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

**4th Interim report
Part 1**

November 20, 2013

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

**CA J.S. Kochar
Member**

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

JUSTICE ANIL DEV SINGH COMMITTEE FOR REVIEW OF FEE HIKE

4TH INTERIM REPORT

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Determinations

1. This Interim Report deals with 173 schools, out of which 42 schools are in Category 'A', 36 schools are in Category "B", 94 schools are in Category "C" and 1 school is in Category 'D'. The summary of recommendations of the Committee in respect of these schools is as follows:

No. Of schools where the Committee has found the fee hike to be unjustified, either partially or fully, and hence recommended the refund of excess fee	73
No. Of schools where besides, finding the fee hike to be unjustified either partially or fully, the Committee also found their records to be unreliable, and hence the Committee has recommended special inspection in addition to refund of fee	8
No. of schools whose claim for a further hike in fee, over and above that permitted by order dated 11/02/2009, was found to be justified	1
No. of schools where the Committee found the records of the school to be unreliable and hence has recommended special inspection to be carried out by Director of Education	36
No. of schools where the Committee found no reason to interfere qua the fee hike on account of the fact that the hike effected by them was not found to be excessive	55
Total	173

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

The Committee has recommended refund of fee unjustly hiked by 81 schools. Among them are 8 schools, where the Committee, besides recommending the refund, has also recommended special inspection to be carried out by the Director of Education.

- i. In respect of **73** schools out of 81 schools, which in view of the Committee had unjustly hiked the fee, the Committee has found that the hike effected by them in pursuance of the order dated 11/02/2009 issued by the Director of Education was either wholly or partially unjustified as, either:
 - (a) the schools had hiked the fee taking undue advantage of the aforesaid order as they had no requirement for additional funds since they were found not to have implemented the recommendations of the VI Pay Commission, for which purpose the schools were permitted to hike the fee, or
 - (b) the schools had sufficient funds at their disposal out of which the additional burden imposed by the implementation of VI Pay Commission could have been absorbed, or the additional revenue generated on



account of fee hike effected by the schools was more than what was required to fully absorb the impact of implementation of VI Pay Commission report, or

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

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

The list of these 73 schools where the Committee has recommended refund is as follows: -

S.N.	Category & No.	Name & Address of School	Page No.
1	A-42	Nav Jyoti Public School, Sultanpuri	11-13
2	A-44	Deep Modern Public School, Nangloi	14-17
3	A-48	B. R. Tyagi Sr. Sec. School, Budh Vihar, Ph-II	18-21
4	A-52	Yuva Shakti Model School, Budh Vihar	22-25
5	A-54	Rose Convent school, Pooth Kalan	26-28
6	A-68	S.D. Public Sec. School, Bhajanpura	29-32
7	A-72	Triveni Bal Upvan, West Sagarpur	33-36
8	A-82	S.D.M. Model School, Ranjit Vihar	37-39



9	A-85	Vivekanand Model School, Nangloi	40-43
10	A-87	Oxford Convent, Uttam Nagar	44-46
11	A-88	Sehgal Care Convent School, Sainik Enclave, Hastal	47-49
12	A-90	M.D.H. International School, Janakpuri	50-54
13	A-91	Jai Bharti Public School, Uttam Nagar	55-57
14	A-93	Arya Vidya Mandir, Keshav Puram	58-61
15	A-95	Swami Ramtirath Public School, Vijay Vihar, Rithala	62-65
16	A-99	Saptarshi Public School, Chhattarpur	66-70
17	A-120	Guru Nanak Public School, Rajouri Garden	71-90
18	A-132	Jai Deep Public Sec. School, Najafgarh	91-93
19	A-134	Lav Kush Sec. Public School, Mayur Vihar Phase-III	94-97
20	A-136	Pooja Public School, Brahmampuri	98-100
21	A-138	Shri Ram Bal Bharti School, Mandoli	101-105
22	A-142	Jugmandar Dass Arya Vedic Secondary School, Khari Baoli	106-109
23	A-144	St. Vyas School, Shalimar Bagh	110-114
24	A-145	Arya Model School, Arya Samaj Road, Adarsh Nagar	115-119
25	A-150	Nutan Vidya Mandir, Gandhi Nagar	120-123
26	A-151	Bal Niketan Public School, Laxmi Nagar	124-127
27	A-152	C.P.M. Public School, Sultanpuri	128-131
28	A-155	Baba Banda Singh Bahadur Memorial Sec. School, Mehrauli	132-136
29	A-158	New Divya Jyoti Public School, Shahdara	137-140
30	A-160	Sanwal Dass Memorial School, Kotla	141-143
31	A-163	Kataria International School, Vikas Nagar, Hastal	144-146
32	A-164	Mirambika Free Progress School, Sri Aurobindo Marg	147-150
33	B-10	Universal Public School, Preet Vihar	151-162
34	B-37	Rukmani Devi Public School, Pitampura	163-184
35	B-40	Kulachi Hansraj Model School, Ashok Vihar	185-199
36	B-64	New Era Public School, Maya Puri	200-214
37	B-118	Manav Sthali School, New Rajinder Nagar	215-231
38	B-121	Laxmi Public School, Karkardooma	232-242
39	B-147	N. K. Bagrodia Public School, Dwarka	243-257
40	B-159	Faith Academy, Prasad Nagar	258-276
41	B-211	Vidya Niketan Public School, Nanakpura	277-282
42	B-240	Shaheed Bishan Singh Memorial Sr. Sec. School, Man Sarover Garden	283-285
43	B-247	St. Sophia's Sr. Sec. School, Paschim Vihar	286-288
44	B-276	Abhinav Modern School, Dilshad Garden	289-291
45	B-280	Sonia Public School, Durgapuri Extn.	292-294
46	B-298	Muni Maya Ram Jain, Pitampura	295-298
47	B-322	Ostel Public School, Bhajanpura	299-301

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48	B-343	Mother's Convent School, Mandawali Fazalpur	302-304
49	B-349	Bal Mandir Public School, Kailash Nagar	305-310
50	B-353	Bhandari Modern Public School, Brahampuri	311-313
51	B-363	Arwachin Bharti Bhawan Sr. Sec. School, Shahdara	314-317
52	B-366	G.C. Public School, New Ashok Nagar	318-321
53	B-610	Nehru Academy, Vashishtha Park	322-325
54	B-620	Perfect Foundation School, Palam Colony	326-330
55	B-682	Bal Vaishali Public School, Harkesh Nagar	331-333
56	C-134	Titiksha Modern Public School, West Karawal Nagar	334-337
57	C-203	Akash Model School, Nithari Extension, Nangloi	338-341
58	C-226	Bhagat Vihar Public School, Karawal Nagar	342-345
59	C-249	New Convent Model Sec. School, Tukhmirpur	346-348
60	C-280	Gyan Deep Vidya Mandir Public School, Najafgarh	349-353
61	C-283	Sant Nirankari Public School, Paschim Vihar	354-359
62	C-287	Education Point Convent School, Vikas Nagar	360-363
63	C-310	S. Jassa Singh Ramgarhia Public School, Chand Nagar	364-367
64	C-312	Adarsh Jain Dharmic Shiksha Sadan, Najafgarh	368-371
65	C-313	Gyanodaya Sr. Sec. Public School, Najafgarh	372-375
66	C-337	Rockvale Public School, Naraina	376-379
67	C-338	New Gian Public School, West Sagarpur	380-383
68	C-343	Arya Vidya Mandir Middle School, Pratap Nagar	384-387
69	C-344	Saroj Montessori School, Vivek Vihar	388-391
70	C-377	Happy Public School, Shahdara	392-396
71	C-385	R.S. Secondary Public School, Nihal Vihar	397-400
72	C-403	Guru Harkishan Public School, Fateh Nagar	401-404
73	C-409	Spring Bales Sr. Sec. Public School, New Gobindpura	405-409

3. In respect of the remaining 8 schools, the Committee found that the schools had increased the fee in pursuance of the order dated 11/02/2009 of the Director of Education but had not implemented the VI Pay Commission Report. At the same time, the financials of the schools did not inspire any confidence for a variety of reasons, which have been discussed in the recommendations in respect of each school separately. As such the Committee has not only recommended the refund of the fee hiked along with interest @ 9% per annum but has also recommended special inspection of the schools to be carried

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out by the Director of Education. The recommendations of the individual schools have been made a part of this report and are annexed herewith. The list of the aforesaid 8 schools is given below: -

S.N.	Category & No.	Name & Address of School	Page No.
1	A-83	Kasturi Model School, Nangloi	410-413
2	A-153	Sangwan Model Sec. School, Rohini	414-417
3	B-470	G.B.M. Public School, Shivani Enclave, Kaakrola	418-425
4	C-198	St. Lawrence Convent, Geeta Colony	426-433
5	C-306	New Rural Delhi Public School, Karala	434-438
6	C-364	Manav Mangal Public School, M. B. Road, Pul Pehladpur	439-443
7	C-368	Vaishali Public School, Sunder Park, Shastri Nagar	444-447
8	C-374	Indira Memorial Public School, Mandawali Fazalpur	448-451

4 Schools where the Committee has recommended further hike of fee to be recovered from the students

One school was able to make out a case where the Committee found that despite the hike in fee effected by the school in terms of order dated 11/02/2009 issued by the Director of Education, the school was still in deficit and consequently was not able to fully pay the arrears salary to staff on account of implementation of VI Pay Commission Report. The Committee has in the case of this school recommended that it may be permitted to raise the fee over and above the fee hike allowed to it by the aforesaid order dated 11/02/2009 and to the extent of unpaid arrears of salary, the amount raised by way of additional fee, may be kept in an escrow account to be utilised only for the purpose of payment of the balance of arrears salary. The particulars of this school are as follows:

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S.NO.	Category & No.	Name & Address of School	Page No.
1	B-150	Neo Convent Sr. Sec. School, Paschim Vihar	452-471

The detailed reasons are given in the recommendations of the Committee relating to this school, which have been made a part of this report.

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

In respect of **36** schools, the Committee has not been able to take a categorical view as, in the case of some schools, complete records were not produced by them for examination by the Committee and in the case of others, the records produced did not inspire any confidence for reasons which are discussed in the case of each individual school. In some cases, even the records appeared to have been fabricated. Since, the Committee does not have any power to compel the schools to comply with its directions, the Committee has recommended special inspection to be carried out by the Director of Education. The recommendations of the Committee in respect of these schools have been made a part of this report and are annexed herewith. The list of these **36** schools is as given below: -

S.N.	Category & No.	Name & Address of School	Page No.
1	A-59	Rama Krishna Public School, Pankha Road	472-474
2	A-111	Mata Chandro Devi Model School, Najafgarh	475-478
3	A-135	Usha Bal Sewa Sadan Public School, Brahmpuri	479-481



4	A-140	Rana Model School, Ghoga Mor	482-485
5	B-676	Indian Modern School, Chhattarpur Enclave	486-488
6	C-89	Mata Balwant Kaur Public School, Old Mahavir Nagar	489-491
7	C-186	Gangotri Public School, Gautam Vihar	492-494
8	C-191	Shri Saraswati Vidya Niketan Public School, Shahdara	495-497
9	C-225	Nav Jeewan Adarsh Public School, Jai Prakash Nagar, Ghonda	498-500
10	C-250	Jeewan Jyoti Sr. Sec. School, Sadatpur Extn.	501-504
11	C-258	Saifi Public School, Jamia Nagar	505-508
12	C-261	Nav Jeewan Adarsh Public School, Yamuna vihar	509-511
13	C-263	Maharana Pratap Model Public School, Harsh Vihar	512-515
14	C-266	Akhil Bal Vidyalaya, Nangloi	516-519
15	C-267	New Bal Bharti Public School, Rohini	520-523
16	C-271	Delhi English Academy, Bharthal Village	524-527
17	C-290	Muni International School, Uttam Nagar	528-531
18	C-291	New Bal Vikas Public School, Tikri Kalan Village	532-535
19	C-304	Divya Public School, Budh Vihar	536-538
20	C-305	Nav Durga Adarsh Vidyalaya, Budh Vihar	539-541
21	C-314	Nav Chetna Public School, Najafgarh	542-545
22	C-315	Green Gold Public School, Najafgarh	546-548
23	C-316	Anand Public School, Pandav Nagar	549-551
24	C-319	Abhinav Bal Vidyalaya, Naveen Shahdara	552-554
25	C-320	Lumbini Marigold Public School, Shahdara	555-560
26	C-321	Red Rose Public School, Mandoli Ext.	561-565
27	C-322	Montreal Public School, Saboli	566-570
28	C-327	Bharatmata Saraswati Bal Mandir, Bawana Road	571-575
29	C-328	Rajender Lakra Model School, Bakhtawarpur	576-581
30	C-330	Hira Pratap Rai Public School, Sirsapur	582-590
31	C-348	Gandhi Memorial Public School, Brahmपुरi	591-594
32	C-357	St. S. M. Karamjot Model School, Rashid Market	595-597
33	C-361	Mount Everest Public School, Hardevpuri	598-601
34	C-367	Gautam Public School, Kondli	602-604
35	C-388	Rajindra Public School, Nihal Vihar, Nangloi	605-608
36	C-408	Bal Bharti Model School, Rani Bagh	609-611

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

In respect of **55** schools, the Committee has not recommended any intervention as the schools were found to have, either not hiked



the fee in pursuance of the order dated 11/02/2009 issued by the Director of Education, or the fee hiked was found to be within or near about the tolerance limit of 10% or the fee hike in absolute terms was not much, or the fee hike was found to be justified, considering the additional burden on account of implementation of Sixth Pay Commission report. Following is the list of the aforesaid 55 schools:

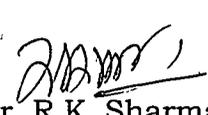
S.NO.	Category & No.	Name & Address of School	Page No.
1	A-47	Jagat Convent Sr. Sec. School, Paschim Vihar	612-616
2	A-69	Nav Jeewan Adarsh Public School, Mustafabad	617-619
3	A-133	Roop Krishna Public School, Shahbad Dairy	620-622
4	A-139	Bal Convent Public School, Old Seemapuri	623-625
5	B-21	Prabhu Dayal Public School, Shalimar Bagh	626-641
6	B-41	Bal Bharti Public School, Pitampura	642-659
7	B-191	Little Fairy Public School, Kingsway Camp	660-663
8	B-198	Little Fairy Public School, Ashok Vihar	664-669
9	B-209	Guru Nanak Public School, Delhi Cantt.	670-674
10	B-223	Shanti Devi Public School, Narela	675-676
11	B-234	Montfort School, Ashok Vihar	677-696
12	B-383	Delhi Jain Public School, Palam	697-702
13	B-513	Pioneer Convent School, Bakkarwala	703-704
14	B-675	Nutan Bal Vidyalaya, West Sagarpur	705-707
15	C-204	Brahma Shakti Public School, Rohini	708-710
16	C-217	Samrat Public School, Shanti Nagar	711-713
17	C-254	Anu Public School, Raghubarpura	714-716
18	C-259	Ramnath Model School, Sonia Vihar	717-719
19	C-262	Eminent Public School, Babarpur	720-722
20	C-269	Bal Deep Public School, Rohini	723-726
21	C-270	C.M. Model School, Budh vihar, Phase-II	727-729
22	C-286	Bharati Model School, Uttam Nagar	730-732
23	C-289	Lawrence Public School, Janakpuri	733-735
24	C-298	Continental Public School, Naraina Vihar	736-738
25	C-300	New India Public School, Nangloi	739-741
26	C-302	R. R. Gita Bal Bharti Public School, Sultanpuri	742-748
27	C-303	Dashmesh Public School, Naraina Village	749-751
28	C-317	Shishu Bharti Public School, Mustafabad	752-754
29	C-318	Brahampuri Sr. Sec. School, Brahampuri	755-757

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30	C-323	M. P. Model School, Karawal Nagar	758-760
31	C-329	Public Model School, Jahangir Puri	761-766
32	C-331	Jai Hind Public School, Pooth Khurd	767-773
33	C-333	Mother Mirra School, Tri Nagar	774-779
34	C-334	NL Public School, Jail Road, Harsh Vihar	780-785
35	C-335	Modern Public School, Rishabh Vihar	786-792
36	C-336	Rajendra Lakra Modern Patanjali School, Ladpur	793-795
37	C-340	Heera School, LNJP Hospital	796-798
38	C-341	Vikas Valley Public School, Vikas Nagar, Hastal	799-804
39	C-342	Saraswati Public Senior Secondary School, Mandoli	805-812
40	C-345	Akshay Pratishthan, Vasant Kunj	813-815
41	C-346	Central Public School, Shakarpur	816-818
42	C-354	Mary Convent School, Radheypuri Extn.	819-821
43	C-359	Sh. Nihal Singh Public Middle School, Kamruddin Nagar	822-824
44	C-360	Little Star Public School, Budh Vihar	825-827
45	C-362	New Horizon School, Nizammudin	828-830
46	C-365	Adarsh Vidya Mandir Public School, East of Kailash	831-833
47	C-370	Holy School, Vidya Vihar, Uttam Nagar	834-836
48	C-371	Sibal Public School, Gandhi Nagar	837-839
49	C-372	Manisha Public School, Laxmi Nagar	840-842
50	C-375	Indal Memorial Public School, Kondli	843-845
51	C-387	Naithani International School, Jal Vihar	846-848
52	C-393	Anglo Indian Public School, Dhakka Johar	849-851
53	C-396	Green Land Public School, Ragarh Colony	852-854
54	C-416	Dinkar National Model School, Old Kondli	855-856
55	D-103	Dashmesh Public School, Vivek Vihar	857-858


Justice Anil Dev Singh (Retd)
Chairperson


CA J.S. Kochar
Member


Dr. R.K. Sharma
Member

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Nav Jyoti Public School, Hari Enclave, Sultanpuri, Delhi - 41

The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West- 'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009, of the Director of Education, but had not implemented the report of 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 05.09.2012 to produce its fee and salary records and also to submit reply to the questionnaire on 19.09.2012.

On 19-09-2012, Ms. Nisha, Manager, along with Shri S.K. Taneja, C.A., from the school appeared before the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had neither implemented the recommendations of the 6th Pay Commission nor hiked the fee in terms of the order dated 11.02.2009 of the Director of Education.

The records, produced by the school were examined by Sh. A.K. Vij, Audit Officer of the Committee. He observed that the school had hiked the fee by Rs.100/- per month for all classes in terms of the order dated 11.02.2009 of the Director of Education but the school had not implemented recommendations of the 6th Pay Commission.

TRUE COPY

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Secretary



The salary to the staff was being paid in cash in spite of the school, having an account with Bank of Baroda, Sultanpuri branch. The school did not produce the records of receipt and payments for verification.

In order to provide an opportunity of hearing to the school, vide notice dated 19.07.2013, it was directed to appear before the Committee on 01.08.2013, along with its fee and accounting records.

On the scheduled date, Shri Vinod Kathuria, Chairman, Ms. Nisha, Manager and Shri V.V. Aggarwal, C.A., appeared before the Committee for hearing. The school filed reply to the questionnaire of the Committee regarding development fee. According to the reply, the school had not charged development fee from the students. The representatives of the school pointed out that the 6th Pay Commission had not been implemented but the fee was hiked in 2009-10, in terms of the order dated 11.02.2009 of the Director of Education.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	350	450	100
II	370	470	100
III	390	490	100
IV	410	510	100
V	430	530	100
VI	450	550	100

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2


Secretary

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VII	470	570	100
VIII	490.	590	100

It is evident from the above record, that the school had hiked the fee, in terms of the order dated 11.02.2009 of the Director of Education, but the report of the 6th Pay Commission had not been implemented. Without implementing the recommendations of the 6th Pay Commission, the School was not entitled to utilize the aforesaid order of the Director of Education for raising the fee.

Since, the school did not implement the report of 6th Pay Commission, but, increased the fee in terms of order of the Director of Education, dated 11.02.2009 the Committee is of the view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson
Dated: 04-10-2013

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

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W
Secretary



Deep Modern Public School, Prem Nagar-III, Nangloi, Delhi - 85

The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973, were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009, of the Director of Education, but had not implemented the report of 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 16.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 25.07.2012. No one appeared for the school on 25-07-2012. Fresh notice dated 06.08.2012 was issued to the school calling upon it to attend the Office of the Committee on 23.08.2012 for verification of records.

On 23-08-2012, Shri Deep Chand, Chairman and Shri S.K. Sharma, Part-time accountant attended the Office of the Committee for verification of records. Reply to the questionnaire was also

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submitted. According to the reply; the school had neither implemented the recommendations of the 6th Pay commission, nor, hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school were examined by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that:

- (i) the school had hiked the fee in the year 2009-10 by Rs.100/- per month for all classes in terms of the order of the Director of Education dated 11.02.2009;
- (ii) the school had not implemented the report of 6th Pay Commission; and
- (iii) the salary to the staff had been paid according to pre-revised scales, but HRA and DA was not being paid as per rules.

In order to provide an opportunity of hearing to the school, vide notice dated 19.07.2013, it was directed to appear before the Committee on 01.08.2013, along with its fee and accounting records. On the scheduled date, Shri Deep Chand, Chairman and Shri S.K. Sharma, Part-time accountant, attended the hearing before the Committee. The school filed reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee from the students. The representatives of the school pointed out that the recommendations of the 6th Pay Commission had

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Secretary



not been implemented but, the fee was hiked by Rs.100/- for all classes in 2009-10 in terms of the order of the Director of Education dated 11.02.2009.

The Committee has perused the record, observations of the audit officers and has considered the submissions advanced on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	320	420	100
II	335	435	100
III	360	460	100
IV	380	480	100
V	400	500	100
VI	415	515	100
VII	480	580	100
VIII	480	580	100

It is evident from the above that the school had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, but the report of the 6th Pay Commission had not been implemented. The school was not entitled to utilize the aforesaid order of the Director of Education without implementing the recommendations of the 6th Pay Commission.

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W
Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Since the school did not implement the report of 6th Pay Commission, but, increased the fee in terms of order of the Director of Education dated 11.02.2009, the Committee is of the view that the hike in fee in 2009-10, which was in excess of the tolerance limit of 10%, was unjustified. The Committee therefore recommends that the hike in the fee effected by the school in the year 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated - 04-10-2013

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N
Secretary



B.R. Tyagi Sr. Sec. School, Budh Vihar Phase-II, Delhi - 86

18

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, vide letter dated 16.07.2012, it was directed to produce its fee and salary records and also to submit reply to the aforesaid questionnaire on 25.07.2012.

On the schedule date, Shri B. Lakshmanan, Vice-Principal of the school appeared before the Office of the Committee and produced the records of the school. It was then that the reply to the questionnaire was also filed. According to the reply, the school had implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2011 and had not increased the fee in terms of the order of the Director of Education dated 11.02.2009.

The records produced were examined in the first instance by Shri N.S. Batra, Audit Officer of the Committee. His observations were that: -

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- (i) the fee had been increased in 2009-10 from 11% to 17% and during 2010-11 the hike had been from 20% to 25%,
- (ii) the school did not produce salary payment register, therefore, the claim of the school to have implemented the recommendations of the 6th Pay Commission could not be verified.

The school was directed to submit annual returns under Rule 180 of DSER, 1973 for the year 2011-12 and details of salary paid before and after implementation of the recommendations of the 6th Pay Commission. The school submitted the requisite information which were examined by Mrs. Sunita Nautiyal, Audit Officer of the Committee. She observed that it was not clear from the records that on what basis examination and miscellaneous fees had been charged by the school.

In order to provide an opportunity of hearing to the school, notice of hearing dated 22.07.2013 was served upon the school with the directions to appear before the Committee on 13.08.2013.

On the appointed date, Shri B. Lakshmanan, Vice-Principal of the school appeared before the Office of the Committee for hearing and produced the records of the school. He also filed reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee from the students. It was submitted by him that the school had implemented the recommendations of the 6th Pay Commission w.e.f. April, 2011. However, he failed to provide a copy of annual returns under Rule 180

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

of DSER, 1973 for the year 2011-12 to substantiate its claim of implementation of the recommendations of the 6th Pay Commission. The school was directed further to submit a reply of the revised questionnaire on 12.09.2013.

On 12.09.2013, no one appeared on behalf of the school for hearing. The school was provided another opportunity to appear on 13.09.2013 before the Committee for hearing.

On 13.09.2013, Shri Vipin Kumar, Accountant of the school appeared before the Committee. He filed reply to revised questionnaire along with annexures. It was stated by the school representative that the 6th Pay Commission has been implemented w.e.f. April, 2011. On being asked the reasons of payment of salary in cash even after the implementation of the 6th Pay Commission, Shri Vipin Kumar, admitted that in fact, recommendations of the 6th Pay Commission has not been implemented by the school but on paper it has shown to have implemented.

The Committee has examined the records, observations of the Audit Officers and the submission made on behalf of the school.

As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10	Tuition fee in 2010-11	Increase of tuition fee in 2010-11
I	245	295	50	355	60
II	260	310	50	375	65
III	320	370	50	445	75
IV	330	380	50	460	80
V	340	390	50	470	80
VI	350	430	80	520	90

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3


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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000021

VII	365	445	80	535	90
VIII	380	460	80	555	95
IX	570	670	100	800	130
X	620	720	100	865	145
XI	695	795	100	955	160
XII	770	870	100	1095	225

It is evident from the above that the school had hiked the fee in 2009-10 in excess of the tolerance limit of 10% for classes I to VIII but not much in absolute terms but for other classes, the hike had been in excess of the tolerance limit of 10%. The school admittedly had not implemented the recommendations of the 6th Pay Commission.

Since there was a fee hike, though not in terms of the order of the Director of Education dated 11.02.2009 during the year 2009-10 for classes IX to XII, in excess of the tolerance limit of 10%, the school ought to refund the fee in excess of 10%. As the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum.

Recommended accordingly.

Sd/-

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

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Dated: 28-10-2013

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Secretary

4



Yuva Shakti Model School, Budh Vihar, Delhi - 110 086

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 16-07-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 25-07-2012.

On the schedule date, Sh. Amit Pathak, TGT and Sh. Bhagwant Bist, Accountant of the school attended the Office of the Committee. Reply to the questionnaire was also filed. According to the reply, the school had implemented the report of 6th Pay Commission w.e.f. September, 2011 and had not hiked the fee.

The records, produced by the school in the first instance were examined by Sh. A.D.Bhateja, Audit Officer of the Committee. He observed that the school had partially implemented the

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000023

recommendations of the 6th Pay Commission w.e.f. September 2011, but had hiked the fee w.e.f. 2009-10, in terms of the order of the Director of Education, dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13.08.2013 along with its fee and accounting records.

23
On 13.08.2013, Sh. Amit Pathak, TGT, and Sh. Bhagwant, Office Assistant and Ms. Ankita, Assistant Accountant from the school appeared before the Committee for hearing. It was admitted by them that the school had not implemented the report of 6th Pay Commission but the fee had been increased by 10% in 2009-10. They filed the reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee w.e.f. 2009-10 and the same had been utilized for building repairs and other expenses.

The Committee has perused the record, observations of the audit officer and the submissions made before the committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee including activity and computer fee in 2008-09	Tuition Fee including activity and computer fee in 2009-10	Increase in fee during 2009-10
I-II	490	640	150
III-V	550	700	150
VI-VIII	605	790	185

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Secretary



It is evident from the above that the school had hiked the fee in 2009-10, in terms of order of the Director of Education, dated 11.02.2009, for all classes. The hike in fee for classes I and II had been in excess, whereas for classes III to VIII the hike had been marginally less than the maximum permissible limit of the said order, but in excess of tolerance limit of 10% for all classes. The school had not implemented the recommendations of the 6th Pay Commission.

The school had charged development fee in the following manner, as evident from the letter dated 13-08-2013, submitted by the school:-

<u>Year</u>	<u>Development fee collected</u>
2009-10	Rs.5, 12,350.00
2010-11	Rs.5, 55,045.00
Total	Rs.10, 67,395.00

The school had also stated in the said letter that development fee had been treated as revenue receipt and no separate depreciation reserve fund had been maintained.

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in terms of order of the Director of Education dated 11.02.2009, in excess of the tolerance limit of 10%, the hike was unjustified and the fee in excess thereof needs to be refunded. The Committee therefore recommends that the hike in the fee affected by the school in

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2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

With regard to development fee, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.10,67,395.00, during the years 2009-10 and 2010-11 was not in accordance with law. In this view of the matter, the development Fee ought to be refunded along with interest @ 9% per annum

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---14-10-2013

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Rose Convent School, Pooth Kalan, Delhi - 110 041

26
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-A of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 16-07-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 03-08-2012.

On the scheduled date, Shri Pradeep Kumar Solanki, Manager of the school attended the Office of the Committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school had neither implemented the report of 6th Pay Commission nor had hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school were examined in the first instance by Sh. A.K. Vijh, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay

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Commission but had hiked the fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

27
On the scheduled date, Shri Pradeep Kumar Solanki, Manager of the school appeared before the Committee for hearing. It was contended by the school representative that the school had neither implemented the recommendations of the 6th Pay Commission nor hiked the fee, in terms of the order of the Director of Education dated 11.02.2009.

When confronted with the fee structure of the school, the Manager conceded that the fee had been hiked to the maximum permissible limit, in terms of the order of the Director of Education dated 11.02.2009. The school representative also filed reply to the questionnaire regarding development fee. According to the reply, the school did not charge the development fee from the students.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I - V	450	550	100
II - VIII	525	725	200

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It is evident from the above that the school had hiked the fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009. The school had not implemented the report of the 6th Pay Commission and had not charged development fee from the students.

Since, the school did not implement the report of 6th Pay Commission, but increased the fee, in terms of order of the Director of Education, dated 11.02.2009; it ought to refund the fee in excess of the tolerance limit of 10%. The Committee, therefore, recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% needs to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated:- 24.10.2013

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Secretary



S.D. Public Secondary School, Bhajanpura, Delhi - 110 053

25
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North-East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 16-07-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 27-07-2012. No one on behalf of the school attended the Office of the Committee on the schedule date. The school was directed again to produce its record on 16-08-2012. Again no one attended the Office of the Committee on the aforesaid date. On 17-08-2012, the Office of the Committee received a letter from the Manager of the school, requesting for some more time to produce the record. The school was directed to produce the record on 03-09-2012.

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On the aforesaid appointed date, representative of the school attended the Office of the Committee without any record. Again an opportunity was given to the school to produce the record on 07-09-2012.

3 On the schedule date, Sh. K.M. Jha, Manager of the school attended Office of the Committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school had neither implemented the report of 6th Pay Commission, nor hiked the fee.

The records, produced by the school were examined in the first instance by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee by 15% to 24.45% for different classes, during 2009-10.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

On 13.08.2013, no one appeared before the Committee, though the notice of hearing had been delivered to the school on 24.07.2013, as confirmed from India Post Tracking System.

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In view of the absence of the school despite service of notice on it, the Committee considered it appropriate to record its recommendations in the matter.

The Committee has examined the record, observations of the audit officers. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	520	600	80
II	560	650	90
III	575	660	85
IV	600	690	90
V	640	735	95
VI	750	860	110
VII	770	885	115
VIII	780	895	115
IX	975	1200	225
X	1125	1400	275

It is evident from above that the school had not hiked the fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009 but there is no doubt that the fee was hiked beyond the tolerance limit of 10% in spite of the fact that it did not implement the recommendations of the 6th Pay Commission.

Since, the school did not implement the recommendations of the 6th Pay Commission, but, increased the fee, it needs to refund the fee charged by it in excess of the tolerance limit of 10%. The

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Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

32
Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated---25-10-2013

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Secretary

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Treveni Bal Upvan, West Sagarpur, New Delhi - 110 016

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 16-07-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 27-07-2012.

