I to XII. Besides, the school also recovered lump sum arrear fee for the period 01/01/2006 to 31/08/2008 at the rates specified in the order dated 11/02/2009.

The Committee noticed that the school had not furnished copies of its annual returns filed under Rule 180 of the Delhi School Education Rules, 1973 but had only furnished copies of the covering letters vide which these returns were filed. Accordingly, the Committee requisitioned copies of the complete returns vide letter dated 16/07/2013. The same were submitted by the school under cover of its letter dated 22/07/2013.

In the first instance, the relevant calculations to examine the justifiability of fee hike effected by the school pursuant to order dated 11/02/2009 were made by the Chartered Accountants deputed by the Directorate of Education to assist this Committee (CAs). They determined that the school recovered more fee than was required to implement the recommendations of VI Pay Commission and the excess amount recovered by the school that was provisionally calculated by them was Rs. 1,47,99,237. The Committee reviewed the calculations made by the CAs and observed that they had not taken into

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consideration the requirement of the school to keep funds in reserve for the purpose of meeting its accrued liabilities of gratuity and leave encashment besides reasonable reserve which the school should be keeping. Moreover, the Committee felt that the figures furnished by the school in reply to the questionnaire, did not appear to be wholly accurate as the school had not furnished any figure with regard to payment of salary arrears for the period 01/09/2008 to 31/03/2009. Therefore, the calculations made by the CAs were not found acceptable by the Committee.

In order to make the relevant calculations, the Committee issued a notice dated 13/05/2015 seeking information about the aggregate amounts of regular tuition fee, arrear fee recovered by the school in pursuance of order dated 11/02/2009 issued by the Director of Education, regular salary and arrear salary paid on acceptance of the recommendations of VI Pay Commission, duly reconciled with the audited financials of the school. The information was sought in a format devised by the Committee to facilitate the calculations regarding justifiability of the fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. Besides, the school was also required to furnish copies of bank statements in evidence of the payment of arrear salary, statement of the parent trust/society running the school, as appearing in the books of the accounts of the school for the period 01/04/2006 to 31/03/2011, details of the accrued liabilities of the

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school for gratuity and leave encashment. The school was also issued a supplementary questionnaire with regard to collection and utilisation of development fee and maintenance of earmarked bank accounts of investments for depreciation reserve fund and unutilised development fund.

The school submitted its reply vide letter dated 23/05/2015. Besides furnishing the information with regard to the details of fee and salary for the year 2008-09 to 2010-11, the school stated that there was no account of the parent society in the books of the school. Further, the school had taken a group gratuity policy from LIC for which it was paying yearly premium and hence there was no accrued liability in respect of gratuity. The school had a liability of Rs. 73,78,280 for leave encashment as on 31/03/2010 but had made no provision thereof in its books of accounts.

In reply to the questionnaire regarding development fee, the school conceded that though it was charging development fee in all the five years for which information was sought by the Committee, it was not treating it as a capital receipt but as revenue receipt. The school mentioned certain figures as the amount that was purportedly utilised out of development fee but no details thereof were furnished by the school. With regard to the query regarding maintenance of depreciation reserve fund, the school stated in reply a categorical "No". Further, the

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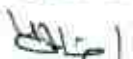


school stated that the unutilised development fund had been kept in the bank and formed part of consolidated FDRs.

The school also filed copies of 8 circulars, all dated 2<sup>nd</sup> March 2009, issued to the parents of the students studying in different classes advising them to pay the arrear fee and the incremental fee w.e.f. 01/09/2008 pursuant to order dated 11/02/2009 issued by the Director of Education. The school also enclosed copy of a circular dated 23<sup>rd</sup> April 2009 calling for a general body meeting of the parents to approve a further tuition fee hike of Rs. 324 per month w.e.f. 01/09/2008 and recovery of additional lump sum arrear fee from the students at the rate of Rs. 541/Rs. 1027/Rs. 1541 per student, over and above the fee hike and arrear fee which were recovered/recoverable as per order dated 11/02/2009 issued by the Director of Education.

Another circular was issued to the parents on 11/05/2010 advising the parents that the school had been granted sanction vide order dated 23/03/2010 passed by the Director of Education in response to a grievance petition filed by the school with the Grievances Redressal Committee constituted by the Director of Education in terms of order dated 11/02/2009. A copy of the order passed by the Grievances Redressal Committee was also furnished by the school. It is noteworthy that the school had sought a hike in fee by Rs. 324 per month w.e.f. 01/09/2008, besides recovering additional lump sum arrear fee

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amounting to Rs. 1,541 per student but the Grievances Redressal Committee sanctioned to collect the additional lumpsum arrears of Rs. 1541 only (proportionately reduced for students admitted in 2007-08 and 2006-07). No approval was given to collect the additional incremental fee of Rs. 324 per student w.e.f. 01/09/2008.

The following position emerges with regard to the total fee hiked by the school and the arrear fee collected by it at various stages from the students of different classes:

**Lump sum arrear fee for the period 01/01/2006 to 31/08/2008**

Class	Arrears recovered as per circular dated 02/03/2009	Additional Arrears recovered with the approval of Grievances Redressal Committee	Total arrears recovered for the period 01/01/2006 to 31/08/2008
Pre Primary	4,500	1541	6041
I to XII	3,500	1541	5041

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

Class	Arrears recovered as per circular dated 02/03/2009		Additional Arrears recovered purportedly with the approval of Grievance Redressal Committee	Total arrears recovered for the period 01/09/2008 to 31/03/2009
	Tuition Fee	Development Fee		
Pre Primary	3500	2093	2268 (324x7)	7861
I to X	2800	966	2268 (324x7)	6034
XI (Commerce /humanities)	2800	1036	2268 (324x7)	6104
XI (Commerce/Humanities with Informatics Science/Bio/Comp./Eco.	2800	1155	2268 (324x7)	6223



The Committee issued a notice requiring the school to appear before it on 04/07/2016 along with its books of accounts, fee and salary records and also the audited financials of the pre primary school or a hostel which the school might be running.

Sh. Om Prakash, UDC and Sh. Satish Agarwal, Audit Assistant of the school appeared and were partly heard. They could not satisfactorily answer the queries raised by the Committee regarding the exact extent of fee hike effected or arrears recovered by the school at different stages. Therefore, they were asked to produce the relevant fee records before the audit officer of the Committee.

On the next date i.e. 02/08/2016, the school put in appearance through Sh. Om Prakash, Sh. Keshav and Sh. Anil Jain. The Chairperson of the Committee recused himself from the hearing and further proceedings in the matter on account of personal reasons.

The representatives of the school were partly heard by the Committee and the documents filed by the school were examined. The circulars issued by the school with regard to fee hike and recovery of arrear fee for implementation of the recommendations of VI Pay Commission were examined by the Committee. The Committee observed that the hike in development fee as a percentage of the hike in tuition fee w.e.f. 01/09/2008 was much more than 15% of the incremental tuition fee, which was the cap imposed by the Hon'ble Supreme Court in the

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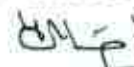
case of Modern School vs. Union of India ( 2004) 5 SCC 583. The representative of the school submitted that the school was originally charging development fee at a rate which was less than 15% but w.e.f. 01/09/2008 the same was brought to the level of 15% of increased tuition fee.

It was submitted on behalf of the school that the hike in tuition fee as well as the extent of lump sum arrear fee as permitted by the Director of Education vide order 11/02/2009 was not sufficient to implement the recommendation of VI pay Commission and accordingly the school filed a petition with Grievance Redressal Committee constituted under clause 10 of order dated 11/02/2009. The school sought an additional increase in lump sum fee @ Rs. 1541 per student and an additional tuition fee @ Rs. 324 per month w.e.f. 01/09/2008. The Grievance Redressal Committee after considering the submissions of the school and after going through the funds available with the school before fee hike, permitted the school to recover additional arrears of Rs. 27,30,690 @ Rs. 1541 per student ( reduced proportionately for students who had been admitted in 2006-07 and 2007-08). However, the request of the school to be allowed an additional hike of Rs. 324 per month w.e.f. 01/09/2008 was not granted.