On the scheduled date, Ms. Alpna, H.M. of the school attended the Office of the Committee and submitted a letter dated 27.07.2012, requesting for the extension of date for submission of record. On her request, the school was directed to produce the record on 03.08.2012.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

On the schedule date Ms. Rajni Sharma, Teacher and Ms. Shradha, Teacher of the school attended the office of the committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school had neither, implemented the report of 6th Pay Commission nor, had hiked the fee in terms of the order of the Director of Education dated 11.02.2009

The records, produced by the school were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission, but had hiked the fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

On the scheduled date, Mrs. Alpana, H.M. and Mrs. Kamlesh, Assistant Teacher of the school appeared before the Committee for hearing. It was contended by the school representatives that the report of 6th Pay Commission had not been implemented and the fee had also not been hiked in terms of the order of the Director of Education dated 11.02.2009, during 2009-10. The school representatives had also filed

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reply to the questionnaire, regarding development fee. According to the reply, the school did not charge the development fee from the students.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	350	400	50
II	400	450	50
III	450	500	50
IV	500	550	50
V	550	600	50
VI	600	700	100
VII	650	800	150
VIII	700	900	200

It is evident from the above that the school had hiked the fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009, for class-VIII and the hike for other classes had been more than the tolerance limit of 10%, though, not in terms of the order of the Director of Education, dated 11.02.2009. The school had also not implemented the report of the 6th Pay Commission.

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Secretary



Since, the school did not implement the report of 6th Pay Commission, but increased the fee during the year 2009-10, the Committee is of the view that the hike in the fee in excess of the tolerance limit of 10%, was unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated—25-10-2013

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Secretary



S.D.M. Model School, Ranjit Vihar, New Delhi - 110 041

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-B of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 01-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 17-08-2012.

On the scheduled date, Shri S.D. Mehta, Secretary of the school attended the Office of the Committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school had not implemented the report of 6th Pay Commission but had hiked the fee by 10%.

The records, produced by the school were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the school did not implement the recommendations of the 6th Pay Commission but hiked the fee in 2009-10, in terms of the order of the Director of

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Education dated 11.02.2009. During the year 2010-11, the school had again hiked the fee by 10%.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

On the scheduled date, Shri S.D. Mehta, Secretary and Sh. Rakesh Kumar Accountant of the school appeared before the Committee for hearing. They presented reply to the questionnaire, regarding development fee. According to the reply, the school did not charge the development fee from the students. It was admitted by the school representatives that the report of 6th Pay Commission was not implemented but the fee was hiked by 10% w.e.f. 2009-10. On being confronted with the record, they admitted that the fee had been hiked by 20% in 2009-10.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	515	675	160
II	540	690	150
III	570	720	150
IV	585	735	150
V	625	775	150
VI	660	810	150
VII	690	840	150
VIII	750	900	150
IX	850	1000	150
X	990	1150	160

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Secretary



It is evident from the above that the school had hiked the fee in 2009-10, in excess of the tolerance limit of 10%. It is clear from the admission of the representatives of the school and from the record that the school had not implemented the report of the 6th Pay Commission.

Since, the school did not implement the report of 6th Pay Commission, but increased the fee during the year 2009-10, the Committee is of the view that the hike in fee in excess of the tolerance limit of 10% was unjustified. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated:-25-10-2013

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W
Secretary



Vivekanand Model School, Mandir Marg , Nangloi Delhi - 110 041

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 03-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 17-08-2012. No one appeared on the schedule date. The school, vide notice dated 30-08-2012 was directed again to produce the record on 13-09-2012.

On the schedule date Sh. Amit Gupta, Manager of the school attended office of the committee. Reply to the questionnaire was also

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

submitted. According to the reply, the school had neither implemented the recommendations of the 6th Pay Commission, nor had hiked the fee.

The records, produced by the school were in the first instance examined by Sh. A.K. Vijn, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee by Rs.80/- to Rs.105/- per month.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13.08.2013 along with its fee and accounting records.

On 13.08.2013, Dr. V.K. Garg, Chairman, Sh. Ashish Bansal, Vice-Chairman and Sh. Vineet Gupta, Manager of the school appeared before the Committee for hearing. It was admitted by them that the school had not implemented the report of 6th Pay Commission. They asserted that the school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 and during 2009-10, had increased the fee only by Rs.100/- p.m. It was also submitted that the school was not able to implement the recommendations of the 6th Pay Commission, due to lack of resources and had applied to the Directorate of Education to close down the school. They also filed reply to the questionnaire

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Secretary



regarding development fee. According to the reply, the school had not charged development fee from the students.

The Committee has examined the record, observations of the audit officer and the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I-II	445	500	55
III-IV	480	550	70
V-VI	495	575	80
VII-VIII	525	600	75

It is evident from the above that the school had hiked the fee in 2009-10 in excess of the tolerance limit of 10% without implementing the recommendations of the 6th Pay Commission.

Since, the school did not implement the recommendations of the 6th Pay Commission, but, increased the fee in excess of the tolerance limit of 10%, by utilizing the order of the Director of Education, dated 11.02.2009, which it was not entitled to invoke, the school needs to refund the hike in fee in excess of 10%. The Committee therefore recommends that the hike in the fee effected

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Secretary



by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---14-10-2013

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Secretary



Oxford Convent, Sewak Park, Uttam Nagar, New Delhi - 110 059

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-B" of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 01-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 17-08-2012.

On the schedule date Sh. Varinder, Manager of the school attended office of the committee. Reply to the questionnaire was submitted. He also produced the record. According to the reply, the school had not implemented the report of 6th Pay Commission, but had hiked the fee.

The records, produced by the school were examined by Sh. A.K. Vijn, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission but

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had hiked the fee by 19.37 % to 28.73 %, during the year 2009-10, in terms of the order of the Director of Education, dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

On 13.08.2013, Sh. Varinder, Manager of the school appeared before the Committee for hearing. It was admitted by him that the school had not implemented the report of 6th Pay Commission, but had hiked the fee during the year 2009-10 by Rs.100/- p.m. He submitted that the hike in fee was not to implement the report of 6th Pay Commission, but to offset the increase in other expenditures. He filed the reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee from the students.

The Committee has examined the record, observations of the audit officer and the submissions made before the committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	225	325	100
II	250	350	100
III	275	375	100
IV	300	400	100
V	325	425	100
VI	350	450	100

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VII	375	475	100
VIII	400	500	100

It is evident from the above that the school had hike the fee in the year 2009-10, in terms of order of the Director of Education, dated 11.02.2009. The school had not implemented the report of the 6th Pay Commission and had also not charged development fee.

Since, the school did not implement the report of 6th Pay Commission, but increased the fee, in terms of order of the Director of Education, dated 11.02.2009, the increase in fee in excess of the tolerance limit of 10%, was unjustified. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---25-10-2013

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N
Secretary



Sehgal Care Convent School, Sainik Enclave,

Hastsal, New Delhi - 110 059

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 03-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 17-08-2012.

On the schedule date Ms. Nalini, representative of the school attended office of the committee. Reply to the questionnaire was also submitted. According to the reply, the school had, neither implemented the report of 6th Pay Commission, nor hiked the fee.

The records, produced by the school were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the school had

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

not implemented the recommendations of the 6th Pay Commission but had hiked the fee by 20 % to 40 %, for different classes, during 2009-10.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

On 13.08.2013, Ms. Nalini, representative of the school appeared before the Committee for hearing. She filed the reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee from the students. Ms. Nalini contended that the school had neither implemented the report of 6th Pay Commission, nor hiked the fee in terms of order of the Director of Education dated 11.02.2009. On being confronted with the fee schedule for 2009-10, which showed hike of 40%, for some of the classes, she conceded the correctness of the same, but contended that, since the school operated on a low fee base, the hike in absolute terms was not substantial.

The Committee has examined the record, observations of the audit officer and the submissions made before the committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I - II	200	250	50
III-IV	225	275	50
V	250	300	50
VI-VIII	250	350	100

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V
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It is evident from above that the school, had hiked the fee in 2009-10, marginally in excess of permissible limit of 10% for classes I to V, but for classes VI-VIII the hike had been by Rs.100/-p.m., in terms of order of the Director of Education, dated 11.02.2009. The school had not implemented the report of the 6th Pay Commission and had also not charged development fee.

Since, the school did not implement the report of 6th Pay Commission, but, increased the fee, in terms of order of the Director of Education, dated 11.02.2009, for classes VI to VIII, in excess of the tolerance limit of 10%, the hike in fee was unjustified. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% for classes VI to VIII ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---25-10-2013

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Secretary



M.D.H. International School, Janakpuri, New Delhi – 110 058

The school had not replied to the questionnaire sent by the Committee by email on 27.02.2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director, District West-B of the Directorate of Education. On prima facie examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education but had not implemented the report of 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 01.08.2012, to produce its fee, salary and accounting records and also to submit reply to the questionnaire on 17.08.2012.

In response to the notice, Mrs. Omana Thomas, Accountant of the School appeared and produced the required records. Reply to questionnaire was also filed as per which, the school admitted having hiked the fee in terms of order dated 11.02.2009 of the Director of Education without implementing the 6th Pay Commission report.

The records produced by the school were examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed that the school

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

had hiked the tuition fee by Rs.200 p.m. in 2009-10 which was an increase of 20% to 23.25% . Further, besides increasing the monthly tuition fee, the school had also recovered the arrears of fee as per the order dt. 11.02.2009 of the Director of Education. However, neither the arrears of 6th Pay Commission were paid to the staff nor the recommendations of the 6th Pay Commission were implemented even prospectively. He further observed that the school collected a total of Rs.13,15,932 as arrear fee in two instalments (Rs.9,77,171+Rs.3,38,761).

In order to provide an opportunity of hearing to the school, vide notice dated 27.05.2013, the school was directed to appear before the Committee on 19.06.2013, along with its fee and accounting records. As the school was also found to be charging development fee, a questionnaire for eliciting information specifically regarding development fee was issued to it.

On the scheduled date, Mrs. Omana Thomas, Accountant of the School appeared before the Committee. The school filed reply to the questionnaire regarding development fee. In its reply, the school stated that it was charging development fee in addition to tuition fee. The development fee charged from the students was treated as a Revenue receipt in its accounts. It was further mentioned that the school was not maintaining any separate Depreciation Reserve Fund and no earmarked FDRs or investments were kept. The school also

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filed details of utilisation of the development fee. On examination by the Committee, it was observed by the Committee that a bulk of the development fee had been utilized for purchase of buses and repairs of building. On examination of details, the Committee finds that the school had recovered a sum of Rs.3,41,275 as development fee in 2009-10 and Rs.4,38,200 in 2010-11.

52

With regard to implementation of the 6th Pay Commission report, the representative of the school contended that the same had only partially been implemented and that too with effect from July, 2012. On query by the Committee, the representative of the school confirmed that the school had recovered the arrears of tuition fee @ Rs.3,900 per student in two different installments and had also increased monthly fee in terms of order dated 11.02.2009 of the Director of Education. It was also confirmed that arrears due to the staff on account of 6th Pay Commission had not been paid.

The Committee has examined the returns of the school, its reply to the two questionnaires, the observations of the Audit Officer and the submissions made by the representative of the school, during the course of hearing.

The Committee finds that, besides recovering the arrear fee of Rs.13,15,932, the school had hiked the tuition fee w.e.f. 01.09.2008 in the following manner: -

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Class	Tuition fee in 2008-09 (Monthly)	Tuition fee in 2009-10 (Monthly)	Fee hiked in 2009-10	%age of fee hike
I - V	933	1,150	217	23.26%
VI - VIII	1,000	1,200	200	20.00%

53

The Committee is of the view that as the school has not implemented the 6th Pay Commission report even after more than four years, despite hiking the fee and even recovering the arrears, the school took undue advantage of the order dt. 11.02.2009 to unjustly enrich itself. As the school had no intention to implement the 6th Pay Commission, it had no requirement for any additional funds necessitating a fee hike and recovery of arrears. At best the school could have hiked the fee by 10% w.e.f. 01.04.2009 to offset the inflation. The Committee is, therefore of the view, that in so far as the arrears of Rs. 13,15,932 and the fee hike for the period 01.09.2008 to 31.03.2009 are concerned, the same ought to be refunded alongwith interest @ 9% p.a. Out of the fee hike w.e.f 01.04.2009, the school may retain the hike to the tune of 10% which the Committee finds as justifiable while the hike over and above 10% ought to be refunded alongwith interest @ 9% p.a.

With regard to development fee, the Committee is of the view that the school was not following any of the pre-conditions laid

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Secretary



down by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. As such the school ought to refund the Development Fee of Rs.3,41,275 recovered in 2009-10 and Rs.4,38,200 recovered in 2010-11., along with interest @9% per annum.

Recommended accordingly.

5A
CAJ S. Kochar
Member


Dr. R.K. Sharma
Member

Dated : 09/09/2013

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Secretary

I agree
ASL
9/9/2013



Jai Bharti Public School, Uttam Nagar, New Delhi - 110 059

55

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 03-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 21-08-2012.

On the schedule date Sh. Anil Goel, Manager of the school attended office of the committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school had neither implemented the report of 6th Pay Commission, nor had hiked the fee.

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Secretary



The records, produced by the school were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission, but had hiked the fee by Rs.100/-p.m., during 2009-10, in excess of the permissible limit of 10%.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

5th
On 13.08.2013, Sh. Anil Goel, Manager of the school appeared before the Committee for hearing. It was admitted by him that the recommendations of the 6th Pay Commission were not implemented by the school because it did not have enough funds but the fee was hiked during the year 2009-10 by Rs.100/- p.m. He also filed the reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee from the students.

The Committee has examined the record, observations of the audit officer and the submissions made before the Committee on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

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Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I to V	570	670	100
VI to VIII	650	750	100

It is evident from the above that the school had hike the fee in 2009-10 in excess of the tolerance limit of 10%, though, not in terms of order of the Director of Education, dated 11.02.2009. The school has not implemented the report of the 6th Pay Commission and has also not charged development fee.

Since, the school did not implement the report of 6th Pay Commission, but increased the fee during the year 2009-10, though, not in terms of order of the Director of Education dated 11.02.2009, the increase in fee in excess of the tolerance limit of 10%, was unjustified. The Committee therefore recommends that the hike in the fee affected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson
Dated---25-10-2013

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Arya Vidya Mandir, Keshavpuram, Delhi - 110 035

52

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West- B of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 03-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 21-08-2012.

On the schedule date Mrs. Saroj Yadav, H.M. of the school attended Office of the Committee and it was then that reply to the questionnaire was also submitted. According to the reply, the school had neither implemented the recommendations of the 6th Pay Commission nor had hiked the fee.

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The records, produced by the school in the first instance were examined by Sh. N.S. Batra, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee by Rs.100/-Per month in terms of the order of the Director of Education, dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13-08-2013 along with its fee and accounting records.

On 13.08.2013, Sh. M.S. Rana, Manager, Mrs. Saroj Yadav, Vice-Principal and Mrs. Shobha Yadav, UDC of the school appeared before the Committee. They presented the reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee from the students. It was admitted by them that the school had not implemented the recommendations of the 6th Pay Commission, but had hiked the fee during the year 2009-10 by Rs.100/-p.m. They also pointed out that the school could not implement the recommendations of the 6th Pay Commission due to lack of resources and it had applied to the Directorate of Education to grant permission to close the school.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The Committee has examined the record, observations of the audit officer and the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
Pre -School to V	440	540	100
VI to VIII	460	560	100

It is evident from the above that the school had hiked the fee in 2009-10, in terms of order of the Director of Education dated 11.02.2009, but had not implemented the recommendations of the 6th Pay Commission.

The school had also charged development fee in the following manner:-

<u>Year</u>	<u>Development fee charged</u>
2008-09	Rs. 85,920.00
2009-10	Rs. 96,960.00
2010-11	Rs. 93,840.00

Since, the school did not implement the recommendations of the 6th Pay Commission but increased the fee in excess of the tolerance limit of 10%, by utilizing the order of the Director of Education dated 11.02.2009, which it was not entitled to invoke, the school needs to refund the hike in fee in excess of 10%. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Regarding Development Fee: -

It is clear from the record that the school charged Development Fee. It, however, did not create any Development Fund nor the Depreciation Reserve Fund. Thus, the school failed to comply with the any of the pre-conditions prescribed by the Duggal Committee, by charging Development Fee which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the development fee to the tune of Rs.1,90,800.00 collected by the school during the years 2009-10 and 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law and ought to be refunded along with interest @ 9% per annum

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---14-10-2013

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N
Secretary



Swami Ramtirath Public School, Vijay Vihar, Rithala, Delhi - 85

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 03-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 21-08-2012.

On the schedule date, Sh. S.K. Kochar, Member M.C., attended Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had not implemented the report of 6th Pay Commission and had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009

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The records, produced by the school in the first instance were examined by Sh. A.K. Vijn, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee w.e.f. 2009-10, by 22.46% to 27% for different classes and it had also charged development fee w.e.f. 2008-09 to 2010-11.

63
In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13.08.2013 along with its fee and accounting records.

On schedule date, Sh. S.K. Kochar, Vice President, Sh. S.D. Jassal, Manager and Sh. Ashok Paul, treasurer from the school appeared before the Committee. They also filed reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee from the students but did not maintain any earmarked depreciation reserve fund. It was admitted by the aforesaid representatives that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009, but had not implemented the report of 6th Pay Commission due to shortage of funds.

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The Committee has examined the record, observations of the audit officer and the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
I	260	360	100
II-III	275	375	100
IV-V	310	410	100
VI-VIII	340	440	100

It is evident from the above that the school had hiked the fee in 2009-10, in terms of order of the Director of Education dated 11.02.2009 but failed to implement the recommendations of the 6th Pay Commission.

The school had also charged development fee in the following manner, as evident from the letter dated 13-08-2013, submitted by the school without creating Development Reserve Fund and Depreciation Reserve Fund.

<u>Year</u>	<u>Development fee collected</u>
2008-09	Rs. 1,50,750.00
2009-10	Rs. 2,11,200.00
2010-11	Rs. 2,97,600.00

Since, the school did not implement the recommendations of the 6th Pay Commission, but, increased the fee, in terms of order of the Director of Education, dated 11.02.2009, in excess of the tolerance limit of 10%, the unjustified gain ought to be refunded. The Committee therefore recommends that the hike in the fee

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effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

6> With regard to development fee, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the charge of development fee to the tune of Rs.5,08,800.00 collected by the school during the years 2009-10 and 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009, ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---14-10-2013

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Saptarshi Public School, Chhattarpur, New Delhi - 110 068

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school filed under Rule 180 of the Delhi Education Rules, 1973, were received from the Office of the Deputy Director of Education, District South. On preliminary examination of the returns, it appeared that the school had hiked the fee in terms of order of the Director of Education dated 11.02.2009 but had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 03.08.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 21.08.2012.

On the schedule date, Shri R.C. Yadav, HM of school appeared and produced the requisite records. Reply to questionnaire was also filed. According to the reply, the school had neither hiked the fee in terms of the order of the Director of Education dated 11.02.2009 nor had implemented the recommendations of 6th Pay Commission.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The records produced by the school, in the first instance, were examined by Shri A.K.Vijh, Audit Officer of the Committee. His observations were that:-

- (i) the school in 2009-10, had hiked the fee by 07.05% to 14.86% for different classes,
- (ii) the school did not hike the fee in 2010-11,
- (iii) the school did not implement recommendations of the 6th Pay Commission, and
- (iv) the school did not produce audit report for the year 2008-09 to 2010-11.

In order to provide an opportunity of hearing to the school, vide notice dated 29.07.2013, the school was directed to appear before the Committee on 30.08.2013 along with its fee and accounting records.

On the appointed date of hearing, Shri R.C. Yadav, H.M. and Mrs. Shilpi Yadav, Teacher of the school appeared before the Committee.

During the course of hearing, reply to the questionnaire regarding development fee was submitted. According to the reply the school had charged development fee w.e.f. 2007-08 to 2010-11. It had been treated as revenue receipt and a separate depreciation reserve fund was not being maintained by the school.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

It was contended by the representatives of the school that the school had not implemented the recommendations of the 6th Pay Commission and had hiked fee by more than 10% for only some of the classes during 2009-10. The school failed to produce audit report for the period 2008-09 to 2010-11 before the Committee.

The Committee has examined the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
Nursery/KG	450	500	50
I-V	550	650	100
VI-VIII	650	800	150

It is evident from the above record that the school had hiked the fee for classes I to VIII in 2009-10, though not in terms of the order of the Director of Education, dated 11.02.2009, but in excess of the tolerance limit of 10%. We also find that the school had not implemented the recommendations of the 6th Pay Commission. The school had also charged development fee from the students without creating an earmarked Development Fund and Depreciation Reserve Fund.

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In view of the foregoing, the Committee is of the view that the fee hiked by the school w.e.f. April 2009 was not justified as the school had not implemented the recommendations of the VI Pay Commission. Therefore, the fees increased, in excess of 10%, w.e.f. 01.04.2009 ought to be refunded along with interest @ 9% per annum.

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

Reg. Development Fee

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

<u>Year</u>	<u>Development Fee charged</u>
2007-08	26,200.00
2008-09	32,400.00
2009-10	32,400.00
2010-11	45,400.00

Thus, the school had charged Development fee from the students without creation of the Development Fund and Depreciation Reserve Fund. The Committee is of the view that the

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school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which conditions were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. The development fee charged by the school to the tune of Rs. 77,800.00 during 2009-10 and 2010-11, in pursuance of the order of the Director of Education dated 11.02.2002, was not in accordance with law and ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Sd/-

J.S. Kochar
Member

Dated-25.10.2013

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Guru Nanak Public School, Rajouri Garden, New Delhi-110027

The school had not replied to the questionnaire dated 27/02/2012 issued by the Committee which was followed by a reminder dated 27/03/2012. However, the returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 were received by the Committee through Dy. Director, Distt. West-A of the Directorate of Education. On prima facie examination of these returns, it appeared that while the school had hiked the fee in terms of order dated 11/02/2009 issued by the Director of Education, it had not implemented the recommendations of the VI Pay Commission report. Accordingly, the school was placed in Category 'A'.

Vide letter dated 08/08/2012, the school was required to produce its fee, salary and accounting records on 27/08/2012 for verification. The school was also advised to file its reply to the aforesaid questionnaire dated 27/02/2012.

On the scheduled date, Sh. G.S. Anand, Manager and Ms. Arvinder Kaur, Principal of the school attended the office of the Committee and produced the required records. Reply to the questionnaire was also filed. The records of the school were examined with particular reference to the reply to questionnaire, submitted by the school, by Sh. A.D. Bhateja, Audit Officer of the Committee.

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In its reply to the questionnaire, the school admitted that it had increased the fee as per order dated 11/02/2009 issued by the Director of Education w.e.f. April 2009 and also filed a comparative chart showing the fee charged by the school from 2007-08 to 2011-12. It also gave the detail of recovery of arrear fee for the period 1st September 2008 to 31st March 2009, aggregating Rs. 18,42,825. It was further stated that out of the arrear fee so collected, a sum of Rs. 1,55,625 was refunded to the students, due to protests by the parents and thus the net collection of arrear fee was **Rs. 16,87,200**. It was further mentioned that the school had not recovered any arrears for the period 01/01/2006 to 31/08/2008. However, with regard to implementation of VI Pay Commission report, the school admitted that it had implemented the same only w.e.f. 01/04/2011 without payment of any back arrears.

The Audit Officer, on examination of the records produced by the school, observed that even after implementation of VI Pay Commission report, DA and TA were not being paid by the school in terms of a settlement arrived at between the school Management and staff. With regard to fee hike effected by the school, he observed that the school had hiked the tuition fee by Rs. 200 per month and development fee by Rs. 50 per month w.e.f. 01/04/2009, in terms of order dated 11/02/2009 issued by the Director of Education.

In order to provide an opportunity of hearing to the school, the Committee issued notice dated 26/03/2013 for hearing on

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09/04/2013. A questionnaire regarding development fee was also issued to the school. On this date, Sh. H.S. Behar, Chairman and Ms. Anvinder Kaur, Vice Principal of the school appeared and were partly heard by the Committee. During the course of hearing, it came out that although the school was charging development fee at the rate of Rs. 150 per month from the students, neither any earmarked accounts were being maintained for parking unutilised development fund nor for investing the depreciation reserve fund. The school had contributed to its parent Society Shri Guru Singh Sabha, a sum of Rs. 88,50,000 for new school building and a sum of Rs. 10,00,000 for cost of land. A further amount of Rs. 27,44,087 had been advanced as a loan to the aforesaid organization. As the school had not produced its books of accounts and bank statements, the matter was directed to be relisted on 22/04/2013.

On 22/04/2013, the school filed written submissions, the gist whereof is as follows:

Submissions:

- (a) The VI Pay Commission recommendations were implemented from 01/04/2011 as per MOU approved by the Hon'ble Delhi High Court in WP (C) 4972/2010 vide order dated 08/11/2011 (copy of the order was enclosed).
- (b) The school had increased the tuition fee by Rs. 200 per month from 01/04/2009, as the same was allowed by

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Education Department for implementation of VI Pay Commission Report.

- (c) The school had collected development fee from 2008-09 to 2011-12 at varying rates between Rs. 100 per month and Rs. 175 per month in different years. The development fee charged in 2009-10 and 2010-11 was @ Rs. 150 per month and Rs. 175 per month respectively.
- (d) The school had accumulated development fund of Rs. 1,78,11,657 as on 31/03/2011. Separate development fund account would be opened shortly.
- (e) Depreciation is charged to the cost of fixed assets and accordingly the fixed assets appear at written down value in the balance sheet. Accordingly no depreciation reserve fund is created.
- (f) In 2010-11, the school collected Rs. 27,44,087 as development fund out of which Rs. 12,37,828 was spent on development and repairing of school building as approved by the Management Committee.
- (g) The school had contributed Rs. 88,50,000 to Sh. Guru Singh Sabha in various stages of construction period towards cost of new building which is being used by the school. The school had given loan to the Gurudwara in 2011-12, part of which had been paid back. The outstanding balance of the loan was Rs. 20,74,087, efforts for recovery of which were being made.

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The Committee was of the prima facie view that in view of the admission of the school of having hiked the fee w.e.f. 01/04/2009 and recovery of hiked fee arrears for the period 01/09/2008 to 31/03/2009 and the admission that it had implemented the VI Pay Commission Report, and that too partially, w.e.f. 01/04/2011, the fee hiked by the school for the years 2009-10 and 2010-11 (on account of ripple effect) was not justified. However, the representatives of the school insisted that despite such hike w.e.f. 01/04/2009, the school did not have sufficient funds for even partial implementation of VI Pay Commission report w.e.f. 01/04/2011. Accordingly, the Committee decided to have a working of funds availability with the school cumulatively for the years 2008-09, 2009-10 and 2010-11, during which the fee hike was effective. Accordingly, the office of the Committee was directed to prepare the required calculation sheet. As per the calculation sheet prepared by the office of the Committee, the school had a total sum of Rs. 5,36,13,618 available with it as on 31/03/2011. The incremental revenue on account of fee hike for the periods 01/09/2008 to 31/03/2009, 01/04/2009 to 31/03/2010 and 01/04/2010 to 31/03/2011, amounted to Rs. 1,14,34,200. Deducting this sum from the total funds available as on 31/03/2011, the office of the Committee worked out that the funds available with the school before effecting the fee hike w.e.f. 01/09/2008 were **Rs. 4,21,79,418**. As against this, the differential salary in the financial year 2011-12, i.e. after the VI Pay Commission Report was partially implemented, was just **Rs. 51,13,979**. Therefore, vide notice dated 18/06/2013, a

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fresh hearing was fixed for 12/07/2013. A copy of the calculation sheet prepared by the office of the Committee was sent to the school for its response and comments. The date of hearing was postponed to 25/07/2013 on which date, Sh. H.S. Behar, Chairman, Sh. S.S. Minhas, Principal, Ms. Anvinder Kaur, Vice principal and Sh. Rajinder Mittal, Chartered Accountant appeared on behalf of the school and filed reply dated 25/07/2013 in response to the preliminary calculation sheet. Along with the reply, the school enclosed a copy of a letter dated 23/07/2013 written by its Chartered Accountant to the Chairman of the school. This letter was adopted by the school as its reply to the preliminary calculation sheet of the Committee. It was submitted as follows:-

- (a) In the preliminary calculation sheet, the amount shown to have been transferred to the Gurudwara was Rs. 1,88,50,000 while the correct amount was Rs. 98,50,000 (10,00,000 + 88,50,000). It was contended that since the school's contribution towards cost of land and building could not be retrieved, the same ought not be considered as part of funds available.
- (b) TDS of Rs. 14,35,232 deducted on interest on fixed deposits, should not be considered as part of funds available as the same already stands deposited with the Income Tax Department.

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(c) Out of the total amount of fixed deposit receipt of Rs. 3,21,53,524, a sum of Rs. 2,65,36,811 were held for the following purposes:

(1) School development fund	Rs. 1,78,11,657
(2) Gratuity fund	Rs. 33,13,927
(3) Leave encashment fund	Rs. 33,11,788
(4) Reserve fund	Rs. 1,65,000
(5) Caution Money	Rs. 13,76,882
(6) Student Welfare fund	Rs. 3,05,407
(7) Scholarship fund	<u>Rs. 2,52,150</u>
Total	<u>Rs. 2,65,36,811</u>

Accordingly, it was contended that the FDRs to the extent of Rs. 56,16,713 only (3,21,53,524 - 2,65,36,811) should be considered as part of funds available.

- (d) Loan of Rs. 18,16,703 given to the pre primary wing of the school, ought not to be considered as part of funds available.
- (e) In the preliminary calculation sheet, the contribution received from pupil fund amounting to Rs. 21,54,864 had not been taken into consideration. The same ought to have been deducted while calculating the funds available with the school as this amount was to be replenished to the pupil fund.

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- (f) Staff and other advances amounting to Rs. 74,000 ought not have been considered as funds available as they were recovered in the next year.
- (g) Cash in hand amounting to Rs. 14,426 had been taken twice in the calculation sheet.
- (h) The bank balance of Rs. 75,41,410 was required for the working capital for the school and ought not be considered as available for implementation of VI Pay Commission report.

As the school had not filed details of fixed assets acquired out of development fee, the detailed employee wise calculations of liability for gratuity and leave encashment and the balance sheet of the pre primary school, the school sought time for doing the needful. The hearing was adjourned to 30/08/2013 to enable the school to file the respective details. On this date, the authorized representatives of the school sought short adjournment on account of illness. The hearing was accordingly adjourned to 06/09/2013.

On 06/09/2013, Sh. H.S. Behar, Chairman, Sh. H.S. Sabharwal, Senior vice Chairman, Sh. G.S. Anand, Manager, Sh. S.S. Minhas, Principal, appeared along with Sh. R. Mittal, Chartered Accountant and filed written submissions dated 30/08/2013. Along with the written submissions, the school also filed the balance sheets of the pre primary school and pupil fund. Various submissions made by the school on this date are as follows:

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- (a) Since the school does not have earmarked account for development fund, it is not possible to give details of fixed assets acquired out of development fund and depreciation reserve created thereon. However, the school gave details of all the fixed assets acquired from 2005-06 to 2011-12.
- (b) Employee wise detail of gratuity and leave encashment are not prepared. Provisions for these liabilities are based on one month's consolidated salary by applying a formula. However, the calculation is not supported by any actuarial valuation.
- (c) The pupil fund was raised in accordance with Rule 171 of Delhi School Education Rules, 1973 and its utilisation was also in accordance with the relevant provisions. Pupil fund is managed by the School Management Board and is being solely used for the benefits of the students, their co-curricular activities, functions and celebrations like independence day, republic day, sports day etc.