The Committee observed from the fee and salary statement filed by the school in response to a notice dated 13/05/2015 issued by it, that

The Mother's International School, Aurobindo Marg, New Delhi/B-188/Order

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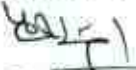
  
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the school had shown recovery of additional lump sum fee to the tune of Rs. 25,60,953 which was permitted vide order of Grievance Redressal Committee. However, the school had also shown an additional recovery of **Rs. 1,32,11,276** in the year 2010-11, as arrear of tuition fee for the period 01/09/2008 to 31/03/2009. When the representatives of the school were asked to explain this additional recovery, they submitted that it represented the recovery of Rs. 324 per month w.e.f. 01/09/2008 for which the permission had been sought from the Grievance Redressal Committee but the same had not been granted. They sought to justify this additional recovery on the ground that the same had been approved by the Parent Teacher Association of the school, which was satisfied that the school did not have sufficient funds to meet its additional liabilities of increased salaries on account of implementation of the recommendations of VI Pay Commission and the hike permitted to the school by the Director of Education vide order dated 11/02/2009 was also inadequate for the purpose.

The Committee also examined the reply filed by the school with regard to the supplementary questionnaire issued to elicit the relevant information regarding charging of development fee with reference to the audited financials of the school. It noted that the school had conceded in its reply that the school was treating the development fee as revenue receipt and no separate depreciation Reserve fund was maintained in respect of assets acquired out of the development fee. In the year 2009-

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10, the school recovered a total amount of Rs. 80,93,494 on this account and Rs. 1,01,17,149 in the year 2010-11.

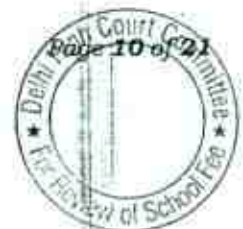
The Committee noticed that though the school had mentioned that its estimated accrued liability on account of leave encashment was Rs. 73,78,280 as on 01/09/2010, no employee wise details for this had been furnished. The representatives of the school sought some time to do that. The school furnished copy of a quotation given by the Life Insurance Corporation and a premium receipt for Rs. 73,78,280 on a group policy taken to cover the accrued liability of leave encashment. However, the Committee noticed that the date of commencement of the policy was 01/09/2010 and the present value of the accrued liability for past service ( i.e. upto 31/03/2010) was Rs. 65,73,239.

The school also gave a calculation with regard to the arrears of incremental development fee w.e.f. 01/09/2008. It was mentioned that prior to 01/09/2008, the school charged development fee at a fixed amount of Rs. 1815 irrespective of the amount of tuition fee which was different for different classes.

With regard to the additional collection of tuition fee @ Rs. 324 per month per student w.e.f. 01/09/2008, the school sought to justify the same by stating that after collecting the arrears of increased fee as permitted by DOE vide order dated 11/02/2009, there remained a deficit of Rs. 67,52,204 as on 31/03/2010 and the amount was collected to tide

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over the deficit which had arisen due to payment of increased salaries and arrears on account of implementation of the recommendations of VI Pay Commission. The school also submitted that the order passed by the Director of Education to give effect to the determination of the Grievance Redressal Committee permitted the school to collect an amount of Rs. 27,30,690 but the school could recover only a sum of Rs. 25,60,953 from the students and at that point of time the school was left with no amount in its reserve funds. It further stated that as per the CAG report, schools are required to maintain a reserve fund equivalent to three months salaries and allowances and ideally the school should have a reserve fund of Rs. 1,74,79,400 but even after collecting Rs. 1,32,11,276 as additional amount, the school could create a reserve fund of only Rs. 42,40,970.

In conclusion, it was submitted that the school had not charged any amount that was in excess of what was required to meet its liabilities arising out of the implementation of the recommendations of VI Pay Commission.

Based on the fact emerging out of the record of the school, its audited financials and the information given by the school during the course of proceedings before the Committee, the following calculation sheet was prepared and a copy thereof was furnished to the school for rebuttal, if any:

Statement showing Fund available as on 31.03.2008 and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report			
	Particulars	Amount (Rs.)	Amount (Rs.)
	<u>Current Assets + Investments</u>		
	Cash in hand	2,921	
	Cash at Bank (Gratuity fund)	1,504	
	Fixed Deposits with Banks	15,725,009	
	Staff Advance	18,000	
	Value Creation Learning System	5,000	15,752,434
<b>Less</b>	<u>Current Liabilities</u>		
	Expenses payable	364,865	
	Tuition Fee Advance	4,076,610	
	Transport Fee Advance	550,750	
	Annual Charges Advance	675,180	
	CBSE	189,545	
	IBM Grant for Science & Technology	360,000	6,216,950
	<b>Net Current Assets (Funds available)</b>		<b>9,535,484</b>
<b>Less</b>	<b>Reserves required to be maintained:</b>		
	for future contingencies (equivalent to 4 months salary)	15,162,009	
	for accrued liability towards Leave Encashment as on 31.03.2010	6,573,239	
	for accrued liability towards Gratuity as on 31.03.2010	-	21,735,248
			<b>(12,199,764)</b>
<b>Less</b>	<b>Additional Liabilities after implementation of VIth Pay Commission:</b>		
	Arrear of Salary as per 6th CPC	27,942,579	
	Incremental Salary for 2009-10 (as per calculation given below)	18,034,033	45,976,612
	<b>Excess / (Short) Fund Before Fee Hike</b>		<b>(58,176,376)</b>
<b>Add</b>	<b>Total Recovery for implementation of 6th Pay Commission:</b>		
	Arrear of tuition fee in pursuance of DOE's order 11.2.2009	12,105,603	
	Arrear of tuition fee in pursuance of DOE's order 23.3.2010	2,560,953	
	Arrear of tuition fee (Rs.324 pm without permission of DOE)	13,211,276	
	Arrear of Development fee	2,139,584	
	Incremental tuition fee for 2009-10 (as per calculation given below)	13,061,183	43,078,599
	<b>Excess / (Short) Fund After Fee Hike</b>		<b>(15,097,777)</b>

**Development fee refundable being treated as revenue receipt :**

For the year 2009-10	8,093,494
For the year 2010-11	10,117,149
Total	18,210,643
Less: Shortfall in tuition fee	(15,097,777)
<b>Net amount refundable</b>	<b>3,112,866</b>
<b>Additional arrear fee recovered without permission of DOE</b>	<b>13,211,276</b>
<b>Total amount refundable</b>	<b>16,324,142</b>

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**Working Notes:**

Normal/ regular salary	2008-09	2009-10
	27,451,995	45,486,028
<b>Incremental salary in 2009-10</b>	<b>18,034,033</b>	
Normal/ Regular Tuition fee	2008-09	2009-10
	38,591,504	51,652,687
<b>Incremental tuition fee in 2009-10</b>	<b>13,061,183</b>	

As per the above calculation sheet, the school had available with it a sum of Rs. 95,35,484 as on 31/03/2008 i.e. before the fee hike became effective. Out of this, the school was required to keep funds in reserve to the tune of Rs. 65,73,239 for leave encashment. The Committee has taken a consistent view that the school ought to retain with it reserves equivalent to four months salary for any future contingencies. The amount required to be kept in reserve amounted to Rs. 1,51,62,009, if available. However, as noticed above, the funds available with the school was just Rs. 29,62,245 after accounting for the reserve for leave encashment. Thus it would not be correct to say that the school did not have any funds of its own but it can be said that there was a deficiency in the requirement of the school to keep funds in reserve to the tune of Rs. 1,21,99,764.

The total financial impact of the implementation of the recommendations of VI Pay Commission amounted to Rs. 4,59,76,612. The total additional fee recovered by the school, ostensibly to meet its additional liabilities on account of implementation of the



recommendations of VI Pay Commission, whether recovered rightly or wrongly, amounted to Rs. 4,30,78,599 as per the following details:

<b>Total Recovery for implementation of 6th Pay Commission:</b>	
Arrear of tuition fee in pursuance of DOE's order 11.2.2009	12,105,603
Arrear of tuition fee in pursuance of DOE's order 23.3.2010	2,560,953
Arrear of tuition fee (Rs.324 pm without permission of DOE)	13,211,276
Arrear of Development fee	2,139,584
Incremental tuition fee for 2009-10 (as per calculation given below)	13,061,183
<b>Total</b>	<b>43,078,599</b>

The school already had a sum of Rs. 29,62,245, if we ignore for the present moment, the requirement of the school to keep funds in reserve. The additional fee generated by it amounted to Rs. 4,30,78,599, thus totaling Rs. 4,60,40,844. The additional liability on account of implementation of recommendations of VI Pay Commission upto 31/03/2010 amounted to Rs. 4,59,76,612. Thus, shorn of the technicalities, the additional fee recovered by the school, rightly or wrongly appeared to be justified. However, the school had recovered development fee in the years 2009-10 and 2010-11 also without fulfilling the pre conditions laid down by the Hon'ble Supreme Court. The total amount of recovery in these two years amounted to Rs. 1,82,10,643, which apparently was required to be refunded. As per the calculation sheet prepared by the Committee which accounted for all these factors, including the requirement of the school to keep funds in reserve for future contingencies, it was prima facie found that the school might be required to refund a sum of Rs. 1,63,24,142.



The school filed its rebuttal to the calculation sheet vide written submissions dated 24/10/2016 and the authorized representatives of the school were heard on 25/10/2016.

The school pointed out at the outset that the Committee had included the figure of Rs. 1,32,11,276 which represented arrears of tuition fee collected at the rate of Rs. 324 per month w.e.f. 01/09/2008 without the permission of the Director of Education.

It was next contended that the expenditure incurred by the school on payments as professional charges to the temporary or guest teachers also increased from Rs. 4,97,283 in 2008-09 to Rs. 12,68,582 in the year 2009-10 and such increase ought also be taken into consideration while calculating the additional burden on account of implementing the recommendations of VI Pay Commission.

It was also contended that though the school treated development fee as a revenue receipt, the school also incurred some expenses out of this. Particularly in the year 2009-10, the school incurred a loss of Rs. 1,35,98,138.

It was lastly submitted that the additional fees collected by the school as also the development fee have been utilised to meet the increased liability arising out of increase in expenditure due to implementation of the recommendations of VI Pay Commission. The Department of Education itself mentioned in the order dated

*The Mother's International School, Aurobindo Marg, New Delhi/B-188/Order*

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11/02/2009 that the school must first of all exhaust all its reserves and that would include development reserve, before effecting the fee hike. It was submitted that in view of the factual position, which emanates from the preliminary calculation sheet prepared by the Committee also since the school utilised the entire additional fee recovered by it for implementing the recommendations of VI Pay Commission, the additional fee recovered by the school even where it was not authorized by the Director of Education, be regularized as the Committee has been vested with this power by the Hon'ble High Court in WP (C) 7777 of 2009

**Discussion & Determination:**

The Committee notices that it indeed committed an error in the preliminary calculation sheet. The amount of Rs. 1,32,11,276 recovered by the school unauthorisedly has been factored in twice while working out the apparent amount refundable by the school. The same will be duly rectified while making the final recommendations.

The Committee does not agree with the contention of the school that the increased expenditure on account of professional charges paid to temporary or guest teachers be taken into account while examining the justifiability of the fee hike specifically permitted to the school to implement the recommendations of VI Pay Commission, since this expenditure has no relation with the implementation of such recommendations. This contention of the school is therefore rejected.



With regard to incurring of expenditure out of development fee, the Committee notices that the school did not furnish the details of any expenditure specifically incurred out of development fee. Moreover, since the development fee has been treated as a revenue income by the school, any expenditure incurred out of development fee is automatically accounted for while working out the net profit of the school. The position that emerges from the audited financials of the school is as follows:

(a) In the year 2009-10, the school admittedly recovered Rs. 80,93,494 as development fee. However, the net amount that was credited to the Income & Expenditure Account on this account was Rs. 41,56,047. The school incurred a net deficit of Rs. 1,35,98,138, indicating that the entire amount of development fee was utilised for revenue expenses which had already been taken into account and thus there could have been no additional expenses out of development fee which could have been incurred by the school. Probably for this reason, the school has not given any details of the expenses allegedly incurred out of development fee.

(b) In the year 2010-11, the school recovered a sum of Rs. 1,01,17,149 as development fee, the same is reflected as Schedule 'N' in the financials of the school. It is claimed that a sum of Rs. 55,55,562 was spent out of it leaving a balance of Rs. 45,62,586. This figure does not appear anywhere either in

the Income & Expenditure Account or in the balance sheet. It appears to have been clubbed with tuition fee which is shown to be Rs. 6,62,24,940, the details of which have not been given ( in view of the categorical reply given by the school in the reply to the questionnaire that the development fee was treated as a revenue receipt).

**(c)** Moreover the school was not entitled to charge any development fee if it did not fulfill the mandatory pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School (supra). Admittedly the school was treating development fee as a revenue receipt and no earmarked development fund or depreciation reserve fund was maintained which are necessary pre conditions. When the charge of development fee itself is irregular, it does not lie in the mouth of the school to say that the expenditure incurred out of development fee be allowed to be reduced from the amount of refund determined by the Committee.

**(d)** The Committee has itself reduced the deficit incurred by the school on implementation of the recommendations of VI Pay Commission from the development fee charged in the years 2009-10 and 2010-11 and has not even provisionally determined that the school ought to refund the entire amount of development fee recovered by it. As

against the recovery of development fee amounting to Rs. 1,82,10,643 in 2009-10 and 2010-11, the provisional calculation sheet reflects the refund of development fee to the tune of only Rs. 31,12,866 after setting of the deficit of Rs. 1,50,97,777 incurred by the school on implementation of the recommendations of VI Pay Commission and its requirement to keep funds in reserve for future contingencies. This meets the argument of the school that the loss incurred by it amounting to Rs. 1,35,98,138 in the year 2009-10 be allowed to be set off. In fact the Committee is setting off more amount than that claimed by the school.

Taking into account the submissions made by the school, the Committee, reduces the amount of refund provisionally determined by it amounting to Rs. 1,63,24,142 to Rs. 31,12,866 after rectifying the mistake of double counting of Rs. 1,32,11,276.

The last issue that needs to be considered is whether the Committee ought to regularize the excess recovery of arrears of incremental tuition fee charged by the school @ Rs. 324 per month per student from 01/09/2008 to 31/03/2009 which aggregates Rs. 1,32,11,276 and the excess amount of arrears of development fee charged by it for the same period. The contention of the school is that



where the Committee finds that the school incurred deficit on implementation of the recommendations of VI Pay Commission and such deficit stands established, the Committee can recommend an additional fee hike over and above that permitted by the order dated 11/02/2009 issued by the Director of Education and the subsequent order of the Director of Education to give effect to the recommendations of the Grievances Redressal Committee.

There is force in the contentions raised by the school. The Hon'ble Delhi High Court, while constituting this Committee, observed in para 83 as follows:

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

In view of the mandate given to this Committee by the Hon'ble High Court, and in view of the fact that this school has been able to make out a case for higher increase in fee than was permitted by order dated 11/02/2009 issued by the Director of Education, the Committee is of the view that the excess arrear fee for the period 01/09/2008 to 31/03/2009

and the excess development fee recovered for the corresponding period, needs to be regularized.

However, after regularizing this fee, the school is still required to refund a sum of Rs. 31,12,866 out of the development fee charged by it in the year 2010-11. The Committee is of the view that the same ought to be refunded along with interest @ 9% per annum from the date of collection to the date of refund.

Ordered accordingly.



CA J.S. Kochar  
(Member)



Dr. R.K. Sharma  
(Member)

Dated 20/04/2018

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Secretary



000087

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

**Cause List for Thursday, 5th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-615	Maxfort School, Parwana Road, Pitmpura
2	B-277	Hans Raj Smarak School, Dilshad Garden
3	B-469	St. Peter's Convent, Vikas Puri

**Cause List for Friday, 6th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-662	DAV Model School, Yusuf Sarai
2	B-379	DAV Public School, East of Kailash
3	B-295	Lions Public School, Ashok Vihar

**Cause List for Tuesday, 10th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-632	St. Columbo Public School, Pitampura
2	B-668	St. George's School, Alaknanda
3	B-63	Tagore School, Maya Puri

**Cause List for Wednesday, 11th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-597	St. Margaret's Sr. Sec. School, Prashant Vihar
2	B-286	Mount Abu Public School, Sect.5, Rohini
3	B-294	Mount Abu Sr. Sec. School, Sect.18, Rohini

**Cause List for Friday, 13th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-172	Ganga International School, Saavda Ghevra
2	B-686	Arunodaya Public School, Karkardooma
3	B-584	General Raj's School, Hauz Khas

**Cause List for Monday, 16th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-77	Vishal Bharti Public School, Paschim Vihar
2	B-688	St. John's School, Masjid Moth, GK-III
3	B-60	The Heritage School, Sector-23, Rohini

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**Cause List for Tuesday, 17th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-564	Columbia Foundation School, Vikas Puri
2	B-407	Saraswati Vidyalaya Sr. Sec. School for Girls, Darya Ganj
3	B-631	CRPF Public School, Rohini

**Cause List for Friday, 20th April 2018**

S. No.	Cat. No.	School Name & Address
1	B-159	Review - Faith Academy, Prasad Nagar
2	B-560	Review - Mamta Modern School, Vikas Puri
3	A-138	Review - Shri Ram Bal Bharti School, Mandoli
4	B-300	Review - Aadharshila Vidyapeeth, Pitampura
5	B-679	Review - Saraswati Model School, Dwarka
6	B-588	Tagore International School, Vasant Vihar
7	B-589	Ramjas School, R.K. Puram
8	B-237	S.D. Public School, Kirti Nagar
9	B-407	Saraswati Vidyalaya Sr. Sec. School for Girls, Darya Ganj
10	B-631	CRPF Public School, Rohini

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 Secretary



05.04.2018

000089

B-615

Maxfort Public School, Pitampura, Delhi

An application has been received from the school seeking adjournment on the ground that the concerned official is on leave due to some exigencies and as such the school is not in a position to submit the required information sought by the Committee. As requested the matter is adjourned to 8<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**



**J.S. ROCHAR  
MEMBER**



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

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Secretary



05.04.2018

000090

B-277

Hans Raj Samarak School, Dilshad Garden, Delhi

Present : Sh. Rajiv Gupta, Accountant of the school.