Discussion:

The Committee has perused the financials of the school, the observations of the audit officer, the preliminary calculation sheet and has considered various oral and written submissions made by the school during the course of hearing. Various contentious issues raised by the school are discussed in the following paragraphs:

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Re.: Justifiability of fee hike w.e.f. 01/04/2009 when VI Pay Commission was implemented (partially) w.e.f. 01/04/2011.

The staff members of the school had filed a writ petition bearing no. WP(C) 4972/2010 against the school which culminated in an out of court settlement contained in a memorandum of understanding (MOU) which has been made a part of order dated 08/11/2011 of the Hon'ble High Court. As per the MOU, the regular staff of the school would be entitled to the pay scale as per recommendations of the VI Pay Commission w.e.f. 01/04/2011. The pay scales as on 31/03/2011 would be fixed on the basis of pay scale as on 01/01/2006 after giving all increments due to the employees. It was further agreed that all allowances would be paid as per the recommendations of the VI Pay Commission except DA which shall be restricted to 9% out of 51%. It has been recorded by the Hon'ble High Court that the agreement between the school and staff is lawful and both the parties are bound by the same. In view of order of the Hon'ble High Court, the fact that the VI Pay Commission has been partially implemented, would not stand in the way of the school hiking the fee for meeting its additional obligations arising out of the compromise arrived at by it with its staff.

However, the moot question that remains is whether the school was justified in raising the fee as per order dated 11/02/2009 w.e.f. 01/04/2009 and further recovering the arrear fee for the period 01/09/2008 to 31/03/2009. The Committee thought it appropriate

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to make back calculations of available funds with the school after excluding the component of fee hike effected in 2009-10, in the face of the contention of the school that the fee hike effected in 2010-11 and 2011-12 were only to the extent of 10% and the school utilised the additional resources generated by it by effecting fee hike in 2009-10, as the school did not have sufficient resources for implementing the VI Pay Commission report. If the Committee found the contention of the school to be correct, no interference would be recommended. However, if in the final analysis, the contention of the school was found to be not correct, the Committee would recommend the fee hike effected in 2009-10 with ripple effect in 2010-11.

Re: Discrepancies in the preliminary calculation sheet

(a) Funds transferred to Gurudwara

The Committee has examined the contention of the school that the correct amount was Rs. 98,50,000 and not Rs. 1,88,50,000 as reflected in the preliminary calculation sheet. An inadvertant mistake was committed by the office of the Committee by taking a figure of Rs. 10,00,000 as Rs. 1,00,00,000. While making the final determinations, the Committee will accordingly deduct a sum of **Rs. 90,00,000** from the figure worked out in the preliminary calculations.

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(b) **TDS:** The Committee does not agree with the contention of the school that since TDS of Rs. 14,35,232 is already deposited with Income Tax Department, the same should not be taken into account while working out of the funds available. The Committee is of the view that since the income of the school is not taxable under the extant laws, the school would in due course get the refund of TDS deducted from its income.

(c) **Exclusions out of fixed deposits:**

The various exclusions sought by the school from the amount of fixed deposits held by it are discussed below:

(i) The Committee does not agree with the contention that a sum of Rs. 1,78,11,657 should be treated as held against development fund for the reason that the development fund and depreciation reserve fund were not being maintained and utilised in accordance with the recommendations of the Duggal Committee which were subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School vs Union of India (2004) 5 SCC 583. Detailed reasoning will be given in the section of the recommendation regarding development fee.

(ii) So far as gratuity fund (33,13,927) and leave encashment fund (33,11,788), caution money (13,76,882) , student welfare fund (3,05,407), scholarship fund (2,52,150) are concerned, the Committee observes that in the

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preliminary calculation sheet , these sums had already been deducted from the total current assets + investments amounting to Rs. 4,33,23,773, which included FDRs of Rs. 3,21,53,524. The Committee is at a loss to understand as to what is the grievance of the school. The contention of the school has to be rejected outrightly.

(iii) The school claims a sum of Rs. 1,65,000 as reserve against future contingencies. The Committee has consistently taken a view that the school ought to retain a sum equivalent to four months salary for future contingencies. As per the detail of salary submitted by the school for July 2011 i.e. after implementation of VI Pay Commission Report, the total salary bill of the school was Rs. 17,81,402. Accordingly, the Committee is of the view that the school ought to maintain a sum of **Rs. 71,25,608** as reserve for future contingencies. This will be duly factored in the final determinations.

(iv) As regards exclusion of loan of Rs. 18,16,703 given to the pre primary school under the same management, is concerned, the Committee has examined the balance sheet of the pre primary school as on 31/03/2011 and observes that the pre primary school, in turn has made contribution of Rs. 51,50,000 towards new school building and Rs. 40,00,000 towards land to the parent organisation. Thus the loan of

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Rs. 18,16,703 given by the school to the pre primary school has ultimately gone into the coffers of the parent organization which has utilised the same for buying land and /or constructing building. The schools are not permitted to divert their funds generated out of fee receipts to their organizations in view of the judgments of the Hon'ble Supreme Court in the cases of Modern School vs. Union of India (supra) and Action Committee Unaided Pvt. Schools & Ors vs. Director of Education & Ors 2009 (11) SCALE 77. In view of this, the contention of the school is rejected.

(v) So far as exclusion of Rs. 21,54,864, which the school claims was a contribution from the pupil fund of the school and had to be refunded to that fund, is concerned, the Committee has examined the contentions of the school with reference to Rule 171 of Delhi School Education Rules 1973. In the written submissions dated 30/08/2013 filed by the school, it was stated that the pupil fund is managed by the School Management Board and is being utilised for co curricular activities, functions and celebrations like independence day, republic day, sports day etc. Rule 171 provides that the administration and expenditure of the pupil fund shall vest in the head of the school who shall be assisted and advised by a Committee to be called "Pupil's Fund Advisory Committee". Such Committee shall consist of

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the head of the school, atleast two teachers to be nominated by the head of the school and two students of classes in the secondary and sr. secondary stage, to be nominated by the head of the school. The Rules do not provide for any role of School Management Board in the administration of pupil fund. Further the co curricular activities of the students are not to be funded from the pupil fund as the same has to be met out of fee as specifically provided in Rule 177. The purpose of maintaining a pupil fund is to assist the needy students by way of fee remissions, concessions etc. The financials of the pupil fund produced by the school hardly indicate fulfillment of any such purposes. Further the school has accumulated a surplus in the pupils fund amounting to Rs. 22,48,174 as on 31/03/2011, out of which a sum of Rs. 21,54,864 has been transferred to the general account of the school. This indicates that the school is treating the pupil fund like any other fee and therefore, in view of the Committee, the school is not entitled to claim the deduction of Rs. 21,54,864 as a liability owing to its pupil's fund. The contention of the school deserves to be rejected and is hereby rejected.

(vi) As regards exclusion of Rs, 74,000 representing outstanding advances to staff and others is concerned, the

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contention of the school is rejected as the school itself has stated that the same was recovered in the subsequent years.

(vii) As regards double counting of cash in hand amounting to **Rs. 14,426** is concerned, the Committee accepts the contention as there is indeed a mistake in the preliminary calculation sheet in so far as cash in hand has been included in bank balance also, besides being separately shown as cash in hand. The Committee will duly take this into account while making the final determinations.

(viii) So far as the issue of exclusion of Rs. 75,41,410, being balances in the bank accounts is concerned, the same is premised on the fact that the school needs adequate funds for day to day functioning. In view of the Committee considering the requirement of reserve for contingencies, equivalent to four months' salary, amounting to Rs. 71,25,608, the grievance as made out by the school does not survive.

Determinations:

Tuition Fee

The Committee is of the view that the school had a total amount of **Rs. 2,60,39,384** as funds available with it, which could have been utilised for payment of increased salaries on account of

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implementation of VI Pay Commission Report. The relevant calculations are as follows:

Particulars		Amount(Rs.)
Funds available as determined in the preliminary calculation sheet		4,21,79,418
Less (a) Discrepancy in the figure of funds transferred to Gurudwara Singh Sabha	90,00,000	
(b) Reserve for future contingencies	71,25,608	
(c) Cash in hand (taken twice)	14,426	1,61,40,034

Funds available as finally determined		2,60,39,384

As against this, the impact of VI Pay Commission Report w.e.f. 01/04/2011, coupled with the normal increment of the staff during 2010-11 and 2011-12 was **Rs. 51,13,979**, which is an undisputed figure. Hence, the Committee is of the view that the school already had adequate resources for meeting the additional liabilities that befell on it on account of implementation of VI Pay Commission Report and that too only partially. Therefore, the school was not justified in hiking the tuition fee w.e.f. 01/04/2009 and recovering any arrear fee for the period 01/09/2008 to 31/03/2009. The arrear fee recovered by the school, amounting to Rs. 16,87,200 ought to be refunded along with interest @ 9% per annum. Further, the school ought to refund the increased tuition fee of Rs. 200 per month charged from the students w.e.f. 01/04/2009 to 31/03/2011, after retaining a hike to the extent of 10% per annum.

Development Fee:

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The Committee issued a supplementary questionnaire to the school specifically with regard to the development fee. The school vide its reply dated 14/06/2013 stated that it was charging development fee and gave figures of development fee collected by the school from 2006-07 to 2010-11. The amount of development fee collected in 2009-10 was Rs. 30,06,930 and in 2010-11, it was Rs. 27,44,643. It also gave figures of utilisation of development fee in the years 2006-07 to 2010-11. The collections and utilisations of development fee yearwise, as submitted by the school, are as follows:

Year	Development fee collected	Development fee utilised	Unutilised amount
2006-07	16,17,680	Nil	16,17,680
2007-08	16,79,440	12,59,269	4,20,171
2008-09	20,54,140	56,230	19,97,910
2009-10	30,06,930	7,53,406	22,53,524
2010-11	27,44,643	11,80,970	15,63,673
Total	1,11,02,833	32,49,875	78,52,958

Although the school in its reply to the questionnaire stated that copies of account of expenditure incurred out of development fee were enclosed, no such enclosures were found. The school merely filed a copy of its trial balance from which the expenditure of development fee cannot be ascertained. Further, when pointed queries were raised during the course of hearing to furnish details of fixed assets acquired out of development fee, the school vide its written submissions dated

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30/08/2013 gave details of all fixed assets acquired by the school without any segregation as to whether they were out of development fund or out of general fund. Perusal of these details shows that during 2007-08, the total fixed assets acquired by the school were of the value of 8,04,534. In 2008-09, the cost of total fixed assets acquired was Rs. 18,75,324 out of which Rs. 16,61,927 was for acquisition of a car and a bus. In 2009-10, the cost of total fixed assets acquired was Rs. 2,89,747 and in 2010-11, it was Rs. 5,42,975.

Hence the school gave different figure at different points of time. It is also apparent from the above that the school was collecting development fee without any particular plans of development. A large portion of development fee remained unutilised. The contention of the school that the unutilised amount was kept in FDRs is not borne out of from the balance sheet of the school which do not show any earmarked funds. In fact the school admitted during the course of hearing that no earmarked fund account was maintained for development fee and one would be opened shortly. Since no accounting for assets acquired out of development fee is separately done, no depreciation on such assets is separately calculated and no depreciation reserve fund is being maintained by the school.

Thus the Committee is of the view that the school was not following the pre conditions laid down by the Duggal Committee for charging development fee which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India & Ors.

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(supra). Therefore, the Committee is of the view that the development fee charged by the school in 2009-10 and 2010-11 pursuant to order dated 11/02/2009 was not justified and the same ought to be refunded along with interest @ 9% per annum.

Recommendations:

In view of the above determinations, the Committee is of the view that the school ought to refund the following sums along with interest @ 9% per annum.

Arrears of tuition fee for the period 01/09/2008 to 31/03/2009	Rs.16,87,200
Increased tuition fee w.e.f. 01/04/2009 to 31/03/2011 after retaining an annual increase of 10%.	
Development fee recovered in 2009-10	Rs.30,06,930
Development fee recovered in 2010-11	Rs.27,44,643

Sd/-

Dr. R.K. Sharma
Member

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 09/11/2013

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Jai Deep Public Sec. School, Najafgarh, New Delhi – 110 043

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 08-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 28-08-2012.

On the scheduled date, Shri Rakesh Takkar, Manager of the school attended the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had neither implemented the report of 6th Pay Commission, nor hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records produced by the school in the first instance were examined by Sh. N.S. Batra, Audit Officer of the Committee. He observed that the school had not implemented the recommendations

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of the 6th Pay Commission but had hiked the fee in 2009-10 by Rs.40/- to Rs.200/- for different classes in terms of the order of the Director of Education dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013 the school was directed to appear on 17.08.2013 along with its fee and accounting records. The hearing was pre-poned to 14.08.2013 with due information to the school.

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On the scheduled date, Shri Rakesh Takker, Manager & Shri Sanjay Sharma, Chairman of the school appeared before the Committee for hearing. It was admitted by the school representatives that the report of 6th Pay Commission had not been implemented. It was stated that the fee had also not been hiked in terms of the order of the Director of Education dated 11.02.2009. When confronted with the observations of the Audit Officer dated 28.08.2012, the school representatives conceded that the fee had been hiked in terms of the order of the Director of Education dated 11.02.2009, for classes VI to X, w.e.f. 01-04-2009 and for classes I to V, w.e.f. 01-04-2010. They also filed reply to the questionnaire regarding development fee. According to the reply, the school did not charge the development fee from the students.

The Committee perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

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Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10	Tuition fee in 2010-11	Increase in Tuition fee in 2010-11
I	360	400	40	500	100
II to V	380	450	70	550	100
VI	460	600	140	650	50
VII	480	600	120	650	50
VIII	520	600	80	650	50
IX	700	900	200	900	Nil
X	800	1000	200	1000	Nil

It is obvious that the school had hiked the fee in terms of the order of the Director of Education, dated 11.02.2009 for classes VI to X, w.e.f. April, 2009 and for classes I to V, w.e.f. April, 2010 without implementing the recommendations of the 6th Pay Commission.

Since, the school did not implement the recommendations of 6th Pay Commission, it was not entitled to increase the fee in terms of order of the Director of Education dated 11.02.2009. Therefore, the fee hike in excess of the tolerance limit of 10% for classes VI to X w.e.f. April, 2009 and for classes I to V, w.e.f. April, 2010, being unjustified, ought to be refunded along with interest @9% per annum.

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

Recommended accordingly

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 10.10.2013

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Secretary

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member



Lav Kush Sec. Public School, Mayur Vihar, Phase III, Delhi - 110 096

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On preliminary examination of the returns, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009. but had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 09-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 29-08-2012. The Chairman of the school vide letter dated 29.08.2012 requested for some more time to present accounts of the school for verification. The school vide, notice of the Committee dated 30.08.2012 was provided another opportunity to produce records on 14.09.2012.

On the scheduled date, Sh. Pramod Bhardwaj, Head Clerk of the school attended the Office of the Committee and produced the record of the school. Reply to the aforesaid questionnaire was also filed. According

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to the reply, the school did not implement the recommendations of 6th Pay Commission but had hiked the fee w.e.f. April, 2009 in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Sh. A.K. Vijh, Audit Officer of the Committee. He observed that-

- (i) the school had not implemented the recommendations of the 6th Pay Commission.
- (ii) salary to the staff was being paid according to the pre-revised scale.
- (iii) the school had hiked the fee in 2009-10 by Rs.100/- to Rs.170/-per month.

In order to provide an opportunity of hearing to the school, it was directed vide notice dated 29.07.2013, to appear on 14.08.2013 along with its fee and accounting records. However, no one appeared on behalf of the school before the Committee on 14.08.2013. The school was provided another opportunity to attend the hearing on 12.09.2013.

On 12.09.2013, Sh. Pramod Bhardwaj, Clerk and Sh. Rajiv Verma, Accountant of the school appeared before the Committee for hearing. They filed reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee. It

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Secretary



was admitted by them that the school had not implemented the recommendations of the 6th Pay Commission but the fee had been increased by approximately 20% in 2009-10.

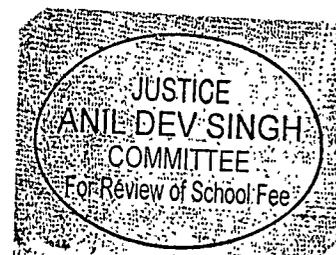
The Committee has examined the record, observations of the audit officer and the submissions made before the Committee on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
I	470	570	100
II	500	600	100
III	520	620	100
IV	550	660	110
V	550	680	130
VI	610	740	130
VII	640	770	130
VIII	650	780	130
IX	770	930	160
X	840	1010	170

It is evident from the above that the school had hiked the fee in 2009-10, though not in terms of order of the Director of Education, dated 11.02.2009, but in excess of tolerance limit of 10%. From the record and the admission of the aforesaid persons who appears on behalf of the school it clear that the school did not implement the recommendations of

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[Signature]
Secretary



the 6th Pay Commission. We may also note that from the record it appears that the school did not charge development fee.

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee, in terms of order of the Director of Education dated 11.02.2009, yet in excess of the tolerance limit of 10%, the hike was unjustified and the same in excess of 10% needs to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---11.11.2013.

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n
Secretary



Pooja Public School, Brahampuri, Delhi - 110 053

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 09-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 29-08-2012.

On the scheduled date, Shri Mangal Sain, Manager of the school attended the Office of the Committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school, the school had not implemented the report of 6th Pay Commission and had hiked the fee by 10%.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The records, produced by the school were examined in the first instance by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed as under:-

- (i) the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee in 2009-10 by Rs.80/- for all classes,
- (ii) during the year 2010-11, the school had again hiked the fee by 10%, and
- (iii) the school had not collected arrears of fee from the students.

99
In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear on 17-08-2013 along with its fee and accounting records. The hearing was pre-poned to 14.08.2013, with due information to the school. On the scheduled date, Shri Managal Sain, Manager of the school appeared before the Committee for hearing. It was contended by the school representative that the report of 6th Pay Commission had not been implemented and the fee was hiked by 10% w.e.f. 2009-10 but not in terms of the order of the Director of Education dated 11.02.2009. The school representative also filed reply to the questionnaire, regarding development fee. According to the reply, the school did not charge the development fee from the students.

The Committee has examined the record, observations of the audit officers and the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

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Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I to III	390	470	80
IV to V	400	480	80
VI to VIII	420	500	80

It is evident from the above that the school had hiked the fee, not in terms of the order of the Director of Education dated 11.02.2009, but nevertheless the hike was beyond the tolerance limit of 10%. From the record, it also apparent that the school had not implemented the recommendations of the 6th Pay Commission and had not charged development fee from the students.

Since, the school did not implement the recommendations of the 6th Pay Commission it ought to refund the fee in excess of the tolerance limit of 10%. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated:- 23.10.2013

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Secretary



Shri Ram Bal Bharti School, Mandoli, Delhi - 110 093

101

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 09-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 29-08-2012.

On the schedule date, Sh. Dheeraj Ahuja, Manager of the school attended the Office of the Committee and produced the record of the school. Reply to the questionnaire was also filed. According to the reply, the school had neither implemented the recommendations of 6th Pay Commission nor had hiked the fee.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The records, produced by the school in the first instance were examined by Sh. A.D. Vijn, Audit Officer of the Committee. He observed that-

- (i) the school had not implemented the recommendations of the 6th Pay Commission.
- (ii). the school had hiked the fee in 2009-10 by 19.5% to 20.17%.
- (iii) the school had collected development fee from the students.
- (iv) . The school had been receiving aid from the society, regularly.

102
In order to provide an opportunity of hearing to the school, vide notice dated 29.07.2013, the school was directed to appear on 14.08.2013 along with its fee and accounting records.

Sh. Dheerj Ahuja, Manager of the school appeared before the Committee for hearing. He could not produce any record and requested to adjourn the hearing. The matter was adjourned to 12.09.2013.

On 12.09.2013 Sh. Dheeraj Ahuja, Manager of the school attended the hearing. He filed reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee and the same had been treated as revenue receipt. The school had not created separate development fund and depreciation reserve fund. It was also admitted by him that the school had not implemented the

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

recommendations of the 6th Pay Commission but the fee had been increased by Rs.100/- per month in 2009-10 in terms of the order of the Director of Education dated 11.02.2009.

The Committee has perused the record, observations of the audit officer and the submissions made before the Committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
I-IV	380	480	100
V	400	480	80
VI-VIII	400	500	100

It is evident from the above that the school had hiked the fee in 2009-10, in terms of order of the Director of Education, dated 11.02.2009. The school had not implemented the recommendations of the 6th Pay Commission.

Regarding Tuition Fee: -

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in terms of order of the Director of Education dated 11.02.2009, in excess of the tolerance limit of 10%, the hike was unjustified and the fee in

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excess thereof needs to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Regarding Development Fee: -

The school had charged development fee in the following manner.

<u>Year</u>	<u>Development fee collected</u>
2006-07	Rs.31,600.00
2007-08	Rs.30,700.00
2008-09	Rs.34,500.00
2009-10	Rs.37,600.00
2010-11	Rs.39,000.00

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

Thus, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal

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Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.76,600.00 during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law. In this view of the matter, the Development Fee for Rs.76,600.00 ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---28-10-2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Jugmandar Dass Arya Vedic Secondary School,

Naya Bans, Khari Baoli, Delhi - 110 006

102
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District Central of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 09-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 29-08-2012.

On the schedule date, Mrs. Neeta Rohtagi, T.G.T. and Mrs. Vaneeta Grover, T.G.T. of the school attended the Office of the Committee. They did not bring record for verification and requested for another date for the verification of records. The school was directed to produce records on 14.09.2012.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000107

On the scheduled date Sh. Ved Prakash and Mrs. Neeta Rohtagi, Teachers from the school attended the office of the committee and produced the requisite record. Reply to the questionnaire was also filed. According to the reply, the school had not implemented the recommendations of 6th Pay Commission and had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that: -

- 107
- (i) the school did not implement the recommendations of the 6th Pay Commission,
 - (ii) the salary to the staff had been paid on consolidated monthly basis,
 - (iii) the school had hiked the fee in 2009-10, in terms of the order of the Director of Education, dated 11.02.2009, and
 - (iv) no fee hike effected from 2010-11.

In order to provide an opportunity of hearing to the school, vide notice dated 29.07.2013, the school was directed to appear on 14.08.2013 along with its fee and accounting records. No one appeared for the school on the scheduled date. The school was provided one more opportunity to appear before the committee on 12.09.2013 for hearing.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000108

On 12.09.2013, Sh. Ved Prakash and Mrs. Neeta Rohtagi, Teachers from the school appeared before the Committee. They filed the reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee. The aforesaid persons in their oral submission admitted that the school did not implement the report of 6th Pay Commission but the fee had been increased by 25% in 2009-10. They also stated that there had been no fee hike in 2010-11.

The Committee has examined the record, observations of the audit officer and the submissions made before the committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
VI-VIII	380	475	95
IX-X	400	500	100

It is evident from the above that the school had hiked the fee in 2009-10, in terms of order of the Director of Education, dated 11.02.2009, for all classes. However, there was fee hike in the year 2010-11.

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COMMITTEE
For Review of School Fee

We may also note that the school has not implemented the recommendations of the 6th Pay Commission but increased the fee in 2009-10 beyond the tolerance limit of 10%.

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in terms of order of the Director of Education dated 11.02.2009, in excess of the tolerance limit of 10%, the hike was unjustified and the fee in excess thereof needs to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

However, since the school did not hike any fee in 2010-11, the Committee is not recommending refund of any part of fee of 2010-11.

Recommended accordingly

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---28-10-2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

St. Vyas School, Shalimar Bagh, Delhi - 110 088

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'A' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 09-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 29-08-2012.

On the schedule date, Sh. Arvind Kumar, Manager of the school attended the Office of the Committee but not produce any record. He requested for some more time to produce the records. The Manager was directed to submit the same on 03.09.2012.

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On 03.09.2012 Sh. Arvind Kumar, Manager of the school produced records of the school. Reply to the questionnaire was also filed. According to the reply, the school had neither implemented the recommendations of 6th Pay Commission nor had hiked the fee.

The records, produced by the school in the first instance were examined by Sh. A.D.Bhateja, Audit Officer of the Committee. He observed that-

- (i) the school had not implemented the recommendations of the 6th Pay Commission.
- (ii) the salary to the staff had been paid, according to pre-revised scale in cash.
- (iii) the school had hiked the fee in 2009-10 by Rs. 200/- per month, in terms of the order of the Director of Education, dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear on 29.07.2013 along with its fee and accounting records.

No one on behalf of the school appeared on the scheduled date. The school was provided one more opportunity vide notice dated 26.08.2013 to appear before the committee for hearing on 12.09.2013.

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COMMITTEE
For Review of School Fee

On 12.09.2013, Sh. Arvind Kumar, Manager, Sh. Sanjay Aggrawal, C.A. and Sh. Ramesh Chandra, Accountant from the school appeared before the Committee for hearing. They filed the reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee and the same had been treated as revenue receipt. The school had not created separate development fund and depreciation reserve fund. The development fee, so collected had been utilized for the purchase of buses and repair of school building.

It was admitted by them that the school had not implemented the recommendations of the 6th Pay Commission but the fee had been increased by Rs.200/- per month in 2009-10 in terms of the order of the Director of Education dated 11.02.2009.

The Committee has examined the record, observations of the audit officer and the submissions made before the committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
I-V	650	850	200
VI-VIII	690	890	200

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000113

It is evident from the above that the school had hiked the fee in 2009-10, in terms of order of the Director of Education, dated 11.02.2009, for all classes. However, the school had not implemented the recommendations of the 6th Pay Commission.

Regarding Tuition Fee: -

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in terms of order of the Director of Education dated 11.02.2009, in excess of the tolerance limit of 10%, the hike was unjustified and the fee in excess thereof needs to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Regarding Development Fee: -

The school had charged development fee in the following manner.

<u>Year</u>	<u>Development fee collected</u>
2008-09	Rs.1, 28,880.00
2009-10	Rs.1, 44,105.00
2010.11	Rs.1, 56,450.00

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

Thus, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.3,00,505.00, during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law, ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---28-10-2013

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Secretary



Arya Model School, Arya Samaj Road, Adarsh Nagar, Delhi - 110 053

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'A' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 but had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 09-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 31-08-2012.

On the scheduled date, Shri O.P. Chug, Manager of the school attended Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had implemented the report of the 6th Pay Commission w.e.f. July, 2012 but had hiked the fee

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

in 2009-10 in term of the order of the Director of Education dated 11.02.2009.

The records, produced by the school were examined in the first instance by Shri A.K. Vijh, Audit Officer of the Committee. He observed that the school had implemented the report of the 6th Pay Commission w.e.f. July, 2012 and had also hiked the fee in 2009-10 by 22.90% to 23.92% for different classes. The school also increased the fee in 2010-11 by 11.73%. The school also charged development fee from the students in the following manner: -

<u>Year</u>	<u>Amount</u>
2008-09	Rs.500-00 per student per year
2009-10	Rs.1,000-00 per student per year
2010-11	Rs.1,000-00 per student per year

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear on 17.08.2013, along with its fee and accounting records. The hearing was preponed to 14-08-2013, with due intimation to the school.

On scheduled date, Shri Parkhash Vir Batra, Manager and Shri Kumud Bhutani, Cashier of the school appeared before the Committee for hearing. They filed reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee from 2006-07 to 2010-11 amounting to Rs.20,38,900.00. The school had

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treated development fee as revenue receipt. The school had not maintained any depreciation reserve fund for the reasons that they had not charged depreciation on the fixed assets. With regard to tuition fee, the school conceded that it hiked the fee by Rs.200/- per month per student w.e.f. September, 2008 i.e. the maximum permitted vide order dated 11.02.2009.

The arrears of tuition fee had also been recovered for the period 01.01.2006 to 31.03.2009. The total recovery on account of arrears was Rs.20,33,959.00 spread over two years i.e. 2008-09 and 2009-10. With regard to implementation of the 6th Pay Commission report, it was contended by the school representatives that the report of 6th Pay Commission had been implemented only from July, 2012.

The Committee had perused the record, observations of the Audit Officer and the submissions made before the Committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
I to V	620	820	200
VI to VIII	660	860	200

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It is evident from the above that the school had hiked the fee in 2009-10, in pursuance of the order of the Director of Education, dated 11.02.2009. Further, the school conceded during the course of hearing that it had also recovered arrears of fee amounting to Rs. Rs.20,33,959.00. The school claimed to have implemented the report of the 6th Pay Commission w.e.f. July, 2012.

Regarding Tuition Fee: -

Since, the school has itself admitted that it implemented the report of 6th Pay Commission only w.e.f. July, 2012 but, increased the fee in terms of order of the Director of Education, dated 11.02.2009 w.e.f. 2008-09, the hike of fee w.e.f. April, 2009 to June, 2012, in excess 10% was unjustified, ought to be refunded. The Committee therefore recommends that the hike in the fee affected by the school from April, 2009 to June, 2012, in excess of 10% ought to be refunded along with interest @9% per annum.

The school has also collected arrears of fee for the period from 01.01.2006 to 31.03.2009 amounting to Rs.20,33,959.00. The school out to refund the arrear of fee amounting to Rs.20,33,959.00 collected from the students, with interest of @9% per annum.

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Regarding Development Fee: -

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With regard to development fee, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. However, since the Committee is examining the issue of fee in pursuance of the order dated 11.02.2009, the Committee recommends that the development fee charged in 2009-10 amounting to Rs.6,45,200/- and in 2010-11, amounting to Rs.5,33,000/- ought to be refunded with interest @9% per annum.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---28-10-2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Nutan Vidya Mandir, Gandhi Nagar, Delhi - 110 031

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 05-09-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 19-09-2012.

On the schedule date, Shri A.N. Rai, Vice-Principal of the school attended the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had not implemented the report of the 6th Pay Commission and had hiked the fee w.e.f. April, 2009.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The records, produced by the school in the first instance were examined by Shri A.K. Bhalla, Audit Officer of the Committee. He had observed that: -

- (i) the salary to the staff had been paid at pre-revised scale and on consolidate basis to the guest teachers,
- (ii) the school hiked the fee w.e.f. April, 2009 in the range of 19.47% to 21.98% for different classes,
- (iii) the school did not produce receipt and payment statements for the years from 2008-09 to 2010-11,
- (iv) according to the representatives of the school, such records were not maintained by the school, and
- (v) the school had charged the development fee during 2008-09.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear on 17.08.2013 along with its fee and accounting records. The hearing was preponed to 14-08-2013 with due intimation to the school.

On scheduled date, Shri A.N. Rai, Vice-Principal, Shri Virender Singh, school representative and Shri M. Dev Nath, Accountant appeared before the Committee for hearing. They filed the reply to the questionnaire regarding development fee. According to the representatives of the school,

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- (a) the school had charged development fee only in 2008-09,
- (b) the school had not implemented the report of 6th Pay Commission,
- (c) as regards the fee, the school had hiked the same in 2009-10, by 20%, and
- (d) the Directorate of Education, vide order dated 25-03-2013 had permitted closure of the school.

The Committee had gone through the record, observations of the Audit Officer and has considered the submissions made by the representatives of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
VI to VIII	960	1110	150
IX - X	1130	1350	220

It is evident from the above that the school had hiked the fee in 2009-10 in excess of permissible limit of 10%, though not to the maximum extent as provided by the order of the Director of Education, dated 11.02.2009. It is also clear from the record that the school did not implement the recommendations of the 6th Pay Commission. The school has also charged an amount of Rs.1,14,000/- as development fee in 2008-09. The balance sheet for the year 2010-11 was not signed by the

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Auditors of the school and the fee actually charged did not match with the fee schedule.

Since, the school did not implement the recommendations of the 6th Pay Commission the fee in excess of the tolerance limit of 10% ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Regarding Development Fee: -

The Committee is of the view that since the school charged development fee only in 2008-09, which could not have been in pursuance of the order of the Director of Education dated 11.02.2009, no recommendation is required to be made regarding the same as the mandate of the Committee is to examine the fee charged in pursuance of the aforesaid order.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson
Dated---14-10-2013

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

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Bal Niketan Public School, Laxmi Nagar, Delhi - 110 092

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director, District East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 26-09-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 15-10-2012.