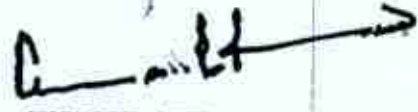
An application has been received from the school seeking adjournment on the ground that the administrative staff is busy in admission work and annual closing of the accounts. As requested the matter is adjourned to 28<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**



**J.S. KOCHAR  
MEMBER**



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



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05.04.2018

000091

B-469

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

Present : Sh. Manmohan Sharma, C.A. of the school

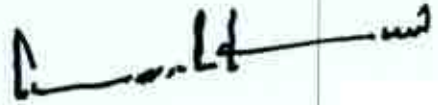
An oral request has been made by the authorized representative appearing on behalf of the school to grant some more time as the books of accounts which are maintained in tally software are not ready with the school for the years 2008-09 to 2010-11 as the school has outsourced the service of maintenance of accounts. He submits that the school is trying to procure the same from the concerned agency. As requested the matter is adjourned to 8th May 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER

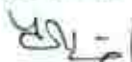


**J.S. KOCHAR**  
MEMBER



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

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Secretary



06.04.2018

000092

B-662

DAV Model School, Yusuf Sarai, New Delhi

Present : Sh. Surendra Kumar, Accounts Clerk of the school.

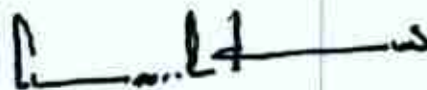
An application has been filed on behalf of the school seeking adjournment on account of non availability of the Accounts In-charge of the school. As requested the matter will now up come for hearing on 8<sup>th</sup> May 2018.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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06.04.2018

000093

B-379

DAV Public School, East of Kailash, Delhi

Present: Sh.S.K. Singhal, CA, Sh.Inderjeet Singh, A.O. , Sh.Anshul Patial, Accountant of the school.

The school has filed written submissions dated 5.4.2018, controverting the calculation sheet prepared by the Committee. The authorized representatives appearing for the school have been partly heard. It is contended by the authorized representative that as against a sum of Rs.2,21,63,196 determined by the Committee to be surplus available with the school as on 31.3.2010 after effecting fee hike and implementing the recommendations of the 6<sup>th</sup> pay commission, the actual surplus is amounting to Rs. 6,59,531. The school has given its own calculation sheet to arrive at the aforesaid figures of Rs.6,59,531.

In the written as well as oral submissions the school contended as follows:

- a. The actual amount of arrears of salary paid to the staff for the period 1.1.2006 to 31.1.2009 amounts to Rs.1,93,39,349 as against Rs.1,46,48,083 which has been taken by the Committee in its calculation sheet. It is contended that the figure of 1,46,58,083 given by the school, represented only the net out go of arrear salary to the staff. However, the total amount of arrears includes the payment of additional contributions made by the school to the gratuity, leave encashment, employers contribution to provident fund, employee deposit linked insurance also. It is submitted that these amounts have been shown in their respective heads of establishment expenses as given in Schedule 12 of Income and Expenditure Account. The school has furnished copies of the detailed arrear payment sheets in support of its contention. The Committee has examined the payment sheets produced by the school and finds that the contention raised by the school is correct. Accordingly, appropriate adjustments will be made at the time of final determination.
- b. The school, inadvertently did not provide the information pertaining to the incremental salary paid by the school in the months of February and March 2009 and consequently the same got clubbed with the regular salary paid by the school for the year 2008-09. The amount of differentials of these two months amounts to Rs.17,12,777 and in support of that the school has furnished a detailed employee wise sheet. The school has been asked to furnish a soft copy of these sheets in order to check the calculations. Principally, the Committee accepts that differential salary for the months of Feb and March 2009 ought to be accounted for separately besides the payment of arrears for the period 1.1.2006 to 31.1.2009 and the corresponding amount ought to be reduced by regular salary paid by the school for the year 2008-09. Necessary adjustments

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will be made while making the final determination after checking the employee-wise calculation sheet.

- c. The school has conceded that it paid a sum of Rs.8,04,399 in the month of March 2014 towards arrears of 5<sup>th</sup> Pay Commission for the period 1.1.1996 to 31.12.1996 and so this amount should also be considered as a liability due as on 31.3.2008 to determine the fund position. The authorized representative submits that this liability was not provided in the books as the management had initially not agreed for making this payment. The Committee is of the view that the contention of the school cannot be accepted since the payment has been made in March 2014 and the school has always been generating surplus year after year from 2008 to 2014 and this disputed payment ought to be considered as come out of the surplus for the subsequent years.
- d. The school claims that a sum of Rs.7,84,080 which it recovered from the student so new students admitted during 2009-10 ought to be excluded in calculation made by the Committee as the students of 12<sup>th</sup> class who have left the school in 2009-10 did not contribute any fee. This contention does not appeal to the Committee as eventually for both the years the total fee recovered from the students of 12 classes plus 2 years pre primary and there would always be a gap between identity of the individual students in two consecutive years.
- e. With regard to development fee, it is contended that the development fee for the year 2009-10 and 2010-11 to the amount determined to be refundable by the Committee ought not to have been included as the school was fulfilling all the preconditions 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. The Committee finds that the information furnished by the school in the manner it has done in reply to the questionnaire issued by the Committee does not fully support this. The school is directed to furnish the detailed accounts of development fund recovered year wise from 2006-07 to 2010-11 giving break up of opening balance, development fee received during the year, development fee utilized for permitted purposes and the closing balance as on the closing of the year against this the amount of earmarked funds determined by the school ought to be stated along with the evidence that they were in fact earmarked. Similar information may also be given in respect of depreciation reserve fund on the depreciation charged on the asset out of development fee and not for all the assets of the school.
- f. The school has disputed that the figure of Rs.80,94,431 which has been worked out by the Committee as the amount diverted for repayment of loans and interest thereon from 2006-07 to 2009-10. The Committee observes that it has arrived at this

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06.04.2018

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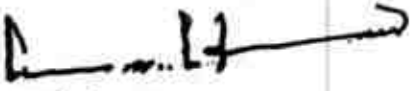
amount on the basis of Receipt and Payment Accounts filed by the school which were duly audited. The authorized representative submits that these Receipt and Payment Accounts were directly prepared and do not reflect the correct position with regard to Receipts and Payments under different heads. He submits that the school may be given an opportunity to reframe the Receipt and Payment Accounts so as to bring out the exact and correct position. The school may do so. However, the Receipt and Payments Account prepared, ought to reconcile with the audited Income and Expenditure Accounts and Balance Sheet of the school with which no defect has been found.

- g. The authorized representative submits that a sum of Rs.11,04,775 has been wrongly mentioned in the current assets of PF loan accounts. He submits that the school gets the PF loan from the PF Trust for onward payment to the employees and hence there is a corresponding liability of the school to the PF Trust. Inadvertently, this amount has been included in the loan of DAV CMC in the Balance sheet. The school will produce its books of accounts to substantiate its contention on the next date of hearing.

The matter will now come up for further hearing on 25<sup>th</sup> May 2018 at 11.00 A.M.

  
**R.K. SHARMA**  
MEMBER

  
**J.S. KOCHAR**  
MEMBER

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

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Secretary





06.04.2018

000096

B-295

Lions Public School, Ashok Vihar, Delhi

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

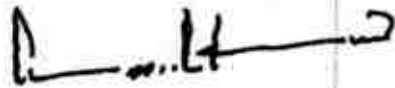
The Manager of the school submits that the school did have some liabilities on account of gratuity payable to the employees who are not covered under group insurance policy taken by the school and in fact they have been paid the gratuity on their superannuation in the subsequent years. Further, he submits that the premium paid on the group gratuity policy was calculated on the basis of basic salary alone while gratuity is actually payable on the aggregate of basic pay and dearness allowance. He submits that subsequently the school has made a payment of approximately Rs.27 lacs in 2017. He further submits that the LIC has been requested to provide the figure of the differential gratuity up to 31.3.2011 and this information will take some time. Accordingly, he requests, for some more time to be given. As requested the matter is adjourned to 25<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary

10.04.2018B-632St. Columba Public School, Pitampura, Delhi

Present: Mrs. Rakesh Dutt, Principal & Mrs. Anjana Sharma, PGT of the school.

The school has not produced its Books of Accounts for the year 2006-07 to 2010-11 in spite of specific directions given in the notice dated 20.3.2018. The principal of the school submits that the books are maintained in the old software need to be converted into new. She submits that it will take some time. The Committee notices that the school initially had not made payment of arrear salary to the staff and in the proceedings dated 30<sup>th</sup> July 2015 it was conceded and explained that the arrears were not paid as the staff members voluntarily gave back the same as donation to the school. However, on 10<sup>th</sup> August 2015 the principal of the school submitted that the Managing Committee had decided to pay arrears to all the staff members and in pursuance of such decision the arrears had been partly paid. In the next hearing she submitted that the arrears had then been fully paid.

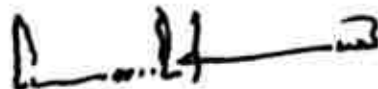
The school will produce its Books of Accounts for the years 2006-07 to 2010-11 in a lap top as also the audited financials for the years 2011-12 to 2015-16 on 25<sup>th</sup> May 2018. The next date of hearing is 25<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary


10.04.2018B-668St. George's School, Alaknanda, New Delhi

Present : Sh.Gopan P.K., Finance Manager & Sh.Jinu Samuel,  
Accountant of the school

The Committee has prepared calculation sheet to examine the justifiability of fee hike effected by the school as well as recovery of arrears in pursuant to order dated 11.2.2009 issued by the Directorate of Education. As per the calculation sheet the school incurred a deficit to the tune of Rs.1,54,20,152 on implementation of the recommendations of the 6<sup>th</sup> pay commission. It is submitted that the school utilized the development fee collected during the years 2009-10 and 2010-11 as well as the arrears of incremental development fee for the period 1.9.2008 to 31.3.2009 to partially bridge the deficit. The Committee observes that after accounting for these receipts the school was more or less quits if the requirement of the school to keep funds in reserve for future contingencies is taken into consideration. The authorized representative appearing for the school submits that although the school recovered arrears of incremental development fee at a rate which was more than that permitted vide order dated 11.2.2009, the excess collection on that account was also utilized for implementing the recommendations of the 6<sup>th</sup> pay commission and as such the excess fee recovered by the school may be regularized by the Committee.

The Committee's own calculation confirmed what the authorized representative of the school submits and since the Committee as per the judgment of the Hon'ble Delhi High Court in WPC (7777) of 2009 has been vested with the authority to recommend a fee higher than what is permitted by the order dated 11.2.2009, the Committee accepts the submissions of the school that the excess fee collected mainly regularized as even after such regularization the calculation show that the school was in deficit.

Detailed order to be pass separately.

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*[Signature]*  
Secretary

*[Signature]*  
R.K. SHARMA  
MEMBER

*[Signature]*  
J.S.KOCHAR  
MEMBER

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



10.04.2018B-63Tagore School, Maya Puri, Delhi

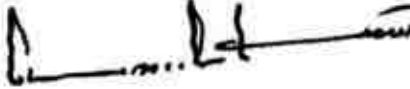
Present : Sh.Kamal Kishore Khattar, A.O. of the school.

The school has filed copies of pay orders along with speed post registration receipts in evidence of the same having been sent to four teachers Mrs. Sonika Sharma, Mrs. Anshul Kishore, Mrs. Renu Pakhetra and Mrs. Reena Bakshi. The speed post status report shows that pay orders to the first two name have been delivered while those sent to the remaining two have been returned undelivered. The authorized representative submits that the pay orders of the two teachers which have been returned have been kept by the school for delivery to them when their whereabouts are found and the school is making efforts to locate them.

Calculation sheet to be prepared. In the meantime the school may try to locate these teachers and deliver the pay order to them. Matter to come up for further hearing on 28<sup>th</sup> May 2018 at 11.00 A.M..

  
R.K. SHARMA  
MEMBER

  
J.S.KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

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11.04.2018

B-597

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

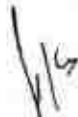
Present: Ms. Poonam Sehgal, Office Suptd. of the school

An application has been received from the school seeking adjournment on the ground that the counsel is busy in part heard matter pertaining to the orders passed by this Committee in respect of other schools before the Hon'ble High Court of Delhi.

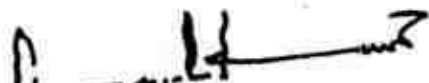
As requested the matter is adjourned to 29<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary



11.04.2018B-286Mount Abu Public School, Sector-5, Rohini, Delhi

An application has been received from the school seeking adjournment on the ground that the counsel is busy in part heard matter pertaining to the orders passed by this Committee in respect of other schools before the Hon'ble High Court of Delhi.

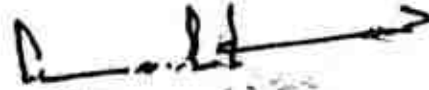
As requested the matter is adjourned to 29<sup>th</sup> May 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary

11.04.2018


B-294

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

Present : None

The school is being represented by Sh. Puneet Batra, Advocate who is also appearing in two other matters which are listed for hearing today. Adjournment have been sought in other matters on the ground that he is busy in part heard matters pertaining to the orders passed by this Committee, being argued in the Hon'ble High Court of Delhi. Accordingly this matter is also adjourned to 29th May 2018 at 11.00 A.M. for which date the other two matters have been adjourned. A fresh notice may be issued to the school.

  
R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

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Secretary



13.04.2018B-172Ganga International School, Saavda Ghevra, Delhi

Present : Sh. Vipul Mangla, and Sh. Agasti Kumar, Accountants of the school.

In compliance with the directions of the Committee given to the school on 08/03/2018, the school filed the details of salary cheques issued to the staff during the years 2008-09 and 2009-10 giving the date of cheques and the date of their encashment. The observations made by the Committee regarding late encashment of salary cheques in its order dated 08/03/2018 stand confirmed after examinations of the details filed by the School. The authorized representatives appearing for the school submit that the salary cheques were presented in the bank depending upon the availability of sufficient balance in the account.

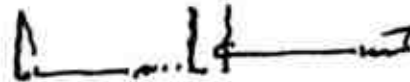
Calculation sheet to be prepared. Matter will come up for further hearing on 01/06/2018 at 11.00 a.m.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary





13.04.2018


B-686

Arunodaya Public School, Karkardooma, Delhi

Present : Sh.Kunal Bansal, C.A. & Sh. Bhagsar Singh, Accountant of the school.

The school has filed the details of arrears which were not paid earlier out of the arrear fee collected from the students, along with evidence of its payment of 06/04/2018 after deduction of TDS. The evidence in respect of TDS deposited is also filed.


Calculation sheet to be prepared after taking into account this payment of arrears. Matter will come up for further hearing on 01/06/2018.

  
R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

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Secretary



13.04.2018B-584General Raj's School, Hauz Khas, Delhi

Present: Sh.Rakesh Sharma, Director Accounts & Sh.Santosh Bhardwaj, Accountant of the school.

The school has filed a letter dated 12.4.2018 stating that the reply to the questionnaire submitted under cover of its letter dated 28<sup>th</sup> Sept. 2015 was erroneous. A fresh reply is enclosed with the letter. The Committee observes that in the earlier reply submitted by the school, the utilization of development fund was shown mainly for maintenance expenditure of the school which is revenue in nature. However, in the fresh reply filed today the utilization of development fund is shown towards acquisition of computer, office equipments, furniture and fixture, plant and machinery. Perusal of the Balance Sheet of the school shows that the amount included under the head 'plant and machinery' majorly includes school vehicles. Further the utilization of development fee in the years 2008-09, 2009-10 and 2010-11 is less than the collection of development fee for these years. The unutilized balance has not been kept in an earmarked development fund account. The Committee also observes that in the books, the school does not account for the acquisition of furniture and fixtures and equipments out of development fund but out of General Fund. The authorized representative submit that this is an accounting error which is being corrected from the current year. Although depreciation is charged in the books and depreciation reserve fund is created in the books, the amount of depreciation charged on the assets supposedly acquired from the development funds is not kept in earmarked FDRs of investments.

The school has also filed the detail of its accrued liability for leave encashment as on 31.3.2010. The same amounts to Rs.32,20,665. It is submitted that the same was already filed earlier but was not taken into the calculation made by the Committee. It is further submitted that the Committee may take into account this liability of the school while making the relevant calculations.