On the schedule date, Mrs. Shail Bala, Assistant Teacher and Shri Vikas Sharma, from the school attended the Office of the Committee. They requested for some more time to produce the records for their verification by the Committee. Acceding to the request, the school was directed to produce the records on 26-10-2012.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

On 26-10-2012, Shri Vikas Sharma, from the school attended the Office of the Committee and requested for further time to produce the records due to the reasons that the school was unable to trace the records and C.A., of the school had been out of station. The school, at its request, was provided final opportunity to produce its records on 19.11.2012.

On the schedule date, Shri Vikas Sharma and Smt. Kiran Sharma, representatives of the school attended the Office of the Committee. They submitted reply to the questionnaire. According to the reply, the school had neither, implemented the report of the 6th Pay Commission nor, hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Mrs. Sunita Nautiyal, Audit Officer of the Committee. She had observed that the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee in 2009-10 by Rs.100/- per month.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear on 17-08-

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2013 along with its fee and accounting records. The hearing was preponed to 14-08-2013 with due intimation to the school.

On schedule date, Shri Vikas, Assistant Manager along with Ms. Shail Bal of the school appeared before the Committee for hearing. They filed the reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee. It was contended by them that the school had not implemented the report of 6th Pay Commission and the fee was hiked by Rs.50/- per month in 2009-10. On being confronted with the fee schedule, the representatives of the school conceded that the hike in fee for classes I to V was by Rs.75/- per month; while, for classes VI to VIII, it was by Rs.100/- per month.

The Committee has perused the record and the observations of the Audit Officer and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee including computer fee in 2008-09	Tuition Fee including computer fee in 2009-10	Increase in fee during 2009-10
I - V	425	500	75
VI - VIII	500	600	100

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COMMITTEE
For Review of School Fee

It is evident from the above that the school had hiked the fee in 2009-10 in terms of order of the Director of Education, dated 11.02.2009, for classes VI to VIII but it failed to implement the recommendations of the 6th Pay Commission.

Since, the school did not implement the report of 6th Pay Commission, but, increased the fee, in terms of order of the Director of Education, dated 11.02.2009, the fee in excess of the tolerance limit of 10% for classes VI to VIII, ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% for classes VI to VIII ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson
Dated---14-10-2013

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

C.P.M. Public School, Hari Enclave, Sultanpuri, Delhi - 110 086

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 05-09-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 19-09-2012.

On the schedule date, Shri Srikant Singh Yadav, Manager of the school attended the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had neither

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implemented the report of the 6th Pay Commission nor hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Sh. A.K. Vijn, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission but had hiked the fee in 2009-10 by 15.75% to 17.50% for different classes.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear on 17.08.2013 along with its fee and accounting records. The hearing was preponed to 14-08-2013 with due intimation to the school.

On schedule date, Shri Srikant Singh Yadav, Manager of the school appeared before the Committee. It was admitted by him that the school had not implemented the report of 6th Pay Commission. In view of the record, it was not denied that the school had hiked fee in 2009-10, by Rs.100/- per month in terms of the order of the Director of Education dated 11.02.2009 for all classes except classes I and II, for which the fee hike was Rs.75/- per month. The Manger also filed the reply to the

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questionnaire regarding development fee. According to the reply, the school had not charged development fee.

The Committee has examined the record, observations of the Audit Officer and the submissions made, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
I - II	375	450	75
III	400	500	100
IV	425	525	100
V	450	550	100
VI to VIII	500	600	100

It is evident from the above that the school had hiked the fee in 2009-10 in terms of order of the Director of Education, dated 11.02.2009, for classes III to VIII but the school had not implemented the report of the 6th Pay Commission. As regards development fee, it appears from the record before the Committee that the same has not been charged from the students.

Since, the school did not implement the recommendations of the 6th Pay Commission, but, increased the fee, in terms of order of the Director of Education dated 11.02.2009, the fee charged in excess of the tolerance limit of 10% for classes III to VIII, was

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unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% for classes III to VIII ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---14-10-2013

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Baba Banda Singh Bahadur Memorial Sec. School,

Mehrauli, New Delhi - 110 030

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 05-09-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 19-09-2012.

On the schedule date, Sh. Inder Pal Singh, Chairman of the school attended the office of the committee and produced records of the school. Reply to the aforesaid questionnaire was also filed. According to the reply, the school had not implemented the recommendations of 6th Pay Commission but had hiked the fee.

The records, produced by the school in the first instance were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that-

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

- (i) the school had not implemented the recommendations of the 6th Pay Commission,
- (ii) the salary to the staff had been increased by 20% w.e.f April 2009,
- (iii) the school had hiked the fee in 2009-10 in excess of the permissible limit set by the order of the Director of Education, dated 11.02.2009,
- (iv) the school had recovered fee arrears from the students @ Rs.2600/- per student,
- (v) the school had charged Development Fee from the students and had treated Development Fee as revenue receipt and had not maintained separate development fund and depreciation reserve fund.

In order to provide an opportunity of hearing to the school, vide notice dated 29.07.2013, the school was directed to appear on 30.08.2013 along with its fee and accounting records.

On 30.08.2013, Sh. Inder Pal Singh, President, Sh. Inder Jeet Singh, Member M.C., Sh. Pushpdeep Singh, Member M.C., and Sh. Bhagat Singh, L.D.C. from the school appeared before the Committee for hearing. They filed the reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee and the same had been treated as revenue receipt. The school had not

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

created separate development fund and depreciation reserve fund. They submitted that: -

- (a) the school had not implemented the recommendations of the 6th Pay Commission but the salaries to the staff had been increased by 20% w.e.f April 2009,
- (b) the school had recovered fee arrears w.e.f. 01.09.2008 to 31.03.2009 from the students,
- (c) the school had charged computer fee and S.U.P.W. fee from the students.

The Committee has perused the record, observations of the audit officer and the submissions made before the Committee, on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in fee during 2009-10
LKG/UKG	500	640	140
I-V	540	740	200
VI-VII	590	800	210
VIII-IX	665	865	200
X	765	1000	235

It is evident from the above that the school had hiked the fee in 2009-10, even in excess of the permissible limits prescribed by the order of the Director of Education dated 11.02.2009. The school had not hiked fee in 2010-11. The school did not implement the recommendations of the 6th Pay Commission.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Conclusion

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Regarding Tuition Fee

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in terms of order of the Director of Education dated 11.02.2009, in excess of the tolerance limit of 10%, the hike was unjustified and the fee in excess thereof needs to be refunded. The claim of the school to have increased the salary by 20% did not entitle it to use the order of the Director of Education. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum. The school had recovered fee arrears w.e.f. 01.09.2008 to 31.03.2009 from the students @ Rs.2600/-, that ought to be refunded as well along with interest @9% per annum.

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

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Regarding Development Fee

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

<u>Year</u>	<u>Development Fee charged in Rs.</u>
2006-07	72,600.00
2007-08	17,530.00
2008-09	7, 18,191.00
2009-10	15, 90,997.00
2010-11	11, 40,323.00

Thus, the Committee is of the view that the school has charged Development Fee but without complying with any of the pre-conditions prescribed by the Duggal Committee. The preconditions prescribed by Duggal Committee were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school was not in accordance with law. Hence, the Development Fee charged by the school to the tune of Rs. 27, 31,320.00 from 2009-10 to 2010-11, in pursuance of the order of the Director of Education dated 11.02.2009, ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson
Dated—28-10-2013

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

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New Divya Jyoti Public School, Shahdara, Delhi - 110 094

The school had not submitted its reply to the questionnaire sent by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education, but had not implemented the report of 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 10.09.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 24.09.2012.

On 24-09-2012, Shri Gaurav Sharma, from the school appeared before the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school neither had implemented the recommendations of the 6th Pay commission, nor hiked the fee in terms of the order dated 11.02.2009 of the Director of Education.

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The records, produced by the school were examined by Sh. N.K. Bhatra, Audit Officer of the Committee. He observed that the school representative did not bring the fee receipt books from 2008-09 to 2010-11, therefore status of fee charged during these years could not be verified. However, according to the statement of fee, submitted by the school under Rule 180 of DSER, 1973, the school had increased tuition fee by Rs.100/- for classes I to V and by Rs.150/- for classes VI to VIII, during 2009-10. During 2010-11, the school has not increased the fee. The school representatives again attended the Office of the Committee on 26-09-2012 and produced the fee receipt books for verification. The Audit Officer of the Committee had noticed that for the year 2009-10, for classes VI to VIII, the tuition fee had been shown as Rs.650/-; but, as per the receipt books, Rs.600/- per month had been charged from the students. The representative of the school stated that the amount had been erroneously shown as Rs.650/- whereas it was Rs.600/-. The Audit Officer has further reported that the 6th Pay Commission had not been implemented and salary had been paid according to old rates.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, it was directed to appear before the Committee on 24.08.2013, along with its fee and accounting records. On 24.08.2013, no one appeared before the Committee for hearing. The notice of hearing had been delivered to the school on 01.08.2013

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as confirmed from India Post Tracking System. The Committee therefore, has no option but to take decision on the basis of observations of the Audit Officer and the records of the school available with the Committee.

The Committee has examined the returns filed by the school under Rule 180 of DSER, 1973 and has also gone through the observations of the Audit Officer.

The school had hiked the fee in the following manner: -

Class	Tuition charged in 2008-09	Fee in	Tuition charged in 2009-10	Fee in	Increase in Tuition fee 2009-10
I to V	400		500		100
VI to VIII	500		650		150

The school had increased tuition fee in terms of the order dated 11.02.2009 of the Director of Education during 2009-10 for classes I to V, but for classes VI to VIII the hike in fee had been in excess to the permissible limit, in terms of the said order of the Director of Education. However, the school had not implemented the report of 6th Pay Commission.

Since the school did not implement the report of 6th Pay Commission, but, increased the fee taking undue advantage of the order of the Director of Education dated 11.02.2009, the Committee is of the view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified

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and ought to be refunded. The Committee therefore recommends that the hike in fee affected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 20-09-2013

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Sanwal Dass Memorial School, Kotla, New Delhi - 110 003

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The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 18.09.2012 to produce its fee and salary records and also to submit reply to the aforesaid questionnaire on 01.10.2012.

On the scheduled date, Ms. Smita Sinha, H.M. and Sh. Gopal Kohli, Assistant attended the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had neither implemented the report of 6th Pay Commission, nor hiked the fee in terms of the order of the Director of Education dated 11.02.2009,.

The records, produced by the school were examined by Sh. N.K. Batra, Audit Officer of the Committee. He observed that the school had not implemented the recommendations of the 6th Pay Commission

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but had hiked the fee during 2009-10, in terms of the order of the Director of Education dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, it was directed to appear before the Committee on 24.08.2013, along with its fee and accounting records.

On the scheduled date, Shri Gopal Kohli of the school appeared before the Committee for hearing. They also presented reply to the questionnaire, regarding development fee. According to the reply, the school did not charge the development fee from the students. It was admitted by the school representatives that the report of 6th Pay Commission had not been implemented, but the fee was increased w.e.f. 2009-10, in terms of the order dated 11.02.2009 of the Director of Education.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
Nursery & K.G.	450	450	NIL
I-V	330	430	100
VI	350	430	80
VII-VIII	360	460	100

It is evident from the above that the school had hiked the fee, in terms of the order of the Director of Education, dated 11.02.2009 for

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classes I to V and VII to VIII, except for class VI, where the hike had been less than the maximum limit up-to which the fee could be hiked in the said order, but in excess to the tolerance limit of 10%. From the admission of the representatives of the school and from the record, it is clear that the school had not implemented the report of the 6th Pay Commission and had not charged development fee from the students.

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 Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in terms of order of the Director of Education, dated 11.02.2009, the Committee is of the view that the hike in fee during the year 2009-10, in excess of the tolerance limit of 10%, was unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
 Chairperson

Sd/-

J.S. Kochar
 Member

Sd/-

Dr. R.K. Sharma
 Member

Dated—25-10-2013

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 Secretary



Kataria International School, Vikas Nagar, Hastal, Delhi -59

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The school did not reply to the questionnaire issued by the Committee on 27.02.2012. On preliminary examination of the returns of the school filed under rule 180 of the Delhi Education Rules, 1973, which were received from the Office of the Deputy Director of Education, District West-'B', records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 16.10.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 25.10.2012.

On the schedule date, Shri R.C. Kataria, Honorary Chairman of the school appeared and produced the required records and it was then that reply to questionnaire was also filed. According to the reply, the school had not hiked the fee and had also not implemented the 6th Pay Commission.

The records produced by the school in the first instance were examined by Shri N.S. Batra, Audit Officer of the Committee. His observations were that the school had hiked the fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009 but had not implemented the report of 6th Pay Commission.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear before the Committee on 24.08.2013, along with its fee and accounting records.

On the appointed date of hearing, Shri R.C. Kataria, Honorary Chairman and Sh. C.H. Nandwani, Treasurer appeared before the Committee. They were heard. The records of the school were also examined.

During the course of hearing, it was admitted by the school representatives that the school had hiked the fee in 2009-10 in terms of the order of the Director of Education dated 11.02.2009 but had not implemented the recommendations of the 6th Pay Commission and actually its implementation w.e.f.2011-12 had been shown on papers only. It was also submitted that the school did not charge development fee.

The Committee has examined the returns of the school, its reply to the questionnaire, the observations of the Audit Officer and the submissions made by the school representatives during the course of hearing.

According to the record, the school had increased hiked the fee in 2009-10 in the following manner:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I - V	1700	2200	500
VI - VIII	1900	2200	300

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It is evident from the above that the school had hiked the fee for classes I - V in excess to the permissible limit of 10% for classes VI - VIII by utilizing the order of the Director of Education dated 11.02.2009 without implementing the recommendations of the 6th Pay Commission. Since the recommendations of the 6th Pay Commission were not implemented by the school, it was not entitled to invoke the order of the Director of Education dated 11.02.2009.

In view of the foregoing facts, the fee increased in excess of 10%, w.e.f. 01.04.2009, ought to be refunded by the school along with interest @ 9% per annum.

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

Recommended accordingly.

Sd/-

Sd/-

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dr. R.K. Sharma
Member

J.S. Kochhar
Member

Dated: 14.10.2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Mirambika Free Progress School,

Sri Aurobindo Marg, New Delhi -16

14-11

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. On preliminary examination of the annual returns of the school received from the Office of Deputy Director of Education, District South, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the 6th Pay Commission. Accordingly, the school was placed in Category 'A'.

In order to verify the returns of the school, it was directed vide notice dated 05.11.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 19.11.2012.

On the schedule date, Shri S.K. Chari, Manager of the school appeared and produced the required records. Reply to the aforesaid questionnaire was also filed. According to the reply,

- (i). The recommendations of 6th.Pay Commission are not applicable to the school as the teachers are working on voluntary/honorary basis.
- (ii). Salary records are not maintained by the school.

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For Review of School Fee

- (iii). The school had not hiked the fee as the report of 6th. Pay Commission was not applicable to the school.

The records produced by the school were examined in the first instance by Shri A.K. Bhalla, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009,
- (ii) the school did not pay salary to the staff, and
- (iii) the school had charged development fee; and
- (iv) development fee had been transferred to income and expenditure account for the years from 2008-09 to 2010-11.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear before the Committee on 24.08.2013, along with its fee and accounting records.

On the appointed date of hearing, Shri S.A. Chari, Manager, Sh. Satish Agrawal, Accounts Officer and Vikrant Abrol, Parent Representative appeared before the Committee. They were heard. The records of the school were also examined.

During the course of hearing, it was contended by the aforesaid persons representing the school that the teachers are working on

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For Review of School Fee

voluntary basis and no salary is being paid to them; hence, there is no question of implementing the recommendations of the 6th Pay Commission. They admitted that the school had hiked the fee by Rs.300/- per month and had also charged development fee.

However, it was contended that though the hike in the fee in 2009-10 corresponded to the maximum hike permitted vide order dated 11.02.2009, the hike had no relation to the implementation of the 6th Pay Commission report as no salary was being paid to the teachers at all. It was contended that the hike was to meet the ever increasing the administrative expenses. It was further contended that although the nomenclature given was tuition fee, the same was a misnomer as the school did not pay any salaries at all.

The Committee agrees with the contention of the school that the nomenclature "Tuition Fee" is inappropriate, in the facts and circumstances of the case. Tuition Fee is charged primarily to defray the expenditure on salaries of the teachers. When teachers work on a voluntarily basis, there would be no question of charging any tuition fee. For the same reason, there would arise no occasion of effecting any hike in tuition fee. It is trite that nomenclature given to a particular receipt does not determine the nature of receipt. The character of receipt would not change because it is given a particular name. Order dated 11.02.2009 was issued primarily to enable the school to generate sufficient funds to defray the additional

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expenditure on salaries. Thus, any fee hiked by the school cannot be considered to be in pursuance of order dated 11.02.2009.

By the same reasoning, the Committee is of the view that the school was not entitled to charge any development fee because development fee is charged as a percentage of tuition fees. However, in reply to the questionnaire regarding development fee, the school has stated that it charged the same amounting to Rs.2,06,406/- in 2009-10 and Rs.2,32,683/- in 2010-11. Moreover, the same was not used for purchase / upgradation of any furniture, fixture or equipment.

In view of the findings that the school was not entitled to charge any development fee, the Committee is of the opinion that the said fee amounting to Rs.2,06,406/- in 2009-10 and Rs.2,32,683/- in 2010-11 ought to be refunded along with interest of 9% per annum.

Recommended accordingly.

Sd/-

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

Sd/-

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

Sd/-

**J.S. Kochar
Member**

Dated: 28.10.2013

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COMMITTEE
For Review of School Fee

Universal Public School, Preet Vihar, Delhi-110092

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school vide its letter dated 29/02/2012 stated that the school had implemented the VI Pay Commission Report w.e.f. April 2009 and had also paid arrears to the staff arising on account of retrospective application of the recommendations of the VI Pay Commission. With regard to fee, the school stated that it had increased the fee by Rs. 300 per month as it came under the category 3 of the categorization as per order dated 11/02/2009 issued by the Director of Education. The fee was hiked w.e.f. September 2008 and arrears for seven months upto March 2009 amounting to Rs. 2,100 per student were charged. However, the school stated that the information sought regarding arrear fee charged from the students (for the period 01.01.2006 to 31.08.2008) was not applicable to it, leading to the belief that the school had not charged any arrear fee. Based on this reply, the school was placed in category 'B'.

Preliminary calculations were made by the CAs detailed with this Committee on the basis of the financials of the school and the information provided by the school in response to the questionnaire issued by the Committee. Since the school had hiked the fee w.e.f. September 2008, the balance sheet of the school as on 31/03/2008 was made the basis for calculating the funds available with the school at the threshold. As per the calculations made by the CAs, the school

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COMMITTEE
For Review of School Fee

had available to it, net funds amounting to Rs. 1,42,47,778 at the threshold while the total impact of implementation of VI Pay Commission Report was Rs. 1,21,68,136. So, prima facie, the school could have met its additional liabilities on account of implementation of VI Pay Commission Report out of its own resources and there was no need to hike the fee. However, the school generated an additional sum of Rs. 81,40,800 by way of fee hike. The preliminary calculations, when checked by the office of the Committee, were found to be a little discrepant and the amount available with the school at the threshold was revised to Rs. 1,39,74,778.

In order to provide an opportunity of hearing to the school, the Committee issued notice dated 26/12/2012 for hearing on 28/01/2013. On this date, Ms. Maya Gupta, Director/Manager of the school appeared along with Sh. Rakesh Kumar, Accountant and Sh. R.K. Aggarwal, PS to Director. They were provided with a copy of the preliminary calculation sheet and were partly heard by the Committee. They sought time to respond to the preliminary calculations. Accordingly the matter was directed to be relisted on 14/02/2013. With regard to development fee, the school was directed to provide specific answers to the following queries:

- (a) How development fee was utilised and accounted for in the accounts of the school?
- (b) Whether the school was maintaining separate development fund and depreciation reserve fund?

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On 14/02/2013, the aforesaid representatives of the school again appeared and filed written submissions dated 28/01/2013 stating, inter alia,

(a) The school increased tuition fee in the year 2009-10 @ Rs. 300 per month per student. Besides the monthly increase, arrears of Rs. 2,100 for the period 01/09/2008 to 31/03/2009 and Rs. 3,000 for the period 01/01/2006 to 31/08/2008, as mandated vide order dated 11/02/2009 issued by the Director of Education were recovered.

(b) A total recovery of arrears amounting to Rs. 27,28,560 for the aforesaid two period had been made till 31/03/2011.

(c) After implementation of VI Pay Commission and payment of arrears, the bank balance of the school which was (+) 41,35,570 as on 31/03/2009, turned into (-) 49,79,680 as on 31/03/2011.

(d) As per Rule 177 (2) (e) ***“reasonable reserve fund, not being less than 10% of such savings” should be kept aside.***

(e) After noticing the financial situation of the school, the issue was discussed in the parent teacher meeting organized on 20/03/2010 and the PTA agreed to increase the fee within the permissible limit. The decision of the PTA was approved by the Managing Committee on the same date.

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COMMITTEE
For Review of School Fee

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On perusal of the written submissions, it came out that the school had collected arrear fee from the students while in reply to the questionnaire, the school had not mentioned recovery of any such fee. The representatives of the school feigned ignorance about the reply dated 29/02/2012 which was signed by the Vice Principal of the school. The preliminary calculations made by the CAs attached with the Committee were based on the premises that the school had not collected any arrear fee. Accordingly the representatives of the school were advised to file a correct reply to the questionnaire within one week, so that a revised calculation sheet could be prepared reflecting the correct position.

The school vide its letter dated 22/02/2013 filed a comprehensive reply to the questionnaire with detailed annexures giving the required and relevant information. As per the revised reply, the school stated that the recommendations of the VI Pay Commission Report were implemented w.e.f. 01/04/2009 as a consequence of which the total monthly salary of the school rose from Rs. 9,54,629 in July 2008 to Rs. 13,53,296 in April 2009 and again to Rs. 16,41,893 in July 2009. It was also stated that the school had paid a total amount of Rs. 39,70,000 by way of arrears during financial years 2009-10 and 2010-11. Arrear fee collected upto 31/03/2011 was Rs. 27,30,100. The fee was hiked by Rs. 300 per month w.e.f. 01/04/2010 (sic). The fee hike resulted in increase in fee revenue

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For Review of School Fee

which was Rs. 15,78,075 per month in July 2008 to Rs. 19,34,461 per month in July 2009.

Based on this reply, a fresh calculation sheet was prepared by the Committee and a copy of the same was provided to the school vide notice dated 02/03/2013 fixing the hearing for 08/03/2013. As per the revised calculation sheet prepared on the basis of clarifications provided by the school vide its revised reply to the questionnaire, the school had a sum of Rs. 1,39,71,511 as available funds as on 31/03/2011. While calculating the available funds with the school, the Committee had taken into consideration a sum of Rs. 91,46,821 given by the school by way of loans and advances, which could be recovered by the school for meeting its additional liabilities under VI Pay Commission Report. The Committee also worked out the incremental fee for the year 2009-10 at Rs. 42,76,632 and the incremental salary at Rs. 82,47,168 for the corresponding period. The arrear fee recovered by the school was taken at Rs. 27,30,100 while the arrears salary paid by the school was taken at Rs. 39,70,000. After taking into account the fee hike and salary hike, the Committee found that though the funds available with the school had depleted but still it had a sum of Rs. 87,61,075 available with it after meeting all its liabilities under the VI Pay Commission.

On 08/03/2013, Ms. M. Gupta, Manager appeared with Sh. Pawan Kumar, Chartered Accountant and Sh. Rakesh Kumar, Accountant appeared and filed written submissions dated

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COMMITTEE
For Review of School Fee

08/03/2013. The school expressed its agreement with the calculation sheet prepared by the Committee except contended that the loans and advances taken by the Committee amounting to Rs. 91,46,821 included a sum of Rs. 63,55,963 advanced to its parent Society i.e. Universal Educational Society and another Rs. 9,36,104 advanced to Universal Nursery School which was also a unit of Universal Educational Society. It was contended that the amount was given to the society for the purpose of making new building and as such was not available with the school for implementation of VI Pay Commission Report and therefore should not have been taken as part of funds available with the school. With regard to the Nursery school, it was contended that it was a separate school run under the aegis of the same Society and the loan was given to assist it. On a query by the Committee, it was stated that the Nursery school was unrecognized and as such its revenues were not reflected in the balance sheets of the main school. It was further stated that the entry level class of the school was Nursery and students passing out the Nursery school after KG, are promoted to class I in the main school.

The Committee was of the view that in view of the facts and circumstances that the students were initially admitted in the Nursery school and after completing class KG in that school got promoted to class I in the secondary school, coupled with the fact that the two schools were adjacent to each other, they were in fact one school and the funds available with the Nursery school also ought to be

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considered as funds available with the main school, despite the fact that the Nursery school was unrecognized. Accordingly the school was asked to furnish copies of the balance sheets of the Nursery school from 2006-07 to 2010-11. The same were submitted by the school under cover of its letter dated 14/03/2011.

In order to confront the school with the view of the Committee to also consider the funds available with the Nursery school as available for the purpose of implementation of VI Pay Commission Report, a fresh notice of hearing dated 02/09/2013 was issued for hearing on 20/09/2013. The school sought an adjournment on 20/09/2013 on account of non availability of Manager. Accordingly, the hearing was postponed to 07/10/2013 when the representatives of the school appeared and contended that the two schools are independent and having separate staff and separate buildings and therefore should not be clubbed together. The circumstance that the two school were adjoining is a mere coincidence. The contention of the school is rejected for the reasons stated in the foregoing paragraphs.

A revised calculation sheet was prepared by the Committee to work out the funds available with the school as on 31/03/2008 by combining the funds available with the secondary school as well as the nursery school. The revised calculation sheet is as follows:

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	Main School	Nursery School	Total
<u>Current Assets+investments</u>			
Cash in hand	90,089	157,328	247,417
Cash at bank	4,639,984	650,709	5,290,693
Fixed deposits	76,707	-	76,707
Loans & advances(other than nursery school)	8,210,717	8,441,798	16,652,515
Loans & advances(nursery school)	936,104	(936,104)	-
	<u>13,953,601</u>	<u>8,313,731</u>	<u>22,267,332</u>
Less current liabilities			
Sundry creditors	159,949	8,994	168,943
Expenses payable	276,267	16,861	293,128
Caution money	406,245		406,245
Advance against children insurance	20,365		20,365
	<u>862,826</u>	<u>25,855</u>	<u>888,681</u>
Net funds available	13,090,775	8,287,876	21,378,651

It is apparent from the above detail that the school had available with it a sum of **Rs.2,13,78,651 at the threshold i.e. as on 31/03/2008. It is a different matter that the school had diverted a sum of Rs. 63,55,963 from the main school and Rs. 83,21,798 from the Nursery school to its parent Society, purportedly for the purpose of construction of new building. As per the Income & Expenditure accounts of the school, it is apparent that except for some miniscule amounts, the bulk of the revenue of the school came from the fee collected from the students.** The schools are not permitted to divert their funds generated out of fee receipts to

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their parent organizations as per the law laid down by the Hon'ble Supreme Court in the cases of Modern School vs. Union of India (supra) and Action Committee Unaided Pvt. Schools & Ors vs. Director of Education & Ors 2009 (11) SCALE 77. Moreover, as per Rule 177 of the Delhi School Education Rules, 1973, the schools can incur capital expenditure out of its savings from fee and the savings are to be calculated after making payment of salaries and allowances to the staff. Hence, the payment of increased salaries as per VI Pay Commission Report has to be given priority to investment in the construction of new building. While it may be true that the school did not have sufficient liquid resources to meet the additional liabilities on account of implementation of VI Pay Commission Report, the situation is entirely of its own making. This could certainly be redeemed by asking the parent Society to return the loan advanced to it as provision of suitable accommodation (school building) is a condition precedent for grant of recognition and thus it becomes the responsibility of the Society to provide suitable building to the school. The building cannot be constructed by recovering excessive fee from the students.

Determinations:

Tuition Fee

As determined above, the school had a sum of **Rs. 2,13,78,651** as funds available with it at the threshold. However, the Committee has consistently taken a view that the entire funds available with the

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school should not be considered as available for the purpose of payment of increased salaries on account of implementation of VI Pay Commission Report. The schools ought to retain with them a reasonable reserve equivalent to four months' salary for any future contingencies. As per the statement filed by the school, the total salary bill of the school for the month July 2009 was Rs. 16,41,893. Based on this, the requirement of reserve comes to Rs. 65,57,572. Thus the Committee is of the view that out of the total funds available with the school, the school could have utilised a sum of **Rs. 1,48,11,079** for payment of increased salaries and arrears on account of implementation of VI Pay Commission Report.

As against this, the total financial impact of implementation of the VI Pay Commission Report w.e.f. 01/04/2009, was **Rs. 1,22,17,168**, as follows:

Payment of arrears	Rs. 39,70,000
Incremental salary from 01/09/2008 To 31/03/2010	<u>Rs. 82,47,168</u>
Total	<u>Rs.1,22,17,168</u>

These figures are not disputed by the school. Hence, the Committee is of the view that the school already had adequate resources for meeting the additional liabilities that befell on it on account of implementation of VI Pay Commission Report. Therefore, the school was not justified in hiking the tuition fee w.e.f. 01/04/2009 and recovering any arrear fee for the period 01/01/2006 to 31/03/2009. The arrear fee recovered by the school, amounting to

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000161

Rs. 27,30,100 ought to be refunded along with interest @ 9% per annum. Further, the school ought to refund the increased tuition fee of Rs. 300 per month charged from the students w.e.f. 01/04/2009 to 31/03/2010. As per the preliminary calculations, this amount works out to Rs. 42,76,632. This also should be refunded along with interest @ 9% per annum

Development Fee:

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Though the school did not respond to the queries raised by the Committee regarding the manner of utilisation of development fee and its treatment in accounts, the Committee on perusal of the balance sheets of the school is satisfied that the school was complying with the pre conditions laid down by the Duggal Committee, in as much as, the school was treating development fee as a capital receipt, the unutilised amount was kept in earmarked FDRs and depreciation reserve fund account was also maintained. The Committee, is therefore of the view that in so far as development fee is concerned, no intervention is required.

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COMMITTEE
For Review of School Fee

Recommendations:

000162

In view of the above determinations, the Committee is of the view that the school ought to refund the following sums along with interest @ 9% per annum.

Arrears of tuition fee for the period 01/04/2006 to 31/03/2009	Rs.27,30,100
Increased tuition fee w.e.f. 01/04/2009 to 31/03/2010	Rs.42,76,632

Sd/-

Sd/-

Sd/-

Dr. R.K. Sharma
Member

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 09/11/2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Rukmani Devi Public School, Pitampura, Delhi-110034

The Committee had sought details and documents from the school, vide its letter dated 19/01/2012, in order to examine the justifiability of the fee hiked by the school in pursuance of order dated 11/02/2009 issued by the Director of Education. The school, vide its letter dated 03/02/2012 submitted the required documents viz. copies of its financials, fee structures, enrolment of students, staff statements etc, details of salary paid to the staff immediately before implementation of VI Pay Commission and after such implementation and the extent of fee increased in consequence of order dated 11/02/2009 issued by the Director of Education. While submitting the required documents, the school submitted that the fee hike allowed to it vide the aforesaid order dated 11/02/2009 was inadequate as the school did not have sufficient funds with it and the fee hike allowed to it did not result in generation of adequate funds in order to implement VI Pay Commission Report. After the implementation, the school was in deficit and therefore requested the Committee to allow further tuition fee hike of Rs. 100 per month per student w.e.f. 01/04/2009 and collection of a further lump sum of Rs. 2000 per student on a one time basis.