The school has also filed its own calculation sheet projecting a deficit of Rs.5,71,117 on implementation of the recommendations of the 6<sup>th</sup> pay commission as against the surplus of Rs.49,65,858 provisionally determined by the Committee. The difference between the two calculation sheet is on account of two factors. Firstly the school has accounted for the accrued liability of leave encashment in its calculation. Secondly the school has taken into account a liability of Rs.23,16,310 shown under the head "others" in the balance sheet. During the course of hearing, the Committee enquired from the authorized representative appearing for the school as to what is the nature of this liability. The authorised representatives submits that this represents an interest free loan of Rs.1500 which is taken from the students at the time of their admission in the school and the same is refunded at the time of their leaving the school. They concede that

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*[Signature]*  
Secretary



**13.04.2018**

it is over and above the admission fee of Rs.200 charged from the students by the school. The Committee has also perused the fee schedules filed by the school for the years 2006-07 to 2010-11 and observes that this charge of Rs.1500 per student is not included in the fee schedule of any year.


The Committee has also examined the books of accounts of the school and observes that contrary to what is submitted on behalf of the school, a bulk of the refund out of the interest free loans i.e. to be paid to the students at the time of leaving is transferred to the Parents Society by way of donation. The authorized representative submits that this is done as per the desire of the students. They offered to produce the authorization from the students on the next date of hearing.

For the sake of record the following figures, as extracted from the books of accounts of the school are mentioned.

Year	Total Amount Purportedly Refunded	Amount Transferred to the Society as Donation	Percentage of Amount Transferred as Donation to Total Amount of Refund
2006-07	2,32,400	1,47,900	63%
2007-08	1,96,500	1,67,500	83%
2008-09	2,15,000	2,05,000	95%
2009-10	64,500	53,500	83%
2010-11	2,11,500	1,92,000	90%

The school is given an opportunity to justify as to how this can be treated as a liability in view of the aforesaid mentioned facts. The school may also produce authority letters from the students to appropriate the amount as donation.


Matter will be heard on 2<sup>nd</sup> July 2018 at 11.00 A.M. A longer date is given at the request of Sh.Rakesh Sharma, Director of the school.

  
R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

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Secretary



16.04.2018

000107

B-77

Vishal Bharti Public School, Paschim Vihar, Delhi

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

The hearing in the matter was earlier concluded. However, on account of reconstitution of the Committee, the final order could not be passed. The school has been given a fresh opportunity of hearing after the reconstitution of the Committee. Vide notice dated 22.6.2017 the information was called for from the school in the format revised by the Committee. The school furnished that information under cover of its letter dated 13.7.2017. It is contended by the school that it implemented the recommendations of the 6<sup>th</sup> pay commission and also paid the arrear salary and as a result the school incurred deficit. It is mentioned in the letter that the school seeks appropriate directions from this Committee to rectify the situation faced by the school. In other words the school has requested for further fee hike over and above what was permitted to it vide order dated 11.2.2009 issued by the Director of Education in order to meet the deficit on account of implementation of the 6<sup>th</sup> pay commission. However, during the course of hearing the authorized representative appearing for the school submits that even if the Committee were to recommend a further fee hike, it will not be possible for the school to recover the same on account of the time lack. Accordingly he submits that the school would be satisfied if the Committee approves the fee hike effected by the school.

In order to substantiate its claim that the school incurred a deficit, the school has furnished a calculation sheet at page 70 of its compilation. However, the Committee finds that the school has based its calculations on the basis of the balance sheet as on 31.3.2009 when it had already hiked the fee and recovered part of the arrear fee in 2008-09 itself. It is to be noted that the school issued a circular on 17th March 2009 requiring the parents of the students to deposit part of the arrear fee by 31.3.2009 and the books of accounts produced by the school shows that the school had recovered a sum of Rs.13,71,371 towards arrear fee as on 31.3.2009. The Committee is required to see the funds position of the school before affecting the fee hike and as such the Committee deems it appropriate to base the calculation on the basis of the latest audited balance sheet prior to fee hike i.e. the F.Y. 31.3.2008. Accordingly the calculation sheet filed by the school is rejected being not appropriate for the purpose.

The Committee has examined the information with regard to the arrear fee, regular fee, arrear salary and regular salary for the years 2008-09, 2009-10 & 2010-11 as furnished by the school and also the circular dated 17.3.2009 issued by the school to the parents. The Committee finds it strange that the circular was issued to the parents on 17.3.2009 but the school started receiving the arrear fee as per this circular from 20.2.2009 itself. It appears that the school had

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16.04.2018

000108

issued another circular to the parents earlier in response to which the parents started depositing the arrear fee but the same has not been produced for perusal by the Committee. The school has not produced the minutes of the managing committee approving the fee hike. The authorized representative seeks some time to produce the minutes book. The school will explain as to how it started receiving the arrear fee w.e.f. 20.2.2009 when the circular to this effect was issued almost one month later.

The information furnished by the school have been verified from the books of accounts produced by the school. The recovery of arrear fee to the tune of Rs.13,71,371 in the year 2008-09 has been reflected by the school as a current liability as on 31.3.2009. However, the same was accounted for as the income of the school in the year 2009-10. While the total arrear fee recovered by the school as reflected in the information sheet filed by it tallies with the books of accounts, the year wise break up is not given appropriately. However that will have no material effect while making the calculation.

In the figures of regular salary given by the school for the year 2008-09 and 2009-10 the school has also included the payments made to certain manpower agency for hiring of staff. As such these payments have no relation with the implementation of the recommendations of the 6<sup>th</sup> pay commission, the Committee will exclude such payments from its calculations.

On examination of the books of accounts and the information sheet filed by the school, the Committee has arrived at the following figures which are relevant for the purpose of making a calculations of deficit or surplus that arose after implementation of the 6<sup>th</sup> pay commission report and fee hike effected by the school.

Particulars	2008-09	2009-10	2010-11
Lump sum arrear fee for the period 1.1.2006 to 31.8.2008	5,66,141	7,10,259	0
Arrear of tuition fee for the period 1.9.2008 to 31.3.2009	6,51,160	21,25,048	2800
Arrear of development fee for the period 1.9.2008 to 31.3.2009	1,54,070	6,35,942	560
Regular tuition fee (Net of fee concession)	2,22,88,220	2,65,21,473	
Arrear salary for the period 1.1.2006 to 31.8.2008		42,19,807	1,82,823
Arrear salary for the period 1.9.2008 to		21,35,060	

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16.04.2018

000109

31.3.2009			
Regular /normal salary for the year (including bonus and PF)	71,18,447	1,15,28,653	

The school has also furnished the relevant information for its nursery branch .The same is as follows :

Particulars	2008-09	2009-10	2010-11
Lump sum arrear fee from 1.1.2006 to 31.8.2008	0	34,148	0
Arrear of tuition fee from the period 1.9.2008 to 31.3.2009	18,268	95,422	
Arrear of development fee for the period 1.9.2008 to 31.3.2009	6120	39,860	
Regular tuition fee (Net of fee concession)	18,02,975	16,63,950	
Arrear salary for the period 1.1.2006 to 31.8.2008	0	0	0
Arrear salary for the period 1.9.2008 to 31.3.2009	0	0	0
Regular /normal salary for the year (including bonus and PF)	32,84,613	33,24,762	

It is obvious from the above figures of nursery school that the school has not paid any arrear salary to the staff. However, it admittedly recovered the arrear fee from the students. The authorised representative appearing for the school submits that the relevant calculations ought to be made by the Committee by taking the consolidated figures as the nursery school is not a separate entity but is part of main school.

The Committee observes that for classes 1st to 8<sup>th</sup> , the school increased the tuition fee by Rs.400 p.m. w.e.f. 1.9.2008 and accordingly recovered the arrears for 7 months up to 31.3.2009 @ Rs.2800 per student. However the corresponding increase in development fee was @ Rs.190 per month per student for class 1st & 2nd, Rs.199 per month for classes 3rd to 5th and Rs. 218 per month for classes 6th to 8th. The rate of hike of development fee is between 47.5% and 54.5% of the corresponding hike in tuition fee. The school was charging development fee for classes 9<sup>th</sup> to 12<sup>th</sup> the tuition fee

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16.04.2018

000110

was hiked by Rs.500 per month while the development fee was hiked by Rs.249 per month which works out to 49.8% of the hike in tuition fee. As per the decision of the Hon'ble Supreme Court in the case of Modern school, the schools are permitted to charge development fee up to a maximum of 15% of tuition fee. During the year 2008-09, as per the fee schedule filed by the school as part of its returns under rule 180, while the school was charging tuition fee at varying rates from the students of different classes between Rs.1780 per month to Rs.2095 per month, development fee charged by the school was a fixed amount of Rs.140 per month which worked out to 7.86% for pre primary class and 6.68% for classes 9<sup>th</sup> to 12<sup>th</sup>. The school is required to justify the extra ordinary hike in the rate of development fee w.e.f. 1.9.2008 in view of the fact that the school could hike the development fee which was consequential to the hike in tuition fee as per clause 15 of the order dated 11.2.2009.

The Committee also notices that the corpus fund of the parents society in the accounts of the school is negative and the entire fixed assets of the school have been funded out of secured and unsecured loans. This factor will be considered while preparing the relevant calculation sheet.

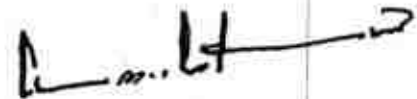
The matter is adjourned to 4<sup>th</sup> June 2018 at 11.00 A.M. for compliance with the directions of the Committee as above.



**R.K. SHARMA  
MEMBER**



**J.S. KOCHAR  
MEMBER**



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

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Secretary

16.04.2018

000111

B-688

**St. John's School, Masjid Moth, Delhi**

Present: Nemo.

The Committee has prepared a calculation sheet in order to examine the justifiability of fee hike effected by the school w.e.f. 1.4.2009. Admittedly the school did not pay any arrears that accrued to the staff on implementation of the recommendations of the 6<sup>th</sup> pay commission. However, the Committee notices that the school did not recover any any arrear fee also for that purpose. The school had a paltry sum of Rs.37,582 available with it as on 31.3.2009. It prospectively hiked the fee at rates which were more than that permitted by order dated 11.2.2.009 issued by the Director of Education. It prospectively increased the salary of the staff in terms of the recommendations of the 6<sup>th</sup> pay commission w.e.f. 01/07/2009. While the total incremental liability on account of increased salary amounted to Rs.15,27,392, the incremental revenue generated by the school by way of fee hike for the year 2009-10 amounted to Rs.11,41,285. After considering the funds available with the school at the threshold, the school incurred a deficit of Rs.3,48,525. This is without taking into consideration the requirement of the school to keep funds in reserve for future contingencies. Though the school was not fulfilling the pre conditions prescribed for charging of development fee as it was treating the same as a revenue receipt and utilizing the same for meeting its revenue expenses, the total collection under this head in the years 2009-10 & 2010-11 amounted to Rs.3,69,275. Keeping in view the deficit incurred by the school on implementation of the recommendations of the 6<sup>th</sup> pay commission albeit prospectively and the requirement of the school to keep funds in reserve, the committee is of the view that no intervention is called for in the matter of fee hike effected by the school w.e.f. 1.4.2009 prospectively even though it is more than the maximum fee hike permitted by the said order.

Detailed order to be passed separately.

  
R.K. SHARMA  
MEMBER

  
J.S. KOCHAR  
MEMBER

  
JUSTICE ANIL KUMAR(Retd.)  
CHAIRPERSON

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Secretary





16.04.2018

000112

B-60

The Heritage School, Rohini, Delhi

Present : Sh.Pulkit Malhotra, Advocate of the school.

Learned Counsel appearing for the school request for an adjournment stating that some writ petitions are being argued in the High Court of Delhi pertaining to various issues arising out of the orders of this Committee in case of other schools and the matter is part heard and the school would like to await the decision of the Hon'ble High Court of Delhi.

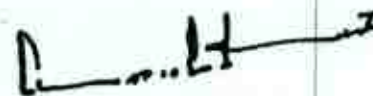
As requested the matter is adjourned to 4<sup>th</sup> June 2018 at 11.00 A.M.



**R.K. SHARMA**  
MEMBER



**J.S. KOCHAR**  
MEMBER



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

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Secretary



17.04.2018

000113

B-564

Columbia Foundation School, Vikas Puri, Delhi

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

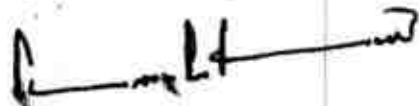
The Committee has prepared a preliminary calculation sheet as per which it appears that the school had sufficient funds of its own out of which it could have implemented the recommendations of the 6<sup>th</sup> pay commission without hiking any fee or recovering any arrear fee from the students. The Committee also notices that the school was not fulfilling the pre conditions laid down by the Hon'ble Supreme Court in the case of Modern school and consequently the development fee charged by it in the years 2009-10 & 2010-11 pursuant to order dated 11.2.2009 was not justified. A copy of the calculation sheet has been given to the authorized representative appearing for the school. The school may file its rebuttal to the calculation sheet, if any, within 4 weeks. The matter will come up for further hearing on 2<sup>nd</sup> July 2018 at 11.00 A.M. A longer date has been given at the specific request of the authorized representative who submits that the date may be given after the school reopens after summer vacation.



**R.K. SHARMA**  
MEMBER



**J.S.KOCHAR**  
MEMBER



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

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17.04.2018

000114

B-407

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

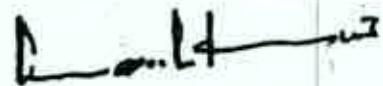
A telephonic request has been received from the school for a short adjournment. The matter is adjourned to 20.4.2018 at 11.00 A.M. The date may be informed telephonically to the school.



**R.K. SHARMA  
MEMBER**



**J.S. KOCHAR  
MEMBER**



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

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Secretary



17.04.2018

000115

B-631

CRPF Public School, Rohini, Delhi

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

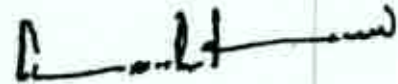
The authorized representative appearing for the school requests for a short adjournment. As requested the matter is adjourned to 20.04.2018 at 11.00 A.M.



**R.K. SHARMA  
MEMBER**



**J.S. KOCHAR  
MEMBER**



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

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20.04.2018

000116

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

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

**In the matter of**

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

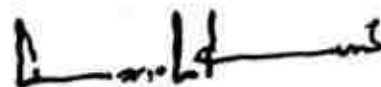
**And in the matter of**

Application dated 18.06.17 for  
reconsideration / review of  
recommendations dated 09.11.13  
in the matter of school.

Present: Sh.M.Qayamuddin, Advocate, Sh.S.Robert, Hon. Manager,  
Sh.Rakesh Mediratta, Auditor C.A. & Sh.Anil Lal Sr. A.O. of the school.

The Ld. Counsel of the petitioner states that the application was filed before the Divisional Bench of Hon'ble High Court, Delhi in the matter where the permission to review in respect of school was denied. On that application the, Divisional Bench has allowed the school to move according to law. He states that certified copy of that application has been applied. However, the copy has not been received by the school. He states that the copy of the application is likely to be received shortly.


List the matter on 29<sup>th</sup> May 2018 at 11.00 A.M.



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON



J.S. KOCHAR  
MEMBER



R.K. SHARMA  
MEMBER

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20.04.2018

000117

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

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

**In the matter of**

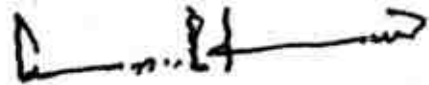
Mamta Modern School,  
Vikas Puri, Delhi (B-560)

**And in the matter of**


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

Present: Sh.Pramod Gupta, Advocate, Sh.R.S.Sharma, Vice Chairman  
& Sh.Manoj Sharma, Manager of the school.


Ld. Counsel for the applicant states that the review has sought  
on account of mathematical mistakes and it will be reviewed on  
procedure and not review on merits. The case is adjourned for 7<sup>th</sup> May  
2018 at 11.00 A.M.



JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

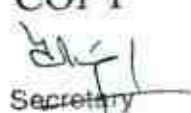


J.S. KOCHAR  
MEMBER



R.K. SHARMA  
MEMBER

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20.04.2018

000118

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

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

**In the matter of**

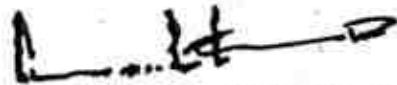
**Shri Ram Bal Bharti School,  
Mandoli, Delhi (A-138)**

**And in the matter of**

**Application dated 14.03.18 for  
reconsideration / review of  
recommendations dated 20.03.15  
in the matter of school.**

Present: Sh.Manu R.G. Luthra, C.A. & Sh. Dheeraj Ahuja, Manager  
of the school.

Arguments Heard. Order reserved.