Subsequently, the Committee issued a questionnaire dated 27/02/2012 in order to obtain specific and relevant information for the issue to be determined by it. In reply thereto, the school

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For Review of School Fee

submitted that it had implemented the VI Pay Commission Report and the increased salary was being paid to the staff w.e.f. 01/04/2009. The salary paid to the staff during 2008-09 i.e. before implementation of VI Pay Commission was Rs. 2,70,53,865 and during 2009-10, i.e. after its implementation, the same amounted to Rs. 4,00,47,973. On account of retrospective application of VI Pay Commission Report, a total sum of Rs. 1,22,26,937 became due as arrears from 01/01/2006 to 31/08/2008 and Rs. 53,02,215 for the period 01/09/2008 to 31/03/2009, thus aggregating Rs. 1,75,29,152. Out of this sum, an amount of Rs. 1,28,21,451 had been paid to the staff on various dates during 2009-10 and 2010-11 while the remaining amount of Rs. 47,07,701 due to the employees who had left the school was still to be paid. With regard to fee hike in pursuance of order dated 11/02/2009, the school claimed to have increased the tuition fee in terms of the aforesaid order w.e.f. 01/04/2009 and recovered arrears of tuition fee and development fee for the period 01/09/2008 to 31/03/2009, besides recovering lump sum arrears for the period 01/01/2006 to 31/08/2008. The total lump sum arrears recovered were stated to be Rs. 54,66,185, besides a sum of Rs. 16,17,980 which were yet to be recovered. A total sum of Rs. 52,99,290 was stated to have been recovered as arrears of tuition fee for the period 01/09/2008 to 31/03/2009 and arrears of development fee amounted to Rs. 20,61,850 for the same period. On the basis of this reply, the school was placed in Category 'B'.

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COMMITTEE
For Review of School Fee

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In response to the Public Notice issued by the Committee inviting various stakeholders to make representations in order to assist the Committee to arrive at proper conclusions, one R.D.P.S. Parent Association Delhi, made a representation dated 27/03/2012, stating that there were huge abnormalities and misappropriation in the school funds under various heads of accounts, from the year 2004 to 2011 and there was no need to hike the fee as the school had sufficient funds available with it. A complaint was made to the Director of Education and the accounts of the school were examined by Dy. Controller of Accounts, Department of Education, Delhi. After receipt of his report, the Director of Education had passed an order dated 13/07/2010, directing the school to roll back the hiked fee. However, the school had not obeyed the order. Consequently, the Association filed a writ petition (WP No. 2059 of 2011) in the Delhi High Court. The issues raised by the parents association, so far as they are relevant to the determination to be made by this Committee are as follows:

- (a) The school is charging tuition fee at higher rates since 2004 and upto 2011, it has collected Rs.9.63 crores, in excess of the establishment cost of the school.
- (b) The school has collected Rs. 3.27 crores on account of development fund from 2004 to 2011 but the balance sheet along with relevant schedule of fixed assets does not show a matching increase in the fixed assets.

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COMMITTEE
For Review of School Fee

- (c) No FDRs are being maintained against depreciation reserve fund.
- (d) A sum of Rs. 1.90 crores has been charged to the revenues of the school towards interest paid by the school to its Parent Society from 2004 to 2011.
- (e) Depreciation has been charged @ 60% on I.T. Lab, which has been debited to Profit & Loss account to reduce the income.
- (f) An amount of Rs. 4.38 crores has been withdrawn by the Parent Society from the school.

A request was made for granting personal hearing to the Association before a decision was taken by the Committee.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee (CAs). As the school claimed to have increased the tuition fee w.e.f. 01/09/2008, the balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI Pay Commission Report. As per the preliminary calculations made by the CAs, the funds available with the school as on 31/03/2008 were to the tune of **Rs.45,75,226**. The school recovered arrear fee amounting to **Rs.1,28,27,325** for the period 01/01/2006 to 31/03/2009, the arrears of salary paid by the school consequent to implementation of VI Pay Commission Report for the same period was **Rs. 1,28,21,451**, the incremental fee recovered by the school during

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COMMITTEE
For Review of School Fee

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the financial year 2009-10 was **Rs. 1,19,05,200** while the incremental salary on account of implementation of VI Pay Commission Report for the corresponding period was **Rs.1,29,94,108**. After taking into account the increased fee, arrear fee, increased salary and arrear salary, the school still had surplus funds to the tune of Rs. 34,92,192 available with it. The school was issued a notice dated 25/04/2013 for providing it an opportunity of hearing by the Committee on 20/05/2013. On this date, Sh. K.C. Garg, Chairman, Sh. Daya Ram Goel, Administrative Officer and Sh. S.P. Singh, Chartered Accountant. They were provided with the preliminary calculation sheet prepared by the CAs attached with the Committee. The representatives of the school sought some time for filing an appropriate response. As the school was also charging development fee, besides tuition fee, a questionnaire regarding development fee was issued to the school to elicit information about the recovery, utilisation and fulfillment of pre conditions for charge of this fee as per the Duggal Committee Report.

At the request of the school, the matter was directed to be relisted on 27/06/2013. On this date, the aforesaid representatives of the school again appeared and filed written submissions dated 27/06/2013 and also copy of balance sheet as on 31/03/2011, which was not on record of the Committee and detail of salary for the month of March 2010, which was relied upon by the school in support of its

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submissions. The representatives also made oral submissions and were heard by the Committee.

Submissions by the school:

Vide written submissions dated 27/06/2013, the school submitted as follows:

- (a) The fixed deposit of Rs. 50.00 lacs + interest accrued thereon amounting to Rs. 6,39,120 was towards depreciation reserve fund and was meant for capital expenditure only i.e. for purchase, upgradation and replacement of furniture, fixture & equipments and therefore the same was not available for the purpose of implementation of VI Pay Commission Report.
- (b) The FDRs of Rs. 2.00 lacs + interest accrued thereon amounting to Rs. 25,399 was also not available for implementation of VI Pay Commission Report as the same was required to be kept in reserve as per CBSE guidelines.
- (c) Security of Rs. 1,35,000 under the head loans & advances was against the electrical connection of the school and therefore the same cannot be utilised for implementation of VI Pay Commission Report.
- (d) After excluding the amounts as per paras (a), (b) & (c) above, the excess fund shown in the preliminary calculation sheet of the Committee would actually turn into a deficit of Rs. 25,07,327.

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- (e) In view of the deficit, the school has not yet paid the balance arrears of salary amounting to Rs. 47,07,701, on account of retrospective implementation of VI Pay Commission Report, to the employees who had left the school and were claiming the same. Vide letter dated 09/10/2013, the school filed with the Committee, copy of an order dated 23/09/2013 passed by the Hon'ble Delhi High Court in WP(C) 237 /2013 in a writ petition filed by one Ms. Deepika Jain, an ex staff member, vide which the Hon'ble High Court had directed the school to pay the arrears in terms of VI Pay Commission Report within three months along with interest @ 6% per annum.
- (f) The school was yet to recover arrear fee amounting to Rs. 16,17,980 from the students.
- (g) The school has a liability of Rs. 74,07,670 towards payment of gratuity and leave encashment as on 31/03/2010 for which no funds were available with the school. An employee wise detail of such liabilities was filed by the school. These liabilities are statutory liabilities and have to be considered while making an assessment of funds available with the school.
- (h) The school requires reserves equivalent to four months' salary which amounts to Rs. 1.32 crores for which no funds are available with the school.

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- (i) In nutshell, it was submitted that the school had overall deficit to the tune of Rs. 57,90,735 for meeting the enhanced financial liability on account of implementation of VI Pay Commission Recommendations. Out of this shortfall, a sum of Rs. 47,01,827 was relatable to shortfall on account of arrears payments of salary and Rs. 10,88,908 to shortfall on account of incremental salary.

Submissions by the Parents Association:

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As a request was made by RDPS Parents Association for personal hearing, the Committee, vide letter dated 15/10/2013 afforded an opportunity of personal hearing to the Parent Association on 23/10/2013, Sh. O.N. Pandey, President of the Association appeared along with Sh. Rajesh Bansal, General Secretary and Sh. Ajay Jain, Member. At the outset, they were asked to apprise the Committee of the result of the Writ Petition filed by the Association in the Delhi High Court. They informed that the said petition had been disposed off by the Hon'ble High Court on 6/12/2012 with the observation that no useful purpose could be achieved in keeping the Writ Petition pending till such a final order is passed by the Committee. During the course of discussion with the Committee, the representatives of the Association confined themselves to the following two issues raised by them in the representation:

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- (a) The school had sufficient funds with it as on 31/03/2008, which it should have utilised first before resorting to a fee hike.
- (b) The funds inducted in the school by the Parent Society for setting up the infrastructure of the school had been systematically withdrawn by it over a number of years and not only that, the Society had also recovered interest on the funds inducted by it which was in clear violation of the law and the orders issued by the Directorate of Education.

Rebuttal by the School:

So far as the first issue raised by the Parent Association is concerned, the same is indisputable and is not disputed by the school also. However, it is subject to determination by the Committee as to whether it had funds available with it for implementation of VI Pay Commission Report.

With regard to the second issue raised by the Parent Association, on examination of the audited balance sheets of the school, the Committee felt that, prima facie, there was substance in the contention of the Association. In the interests of natural justice and fair play, the school, vide letter dated 23/10/2013 was asked to file a complete statement of account of Seth Pokhar Mal Educational Society (the parent society of the school), as appearing in its books from 01/04/2004. The school filed the statement on 25/10/2013 when Sh. K.C. Garg, Chairman of the Society, Sh. Daya Ram Goel,

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Administrative Officer and Sh. Navin Kumar, Accountant of the school appeared before the Committee. During the course of hearing, it was contended that the school had taken a loan from its Society for purchase of fixed assets like computers which had been paid back over a period of years. It was also contended that the school had paid interest to the Society as the Society in turn had to pay interest on the loans taken by it. It was contended that such repayment of loan or interest cannot be deemed to be diversion of funds. It was further contended that the issue had been examined by a Committee constituted by the Director of Education, under the headship of Dy. Controller of Accounts and in the report submitted on 18/05/2012 (a copy of which was filed) it was concluded that the school did not have any corpus fund or surplus fund available from which it could meet its liabilities on account of implementation of VI Pay Commission Report. After taking into consideration this report, the Director of Education had passed an order dated 08/10/2012, holding that the school was justified in hiking its fee. It was also contended that the parent teacher Association of the school had also expressed its satisfaction on the issue.

Discussion:

The Committee has examined the returns of the school filed under Rule 180 of Delhi School Education Rules 1973, the information provided by the school of its own volition and in response to the questionnaire issued by the Committee, the written as well as

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oral submissions made by the representatives of the school and the documents filed by it during the course of hearing. Firstly, the issue of diversion of funds by the school to its parent society, as alleged by the Parents Association, needs to be addressed as this issue has not been examined by the CAs attached with the Committee, while preparing the preliminary calculation sheet.

Re.: Alleged diversion of funds by the school to its parent society.

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From the balance sheets of the school from 2003 -04 to 2010-11, the following facts emerge so far as they are relevant to the discussion on this issue.

Balance sheet date	General fund	Outstanding loan of parent society	Fixed Assets (other than acquired out of development fund)
31/03/2004	62,123	2,79,45,912	2,80,52,026
31/03/2005	19,93,623	2,56,00,602	2,46,28,365
31/03/2006	37,99,862	2,07,66,893	2,23,41,105
31/03/2007	49,56,512	1,66,97,377	1,98,30,081
31/03/2008	85,03,451	1,64,05,198	1,77,48,735
31/03/2009	1,08,94,898	1,37,31,317	1,69,43,401
31/03/2010	1,09,38,405	1,04,96,808	1,39,88,436
31/03/2011	1,99,92,430	Nil	1,71,54,187

It is obvious from the above figure that the fixed assets of the school as on 31/03/2004 were primarily funded by the parent society i.e. Seth Pokhar Mal Educational Society, as out of the total investment in fixed assets amounting to Rs. 2,80,52,026, the society had contributed a sum of Rs. 2,79,45,912. These fixed assets included school building of the value of Rs. 1,92,74,622 and

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auditorium of the value of Rs. 53,71,339, besides buses and car of the value of Rs. 9,82,830. Thus a sum of Rs. 2,56,28,791 out of a total of Rs. 2,80,52,026 represented these assets and same were funded by the society. Instead of contributing these assets as its corpus, the society treated them as loan owing to it by the school, which also carried interest. It is not material how the accounting entries were made in the books. Whether the society gave funds to the school from which these assets were acquired or the society contributed these assets in specie and treated their cost as loan owing to it, is not germane to the issue. The fact remains that it is the obligation of the Society to provide these infrastructural assets to the school. It would be useful to refer to section 4 of the Delhi School Education Act, 1973 which provides that no school shall be recognized unless it has suitable or adequate accommodation and it has the prescribed facilities for physical education, library service, laboratory work, workshop practice or co curricular activities, besides having suitable teachers. When availability of adequate accommodation and other infrastructural facilities is an essential pre condition for grant of recognition to the school, it follows that the society seeking recognition for its school has to provide for them. By treating the funds contributed for creation of these facilities as a loan to the school and by recovering it along with interest out of the revenues of the school, the bulk of which come from the fee charged from the students, the society has, in fact, recovered the cost of these assets (including building and auditorium) from the fee charged from the

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 students. This is more than apparent from the figures given in the above table. It would be seen that the general reserve of the school, which is the cumulative amount left over from the fee of the students after meeting its expenses over a number of years, has phenomenally gone up and simultaneously, the outstanding balance of loan of the society has gone down. It shows that the school, while fixing the fee over the years, had been taking into account, the loan to be repaid to the society and such repayments formed part of the fee structure of the school. As noted above, the loan was utilised for creating fixed assets of the school, i.e. incurring of capital expenditure. Repayment of such loan out of fee of the students amounts to recovering the cost of fixed assets from the students by way of fee.

This very issue was also considered by the Duggal Committee and it would be profitable to cite the relevant part of its report. In para 7.24, the Committee observed

"7.24 Simultaneously, it is also to be ensured that the schools, do not discharge any of the functions, which rightly fall in the domain of the 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 vs. Union of India (2004) 5 SCC 583 in which the Supreme Court held that the

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capital expenditure incurred by the school cannot form part of the fee structure. The Hon'ble Court observed as follows:

" 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 Recognised Unaided School Fund to the society or the trust or any other institution and, therefore, clause 8 was in conflict with Rule 177.

We do not find merit in the above arguments. Before analysing the rules herein, it may be pointed out, that as of today, we have Generally Accepted Accounting Principles (GAAP). As stated above, commercialisation of education has been a problem area for the last several years. One of the methods of eradicating commercialisation of education in schools is to insist on every school following principles of accounting applicable to not-for-profit organisations/non-business organisations. 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 the 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 organisations like schools, hospitals, etc. in the light of the statute in question.

In the light of the above observations, we are required to analyse Rules 172, 175, 176 and 177 of the 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 recognised school shall have a fund titled "Recognised Unaided School Fund". It is important to bear in mind that in every non-business organisation, accounts are to be maintained

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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, Recognised Unaided School Fund. Further, Rule 175 indicates accrual of income unlike Rule 177 which deals with utilisation of income. Rule 177 does not cover all the items of income mentioned in Rule 175. Rule 177 only deals with one item of income for the school, namely, fees. Rule 177(1) shows that salaries, allowances and benefits to the employees shall constitute deduction from the income in the first instance.

17+ That after such deduction, surplus if any, shall be appropriated towards pension, gratuity, reserves and other items of appropriations enumerated in Rule 177(2) and after such appropriation the balance (savings) shall be utilised to meet capital expenditure of the same school or to set up another school under the same management. Therefore, Rule 177 deals with application of income and not with accrual of income. Therefore, Rule 177 shows that salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings. **Therefore, capital expenditure cannot constitute a component of the financial fee structure as is submitted on behalf of the schools.** It also shows that salaries and allowances are revenue expenses incurred during the current year and, therefore, they have to come out of the fees for the current year whereas capital expenditure/capital investments have to come from the savings, if any, calculated in the manner indicated above."

In view of the finding of the Committee that it was the obligation of the Society running the school to provide for the building and other infrastructural assets, the school was not justified in returning the so called loan to the Society and that too out of fee charged from the students. For the same reason, the school was not justified in paying any interest on the so called loan.

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As per the statements filed by the school on 25/10/2013 as also apparent from the above table, the school repaid a sum of Rs. 1,15,40,714 from 1/4/2004 to 31/03/2008 (2,79,45,912-1,64,05,198). Further, the school, of its own accord, admitted that it paid interest of Rs. 89,34,358 during this period. As the Committee is of the view that these payments to the society were not justified, the Committee will consider a sum of **Rs. 2,04,75,072** as available to the school as on 31/03/2008, in the final determination.

Further, the school repaid a sum of Rs. 1,64,05,198 from 01/04/2008 to 31/03/2011 towards principal and Rs. 69,78,605 towards interest (as per the statement filed by the school), the Committee will consider the sum of **Rs. 2,33,83,803** as additional revenue available to it for the purpose of implementation of VI Pay Commission Report, in the final determination.

So far as the contention of the school that the issue had been examined by a Committee constituted under the Chairmanship of the Dy. Controller of Accounts is concerned, the Committee has perused the report of the said Committee and observes that the said Committee after recording that the payments to Seth Pokhar Mal Educational Society seem to be in violation of DSEAR 1973 has merely taken note of the submissions of the school that the loan was taken for creation of infrastructure of the school. It has fallen short of recording any definite finding whether the funds paid by the school to the Society are in violation of DSEAR 1973 or not. Further, the order

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dated 08/10/2012 passed by the Director of Education, far from holding that the fee hiked by the school was justified, has held that in view of the findings of the Committee set up by the Directorate, the school is temporarily allowed to continue with the increased fees subject to the outcome of Justice Anil Dev Singh Committee and the school shall refund the excess amount paid by the students along with interest @ 9% per annum in case the findings of the Committee are that the fee hike was not justified. The so called consent of the Parent Teacher Association of the school, is of no consequence as the Hon'ble Delhi High Court has in its judgment dated 12/08/2011 in WP (C) 7777 of 2009 has held that the consent of the parents is not required by the school in the matter of fixation of fee. At any rate, it is in the domain of this Committee to examine the justifiability of the hike in fee effected by the school pursuant to order dated 11/02/2009 issued by the Director of Education.

Re.:Funds available with the school for implementation of VI Pay Commission Report.

The school, vide para 4 of its written submissions dated 27/06/2013, after disputing the various figures taken in the preliminary calculation sheet prepared by the CAs attached with the Committee, and requesting for various allowances to be made for accrued liability of gratuity, leave encashment and requirement for contingency reserve equivalent to four months salaries, made the following prayer before the Committee:

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"In view of the above submissions, it is requested that the request made by the school vide letter dated 03/02/2012 and as mentioned at (g & h) above for further increase in tuition fee and in the amount towards payment of salary arrears may please be considered on merit and the appropriate increase may please been allowed to enable the school to meet its enhanced financial liabilities on account of implementation of VI Pay Commission Recommendations."

Vide submissions dated 03/02/2012, the school had requested for a fee hike of Rs. 100 per month per student w.e.f. 01/04/2009 and collection of a further lump sum of Rs. 2,000 per student on a one time basis. While making the aforesaid request, the school projected a deficit of **Rs. 30,83,847** towards payment of arrear salary and **Rs. 18,70,382** as deficit during the year 2009-10 on account of payment of increased salary in pursuance of the VI Pay Commission Report. The same request was repeated vide para 4 (g) of its written submissions dated 27/06/2013. However, vide para 4(h) of these written submissions, the school projected a further deficit of **Rs. 16,17,980** on account of non recovery of arrear fee from the students. Hence, the school stated that the shortfall on account of arrear payment of salary had gone up to **Rs. 47,01,827** and in view of this the school revised its requirement of additional collection of arrear fee from Rs. 2000 per student to Rs. 3000 per student, over and above Rs. 3,500 which was permitted by the Director of Education vide order

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dated 11/02/2009. To sum up, the school projected its deficit as follows:

(a) Deficit arising on account of short recovery of arrear fee vis a vis arrear salary	Rs. 47,01,827
(b) Deficit arising on account of payment of increased salary in 2009-10 on account of implementation of VI Pay Commission Report	<u>Rs. 18,70,382</u>
Total Deficit	<u>Rs. 65,72,209</u>

Determinations:

In view of the finding recorded by the Committee that the school had surplus funds to the tune of **Rs. 2,04,75,072** as on 31/03/2008, and the school had generated funds to the tune of **Rs. 2,33,83,803** in the years 2009-10 and 2010-11, which could have been used for payment of arrears salary and incremental salary on account of implementation of VI Pay Commission Report but the school chose to divert the same to its parent Society, the shortfall projected by the school does not really exist. In view of this, the Committee is of the view that the request made by the school for further enhancement of lump sum arrear fee and monthly fee w.e.f. 01/04/2009 deserves to be rejected.

The issue that remains to be considered is whether the Committee should recommend refund of any part of the fee on account of the same being unjustifiably recovered. The Committee is of the view that the recommendations can be finalized on the basis of the aforesaid finding of the Committee and the admitted position as far as the figures of fee hike and salary hike are concerned. For this, the following figures need to be noted:

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Lump sum arrear fee recoverable by the school Rs. 1,28,27,325
(Rs. 16,17,980 yet to be recovered)

Incremental fee recovered by the school
In 2009-10 Rs. 1,19,05,200

Arrears of salary paid by the school Rs. 1,28,27,325

Arrears of salary still to be paid Rs. 47,07,701

Total salary arrears Rs. 1,75,35,026

Incremental salary paid during 2009-10 Rs. 1,29,94,108

As noted above, the school had a surplus amount of atleast **Rs. 2,04,75,072**, which it diverted to its parent Society upto 31/03/2008. This amount itself would have been sufficient to pay the arrears of salary amounting to Rs. 1,75,35,026, including the unpaid arrears. Thus the school was not justified in recovering any arrear fee from the students. **The arrear fee admittedly recovered amounting to Rs. 1,28,27,325 ought to be refunded along with interest @ 9% per annum. Further, the school should refrain from recovering the amount of Rs. 16,17,980 which is still to be recovered.** After payment of the salary arrears, the school would have been left with a sum of Rs. 29,40,046.

The liability for incremental salary during 2009-10 was admittedly Rs. 1,29,94,108. The school transferred funds to the tune of Rs. 2,33,83,803 to its parent Society during the years 2009-10 and 2010-11. This sum was generated by the school after paying the incremental salary during the years 2009-10 and 2010-11. The incremental fee recovered by the school in 2009-10 amounted to Rs. 1,19,05,200. As the sum transferred by the school to its parent Society in these two years was in excess of the incremental fee recovered by the school in 2009-10, the Committee is of the

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view that the school could have very well met its liability for increased salary in 2009-10 also, without hiking the fee in pursuance of order dated 11/02/2009 issued by the Director of Education. Hence the Committee is of the view that even the monthly fee hiked by the school in pursuance of the aforesaid order was not justified and ought to be refunded along with interest @ 9% per annum. As per the figures given by the school itself, the incremental fee recovered by the school in 2009-10 was Rs. 1,19,05,200 .

Development Fee

In reply to the questionnaire issued by the Committee, specifically on the issue of development fee, the school stated that it was charging development fee and furnished figures of development fee charged and utilised from 2006-07 to 2010-11. The school submitted the following figures of development fee charged and utilised:

Year	Collected	Utilised
2006-07	32,89,365	20,63,511
2007-08	37,96,005	44,70,624
2008-09	40,54,375	23,42,589
2009-10	79,03,455	69,09,298
2010-11	54,78,775	92,59,842
Total	2,45,21,975	2,50,45,864

Further, it was stated that the development fee was treated as a capital receipt in the accounts and separate depreciation reserve fund

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was maintained and kept apart in fixed deposit. A copy of a fixed deposit receipt for Rs. 50.00 lacs issued by Punjab National Bank was enclosed in evidence of the depreciation reserve fund having been kept apart.

The Committee has examined the balance sheets of the school and has found that the contentions put forth by the school are correct. As the development fee is being charged in accordance with the pre conditions laid down in the Duggal Committee Report, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India (2004) 5 SCC 583, the Committee is of the view that no intervention is called for in the matter of development fee.

Recommendations:

In view of the determinations made by the Committee, the school ought to refund the following amounts along with interest @ 9% per annum:

(a) Arrear fee recovered	Rs. 1,28,27,325
(b) Incremental fee recovered by the school in 2009-10	Rs. 1,19,05,200

Further, the school should refrain from recovering the amount of Rs. 16,17,980 as arrear fee, which amount is still to be recovered.

Sd/-
Dr. R.K. Sharma
Member

Sd/-
CA J.S. Kochar
Member

Sd/-
Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 09/11/2013

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Kulachi Hans Raj Model School, Ashok Vihar, Delhi-110052

In reply to the questionnaire dated 27/02/2012, the school stated that it had implemented the VI Pay Commission Report. The increased salary was paid w.e.f. 01/09/2008 and the arrears w.e.f. 01/01/2006 to 31/08/2008 had also been paid. The school claimed that a sum of Rs. 6,40,85,600 was paid as arrears for the aforesaid period. As per the annexures enclosed with the reply to the questionnaire, the school claimed that the salary bill for the month of August 2008 was Rs. 72,05,251 when the VI Pay Commission had not been implemented but the same shot up to Rs. 1,02,60,198 for the month of February 2009 on implementation of the VI Pay Commission.

With regard to fee hike in pursuance of order dated 11/02/2009, the school claimed to have increased the tuition fee @ Rs. 300 per month for classes pre school to X and Rs. 400 per month for classes XI & XII, w.e.f. 01/09/2008. Development fee, which was being charged @ 10 % of tuition fee for different classes in accordance with the fee statement for 2008-09 submitted under section 17(3) of Delhi School Education Act 1973 was enhanced to 15% of tuition fee w.e.f. 01/09/2008. The school also stated that it had recovered arrears of Rs. 1,87,22,542 for the period 01/01/2006 to 31/08/2008. On the basis of this reply, the school was placed in Category 'B'.

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Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee (CAs). As the school claimed to have increased the tuition fee w.e.f. 01/09/2008, the balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI Pay Commission Report. As per the preliminary calculations made by the CAs, the funds available with the school as on 31/03/2008 were to the tune of **Rs.7,81,36,833**. The school recovered arrear fee amounting to **Rs.1,87,22,542**, the arrears of salary for the period 01/01/2006 to 31/08/2008, paid by the school consequent to implementation of VI Pay Commission Report w.e.f. 01/01/2006 were **Rs.6,40,85,600**, the incremental fee recovered by the school for the period 01/09/2008 to 31/03/2010 was **Rs. 4,25,75,800** while the incremental salary on account of implementation of VI Pay Commission Report for the corresponding period was **Rs.6,02,92,793**. After taking into account the increased fee, arrear fee, increased salary and arrear salary, the school still had surplus funds to the tune of Rs. 1,50,56,782 available with it. The school was issued a notice dated 20/02/2013 for providing it an opportunity of hearing by the Committee on 20/03/2013. On this date, Sh. A.K. Sharma, OSD of the school appeared with Sh. Ramesh Bhalla, Sr. Accounts Officer. During the course of hearing, the representatives of the school informed that the school does not have any liability for payment of gratuity and leave encashment to the staff as these liabilities are

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taken care of by the Society running the school. The school makes contribution to the Society for the purpose of creating a fund from which the liabilities of gratuity and leave encashment are met. With regard to development fee, it was contended that the school has used up the development fund for meeting routine expenditure on salary and other overheads which included repair and maintenance of building. However, some part of development fund had been used for purchase of computers, library books etc.

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The representatives of the school were provided with a copy of the preliminary calculation sheet prepared by the CAs attached with the Committee. The representatives of the school sought some time for filing an appropriate response. Further, with regard to development fund, the school was required to specifically reply to the following queries:

- (a) How development fund had been treated by the school in its accounts?
- (b) How development fee was recovered in the years 2006-07 to 2010-11?
- (c) For what purpose development fund had been utilised?
- (d) Whether separate earmarked bank accounts or FDRs or investments were maintained for development fund and depreciation reserve fund?

At the request of the school, the matter was directed to be relisted on 10/04/2013. On this date, the aforesaid representatives of

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the school again appeared and filed written submissions dated 10/04/2013 alongwith a calculation sheet prepared by the school showing that instead of a surplus of Rs. 1,50,56,782 as per the calculation sheet prepared by the CAs, the school actually had a shortfall of Rs. 4,36,29,960. The submissions with regard to development fund will be discussed while we discuss the issue of development fund.

Submissions:

As noted above, the school, vide written submissions dated 10/04/2013, filed its own calculation sheet with regard to availability of funds vis a vis the additional liability that befell on it on account of implementation of VI Pay Commission Report. As per the calculation sheet filed by the school:

- (a) The school had funds to the tune of Rs. 4,98,88,793 available with it as on 31/03/2008 and not Rs. 7,81,36,833 as worked out by the CAs attached with the Committee. The school contended that the difference of Rs. 2,82,48,040 was on account of exclusion of a sum of Rs. 2,82,48,040 which the school owed to its parent Society.
- (b) The increase in expenditure on salary for the period 01/09/2008 to 31/03/2010 was Rs. 9,07,40,095 as against a sum of Rs. 6,02,92,793 taken by the CAs.
- (c) The incremental tuition fee for the financial year 2009-10 was Rs. 2,70,57,600 as against Rs. 2,70,54,000 taken by the CAs.

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It was thus contended that if the correct figures as brought out by the school were taken into account, there would be net shortfall of Rs. 4,36,29,960 and not a surplus of Rs. 1,50,56,782 as projected by the CAs.

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During the course of hearing, the figures as projected by the school were examined with reference to the audited financials of the school and it was observed by the Committee that there were certain discrepancies which needed to be reconciled. Moreover the balance sheets of 2010-11 and 2011-12 were not on record. These were relevant as the arrears of VI Pay Commission had been partly paid in these years. Accordingly, the representatives were asked to reconcile the differences and also to file the balance sheets for the two years as aforesaid. The matter was directed to be relisted on 06/05/2013.

On 06/05/2013, the school filed its revised calculation sheet, in which it worked out the shortfall as Rs. 3,21,24,241 as against Rs. 4,36,29,960. The balance sheets for the years 2010-11 and 2011-12 were filed.

Discussion:

The various contentious issues raised by the school are discussed in the following paragraphs:

Re.: Consideration of loan taken by the school from its Society as a liability.

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On perusal of the balance sheets of the school from 2004-05 onwards, it is observed that the school was having accounts with DAV College Managing Committee (the parent Society of the school) under three different heads viz. 'Unsecured loan', 'Reserve fund with DAV CMC' and 'Amount recoverable from DAV CMC'. While on the one hand, there were recoverables from the DAV College Management Committee in the shape of reserves and other sums, some amounts were owed by the school to the DAV CMC which were shown as a liability under the head 'Unsecured Loans'. The Committee has reviewed the working sheet of the CAs attached with it and observes that while the amount shown as reserve with DAV College Managing Committee at Rs. 3,64,35,741 has been included in the figure of funds available, the Loan owed by the school amounting to Rs. 2,82,48,040 has not been deducted from the same. The Committee is of the view that this Loan ought to have been netted against the reserve with DAV CMC and only the net amount should have been included as funds available with the school as on 31/03/2008. The upshot of this discussion is that since the reserves have been included at the gross amount, the outstanding Loan ought to be deducted from the figure of funds available and the contention of the school on this score is correct. The Committee will, therefore, exclude the amount of Rs. 2,82,48,040 from the figure of funds available with the school as on 31/03/2008 in the final determination.