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



**J.S. KOCHAR  
MEMBER**



**R.K. SHARMA  
MEMBER**

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20.04.2018

000119

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

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

**In the matter of**

**Aadharshila Vidyapeth,  
Pitampura, Delhi (B-300)**

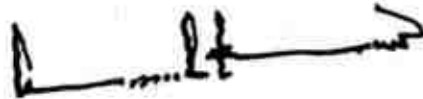
**And in the matter of**

**Application dated 14.03.18 for  
reconsideration / review of  
recommendations dated 19.06.17  
in the matter of school.**

Present: Sh.Byomakesh Mishra, Principal, Ms.Pooja Aggarwal,  
Consultant, Sh.Rahul Aggarwal, Consultant & Ms.Harjeet Kaur,  
Computer Operator of the school.

After some arguments the Ld. Authorized representative of the  
school seeks an adjournment. The Ld. authorised representative have  
also filed another representation incorporating the grounds of review  
along with number of annexure.


List on 25<sup>th</sup> May 2018 at 11.00 A.M.



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

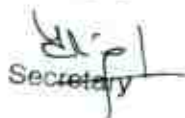


**J.S. KOCHAR  
MEMBER**



**R.K. SHARMA  
MEMBER**

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Secretary





20.04.2018

000120

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

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

**In the matter of**

Saraswati Model School,  
Dwarka, Delhi (B-679)

**And in the matter of**

Application dated 20.04.18 for  
reconsideration / review of  
recommendations dated 14.03.17  
in the matter of school.

Present: Sh.N.K.Mahajan, C.A. & Sh.Sanjay Jain

The authorized representative has filed a compilation of documents and other grounds for review.

List for consideration on 28<sup>th</sup> May 2018 at 11.00 A.M.

JUSTICE ANIL KUMAR (Retd.)  
CHAIRPERSON

J.S. KOCHAR  
MEMBER

R.K. SHARMA  
MEMBER

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20.04.2018

000121

**B-588**

**Tagore International School, Vasant Vihar, Delhi**

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

While preparing the calculation sheet, the Committee observes that the receipt and payment accounts filed by the school as part of annual returns under Rule 180 of the Delhi School Education Rules 1973 were not drawn up properly, particularly with respect to the presentation of secured loans. Committee observes that the school had taken only the net figures instead of giving the particulars of receipt of fresh loan during the year and repayment of the loans made during the year, besides of payment of interest. Even the balance sheet of the school filed for some of the years did not contain the details of secured loans. The school is directed to furnish the details of secured loans as per the balance sheet for the years 2005-06 to 2009-10 and also a statement showing the ledger account of each loan separately for all of these years. The statement may be prepared MS Excel and a copy thereof may be made to the Email I.D of the Committee besides furnishing a hard copy on the next date of hearing.

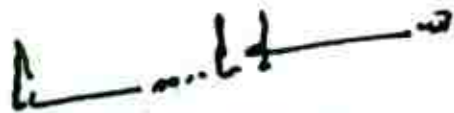
The Counsel appearing for the school submits that while recording the relevant figures of payment of arrears salary in the order dated 5.3.2018 certain inaccuracy has crept in as authorized representative of the school were not able to pin point certain payments from the ledger accounts of the school. A list of such payment aggregating of Rs. 24,86,513 has been furnished by the school today. Besides, another list of payment of arrears by way of adjustment of staff advances aggregating Rs.2,88,644 has been filed. A copy of ledger account of salary payment in the books of the school and copies of bank statements evidence in such payments has also been filed. It is submitted by the learned counsel that these payments may also be incorporated while making the relevant calculations. Fresh calculation sheet to be prepared after the receipt of the loan statement by email from the school. The same ought to be done within 7 days. Matter to come up for further hearing on 25<sup>th</sup> May 2018 at 11.00 A.M.



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




**J.S. KOCHAR**  
MEMBER



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

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20.04.2018

000122

B-589

Ramjas School, R.K.Puram, Delhi

Present: Ms.Rachna Pant, Principal, Sh.J.P. Bhatt, UDC & Sh.U.K.Pandey, Comp. Coordinator of the school.

*24* *h time*  
The principal of the school who is present at the time of hearing request some more to be given to complete the process of refund to the students as the Managing Committee met only in the first week of April to take the decision to refund the excess development fee recovered from the student. As requested the matter will now come up for hearing on 4<sup>th</sup> June 2018 at 11.00 A.M. In the meantime the school will take necessary steps to refund the fee either by way of cross account payee cheques to be sent by speed post to the parents or by way of adjustment from current fees. Necessary evidence regarding such payments /adjustment will be required on the next date of hearing.

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

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

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

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*Secretary*  
Secretary



20.04.2018

000123

B-237

S.D.Public School, Kirti Nagar, Delhi

Present : Sh.Ramesh Lamba, Manager & Sh. Subhash Kumar Saini,  
Accountant of the school.

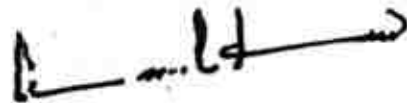
The school has filed two lists showing payment of arrears salary to the staff to the extent of 15,93,675 out of total arrear fee amounting to Rs. 22,23,478 collected by it from the students pursuant to order dated 11/02/2009 of the Director of Education. The school has submitted a list of total arrears amounting to Rs. 71,45,113 that were due to the staff and had submitted that it would pay arrears proportionate to the amount of arrear fee collection by it. However, the school has not filed any details showing the proportionate amount due to the staff members and how much that have been paid. The school will furnish a statement showing the total amount of arrears due, the total amount payable on proportionate basis, the TDS deducted out of the arrears payable and the net amount disbursed to the staff along with evidence of such payments in the shape of bank statements showing encashment of the arrears cheques. The authorized representatives submit that some arrears are due to the staff member who had already left. The payments may be made to such staff member by account payee cheques which may be sent to them by speed post. This process should be completed before the next date of hearing. Matter will come up for further hearing on 05/06/2018.



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



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



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**CHAIRPERSON**

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20.04.2018

000124

B-407

**Saraswati Vidyalaya Sr. Sec. School for Girls, Darya Ganj, Delhi**

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

The school has submitted detail of fees that was refundable to the students vis a vis the amount that has already been refunded. Out of a total sum of Rs. 14,05,525, the school has already refunded Rs. 11,63,025. As per the details submitted a total of 115 students were to be given the refund cheques. The school sent intimation to them by speed post. 51 of such letter were returned undelivered to the school and the remaining 64 have not yet come forward to collect the refund cheques. The school has also filed a copy of public notice that was given in the Hindustan Times of 26 February 2018 advising the students to collect the refund cheques. The Administrator of the school who is present at the time of hearing submits that the refund cheques will be issued as soon as parents come to collect the same.

Keeping in view the school has already given 83% of the total amount of refund which was due to the students and has taken necessary steps to advise the parents to collect the refund cheques from the school, the Committee is of the view that the matter can be disposed off by directing the school to make best possible effort to contact the remaining parents who have not yet collected the cheques to collect the same.

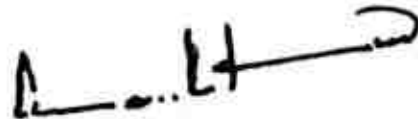
Accordingly this matter stands disposed.



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

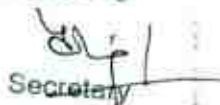


**J.S. KOCHAR**  
MEMBER



**JUSTICE ANIL KUMAR (Retd.)**  
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20.04.2018

000125

B-631

CRPF Public School, Rohini, Delhi

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

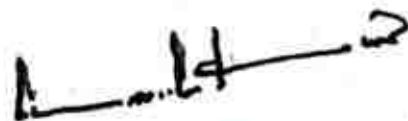
The school has furnished the complete provision for arrear salary account along with copies of its bank statements showing payment of the different dates. The balance of Rs. 4,58,432 which was the outstanding liability as on 31/03/2011 towards payment of arrears salary has also been subsequently paid in the years 2012-13 and 2013-14, as per the statements filed by the school. The school has also furnished print out of its ledger accounts of components of fee and salary. The revised information with regard to fee and salary filed by the school on 08/12/2015 has been checked with reference to the ledger accounts. While the Committee finds no discrepancy in the fee and arrear fee as reported by the school, it observes that the regular/normal salary paid for the year 2008-09 and 2009-10 include salaries paid to daily wages and honorarium to guest faculty, both of which have no relation to the recommendations of VI Pay Commission. Accordingly, while making the relevant calculations, the Committee will exclude the payments on these two accounts made in the year 2008-09 and 2009-10 from the figures of regular salary for the purpose of ascertaining the incremental salary that has paid by the school as a result of the implementation of the recommendations of VI Pay Commission. Calculation sheet to be prepared. Matter to come up for further hearing on 05/06/2018.



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



**J.S. KOCHAR**  
MEMBER



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

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