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Re.: Increase in expenditure on salary for the period
01/09/2008 to 31/03/2010

The increase in expenditure on salary for the period 01/09/2008 to 31/03/2010 has to be split up for two periods i.e. 01/09/2008 to 31/03/2009 and 01/04/2009 to 31/03/2010. The Committee has reviewed the working sheet of the CAs attached with it and observes that they have worked out the figure of Rs. 6,02,92,793 as follows:

01/09/2008 to 31/03/2009	Rs. 2,13,84,629
01/04/2009 to 31/03/2010	<u>Rs. 3,89,08,164</u>
Total	<u>Rs. 6,02,92,793</u>

These figures have been worked out by extrapolating the difference in monthly salary for pre implementation and post implementation period. The Committee is of the view that when the audited accounts are available which inspire confidence, wherever possible, the calculations should be based on the figures as appearing therein.

So far as incremental salary for the financial year 2009-10 is concerned, the figures for the years 2008-09 and 2009-10, as per the audited Income & Expenditure Account are as follows:-

Head of Expenditure	F.Y. 2008-09	F.Y. 2009-10
Basic pay	5,90,88,693	8,04,63,647

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Dearness allowance	1,61,76,199	2,08,62,431
Dearness pay	64,39,036	29,010
House rent allowance	1,90,14,887	2,28,05,227
CCA	5,66,902	3,285
Medical allowance	99,355	822
Transport allowance	5,22,124	88,21,256
Washing allowance	29,436	0
Other allowances	18000	18000
School's contribution to provident fund	97,44,254	1,20,44,385
Contribution to gratuity pool fund	38,82,582	48,34,547
EDLI contribution	4,15,643	5,10,990
Total	11,59,97,111	15,03,93,600

Thus the total expenditure of the school on salary increased by Rs. 3,43,96,489 in 2009-10 when the VI Pay Commission was in force, as compared to 2008-09 when it was not in force except for the months of February and March 2009. The school started paying salary as per VI Pay Commission w.e.f. February 2009. As per the salary statement for the month of January 2009 and February 2009, which have been filed by the school during the course of hearing, the total salary bill for February 2009 rose to Rs. 1,02,60,198 from Rs. 70,64,653 in January 2009. Thus the monthly impact of hike in salaries on account of VI Pay Commission was Rs. 31,95,545 and for

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two months i.e. February and March 2009, it would be Rs. 63,91,090. The figure for the year 2008-09 has to be moderated by this amount of Rs. 63,91,090. Therefore, the total salary expenditure for 2008-09 would have been 10,96,06,021 if VI Pay Commission was not implemented. Hence, the impact of implementation of VI Pay Commission on salary expenditure for 2009-10 was Rs. 4,07,87,579 and therefore the Committee is of the view that the figure taken by the CAs was incorrect. The school had taken this figure in its calculation sheet as Rs. 6,00,29,643. The calculation given by the school in support of this figure is unintelligible and is not supported by its financials. Hence, the Committee will take the figure of **Rs. 4,07,87,579** as the impact of VI Pay Commission for the period 01/04/2009 to 31/03/2010 while making the final determination.

As regards the arrear salary for the period 01/09/2008 to 31/03/2009, the school has projected a figure of Rs. 3,07,10,452 as against Rs. 2,13,84,629 taken by the CAs. The school has culled out the figure of Rs. 2,63,55,098 from its financials and added thereto a sum of Rs. 43,55,354, being the rise in DA and transport allowance and also the DA installments of 4% w.e.f. 01/07/2008 and 6% w.e.f. 01/01/2009. The addition of Rs. 43,55,354 was not justified in view of the fact that while working out the differential figure, the salaries for the months of January 2009 and February 2009 were considered. The salaries for these months had already taken into consideration,

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the increased DA. The Committee therefore, will factor in the figure of **Rs. 2,63,55,098** while making the final determination.

Re.: Incremental tuition fee for the financial year 2009-10

The school has taken the figure of Rs. 2,70,57,600 as against Rs. 2,70,54,000 taken by the CAs. As the difference between the two figures is very nominal, the Committee accepts the figure of **Rs. 2,70,57,600** given by the school and the same will be factored in while making the final determination.

Re.: Reserve for contingencies

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Although, the school has not made any contention that it be allowed to keep any funds in reserve for future contingencies, the Committee has taken a consistent view that the school ought to keep a reserve equivalent to four months salary for meeting any future contingencies and the entire funds available with it should not be treated as available for meeting its additional liabilities arising on account of implementation of VI Pay Commission Report. As noticed earlier, the expenditure on salary for the month of February 2009 was Rs. 1,02,60,198 after implementation of VI Pay Commission Report. Based on this, the requirement of the school towards reserve for future contingencies works out to **Rs. 4,10,40,792**. This will be duly factored in while making the final determinations.

Determinations:

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As per the above discussion, the funds available with the school as on 31.03.2008, were **Rs.4,98,88,793** i.e. Rs. 7,81,36,833 as determined by the CAs minus outstanding loan to DAV CMC Rs. 2,82,48,040. Out of these funds, the school was required to keep a sum of Rs. **4,10,40,792** in reserve for contingencies. Thus the funds available for the purpose of implementation of VI Pay Commission Report were **Rs. 88,48,001** at the threshold. The school recovered a sum of Rs. 1,87,27,542 towards arrear fee for the period 01/01/2006 to 31/08/2008, Rs. 1,55,21,800 towards incremental fee for the period 01/09/2008 to 31/03/2009 and a sum of Rs. 2,70,57,600 towards incremental fee for the financial year 2009-10. Thus, a total sum of **Rs. 6,13,06,942** was recovered by the school by way of arrears and monthly fee hike in pursuance of order dated 11/02/2009 issued by the Director of Education. These figures have been confirmed by the school in the calculation sheet and the written submissions dated 10/04/2013 filed by it. Thus the total funds that became available with the school upto 31/03/2010, consequent to the fee hike effected by it in terms of order dated 11/02/2009 of the Director of Education, were **Rs.7,01,54,943**.

The total impact of implementation of VI Pay commission Report by the school upto 31/03/2010 is as follows:

Arrears of salary for the period 01/01/2006 to 31/08/2008	Rs. 6,40,85,600
Increase in salary from	

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01/09/2008 to 31/03/2010

Rs. 4,07,87,579

Total

Rs. 10,48,73,179

In view of the foregoing determinations, the Committee is of the view that the school was in deficit to the tune of **Rs. 3,47,18,236** after accounting for the fee hike and the increased salaries on account of implementation of VI Pay Commission Report.

Development Fee

Vide written submissions dated 10/04/2013, the school contended that during the years 2006-07 to 2009-10, the school collected a sum of Rs. 3,49,55,123 on account of development fund. That the development fund was treated as a capital receipt and after utilizing the receipt for specific purposes, the unutilised amount was kept as a reserve fund. That, however, the balance development fund that remained with the school was utilised for implementation of VI Pay Commission Report, in order that the fee hike was minimal. The school also filed a chart showing the receipt and utilisation of development fund during the years 2006-07 to 2010-11. As per this chart, the school gave vague figures of utilisation of development fund, which were categorized under two heads as "*Expenditure as per balance sheet on addition, alteration and renovation*" and "*Capital expenditure for purchase of infrastructure*". It was shown that during these five years, the school had collected a sum of Rs. 7,74,60,365 towards development fund out of which the school had spent a sum of Rs. 2,24,66,352 on addition, alteration and renovation and Rs.

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2,36,85,323 as expenditure for purchase of infrastructure, leaving a balance of Rs. 3,13,08,690 as on 31/03/2011. With regard to maintenance of earmarked bank account or investments for unutilised development fund, the school submitted that no such earmarked accounts were maintained.

Discussion:

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The school has given very vague replies with regard to the manner of utilisation of development fund. The figures of capital expenditure for purchase of infrastructure are discernible from the balance sheet as addition to fixed assets during these years. These amount to Rs. 2,36,85,323 in five years as against the collection of Rs. 7,74,60,365 towards development fund. However, the additions to fixed assets also include additions to land and building which are not permissible in view of the judgment of the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. (2004) 5 SCC 583. Further, the school is admittedly not maintaining any earmarked accounts for unutilised development fund or depreciation reserve fund. There is no explanation as to how the figures under the head "*Expenditure as per balance sheet on addition, alteration and renovation*" have been arrived at. These amount to Rs. 2,24,66,352 in five years. However, perusal of Income & Expenditure Accounts of the school show that these expenses have been booked as maintenance expenses and charged off against the revenue of the school. The school is trying to take double benefit by showing the same

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expenditure against the tuition fee as well as against the development fee.

The Committee is therefore of the view that neither the development fee was being utilised for the purpose for which it was meant i.e. purchase and upgradation of furniture & fixtures and equipments nor was the school fulfilling the pre conditions laid down by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School (Supra). Therefore, the school ought to refund the development fee charged by it in 2009-10 and 2010-11 along with interest @ 9% per annum. The school has itself given the figures of collection towards development fee in 2009-10 and 2010-11 as follows:-

2009-10	Rs. 2,20,06,663
2010-11	<u>Rs. 2,52,44,135</u>
Total	<u>Rs. 4,72,50,798</u>

However, since the Committee has determined that the school was having a shortfall of Rs. 3,47,18,236 after implementation of VI Pay Commission Report, the Committee is of the view that the same ought to be set off against the amount refundable on account of development fee.

Recommendations:

The Committee is, therefore, of the view that the school ought to refund a net amount of Rs. 1,25,32,562 on account of

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development fee collected by it in the years 2009-10 and 2010-11
along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

Dr. R.K. Sharma

CA J.S. Kochar

Justice Anil Dev Singh (Retd.)

Member

Member

Chairperson

Dated:10/10/2013

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New Era Public School, Maya Puri, New Delhi-110064

The school, vide its letters dated 01/02/2012 and 09/02/2012 addressed to the Education Officer, Zone -14 of the Directorate of Education submitted copies of its financials, fee structures, enrolment of students, staff statements etc. These were forwarded to the committee. Further, in reply to the questionnaire dated 27/02/2012, the school stated that it had implemented the VI Pay Commission Report and the arrears w.e.f. 01/01/2006 had also been paid. The school claimed that it had paid total arrears of salary amounting to Rs. 1,58,55,016 in five instalments and also mentioned that the monthly expenditure on salary pre implementation was Rs. 27,09,900 which rose to Rs. 34,07,482 after implementation. With regard to fee hike in pursuance of order dated 11/02/2009, the school had increased the fee and also recovered the arrears as envisaged in the said order. Class wise enrolment of the students was given and the pre and post increased fee was also mentioned. The fee hike was @ Rs. 400 per month for classes III to X and @ Rs. 500 per month for the rest of the classes. The arrear fee recovered from the students was stated to be Rs. 1,05,68,285. On the basis of this reply, the school was placed in Category 'B'.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee (CAs). As the school claimed to have increased the tuition

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fee w.e.f. 01/09/2008, the balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI Pay Commission Report. As per the preliminary calculations made by the CAs, the funds available with the school as on 31/03/2008 were to the tune of **Rs. 2,90,06,802**. The school recovered arrear fee amounting to **Rs. 1,05,68,285**, the arrears of salary paid by the school consequent to implementation of VI Pay Commission Report w.e.f. 01/01/2006 was **Rs.1,58,55,016**, the incremental fee recovered by the school for the period 01/09/2008 to 31/03/2010 was **Rs. 2,35,54,300** while the incremental salary on account of implementation of VI Pay Commission Report for the corresponding period was **Rs.1,32,54,058**. After taking into account the increased fee, arrear fee, increased salary and arrear salary, the funds available with the school swelled to **Rs.3,40,20,313**. The school was, served with a notice dated 20/02/2013 for providing it an opportunity of hearing by the Committee on 22/03/2013. On this date, Sh. Sanjay Sood, Chartered Accountant and authorized representative of the school appeared with Sh. D.S. Chauhan, Accountant and Sh. Rajiv Khatri Accounts Assistant. They were provided with the preliminary calculation sheet prepared by the CAs attached with the Committee. The representatives of the school sought some time for filing an appropriate response. As the school was also charging development fee, besides tuition fee, the school was required to specifically reply to the following queries:

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- (a) How much development fee had been charged by the school for the year 2006-07 to 2010-11?
- (b) How development fee had been utilised during these years?
- (c) How development fee was treated in the accounts?
- (d) Whether separate development fund account and depreciation reserve fund account were maintained in the bank or investment had been earmarked for the same?

At the request of the school, the matter was adjourned to 18/04/2013. On this date, the aforesaid representatives of the school again appeared and filed written submissions dated 18/04/2013 regarding the queries relating to development fee. However for filing response to the preliminary calculation sheet, they sought more time. The matter was adjourned to 09/05/2013 at their request. On this date, the school filed written submissions along with its own calculation sheet which showed that after implementation of VI Pay Commission report, the school was in deficit to the tune of Rs. 23,53,931. Also the school filed the details of gratuity, leave encashment, differential salary on account of VI Pay Commission Report. While perusing the salary register, the Committee observed that the school was paying the salary of Rs. 2.00 lac per month to Ms. Usha Chopra, the Chairman of the society running the school. The representatives of the school were heard and were required to file a statement showing salary paid to the Chairman of the Society, since the date it started paying. The hearing was concluded and the school

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was given liberty to file details of its accrued liabilities of gratuity and leave encashment as on 31/03/2010. The school filed the requisite details on 24/05/2013 and again filed a revised calculation sheet, which now showed that the school had a surplus of Rs. 16,13,054 as a result of fee hike after meeting its liabilities arising out of implementation of VI Pay Commission Report.

Submissions:

Vide written submissions filed on 09/05/2013, the school submitted as follows:-

(a) The savings (net current assets) amounting to Rs. 2,90,06,802 as on 31/03/2008, as per the preliminary calculation sheet, could not be considered as available for implementation of VI Pay Commission Report as the school had to keep funds apart for following purposes:

- | | | |
|-------|-------------------------------------|----------------|
| (i) | Four months' salary as reserve | Rs.1,57,53,948 |
| (ii) | Gratuity payable to employees | Rs.1,01,22,348 |
| (iii) | Leave encashment payable | Rs. 50,03,069 |
| (iv) | Reasonable reserve (10% of savings) | Rs. 29,00,680 |

(b) The fee collected from the students for implementation of VI Pay Commission was as follows (the corresponding figures as per the preliminary calculation sheet prepared by the CAs attached with the Committee are given in brackets):

- | | | |
|-----|---------------------------------------|-------------------------------|
| (i) | Arrears from 01/01/2006 to 31/08/2008 | |
| | | Rs.1,25,18,891 (1,05,68,285) |

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(ii) Increase in tuition fee from 01/09/2008 to 31/03/2009 **Rs. 76,80,714** (86,77,900)

(iii) Incremental tuition fee in F.Y. 2009-10 **Rs. 1,58,58,630** (1,48,76,400)

(c) The additional liability of salary on account of implementation of VI Pay Commission Report was as follows (the corresponding figures as per the preliminary calculation sheet prepared by the CAs attached with the Committee are given in brackets):

(i) Arrears from 01/01/2006 to 31/08/2008 **Rs. 1,52,67,849** (1,58,55,016). However in the latest calculation sheet submitted by the school, this figure was revised to **Rs. 1,46,67,849**.

(ii) Increased salary from 01/09/2008 To 31/03/2009 **Rs. 48,83,074** (48,83,074). However in the latest calculation sheet submitted by the school, this figure was revised to **Rs. 44,83,074**.

(iii) Incremental salary for F.Y. 2009-10 **Rs. 1,34,88,000** (83,70,984). During the course of hearing, the authorized representatives of the school revised this figure to **Rs. 1,29,85,041**. However, in the latest calculation sheet submitted by the school, this was further revised to **Rs. 1,24,98,000**.

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Vide submissions filed on 24/05/2013, the school stated that its liability for gratuity as on 31/03/2010 was **Rs. 1,08,89,333** and for leave encashment it was **Rs. 60,19,779**. The school gave up its claim for setting apart 10% of savings as reserve and the reserve for future contingencies equivalent to four months salary was revised to **Rs. 1,48,93,948** after excluding the salary of Ms. Usha Chopra, Chairperson of the Society. It was further stated that Ms. Usha Chopra had been paid a salary of Rs. 12.00 lac in 2005-06, Rs. 12.00 lac in 2006-07 and Rs. 12.30 lac in 2007-08.

Discussion

The Committee has perused the returns of the school under Rule 180 of Delhi School Education Rules, the preliminary calculation sheet prepared by the CAs, the two calculation sheets submitted by the school, the written and oral submissions made by the school. The various contentious issues involved are discussed as follows:

Re.: Unauthorised salary paid to the Chairperson of the Society running the school.

Section 4 of Delhi School Education Act, 1973 provides that no private school shall be recognized unless it has a duly approved scheme of Management as required by Section 5. Section 5 of the Act provides that the Managing Committee of every recognized school shall make, in accordance with the Rules made under the Act, a scheme for management of such school. Rule 59 of the Delhi School

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Education Rules details as to what shall be provided in the scheme of management. Clause (n) of sub rule 2 of Rule 59 provides that

“Members of the Managing Committee of an aided school shall not be entitled to any remuneration, honorarium or allowance but may be permitted to draw allowances for attending meetings of the Managing Committee at a rate not exceeding the rate of daily allowance or travelling allowance admissible to the non official members of the Committee, boards and the like in accordance with the orders issued by Govt. of India from time to time.

Provided that if the head of the school or a teacher happens to be a member of the Managing Committee, he shall draw his remuneration in his capacity as head of the school or teachers as the case may be.

Provided further that the allowances paid to the members of the Managing Committee for attending meeting thereof shall not be charge on the school fund.”

It is apparent from the above provisions of law that the Chairman of the Managing Committee nor any member of the Managing Committee, other than the head of the school or a teacher, can draw any salary or allowances from the funds of the school. Payment of salary to Chairperson of the Society also amounts to diverting funds of the school to the Society which is prohibited as laid down in the judgments of the Hon'ble Supreme Court in the cases of Modern School & Ors vs. Union of India (2004) 5 SCC 583 and Action Committee Unaided Pvt. Schools and Ors. v. Director of Education and Ors. 2009 (11) SCALE 77. In the circumstances, Ms. Usha Chopra, who is the Chairperson of the Society could not have drawn any salary from the school. The Committee is, therefore, of the view that the funds transferred by the school to the society by way of salary to its Chairperson for the years 2005-06 to 2007-08, amounting to **Rs.**

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36.30 lacs ought to be considered as funds available with the school as on 31/03/2008. The same would be factored in while making the final determinations. Further unauthorized salary paid to the Chairperson in 2008-09 and 2009-10 amounting to **Rs.48.00 lacs** @ Rs.2 lacs per month will be considered as additional funds available to the school in the years 2008-09 and 2009-10.

Re.: Requirement of setting apart funds for gratuity, leave encashment and reserve future contingencies

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The Committee is in agreement with the contention of the school that it ought to keep funds in reserve for meeting its accrued liabilities of gratuity, leave encashment and a reasonable reserve equivalent to four months' salary. The school has filed details of its accrued liability for gratuity which is **Rs. 1,08,89,333** and **Rs. 60,19,779** for leave encashment. The Committee has examined the details and found them to be in order. The school has also claimed that a sum equal to **Rs. 1,48,93,948** which is equivalent to four months' salary is required to be kept in reserve. These amounts have been worked out after excluding the salary of Ms. Usha Chopra. The Committee will duly consider the requirement of the school for setting apart these amounts out of the funds available with it. As observed earlier, the school gave up its claim for a further reserve fund of 10%.

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Re: Discrepancies in preliminary calculation sheet

The Committee observes that certain figures in the calculation sheet submitted by the school are at variance with the figures in the preliminary calculation prepared by the CAs detailed with the Committee. Such differences are reflected in the following table, which would be discussed:

S.No.	Particulars	As per CAs calculation sheet	As per school's calculation sheet
1.	Arrear fee from 01/01/2006 to 31/08/2008	1,05,68,285	1,25,18,891
2	Incremental tuition fee from 01/09/2008 to 31/03/2009	86,77,900	76,80,714
3	Incremental tuition fee for F.Y. 2009-10	1,48,76,400	1,58,58,630
4	Arrear salary from 01/01/2006 to 31/08/2008	1,58,55,016	1,46,67,849
5.	Increased salary from 01/09/2008 to 31/03/2009	48,83,074	44,83,074
6	Incremental salary for F.Y. 2009-10	83,70,984	1,24,98,000

The differences as detailed above are discussed as under:

Arrear fee and Incremental fee

The Committee observes that the aggregate amount of arrear fee and incremental fee upto 31/03/2010 as taken by the CAs attached with the Committee was Rs. 3,41,22,585 while the school has taken the same as Rs. 3,60,58,235. The school has only been truthful. In

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view of this, there is no reason to doubt the figures given by the school and the same will be factored in while making the final determination.

Arrear salary from 01/01/2006 to 31/08/2008 and 01/09/2008 to 31/03/2009.

In respect of these figures also, the school has been truthful and as such the Committee has no reason to disbelieve the figures given by the school. In the final determination, the arrears for the two period would be taken as **Rs. 1,46,67,849 and Rs. 44,83,074.**

Incremental salary for F.Y. 2009-10

The CAs had taken the figure to be Rs. 83,70,984. However, the school in its final calculation sheet has taken the same to be Rs. 1,24,98,000. Perusal of the working sheet of the CAs shows that they had extrapolated the monthly difference of salary for the pre implementation period which was Rs. 27,09,900 and that for the post implementation period which was Rs. 34,07,482. Both these figures were furnished by the school itself vide letter dated 03/03/2012 in reply to the questionnaire issued by the Committee. The school filed detailed salary statement for the financial year 2008-09 and 2009-10 and worked out the incremental salary on the basis of its financials. The Committee has examined the details submitted by the school and is of the view that as the figures are based on audited financials and the books of the accounts of the school inspire confidence, the same are accepted. Therefore, in the final determination the Committee will

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take into consideration the figure of Rs. 1,24,98,000 as the incremental salary for F.Y. 2009-10.

Determinations:

The funds available with the school as on 31.03.2008, as determined by the Committee, were Rs. 3,26,36,802 as per details below:

Particulars	Amount (Rs.)
Net Current Assets + Investments as per preliminary calculation sheet	2,90,06,802
Add Unauthorised salary paid to Chairperson of the Society running the school from 2005-06 to 2007-08	36,30,000
Total funds available as on 31.03.2008	3,26,36,802

The Committee is of the opinion that the entire funds available with the school ought not be considered as available for meeting its additional liabilities arising due to implementation of the VI Pay Commission report and the school ought to keep in reserve, adequate funds to meet its deferred liabilities of gratuity and leave encashment, besides keeping a reserve for future contingencies, equivalent to four months' salary. The total amount of funds required to be kept aside, as per the foregoing discussion is Rs. 3,18,03,060, as per details below:

Particulars	Amount (Rs.)
Accrued liability for gratuity	1,08,89,333
Accrued liability for leave encashment	60,19,779
Reserve for future contingencies equivalent to four months salary	1,48,93,948
Total funds required to be kept aside	3,18,03,060

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Thus the school had **Rs.8,33,742** available with it as on 31.03.2008, which it could have used for meeting its increased liabilities on account of implementation of VI Pay Commission.

The additional liabilities of the school for implementation of VI Pay Commission report, as per the above discussion, are determined to be **Rs. 3,16,48,923** as follows:

Arrear salary for the period 01/01/2006 to 31/08/2008	1,46,67,849
Arrear salary for the period 01/09/2008 to 31/03/2009	44,83,074
Incremental salary for F Y 2009-10	1,24,98,000
Total additional liability	3,16,48,923

In view the foregoing determinations, it is apparent that the school did not have sufficient funds of its own to meet its additional liabilities and that it needed to hike the fee to make good the shortfall which was to the tune of **Rs.3,08,15,181**. However, as discussed above, the school collected a total sum of **Rs. 3,60,58,235** towards arrear fee and incremental fee pertaining to the period 01/01/2006 to 31/03/2010. **Thus, the school recovered a sum of Rs. 52,43,054 in excess of its requirements, which the school ought to refund along with interest @ 9% per annum.**

Development Fee

The school, vide its written submissions dated 18/04/2013, filed details of development fee received from 2006-07 to 2010-11. As per the details submitted, the school recovered a total sum of Rs.

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4,01,06,822 from 2006-07 to 2010-11, which included a sum of Rs. 1,17,16,169 for the year 2009-10 and Rs. 1,25,95,792 for the year 2010-11. It was stated that the development fee was treated as capital receipt and taken directly to balance sheet of the school under Capital Fund but no separate development fund had been created in the books of accounts. It was further stated that development fund had been used for acquisition of capital assets etc. and associated activities for the development of the school. It was also stated that the school had charged depreciation on the revenue of the school amounting to Rs. 2,85,74,784 during the years 2006-07 to 2010-11. However, it was also stated that no depreciation reserve fund account had been maintained in the books.

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Again, vide written submissions filed on 09/05/2013, the school gave comparative figures of development fee received vis a vis purchase of fixed assets from 2006-07 to 2010-11 to buttress its contention that the development fund had been utilised for purchase of fixed assets.

However, no details of fixed assets which were purchased out of development fee were given. On perusal of the balance sheets of the school for the year 2006-07 to 2010-11, which were filed with the Education Officer on 09/02/2012 and transmitted to the Committee, it is observed that even then the school had not furnished its schedules of fixed assets for any of the years. In the circumstances, the submission of the school that the development fee had been

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COMMITTEE
For Review of School Fee

utilised for purchase of fixed assets is merely an ipse dixit. Moreover the school has been fighting shy of disclosing the nature of fixed assets acquired. It is noteworthy that development fee can be used only for purchase or upgradation of furniture, fixtures and equipments. Further, the school has admitted that it was not maintaining any depreciation reserve fund. The Committee has also verified this fact by referring to the balance sheets of the school. Since no depreciation reserve fund has been maintained, there is no question of earmarking of any FDRs or investments against the depreciation reserve fund.

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The Committee is of the view that the school was not fulfilling the pre conditions prescribed by the Duggal Committee for charging development fee. The recommendations of the Duggal Committee on the issue of the prescribed pre conditions were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India & Ors. (2004) 5 SCC 583. In the circumstances, the Committee is of the view that the school was not authorized to collect the development fee. As noticed earlier, the development fee collected by the school in the years 2009-10 and 2010-11 was Rs. 1,17,16,169 and Rs. 1,25,95,792 respectively. The Committee is of the view that the school ought to refund the aforesaid sums collected in 2009-10 and 2010-11 alongwith interest @ 9% per annum.

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Recommendations:

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The school ought to refund a sum of Rs. 2,95,55,015 as per details below, along with interest @ 9% per annum.

Excess tuition fee	Rs. 52,43,054
Development fee charged in 2009-10	Rs. 1,17,16,169
Development fee charged in 2010-11	Rs. 1,25,95,792
Total amount refundable	Rs. 2,95,55,015

Recommended accordingly.

Sd/-

Dr. R.K. Sharma
Member

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 12/09/2013

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Manav Sthali School, New Rajinder Nagar, New Delhi-110060

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The school had submitted the copies of the returns filed under Rule 180 of Delhi School Education Rules 1973 for the year 2006-07 to 2010-11, copies of fee statements during those years, details of salary paid to the staff before implementation of VI Pay Commission as well as after its implementation, details of arrears paid on account of retrospective application of VI Pay Commission, statement indicating the extent of fee increased and arrear fee recovered for the purpose of implementation of VI Pay Commission, to the Education Officer, Zone-28 of the Directorate of Education, which were forwarded to the Committee. The school vide letter dated 29/02/2012 also filed its reply to the questionnaire sent to it by the Committee. As per the reply submitted by the school, the school claimed to have implemented the VI Pay Commission Report w.e.f. March 2009 and also paid the arrear salary on account of retrospective application of the VI Pay Commission Report. Along with the reply, the school furnished the details of incremental salary after implementation of the aforesaid report. As per the details submitted, the additional monthly liability that befell on the school was to the tune of **Rs. 10,02,472**. The arrears paid by the school for the period 1st April 2006 to 31st August 2008 were claimed to be Rs. 1,34,46,377 while those for the period 1st September 2008 to 28th February 2009 were

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claimed to be Rs. 54,54,839. Thus, a total sum of **Rs. 1,99,03,688** was claimed to have been paid as arrears of salary.

With regard to hike in fee, it was confirmed that the same was hiked in accordance with order dated 11/02/2009. The arrears of tuition fee for the period 1st January 2006 to 31st August 2008 at the rate of Rs. 3500 per student were stated to be Rs. 71,34,458 and those for the period 1st September 2008 to 31st March 2009 at the rate of Rs. 400 per month were stated to be Rs. 57,18,760. Out of the total arrears of **Rs. 1,28,53,218**, a sum of Rs. 98,193 was claimed not have been received from the students.

Based on the documents submitted by the school and its reply to the questionnaire, it was placed in Category 'B'.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee. As the school claimed to have implemented the VI Pay Commission Report and also increased the tuition fee w.e.f. 01/09/2008, the audited balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI Pay Commission Report. As per the preliminary calculations made by the CAs detailed with the Committee, the funds available with the school as on 31/03/2008 were to the tune of **Rs.2,78,17,069**. The arrears of VI Pay Commission paid to the staff were **Rs.1,34,46,377** for the period 1st January 2006 to 31st August 2008 and Rs.

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64,57,311 for the period 1st September 2008 to 28th February 2009. The arrear fee recovered by the school from 1st January 2006 to 31st August 2008 was Rs. 70,36,265 while that for the period 1st September 2008 to 31st March 2009 was Rs. 57,18,760. The incremental revenue on account of fee hike for the year 01/04/2009 to 31/03/2010 was Rs. 1,01,37,600. After taking into account the fee hike and salary hike consequent to implementation of VI Pay Commission, the school still had a surplus to the tune of Rs. 1,87,76,342. It therefore prima facie appeared that the school had hiked more fee than was required. The school was served with a notice dated 20/02/2013 for providing it an opportunity of hearing by the Committee on 25/03/2013 and for enabling it to provide justification for the hike in fee.

On 25/03/2013, Sh. Tarun Gulati, CA, Sh. Hemant Khanna and Sh. G.R. Kathuria appeared before the Committee with an authorization from the Manager of the school. They were provided with a copy of the preliminary calculations prepared by the CAs detailed with the Committee. During the course of hearing, the authorized representative of the school contended that a sum of Rs. 36,55,899 paid as advance tax and TDS, included in the available funds in the preliminary calculations ought not to have been included as the refund of the same came only in financial year 2010-11. On a query made by the Committee, the authorized representatives stated that the provision for Income Tax amounting to Rs. 29,67,469, which

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had been deducted from the funds available in the preliminary calculations, was subsequently reversed on a favourable decision being rendered in the appeal.

Since the school was also charging development fee, they were requested to give specific replies to the following queries:

- (a) How much development fee had been charged for the years 2006-07 to 2010-11?
- (b) How development fee was treated in the books of accounts?
- (c) For what purpose, development fee had been utilised during the aforesaid years?
- (d) Whether separate earmarked bank accounts or FDRs or investments had been maintained for development fund and depreciation reserve?

After arguing for some time, the authorized representative of the school requested for some more time to be given to respond to the preliminary calculations and the aforesaid queries. At their request, the hearing was adjourned to 18/04/2013.

On 18/04/2013, the aforesaid representatives appeared again. Written submissions dated 10/04/2013 had already been filed by the school vide which the preliminary calculations were disputed and the replies to the queries regarding development fee were furnished. The school also filed its own calculations sheet justifying the fee

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

hike. The representatives of the school were heard in the matter and the written submissions filed were discussed with them.

Submissions:-

The submission with regard to development fee will be discussed later when we consider the issue of development fee. As regards the preliminary calculations with regard to availability of funds and need for increasing the fee for implementation of VI Pay Commission, the school, besides reiterating the oral submissions made on 25/03/2013 submitted as follows in the written and oral submissions:

- 217
- (a) Provision for gratuity fund amounting to Rs. 1,47,76,318 ought to have been deducted while working out the funds available with the school as on 31/03/2008 as these are statutory liabilities. The school has filed employee wise details of such accrued liabilities in support of its contention.
 - (b) The CAs attached with the Committee in the preliminary calculations have deducted liability of Rs. 32,18,641 towards leave encashment but the actual liability is Rs. 42,24,580 which should have been deducted. An employee wise detail of such liability has been filed by the school.
 - (c) A sum of Rs. 8,40,236, which the school had deposited with CBSE, ought not to have been included in the funds available with the school.

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- (d) A sum of Rs. 4,86,836 which was the outstanding balance of a car loan taken by the school ought to have been deducted while working out the funds available with the school.
- (e) The school needs to keep a reserve amounting to Rs. 86,64,485 representing four months' salary for meeting any future contingencies.
- (f) While the arrear fee which pertain to the period 01/01/2006 to 31/08/2008 was correctly shown in the preliminary calculations at Rs. 71,34,458, that for the period 01/09/2008 to 31/03/2009 was incorrectly shown as Rs. 57,18,760 whereas the correct amount was Rs: 56,95,714.
- (g) The additional revenue on account of fee hike for the period 01/04/2009 to 31/03/2010 was actually Rs. 71,01,530 but in the preliminary calculations it was shown as Rs. 1,01,37,600.
- (h) The additional liability on account of increased salary was actually Rs. 98,01,686 where as it had been shown as Rs. 1,20,29,664 in the preliminary calculations.

It was contended that if the correct amounts are taken, the result that would emerge would be that the school was in deficit to the tune of Rs. 76,42,772 after implementation of VI Pay Commission Report.

Discussion:

The Committee has examined the financials of the school, reply to the questionnaire, the preliminary calculations sheet prepared by

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the CAs detailed with the Committee, the submissions of the school and the calculations of available funds vis a vis the liability on account of implementation of VI Pay Commission, as submitted by the school. Various contentions raised by the school are discussed below:

Re.: Exclusion of advance tax and TDS from the funds available as on 31/03/2008

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The Committee is not in agreement with the contention of the school that since the refund of advance tax came in a subsequent year, the same ought not to have been included in the funds available as on 31/03/2008. It is nobody's case that the income of the school is chargeable to income tax. The advance tax and TDS can only be considered as current assets which would be realised in due course. While calculating the funds available, the Committee also considers the liabilities of the school towards gratuity and leave encashment, which are rather long term liabilities being payable at the time of retirement of employees. If the contention of the school is accepted in respect of advance tax and TDS, by parity of reasoning, the school cannot be heard to say that it should be allowed deductions for such liabilities.

Re.: Provision for Income Tax

The Committee finds that while making the preliminary calculations of funds available with the school as on 31/03/2008, the CAs detailed with the Committee had given an

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allowance of **Rs. 29,67,469** which was appearing in the balance sheet of the school as a current liability. In view of the Committee, this allowance was not called for as the provision was made by the school only by way of abundant caution as the school was contesting the demand raised against it in appeal. It is not in doubt that the income of the school is exempt from tax and in fact the school succeeded in its appeal and reversed this provision in financial year 2010-11. This would be duly factored in while making the final determination.

Re.: Funds to be kept in reserve

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The Committee is in agreement with the contention of the school that the entire funds available with it ought not be considered as available for discharging its additional liabilities on account of implementation of VI Pay Commission Report and that it ought to maintain a reserve equivalent to four months salary. The school has estimated its requirement for reserve at **Rs 86,64,485** on the basis of the annual expenditure on salary. The Committee accepts the same and this will be duly factored in the final determination.

Re.: Provision for gratuity.

The school has claimed that it had an accrued liability of Rs. 1,47,76,318 towards gratuity which ought to have been considered while working out the funds available with the school. The Committee finds that no provision for gratuity

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was made in the audited balance sheet of the school and as such, no information was available with the CAs attached with the Committee on the basis of which they had made the preliminary calculations. However, the Committee is of the view that since this liability is created by a statute, the same ought to be considered irrespective of whether a provision has been made in the accounts or not. In principle, the Committee is in agreement with the contention of the school that funds equivalent to the accrued liability towards gratuity ought to be kept aside for meeting this liability as and when it arises. However, on going through the employee wise details submitted by the school, the Committee finds that the school have also included in this figure of Rs. 1,47,76,318, a sum of Rs. 4,68,221 in respect of 18 employees who had not completed a period of five years in the employment of the school which would qualify to receive gratuity. In view of this the Committee is of the view that the funds which need to be set apart for this purpose amount to **Rs. 1,43,08,097** and not Rs. 1,47,76,318, as contended by the school.

Re.: Provision for leave encashment

The school has contended that its accrued liability for leave encashment as on 31/03/2008 was Rs. 42,24,580 and has filed an employee wise detail of the same. The school further contended that the provision made in the balance sheet was

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only to the tune of Rs. 32,18,641 and therefore the differential amount of Rs. 10,05,939 should also be factored in. The Committee notes that unlike the provision for gratuity fund, the school had actually made a provision of Rs. 32,18,641 for leave encashment in its balance sheet which has been duly audited by a reputed firm of chartered accountants M/s. V. Sahai & Co. and their report does not carry any qualification. On the contrary, it certifies that the balance sheet gives a true and fair view of the state of affairs of the school. Therefore, the Committee would rather accept the audited balance sheet than an unauthenticated statement submitted by the school during the course of hearing. In view of this, the Committee rejects the contention of the school.

Re.: Funds deposited with CBSE

The Committee accepts the contention of the school that FDRs for Rs. 8,40,236 in the joint names of the school and CBSE ought not to have been included in the funds available in the preliminary calculations.

Re.: Exclusion of liability for car loan

The Committee does not accept the contention of the school that the liability of Rs. 4,86,836 ought to have been excluded as the same represents the outstanding balance of loan taken for a car which is a fixed asset. Fixed assets cannot be acquired from the fee charged from the students.

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Re.: Differences in arrear fee, incremental fee and incremental salary.

The Committee finds that the contention of the school with regard to the correct figure of arrear fee, incremental fee during 2009-10 and incremental salary during 2009-10 are based on the audited financials of the school. The Committee has found the books of accounts and the audited financials to be reliable. The Committee has also checked the working notes of the CAs detailed with it and has found that their calculations are based on extrapolations of the monthly differences of fee and salaries for the pre implementation and post implementation period. The Committee is of the view that the figures as emerging from the audited financials of the school are to be preferred over the extrapolated figures which can only be best estimates. Therefore, the Committee will take the following figures in the final determination:

- (a) Arrear fee for period 01/09/2008 to 31/03/2009 **Rs. 56,95,714.**
- (b) Incremental fee revenue for F.Y. 2009-10 **Rs. 71,01,530**
- (c) Incremental salary for F.Y. 2009-10 **Rs. 98,01,686**

Determinations:

1. Tuition Fee:

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COMMITTEE
For Review of School Fee

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The funds available with the school as on 31/03/2008 are determined to be Rs. **69,71,720** as follows:

Particulars		Amount(Rs.)
Funds available as determined in the preliminary calculation sheet	2,78,17,069	
Add Liability for Income Tax wrongly allowed in the preliminary calculations for determination of available funds	<u>29,67,469</u>	3,07,84,538
Less		
(a) Reserve for future contingencies	86,64,485	
(b) Provision for gratuity	1,43,08,097	
(c) Funds deposited with CBSE	<u>8,40,236</u>	2,38,12,818
Funds available for implementation of VI Pay Commission Report.		69,71,720

The school had admittedly recovered the following amounts as additional fee/arrears in pursuance of order dated 11/02/2009 of the Director of Education:

Arrear Fee for the period 01/01/2006 to 31/08/2008	71,34,458
Arrear fee for the period 01/09/2008 to 31/03/2009	56,95,714
Incremental fee during F.Y. 2009-10	71,01,530
Total additional funds	1,99,31,702

Thus the total funds available with the school for meeting its additional liabilities arising on account of implementation of VI Pay Commission Report were **Rs. 2,69,03,422**. As against this the additional liability of the school was Rs. 2,96,17,728 as follows:

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Arrear salary for the period 01/01/2006 to 31/08/2008	1,34,46,377
Arrear salary for the period 01/09/2008 to 31/03/2009	63,69,670
Incremental salary for F.Y. 2009-10	98,01,681
Total additional liability on account of implementation of VI Pay Commission Report	2,96,17,728

In view of the aforesaid determinations, the Committee is of the view that the school was in deficit to the tune of Rs. 27,14,306 on account of implementation of VI Pay Commission Report.

Development Fee

The school has contended that the development fee received from the students was utilised for acquiring fixed assets strictly in accordance with the guidelines laid down by the Duggal Committee. It was contended that the fee received from the students is credited to a separate fund account and the same was utilised accordingly. A chart showing receipt of development fee and its utilisation was filed along with details of schedule of fixed assets acquired out of development fee, from 2006-07 to 2010-11. However, on perusal of the audited balance sheets of the school, the Committee observes that neither any earmarked bank account for depreciation fund was maintained nor any earmarked investments were held for this purpose. When the authorized representatives of the school was confronted with these facts, he candidly admitted that no earmarked funds were kept for depreciation reserve. However, he also contended that such was not

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the prescription of Duggal Committee Report. This argument of the school is only stated to be rejected. It would be apposite to reproduce here below the relevant portions of the Duggal Committee Report and the judgment of the Hon'ble Supreme Court in the case of Modern School vs. Union of India & Ors. (2004) 5 SCC 583.

The Duggal Committee in paragraphs 7.21 and 7.22 of its report stated as follows:

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 "7.21 Provided a school is maintaining a depreciation reserve fund equivalent to depreciation charged in the revenue accounts, schools could also levy, in addition to the above four categories, a Development fee annually, as a capital receipt not exceeding 10% of the total annual tuition fee for supplementing the resources for purchase, upgradation and replacement of furnitures, fixtures and equipment. At present these are widely neglected items, notwithstanding the fact that a large number of schools were levying charges under the head 'Development Fund'.

7.22 Being capital receipts, these should form a part of the Capital Account of the school. The collection in this head along with any income generated from the investment made out of this fund should however, be kept in a separate Development Fund Account with the balance in the fund carried forward from year to year.

7.23 In suggesting rationalization of the fee structure with the above components, the committee has been guided by the twin objectives of ensuring that while on the one hand the schools do not get starved of funds for meeting their legitimate needs, on the other, that there is no undue or avoidable burden on the parents as a result of schools indulging in any commercialization.

7.24 Simultaneously, it is also to be ensured that the schools, do not discharge any of the functions, which rightly fall in the domain of the 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 the facilities including building, on a land which had been given to the Society at concessional rate for carrying out a "philanthropic" activity. One only wonders what then is

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 ANIL DEV SINGH
 COMMITTEE
 For Review of School Fee

the contribution of the society that professes to run the school.

As a follow up to the recommendations of the Duggal Committee, the Director of Education issued an order dated 15/12/1999 giving certain directions to the schools. Direction no. 7 was as follows:

- "7. Development fee, not exceeding 10% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a depreciation reserve fund equivalent to depreciation charged in the revenue accounts and the collection under this head along with any income generated from the investment made out of this fund, will be kept in a separately maintained development fund account."

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The recommendations of the Duggal Committee and the aforesaid direction no. 7 of the order dated 15/12/1999 issued by the Director of Education were considered by the Hon'ble Supreme Court in the case of Modern School vs. Union of India and ors. (supra). One of the points that arose for determination by the Hon'ble Supreme Court was:

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

The Hon'ble Supreme Court while upholding the recommendations of the Duggal Committee and the aforesaid direction of the Director of Education observed as follows:

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"24. The third point which arises for determination is whether the managements of Recognized unaided schools are entitled to set up a Development Fund Account?"

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

As would be evident from the recommendations of the Duggal Committee Report and the observations of the Hon'ble Supreme Court on the same, there is no room for any doubt that separate fund accounts are required to be maintained for development fee and depreciation reserve. The purpose of maintaining a depreciation reserve fund is to ensure that the schools have sufficient funds at their disposal when the need arises to replace the assets acquired out of development fund. In the absence of such funds being available, the students would be burdened with development fee all over again at the time of replacement of such assets. Hence, the contention of the school that since development fund had been fully utilised, there was

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no need to maintain any depreciation reserve fund is rejected, being untenable and against the law laid down by the Hon'ble Supreme Court. The Committee is, therefore of the view, that the collection of development fee by the school was not justified. As per the details furnished by the school, the school recovered a sum of **Rs. 77,43,316** as development fee during 2009-10 and **Rs. 82,94,650** during 2010-11. The Committee is, therefore, of the view that the development fee collected by the school in 2009-10 and 2010-11 without fulfilling the necessary pre conditions of maintaining depreciation reserve fund was not justified and ought to be refunded along with interest @ 9% per annum.

Recommendations:

In view of the determinations made by the Committee as above, the school ought to refund the following sums along with interest @ 9% per annum.

Development fee for 2009-10	Rs. 77,43,316
Development fee for 2010-11	Rs. 82,94,650
	Rs. 1,60,37,966
Less deficiency in tuition fee	Rs. 27,14,306
Total amount to be refunded	Rs.1,33,23,660

Recommended accordingly.

Sd/-

Sd/-

Sd/-

Dr. R.K. Sharma
Member

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 09/09/2013

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Laxmi Public School, Karkardooma, New Delhi-110092

In reply to the questionnaire dated 27/02/2012 issued by the Committee, the school, vide its letter dated 05/03/2012 stated that it had implemented the VI Pay Commission Report w.e.f. 01/09/2008. However, due to paucity of funds, arrears from 01/01/2006 to 31/08/2008 could not be paid. It also mentioned that the monthly expenditure on salary as on 01/01/2006, as per the old pay scales, was Rs. 5,08,801 which rose to Rs. 7,32,974 as per the new scales. It submitted the fee structures for the years 2008-09 and 2009-10 which showed tuition fee hike of Rs. 200 per student per month for classes Nursery to XI and Rs. 300 per student per month for class XII, besides 15% development fee. Although, in reply to the questionnaire, the school stated that the fee was increased w.e.f. 01/09/2008, in the foot note to annexure-B of the reply, it was mentioned that the fee structure was revised only w.e.f. 01/04/2009. On the basis of this reply, the school was placed in Category 'B'.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee (CAs). The CAs based their calculations of available funds on the basis of the balance sheet of the school as on 31/03/2008. These calculations showed that apparently the school had sufficient funds to implement the VI Pay Commission, to the extent it was implemented and there was no need for it to hike any fee.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000233

The school was, issued a notice dated 20/02/2013 for providing it an opportunity of hearing by the Committee on 20/03/2013. On this date, Sh. Om Nath Gupta, Manager of the school appeared with Sh. Sita Ram, Accountant and Sh. Anil Kumar, Finance Officer. For personal reasons, the Chairperson of the Committee recused himself from hearing the matter. In the circumstances, the remaining two members of the Committee heard the matter. During the course of hearing, the salary records were examined by the Committee and it was observed that the reply given by the school to the questionnaire issued by the Committee was not very accurate. It was observed that the school had actually implemented the VI Pay Commission Report w.e.f. July 2009 and had paid arrears of salary from 01/09/2008 to 30/06/2009 in two instalments. The school was therefore asked to file the details of arrears payments of each instalment, besides furnishing details of salary paid to staff during the months of June 2009, representing the pre implementation salary, and July 2009, representing the post implementation salary. The school was also asked to file details of recovery of arrear fee in different years, consequent to order dated 11/02/2009 of the Director of Education. The school was also required to file the details of incremental tuition fee for the year 2009-10. During the course of hearing, the school contended that it did not pay any gratuity, as a matter of policy. As the school was charging development fee also, besides tuition fee, the school was required to give specific replies to the following queries:

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- (a) How much development fee had been charged from 2006-07 to 2010-11, year wise and how the same had been treated in the balance sheet?
- (b) For what purpose development fee was utilised?
- (c) Whether separate earmarked development fund and depreciation reserve fund were maintained by way of separate bank account or FDRs or investments?

The school filed with the Committee, a letter dated 04/04/2013, mentioning, inter alia, as follows:-

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- (i) The total salary paid for the month of June 2009, as per the old scale was Rs. 8,36,112, which rose to Rs. 14,83,910 as per the new scale. It was thus contended that there was a monthly increase of **Rs. 6,47,798** in the monthly salary bill of the school consequent to implementation of VI Pay Commission Report.
- (ii) The incremental tuition fee during 2009-10 was to the tune of **Rs. 21,25,343** on account of fee hike effected at the rate of Rs. 200 per month for classes Nursery to XI and Rs. 300 per month for class XII, consequent to order dated 11/02/2009 issued by the Director of Education.
- (iii) A sum of **Rs. 13,15,141** had been recovered by the school as tuition fee arrears for the period Sept. 2008 to March 2009.

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- (iv) The school had recovered development fund from 2006-07 to 2010-11 as follows:

Year	Development fund recovered (Rs.)
2006-07	10,30,050
2007-08	12,30,165
2008-09	13,56,100
2009-10	17,25,000
2010-11	17,89,242

In the written submissions, the school contended that the development fund was transferred to the account of Laxmi Educational Society to meet the depreciation cost of capital assets owned by the parent body so that it had sufficient funds with it for their replacement at the appropriate time. It was also contended that the school did not have any separate bank account or FDRs for development fund. As the fixed assets of the school do not appear in its balance sheet, no depreciation is charged or any reserve fund kept.

On 06/05/2013, the school filed details of payment of arrears of salary for the period Sept. 2008 to Dec. 2008 and January 2009 to June 2009. As per the details filed, the aggregate of arrears paid in two instalments was **Rs. 57,59,985**.

The Committee was of the view that since the school had implemented the VI Pay Commission Report w.e.f. 01/07/2009 and also hiked the fee w.e.f. 01/04/2009, the calculation of available

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funds made by the CAs with reference to the balance sheet as on 31/03/2008 was not appropriate. The same should have been done with reference to the balance sheet as on 31/03/2009. The Committee, therefore directed its office to prepare the revised calculation sheet with reference to the balance sheet of the school as on 31/03/2009. The revised calculation sheet reflected that as on 31/03/2009 the net current assets of the school + investments in FDRs were to the tune of **Rs. 67,27,364**. The arrears of fee collected by the school for the period 01/09/2008 to 31/03/2009 was **Rs. 13,15,141**. The incremental tuition fee received by the school during 2009-10 consequent to the hike effected in terms of the aforesaid order dated 11/02/2009 was **Rs. 21,25,343**. Thus the total funds available with the school for implementation of VI Pay Commission Report were **Rs. 1,01,67,848**.

As against this, the arrears of salary pertaining to the period 01/09/2008 to 30/06/2009, paid by the school amounted to **Rs. 57,59,985** and the incremental salary for the period 01/07/2009 to 31/03/2010 was **Rs. 58,30,182**. Thus, the total impact of implementation of VI Pay Commission Report on the school was of the order of **Rs. 1,15,90,167**. The school was provided with a copy of the revised calculation sheet for its comments and, vide letter dated 11/05/2013, the school stated that the same was in order except for a minor error of Rs. 10,000 in the figure of current liabilities which the

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Committee had taken to work out the fund available with the school as on 31/03/2009.

Discussion & Determination

Tuition fee

The Committee has perused the returns of the school under Rule 180 of Delhi School Education Rules, the preliminary calculation sheet prepared by the CAs, the revised calculation sheet prepared by the office of the Committee, the written and oral submissions made by the school. The Committee notes that the school has accepted the revised calculation sheet prepared by the office of the Committee. The school did not put forth any claim for keeping some funds in reserve for future contingencies.

The method adopted by the school of transferring the development fee to the parent Society for depreciation and upkeep of fixed assets, chiefly being land and building, defies all logic. The Society is duty bound to provide the basic infrastructure of the school and the school is prohibited from transferring any funds to its parent Society under the law as laid down by the Hon'ble Supreme Court in the cases of Modern School vs. Union of India & Ors. (2004) 5 SCC 583 and Action Committee Unaided Pvt. Schools and Ors. v. Director of Education and Ors. 2009 (11) SCALE 77. Since, the school had been diverting its funds to its parent Society, the Committee is of the view that the funds diverted by the school till 2008-09 are required to

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be taken into account for calculating the funds available for implementation of VI Pay Commission by the school. A total sum of Rs. 36,16,315 had been diverted to the Society from 2006-07 to 2008-09.. Since, initially the Committee had called for the information regarding development fee from 2006-07 to 2010-11, it was felt by the Committee that as the school was found to be diverting the development fee to its parent Society, the information pertaining to the earlier years was also required to be called for. Accordingly, a letter dated 13.09.2013 was issued to the school, calling for the details of development fee charged prior to 01.04.2006. The required information was furnished by the school vide its letter dated 26/09/2013. As per the reply, the school admitted that it had been charging development fee since 1996-97 and between 1996-97 and 2005-06, it had recovered development fee aggregating **Rs.50,72,225** which had been diverted to its parent Society. It also furnished copies of the ledger accounts of the Development fee from 1996-97 to 2005-06 to show year wise collection. As per the ledger accounts, the following position emerges:

Financial year	Development fee collected (Rs.)
1996-97	1,65,800
1997-98	1,64,000
1998-99	1,64,000
1999-2000	1,75,000
2000-01	4,48,825
2001-02	5,04,900
2002-03	6,32,000
2003-04	7,26,900
2004-05	10,63,950
2005-06	10,26,950
Total	50,72,225

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Thus, the development fee received by the school from 1996-97 to 2008-09, which was diverted by it to its parent Society aggregated **Rs.86,88,540** (50,72,225+36,16,315). As discussed above, the schools are forbidden from transferring any funds to their parent Societies, as per the ratio of decisions of the Hon'ble Supreme Court in the cases of Modern School and Action Committee Unaided Schools (supra). It is settled law that decisions of the Supreme Court only interpret the law as it stood and do not lay down any new law. The Committee is, therefore of the view that the school was not authorised to transfer any funds to its parent Society and therefore, a sum of Rs.86,88,540 transferred by it prior to 31.03.2009 has to be treated as funds available with the school.

In the light of the foregoing discussion, the Committee makes the following determinations:

Funds available as on 31.03.2009

Net current assets of the school + investments in FDRs	67,27,364	
<u>Less Mistake in preliminary calculation sheet as pointed out by the school</u>	<u>10,000</u>	<u>67,17,364</u>
<u>Add Funds diverted by the school to its parent Society</u>		86,88,540
<u>Total funds available</u>		<u>1,54,05,904</u>

Reserve for future contingencies:

The Committee has taken a view in case of other schools that the schools ought to retain funds equivalent to four months' salary for

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future contingencies. The salary bill of the school for the month of July 2009 (post implementation of 6th Pay Commission) was Rs. 14,83,910. The requirement of reserve of the school thus works out to **Rs. 59,35,640**. Thus, net of such reserve, the school had funds to the tune of **Rs. 94,70,264** which were available with it at the threshold.

Funds available for meeting the additional liabilities on account of implementation of 6th Pay Commission

The total funds available with the school after accounting for the recovery of arrear fee and hike in fee pursuant to order dt. 11.02.2009 works out to **Rs. 1,29,10,748** as under:

Funds available at the threshold	<u>Rs.94,70,264</u>
Arrears of fee collected for the period 01/09/2008 to 31/03/2009	Rs.13,15,141
Incremental tuition fee recovered during 2009-10	Rs.21,25,343
Total	Rs.1,29,10,748

Additional liability of the school on account of implementation of 6th Pay Commission

The additional liability of the school on account of implementation of 6th Pay Commission was **Rs.1,15,90,167** as follows:

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Arrears of salary for the period 01/09/2008 to 30/06/2009	Rs.57,59,985
Incremental salary for the period 01/07/2009 to 31/03/2010	Rs.58,30,182
Total	Rs.1,15,90,167

The Committee is therefore of the view that the school recovered a sum of **Rs. 13,20,581** (1,29,10,748 - 1,15,90,167) by way of tuition fee, in excess of its requirements, which ought to be refunded alongwith interest @ 9% p.a.

Development fee

With regard to development fee collected by the school in 2009-10 and 2010-11, the Committee is of the view that the school was in violation of the law laid down by the Hon'ble Supreme Court in as much as it transferred the development fee to the account of its parent Society. Besides no depreciation reserve account was maintained by the school on the specious plea that the fixed assets were not reflected in the books of the school but were reflected in the books of the Society. Hence, the development fee collected by the school in 2009-10 and 2010-11 amounting to **Rs. 17,25,000** and **Rs. 17,89,242** respectively, ought to be refunded alongwith interest @ 9% p.a.

Recommendations:

Thus, the Committee is of the view that the school ought to refund the following amounts alongwith interest @ 9% p.a.

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Excess Tuition fee	Rs. 13,20,581
Development fee recovered in 2009-10	Rs. 17,25,000
Development fee recovered in 2010-11	Rs. 17,89,242
Total	Rs. 48,34,823

Recommended accordingly.

Sd/-

Dr. R.K. Sharma
Member

Sd/-

CA J.S. Kochar
Member

Dated: 04/10/2013

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N.K. Bagrodia Public School, Dwarka, New Delhi-110078

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The Committee, vide letter dated 14/02/2012 had called for information from the school regarding the fee and salary hike effected by the school and the funds that were available with it for absorbing the salary hike consequent to implementation of VI Pay Commission Report. It was evincible from the reply that the school had implemented the VI Pay Commission report w.e.f. 01/02/2009 and had also paid the arrears w.e.f. 01/01/2006. Fee was hiked w.e.f. 01/09/2008 and the arrear fee as stipulated in the order dated 11/02/2009 of the Director of Education was also recovered. On the basis of this reply, the school was placed in Category 'B'.

Preliminary examination of the financials of the school was carried out by the Chartered Accountants detailed with this Committee (CAs). As the school claimed to have implemented the VI Pay Commission Report w.e.f. 01/02/2009 and increased the tuition fee w.e.f. 01/09/2008, the balance sheet of the school as on 31/03/2008 was taken as the basis for calculation of the funds available with the school for the purpose of implementation of the VI Pay Commission Report. As per the preliminary calculations made by the CAs, the funds available with the school as on 31/03/2008 were to the tune of **Rs. 98,30,361**. The school recovered arrear fee amounting to **Rs. 50,69,000**, the arrears of salary paid by the school consequent to implementation of VI Pay Commission Report w.e.f.

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01/01/2006 was **Rs. 58,67,933**, the incremental fee recovered by the school for the period 01/09/2008 to 31/03/2010 was **Rs. 92,50,300** while the incremental salary on account of implementation of VI Pay Commission Report for the corresponding period was **Rs. 74,57,424**. After taking into account the increased fee, arrear fee, increased salary and arrear salary, the funds available with the school swelled to **Rs. 1,08,24,304**. The school was served with a notice dated 20/02/2013 for providing it an opportunity of hearing by the Committee on 14/03/2013. On this date, Dr. Mrs. Rajee N. Kumar, Principal of the School appeared with Sh. Anil Goel, Accountant. They were provided with the preliminary calculation sheet prepared by the CAs attached with the Committee and were heard on the same. While broadly agreeing with the figures as contained in the preliminary calculation sheet, the school sought some time for filing an appropriate response. During the course of examination of the financials of the school at the time of hearing, it came to the notice of the Committee that the school had been transferring large sums of money to its parent society. The school was therefore required to file the ledger account of the society in its books. As the school was also charging development fee, besides tuition fee, the school was required to specifically reply to the following queries:

- (a) How much development fee had been charged by the school for the year 2006-07 to 2010-11?
- (b) How development fee had been utilised during these years?

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- (c) Whether separate development fund account was maintained in the bank or investment had been earmarked for the same?
- (d) Whether separate depreciation reserve fund account had been maintained or investments had been earmarked for the same?

At the request of the school, the matter was again listed for 18/04/2013. On this date, the aforesaid representatives of the school again appeared along with Sh. J.P. Gulati, Chartered Accountant and presented written submissions along with its own calculations of availability of funds for implementation of VI Pay Commission Report. It was submitted that the surplus funds as reflected in the calculation sheet were required to be kept in reserve and therefore were not available for implementation of VI Pay Commission Report.

Submissions:

Vide written submissions dated 18/04/2013, the school submitted as follows:-

- (a) The school had strictly followed the procedural aspect as well as completed other formalities as envisaged in the order dated 11/02/2009 issued by the Director of Education.
- (b) There was no possibility of utilizing the existing reserve to meet shortfall in payment of salary as a consequence of increase in salaries consequent to implementation of VI Pay Commission Report.

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- (c) The increase in tuition fee was effected with the approval of parent teacher association and by the management committee in a duly convened meeting in which a nominee of Director of Education and representative of parent teacher association was present.
- (d) There was no complaint by any parent or by public at large before the grievance Redressal committee.
- (e) Rule 177 of Delhi School Education Rules 1973 prescribed the mode of utilisation of fee and the managing committee of the school is empowered to keep reserves for making any capital of contingent expenditure after payment of salary and allowances to the employees.
- (f) The reserve fund is required to keep intact four months salary, gratuity and leave encashment payable to employees.
- (g) The school has to provide provident fund, ESI and other similar benefits.
- (h) The reasonable reserve fund of 10% out of saving of tuition fee is to be kept intact.
- (i) The fee collected by way of development charges, annual charges, sports co-curricular activities etc. have to be spent exclusively for the benefits of the students and cannot form part of the savings for the purpose of payment of salaries.
- (j) The school had net current assets amounting to Rs. 93,91,288 as on 31/03/2008 as against Rs. 98,30,362 as per the calculation sheet prepared by the CAs attached with

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the Committee. In support of this figure, the school filed its own calculation sheet.

(k) It was contended that the requirement for setting apart funds for four months salary was Rs. 79,31,372, for gratuity Rs. 9,87,073, for leave encashment Rs. 11,84,558, for CBSE reserve fund Rs. 1,66,400 and for reasonable reserve (10%) Rs. 9,98,931. The total funds required by the school to be earmarked for these purposes was thus Rs. 1,12,68,334 as against the available funds of Rs. 93,91,288 as on 31/03/2008. It was thus contended that the school did not have any funds of its own for implementation of VI Pay Commission Report and the fee hike was justified.

(l) The school filed a copy of the ledger account of M.L.Sethi Charitable Trust (its parent society) for the years 2005-06 to 2007-08 and N.K. Bagrodia Education Society from 2007-08 to 2010-11. The submissions regarding development fee will be discussed later when we discuss the issue of its justifiability.

Discussion

The fact that the school complied with all the procedural formalities as envisaged in the order dated 11/02/2009 or the fact that the fee was hiked with the approval of parent teacher association or the fact that no complaint had been made by any parent or public at large does not detract the Committee from examining the issue of

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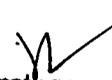
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justifiability of fee hike. In terms of the judgment of the Hon'ble Delhi High Court in WP (C) 7777 of 2009, vide which this Committee has been constituted, it is laid down that the fee hike allowed to the schools vide order dated 11/02/2009 of the Director of Education has to be considered as an interim hike which would be subject to such variation as may be recommended by this Committee on examination of the financial position of the school after examining its accounts. The Committee is also alive to the provisions of Rule 177 of Delhi School Education Rules which provides that the pay and allowances of the staff shall be a first charge on the revenue from fees and if any amount is left over, the same can be utilised for other prescribed purposes. It does not provide for creation of a reserve fund while keeping the salaries of the staff in abeyance to be met out of fee hikes. Though, the school has relied on Rule 177, its argument goes against the provisions thereof. The Committee is required to objectively assess

- (a) whether the school had funds of its own from which it could pay the increased salary and arrears on account of implementation of VI Pay Commission.
- (b) how much fee hike should have been effected, in case the school did not have the required funds, to implement the recommendations of VI Pay Commission.

Hence, the Committee is required to make the requisite calculations.

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Re.: Funds transferred to the parent society. .. 000249

At the outset, the issue of transfer of funds by the school to its parent society needs to be discussed as it will have a strong bearing on the calculation of availability of funds with the school. On perusal of the statement of account of the parent society of the school i.e. M.L.Sethi Charitable Trust upto 2007-08 and N.K. Bagrodia Education Society from 2007-08 onwards, it transpires that the school had been transferring huge funds to its parent society over the years. The total funds transferred by the school to its parent society are as follows:-

Year	Amount
M.L. Sethi Charitable Trust 2005-06	Rs. 15,65,384
2006-07	Rs. 60,48,011
2007-08	Rs. 7,18,450
N.K.Bagrodia Educational Society 2007-08	Rs. 7,78,484
2008-09	Rs. 97,610
2009-10	Rs. 6,85,950
Total	Rs. 98,93,889

It would be apparent from the above table that from 2005-06 to 2007-08, the school had transferred Rs. 91,10,329 to its parent society. The funds available with the school as on 31/03/2008; as worked out by the school, are after the transfer of the aforesaid amount to the society in three years. The school has not provided the information with regard to such transfers in the years prior to 2005-06. In terms of the ratio of the decisions of the Hon'ble Supreme Court in the case of **Modern School & Ors vs. Union of India (2004) 5 SCC**

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583 read with Action Committee Unaided Pvt. Schools and Ors. v. Director of Education and Ors. 2009 (11) SCALE 77, the schools are barred from transferring any funds to their parent societies. In this view of the matter, the Committee is of the view that the funds transferred by the school to the society during the years 2005-06 to 2010-11, were illegally transferred and ought to be recovered from the society. The funds transferred upto 2007-08, ought to be considered as funds available with the school as on 31/03/2008. The same would be factored in while making the final determinations.

Re.: Requirement of setting apart funds for gratuity, leave encashment, CBSE Reserve Fund and reserve future contingencies

The Committee is in agreement with the contention of the school that it ought to keep funds in reserve for meeting its accrued liabilities of gratuity, leave encashment and a reasonable reserve equivalent to four months salary. The school has filed details of its accrued liability for gratuity which is Rs. 9,87,073 and Rs. 11,84,558 for leave encashment. The Committee has examined the details and found them to be in order. The school has also claimed that a sum equal to Rs. 79,31,372 which is equivalent to four months salary is required to be kept in reserve and in its support the school has filed details of its gross monthly salary bill as on 01/07/2009 which amounts to Rs. 19,82,843. The Committee has examined the details and has found the same to be in order. With regard to CBSE Reserve Fund, the

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school has claimed that it is required to maintain a reserve to keep in force its affiliation with CBSE. The reserve has been quantified at **Rs.1,66,400** based on 1664 students @ Rs.100 per student. The Committee is of the view that the submission of the school is well founded. The Committee will duly consider the requirement of the school for setting apart these amounts out of the funds available with it. However, the claim of the school for a further reserve fund of 10% of its savings cannot be entertained as that would amount to a double allowance.

Re.: Non availability of Development charges, annual charges etc. for payment of VI Pay Commission salaries.

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The school has merely made this submission without indicating in any manner as to whether there are any surpluses on these accounts which need to be excluded from the funds available.

Re: Discrepancies in preliminary calculation sheet

The Committee observes that certain figures in the calculation sheet submitted by the school are at variance with the figures in the preliminary calculation prepared by the CAs detailed with the Committee. Such differences are reflected in the following table, which would be discussed:

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Particulars	As per CAs calculation sheet	As per school's calculation sheet
Total funds available as on 31/03/2008	98,30,362	93,91,287
Arrear fee from 01/01/2006 to 31/08/2008	50,69,000	39,92,800
Arrear salary from 01/01/2006 to 31/08/2008	58,67,933	45,28,672
Incremental fee from 01/09/2008 to 31/03/2010	92,50,300	85,59,500
Incremental salary from 01/09/2008 to 31/03/2010	74,57,424	74,25,608

The differences as detailed above are discussed as under:

Total funds available as on 31/03/2008

Perusal of the two calculation sheets would show that the school has excluded the following sums while working the funds available as on 31/03/2008. These were included by the CAs in their calculations:

Deposit with DJB	Rs. 15,000
Deposit with DVB	Rs. 1,35,000
Deposit with MTNL	Rs. 3,000
Deposit with DDA	Rs. 10,000
FDR with Oriental Bank, Rohini + Interest accrued	<u>Rs. 2,76,074</u>
Total	<u>Rs. 4,39,074</u>

The Committee is in agreement with the school that the aforesaid sum of Rs. 4,39,074 cannot form part of the funds available with the school for implementation of VI Pay Commission Report. The

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figure of **Rs. 93,91,288**, as worked out by the school, to be available as on 31/03/2008 is accepted.

Arrear fee from 01/01/2006 to 31/08/2008

The Committee has perused the calculation sheet of the CAs attached with the Committee and has observed that they had erroneously taken the student strength as on 31/07/2009 for working out the arrear fee recovered. The school has correctly based its calculations on the basis of student strength as on 31/07/2008 after taking into account the concessions available to EWS students, staff ward etc. Therefore the Committee accepts the figure of **Rs. 39,92,800** given by the school as the arrear recovered from 01/01/2006 to 31/08/2008.

Arrear salary from 01/01/2006 to 31/08/2008

The Committee finds that the CAs had taken the figure of Rs. 58,67,933 on the basis of the statement of arrears submitted by the school itself vide its letter dated 23/02/2012. However, the school has revised this figure to Rs. 45,28,672 in its calculation sheet. Since, the school does not stand to gain anything by lowering its figure of salary arrears, the Committee accepts the revised figure of **Rs. 45,28,672** given by the school in its calculation sheet.

Incremental fee from 01/09/2008 to 31/03/2010

Perusal of the working notes of the CAs shows that they had made calculations based on the full student strength while the school

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in its calculations has excluded the fee hike on account of concessions given to EWS students/ wards of staff. Since this information was not available to the CAs, they cannot be faulted for making calculations on the basis of full student strength. However, since the calculations of the school are found to be in order, the Committee will consider the incremental fee hike from 01/09/2008 to 31/03/2010 as **Rs. 85,59,500** in its final determination.

Incremental salary from 01/09/2008 to 31/03/2010

There is a small difference of Rs. 31,816 between the calculations of the school and those made by CAs. In the circumstances the Committee accepts the calculation of the school. the figure of incremental salary from 01/09/2008 to 31/03/2010 will be taken as **Rs. 74,25,608** in the final determination.

Determinations:

The resources available with the school as on 31/03/2008 were as follows:

Funds available as on 31/03/2008	Rs. 93,91,288
Add funds diverted to the parent society from 01/04/2005 to 31/03/2008	<u>Rs. 91,10,329</u>
Total funds available	Rs.1,85,01,617
Less funds required to be kept in reserve	
(a) For gratuity	Rs. 9,87,073
(b) For leave encashment	Rs. 11,84,558
(c) For future contingencies	Rs. 79,31,372
(d) For CBSE reserve	<u>Rs. 1,66,400</u>
	<u>Rs.1,02,69,403</u>

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Funds available for payment of increased salaries Rs. 82,32,214

The additional burden on the school on account of implementation of VI Pay Commission Report was **Rs.1,19,54,280** as follows:

Arrear salary from 01/01/2006 to 31/08/2008	Rs. 45,28,672
Incremental salary from 01/09/2008 to 31/03/2010	<u>Rs. 74,25,608</u>
Total	<u>Rs.1,19,54,280</u>

Thus the school was short of its requirement to the tune of **Rs. 37,22,066** for implementation of VI Pay Commission and would have been justified to recover the fee to this extent from the students. However, the school recovered a total fee of **Rs.1,25,52,300** by way of arrears and increased fee in pursuance to order dated 11/02/2009 issued by the Director of Education as per the following details:

Arrear fee from 01/01/2006 to 31/08/2008	Rs. 39,92,800
Incremental fee from 01/09/2008 to 31/03/2010	<u>Rs. 85,59,500</u>
Total	<u>Rs.1,25,52,300</u>

Thus the school recovered a sum of **Rs. 88,30,234** in excess of its requirement by way of increased fee, taking undue advantage of the order dated 31/03/2008 which the school ought to refund to the students along with interest @ 9% per annum.

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Development Fee

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The school in its written submissions dated 18/04/2013 submitted that from 2006-07 to 2010-11, it recovered a sum of Rs. 1,34,22,811 as development fee which included a sum of Rs. 22,65,025 recovered in 2009-10 and Rs. 55,16,106 recovered in 2010-11. It further submitted that over this period of five years, it had utilised a sum of Rs. 41,70,090 by purchasing fixed assets and the remaining amount of Rs. 92,52,721 was lying with it. It also submitted that the development fee was being treated as a capital receipt and shown in the balance sheet as development fund. With regard to depreciation reserve fund, it stated that earmarked FDRs against this fund were maintained.

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The Committee has examined the balance sheets of the school from 2006-07 to 2010-11. The Committee finds that though the school initially was not earmarking any FDRs against unutilised development fund and depreciation reserve fund, it started doing so from the year 2010-11. As the funds have been finally earmarked, the Committee is of the view that the school substantially complied with the pre conditions laid down by the Duggal Committee which was subsequently affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India & Ors. (2004) 5 SCC 583. In the circumstances, no interference is called for in the matter of development fee.

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Recommendations:

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The school ought to refund the increased fee amounting to Rs. 88,30,234 hiked by it in pursuance of order dated 11/02/2009 issued by the Director of Education along with interest @ 9% per annum. Recommended accordingly.

Sd/-

Sd/-

Sd/-

Dr. R.K. Sharma
Member

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 12/09/2013

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JUSTICE
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COMMITTEE
For Review of School Fee

Faith Academy, Prasad Nagar, New Delhi-110008

In response to the Public Notice issued by the Committee, the school filed a representation dated January 09, 2012 before the Committee, vide which it stated that being a minority institution, it was covered under article 30 of the Constitution of India, and the representation was being filed without prejudice to its rights as a respondent in the judgment dated 12/08/2011 of the Hon'ble Delhi High Court. It also enclosed copy of various representations made by the school from time to time with various authorities.

The school made the following prayers in the representations:

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- (i) That being a minority educational institution, the school cannot be regulated in view of the consistent standing of the school and it was contemplating to challenge the order dated 12/08/2011 of the Hon'ble High Court of Delhi.
 - (ii) The fee hike allowed to the school vide order dated 11/02/2009 of the Director of Education was inadequate in relation to the additional liabilities arising on account of implementation of VI Pay Commission Report. To make up the recurring shortfall in revenue, the school requested the Committee to allow it a further fee hike of Rs. 355 per student per month over and above Rs. 300

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per month allowed to it by the aforesaid order, w.e.f.

01/04/2009. Besides, it be allowed a lump sum recovery of Rs. 4,934 per student to meet the shortfall in arrears.

- (iii) The school should not be forced to meet the consent of PTA for increase in fee.

At the outset, the Committee feels that the framework for consideration of the issue of justifiability of fee hike needs to be set out.

The fact that the school is a minority institution is not under dispute. However, the issue raised by the school has been set at rest by the judgment of the Hon'ble Delhi High Court in WP(C) 7777 of 2009 and other connected matters, wherein a similar contention raised by the school has been rejected. Though the school claims that it was contemplating to challenge the aforesaid judgment, till date, the Committee has no information from the school or any other body that any legal proceedings have been initiated to challenge the judgment. In this view of the matter, the issue stands concluded against the school.

So far as the consent of PTA in the matter of fixation of fee is concerned, this issue also stands concluded by the aforesaid judgment of the Delhi High Court and it has been held that the PTAs have no role to play so far as the fixation of fee is concerned. However, that does not prevent the PTA or any parent or any association of parents to make representation to the Committee regarding the

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For Review of School Fee

unjustifiability of the fee hike effected by the school in pursuance of order dated 11/02/2009 issued by the Director of Education.

In order to examine the claim of the school, the Committee vide letter dated 19/01/12, required the school to furnish copies of various financial documents for the years 2006-07 to 2010-11 like its returns under Rule 180 of Delhi School Education Rules 1973, fee statements under Section 17(3), details of salary for the period prior to implementation of VI Pay Commission and post its implementation and the details of arrears of salary paid to the staff on account of retrospective application of VI Pay Commission Report. The required details were furnished by the school under cover of its letter dated January 31, 2012.

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After submission of representation and the relevant details by the school, the Committee received a representation dated 08/02/2012 from one Sh. I.S. Gambhir, purported to be representing an organization by the name of Faith Academy Parents Association (Regd.). In the representation, various alleged financial malpractices indulged in by the school were highlighted and it was requested that the amount allegedly misappropriated by the school be considered as surplus available with it. In the representation, it was alleged as follows:

- (i) The school was collecting compulsory donations from the parents in the name Christian Educational Society and such donations were linked to the admission of the

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students. Photocopies of some donation receipts and the admission fee receipts were enclosed as evidence.

- (ii) The school had also filed a representation before the Grievance Redressal Committee for further enhancement of fee by Rs. 355 per month over and above that permitted vide order dated 11/02/2009 but the representation was rejected by the Committee with the finding that the school had a surplus of Rs. 1,19,65,632 after taking the full impact of VI Pay Commission Recommendations. However, the Committee did not order roll back of fee which had been hiked by the school.
- (iii) The school has been charging development fee unmindful of whether there was any need for that or not. The financial statements of the school do not show as to for what purpose development fee was utilised.
- (iv) The school was having additional Income from fetes, sale of prospectus etc. which were not reflected in the accounts.
- (v) Certain other irregularities were reported like excessive expenditure on housekeeping, repairs and maintenance of building etc.

Preliminary calculations regarding funds available with the school as on 31/03/2008 and the impact of fee hike and salary hike pursuant to implementation of VI Pay Commission report were made

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by the Chartered Accountants detailed with the Committee. The school was issued a notice dated 17/06/2013 for providing it an opportunity of hearing by the Committee on 03/07/2013. Along with the notice, a questionnaire was also issued to the school for eliciting specific replies to the quantum of fee hike, arrears of fee charged, salary hike, arrears of salary paid, development fee charged and utilised, its accounting treatment and maintenance of development fund and depreciation reserve funds. On the date fixed, Mr. S. Robert, Hony. Manager, Mr. M. Kanan, Principal, Mr. Amit Lal, Administrative Officer and Ms. Daisy David, Accountant of the school appeared with Mr. Rakesh Mediratta, CA. They furnished reply to the questionnaire issued by the Committee. Since the calculations were made by the CAs on the basis of the financial statements of the school which were hotly contested by representatives of the parents, the school was advised to give its own calculation sheet to justify its claim for further fee hike. The representatives of the school were also confronted with the representation dated 08/02/2012 made by the parents association and they were provided with a copy of the same for rebuttal, if any. The matter was directed to be relisted on 25/07/2013.

The school filed its calculation sheet regarding funds available with it as on 31/03/2009 vis a vis additional liability for implementation of VI Pay Commission. The school also filed a reply to the representation of the parents association, vide which it objected to

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entertainment of the representation by the parents association and relied upon the judgment of the Hon'ble Delhi High Court in WP(C) 7777 of 2009 vide which it had been held that the schools cannot be at the mercy of the PTAs for making further increase in fee. It was also alleged that the allegations contained in the representation were false and some of the parents who made these allegations were perpetual fee defaulters and therefore, the allegations were motivated.

As noted above, the Committee is of the view that though the consent of parents or their associations is not required for hiking the fee, the parents can legitimately put forth their grievances before the Committee in so far as they impact the availability of funds for the purpose of implementation of VI Pay Commission Report. The school was accordingly advised to respond to the allegations made by the parents, as the reply filed by the school did not specifically deal with the allegations made in the representation. The school sought some time and accordingly the matter was directed to come up for further hearing on 26/08/2013.

The school filed its response to the representation of the parents association on 20/08/2013. On 26/08/2013, which was fixed for hearing, the reply of the school was discussed and the representatives of the school were also heard on the calculations filed by them.

Submissions:

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With regard to the complaint made by the parents association, it was contended by the school that:

- (a) The donations, although received from the parents of the students who were admitted by the school, were not linked to the admissions as the same were voluntarily given by the parents after the admission process was over. That receipt of donations, per se, was not barred by the Delhi School Education Act, 1973 or the rules framed thereunder.
- (b) A total sum of Rs. 2,16,87,603 was collected by the school in the name of the Society running the school upto 2010-11, out of which , a sum of Rs. 70,09,352 was paid back by the Society upto 2010-11. The balance of Rs. 1,56,97,696 was paid by the Society to the school on 22/08/2013 i.e. during the course of hearing before the Committee. It was also contended that the Society had, thus paid back all the donations it had received till 2010-11 to the school.
- (c) The surplus of Rs. 1,19,75,952, as determined by the Grievance Redressal Committee had not been accepted by the school and the school was contesting the same.
- (d) The scholarship amount referred in the representations of the parents also includes the school's obligation towards EWS students. This was only a notional entry as reflected in the schedule T. Therefore, this has no bearing on the parents and the Director of Education, also while dealing

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COMMITTEE
For Review of School Fee

with the complaint of the parents has observed that no action can be taken in this regard.

- (e) The school was taking adhoc fee in view of huge fee defaulters. However, the school has since refunded all the adhoc fee to the parents as directed by the Director of Education.
- (f) The income from fete has been duly reflected in the audited accounts. Buying of prospectus is optional and the charges are only Rs. 25.
- (g) Regarding extra teachers, the management recruits the teachers as per requirement for imparting quality education. The expenditure on housekeeping repairs and maintenance is essential to keep the school neat and clean and to maintain the hygiene.
- (h) The parents who made the complaints are perpetual defaulters and they had not paid any fee for their wards for the past four years and remitted their fee only after the intervention of the Director of Education. In the current year 2013-14 also, they have not paid a single rupee so far. The Committee should direct these defaulting parents to pay the fees of their wards on time.

With regard to the questionnaire issued by the Committee, it was submitted that the school had implemented the VI Pay Commission Report w.e.f. 01/04/2009 and salary arrears for the

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period 01/01/2006 to 31/03/2009 had been paid by the school. The VI Pay Commission was implemented w.e.f. 01/04/2009, the salary for the month of March 2009 i.e. before implementation of VI Pay Commission Report was to the tune of **Rs. 23,17,595** which rose to **Rs. 34,56,736** for the month of April 2009 consequent to implementation of the said report. A total sum (including PF contribution) of **Rs. 1,85,65,680** was payable as arrears for the period 01/01/2006 to 31/08/2008 and a sum of **Rs. 88,01,393** was payable for the period 01/09/2008 to 31/03/2009. Thus the total arrear liability of the school was **Rs. 2,73,67,073**. Out of this, a sum of Rs. 2,09,04,045 was paid in a staggered manner from 2009-10 to 2012-13. The balance of Rs. 64,63,028 was still to be paid. With regard to hike in fee, it was stated that the tuition fee was hiked by Rs. 300 per month w.e.f. 01/09/2008 till 31/03/2010. A total sum of **Rs. 1,20,21,130** was recoverable as arrear fee from 01/01/2006 to 31/03/2009, out of which a sum of Rs. 1,10,13,207 was recovered from 2008-09 to 2012-13 and the balance of Rs. 10,07,923 was still recoverable. The submissions with regard to development fee will be discussed when we discuss the issue of development fee.

As per the calculation sheet filed by the school, the school projected that it had a deficiency of **Rs. 77,84,978** as on 31/03/2009, after taking into account its liabilities for gratuity and leave encashment for which it had taken a group gratuity policy of LIC. It it

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COMMITTEE
For Review of ... Fee

was reflected that the incremental salary to the staff for the year 2009-10 was **Rs. 1,69,01,421** which was worked out as follow:

Salary in 2009-10	Rs. 4,79,88,968
Less in salary in 2008-09	<u>Rs. 3,10,87,547</u>
Difference	<u>Rs. 1,69,01,421</u>

The incremental fee in 2009-10 was reflected as **Rs. 1,77,56,457**, which was calculated in the following manner:

Fee revenue in 2009-10	Rs. 6,96,80,742
Less Fee revenue in 2008-09	<u>Rs. 5,19,24,285</u>
Difference	<u>Rs. 1,77,56,457</u>

Discussion:

The various contentious issues raised by the school are discussed in the following paragraphs:

Re.: Funds available at the threshold

The Committee has perused the calculation sheet filed by the school, projecting an opening deficiency to the tune of Rs. 77,84,978 as on 31/03/2009. The calculation sheet has been checked with reference to the balance sheet of the school as on 31/03/2009. However, while checking the balance sheet as on 31/03/2009, the Committee observed that the school had recovered a sum of Rs. 20,11,600 towards arrear fee during the year 2008-09 itself. This indicates that, contrary to the contention of the school that the fee was hiked only w.e.f. 01/04/2009, the school had in fact made partial

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recovery of arrear fee during 2008-09. In these circumstances, the Committee is of the view that the funds available with the school at the threshold ought to be calculated with reference to the balance sheet of the school as on 31/03/2008 which was the latest balance sheet before the fee hike became effective. The Committee has calculated that the school had **Rs. 5,56,768** available with it as on 31/03/2008, as per details below:

Current Assets		Amount
(a) Balance in saving bank account	1,41,82,503	
(b) Cash in hand	6,913	
(c) Prepaid expenses	4,32,030	
(d) Advance	1,35,000	
(e) Fee receivable	27,690	1,47,84,136

Less Current Liabilities		
(a) Expenses payable	14,09,885	
(b) Caution money	23,97,812	
(c) Fee received in advance	57,18,942	
(d) Security for library books	1,659	
(e) Bus fee received in advance	6,21,390	
(f) Provision for gratuity	40,77,680	1,42,27,368

Net Current Assets (funds available)		5,56,768

This figure has been arrived at after taking into account the provision for accrued liability of gratuity. However, the parents of the students brought to the notice of the Committee that the school was collecting donations which were linked to the admission of new students and such donations were being collected in the name of Christian Education Society which is the Parent body of the school. The school accepted the fact that it was receiving donations from the parents of the students admitted to the school. However, it was

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For Review of School Fee

contended that such donations were voluntarily given by the parents and were not linked to the admissions. The parents had filed before the Committee, copies of receipts issued by the school towards admission fee and receipts issued by the Christian Educational Society in respect of donations, both of which bore the same date. These receipts were confronted to the school which accepted their genuineness but maintained that the admission process is over when the admission list is declared and at the time of declaration of admission list, no donations were received and hence the donations were not linked to the admission.

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The Committee has considered the argument of the school and is of the view that the school is taking a hyper technical view of the matter. The ground realities of the case cannot be overlooked. If the donations are received on the same date on which the admission fee is received, the logical inference is that the donations are linked to the admissions. Donations linked to admission cannot be accepted by the school in view of the settled law on the issue. Further, the school illegally received donations in the name of its parent Society. Rule 172 of the Delhi School Education Rules, 1973 prohibits collection of fee, contributions etc. by the Society running the school. For the sake of immediate reference, the said rule is reproduced below:

"172. Trust or society not to collect fees, etc., schools to grant receipts for fees, etc., collected by it -

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(1) No fee, contribution or other charge shall be collected from any student by the trust or society running any recognized school; whether aided or not.

(2) Every fee, contribution or other charge collected from any student by the recognized school, whether aided or not, shall be collected in its own name and a proper receipt shall be granted by the school for every collection made by it."

The school has itself admitted that it received a total sum of Rs. 2,16,87,603 in the name of the Society running the school. The school also, during the course of hearing, informed the Committee that the Society has since remitted this amount to the school. In this view of the matter, the Committee is of the view that the sum of Rs. 2,16,87,603 ought to be considered as funds available with the school. Therefore, the total funds available with the school were **Rs. 2,22,44,371** (5,56,768 + 2,16,87,603). This will be factored in while making the final determinations.

Re.: Reserve for future contingencies

The Committee has taken a view in case of other schools that the entire funds available with the school should not be considered as available for the purpose of implementation of VI Pay Commission Report and the school ought to retain an amount equivalent to four months' salary in reserve for future contingencies. As contended by the school, the expenditure on salary for the month of April 2009,

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COMMITTEE
For Review of School Fee

after implementation of the VI Pay Commission Report was Rs. 34,56,736. Based on this, four months salary would be **Rs. 1,38,26,944**. This will be duly factored in while making the final determination.

Re.: Reserves to be kept for accrued liabilities of gratuity and leave encashment

The school has a provision of Rs. 1,64,72,863 for gratuity as on 31/03/2010 in its balance sheet on the basis of a group gratuity policy of LIC. Out of this, the Committee has already considered a sum of Rs. 40,77,680 while working out the funds available as on 31/03/2008. The incremental liability of **Rs. 1,23,95,183** will be considered while making the final determinations. Similarly, the accrued liability for leave encashment at **Rs. 19,02,404** as appearing in the balance sheet of the school as on 31/03/2010 will be considered while making the final determinations.

Determinations:

As per the above discussion, the Committee is of the view that the school had a sum of **Rs. 2,22,44,371** as funds available with it. Out of this, the school was required to keep aside the following sums, as per the above discussion:

(a) For gratuity	Rs. 1,23,95,183
(b) For leave encashment	Rs. 19,02,404
(c) For future contingencies	<u>Rs. 1,38,26,944</u>
Total	<u>Rs. 2,81,24,531</u>

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As the requirement of the school for setting aside funds for the above mentioned purposes was more than the funds available, the Committee is of the view that the school did not have any funds available with it for the purpose of implementation of VI Pay Commission Report and therefore, a fee hike was necessary for the said purpose. The issue that remains to be determined is whether the fee hike actually effected by the school was justified or excessive or short of its requirements, as claimed by the school.

So far as arrear fee receivable for the period 01/01/2006 to 31/03/2009 is concerned, the school in reply to the questionnaire worked out the amount as **Rs. 1,20,21,130**. The Committee accepts this figure. The incremental fee of **Rs. 1,77,56,457** during the year 2009-10, as taken by the school, also is in conformity with its audited financials for 2009-10 and 2008-09. The arrear salary for the period 01/01/2006 to 31/03/2009 reflected by the school at Rs. 2,73,67,073 in its reply to the questionnaire as well as in the calculation sheet, however does not correspond to the liability shown by it in its audited balance sheet as on 31/03/2009, where this liability is shown as **Rs. 2,66,76,034**. The Committee prefers the figure as appears in its audited balance sheet over the figure given by the school which derived by calculation and is not backed up by employee wise detail. The incremental salary for the year 2009-10 taken by the school at **Rs. 1,69,01,421** is accepted by the Committee.

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000273

The necessary calculations to determine the justifiability of fee hike for implementation of VI Pay Commission are as follows:

Arrear fee for the period	
01/01/2006 to 31/03/2009	Rs. 1,20,21,130
Incremental fee for the F.Y. 2009-10	<u>Rs. 1,77,56,457</u>
Total	<u>Rs. 2,97,77,587</u>

The total financial impact of implementation of VI Pay Commission on the school was **Rs. 4,35,77,455** as follows:

Arrear salary for the period	
01/01/2006 to 31/03/2009	Rs. 2,66,76,034
Incremental salary for the F.Y. 2009-10	<u>Rs. 1,69,01,421</u>
Total	<u>Rs 4,35,77,455</u>

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Thus, the school was in deficit to the tune of **Rs. 1,37,99,868** after implementation of VI Pay Commission Report. However, as would be apparent from the following discussion regarding development fee, the school utilised a sum of **Rs. 1,55,13,513** out of development fee for meeting its liabilities arising out of implementation of VI Pay Commission Report. It was contended that such utilisation was in accordance with the mandate of order dated 11/02/2009 issued by the Director of Education. If that be so, the school hiked its tuition fee, more than that was required to meet the financial impact of implementation of VI Pay Commission Report to the tune of **Rs. 17,13,645**, which it ought to refund along with interest @ 9% per annum.

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COMMITTEE
For Review of School Fee

Development Fee

000274

In response to the queries raised by the Committee regarding development fee vide the questionnaire issued, the school vide its reply dated July 03, 2013 gave the following details regarding receipt of development fee and its utilisation for the years 2006-07 to 2010-11:

Year	Development fee received	Utilised for capital expenses	Utilised for payment of arrears of VI Pay Commission	Unutilised balance
2006-07	23,08,800	13,25,791		9,83,009
2007-08	25,06,000	22,83,374		12,05,635
2008-09	28,36,900	7,28,352		33,14,183
2009-10	68,37,966	8,46,110	1,23,67,820	(-)30,61,781
2010-11	75,55,943	8,99,302	31,45,693	4,49,167
Total	2,20,45,609	60,82,929	1,55,13,513	

It was further stated that the school was treating the development fee as a revenue receipt and no depreciation reserve fund was maintained in respect of the assets acquired out of development fee and therefore no separate bank account or FDRs or investments had been made for this purpose. It was stated that from 2009-10 onwards, the school was maintaining an asset replacement fund. However, the source of this fund was not the development fee but presumably it was created out of funds received from the Society which had received the donations.

The aforementioned submissions of the school make it clear that the school was not fulfilling any of the pre conditions prescribed by the Duggal Committee which were affirmed by the Hon'ble

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Supreme Court in the case of Modern School vs. Union of India & Ors. (2004) 5 SCC 583. Neither the development fee was treated as a capital receipt, nor was it exclusively utilised for purchase or upgradation of furniture & fixture or equipments. The school has itself claimed that it utilised a sum of Rs. 1,55,13,513 for payment of arrears of salary on account of implementation of VI Pay Commission Report out of development fee. The total development fee received by the school during 2009-10 and 2010-11 i.e. after the issuance of order dated 11/02/2009, was Rs. 1,43,93,909. Thus the entire development fee had been used for implementation of VI Pay Commission Report. A portion of development fee received in the past had also been used for such purpose. The Committee while determining the surplus after implementation of VI Pay Commission has already taken into account, the utilisation of development fee for that purpose. Therefore the Committee is of the view that in so far as the development fee is concerned, the receipts during the years 2009-10 and 2010-11 have already been accounted for and no separate recommendations is required for refund of development fee.

Recommendations:

As determined in the foregoing paragraphs, the school recovered tuition fee/development fee, more than what was required to meet its financial obligations arising out of implementation of VI Pay Commission Report, to the extent of Rs. 17,13,645. Therefore, the claim of the school for allowing it

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to further hike the fee, over and above that was hiked in pursuance of order dated 11/02/2009 issued by the Director of Education, is rejected. On the other hand, the Committee recommends the school ought to refund a sum of Rs. 17,13,645 along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Dr. R.K. Sharma
Member

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated:09/11/2013

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COMMITTEE
For Review of School Fee

Vidya Niketan Public School, Nanak Pura, Moti Bagh, New Delhi-110021

In response to the questionnaire sent by the Committee to the school by email on 27/02/2012, the school vide its reply dated 29/02/2012 stated that it had implemented the recommendations of VI Pay Commission w.e.f. October 2010. However, it had not paid any arrears of salary on account of retrospective application of VI Pay Commission Report. With regard to hike in fee, it was stated that the school had not increased the fee in terms of order dated 11/02/2009 of the Director of Education. Further it had not recovered any arrear fee as envisaged in the said order. On the basis of this reply, the school was placed in Category 'C'. However, as would be apparent from the discussion in the succeeding paragraphs, the school was found to have hiked the fee in terms of the order dated 11/02/2009. Accordingly, it was transferred to Category 'B'.

In order to verify the returns of the school and its reply to the questionnaire, the Committee vide letter dated 27/03/2012, required the school to produce on 03/04/2012, its fee records, books of accounts, bank statements, salary payment register.

On the scheduled date, Sh. S.K. Sharma, Manager of the school attended the office of the Committee and produced its fee records but did not produce its books of accounts.

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COMMITTEE
For Review of School Fee

000278

The records produced by the school were examined by Ms. Sunita Nautiyal, Audit Officer of the Committee and her observations recorded at the time of examination of records in the presence of the representative of the school are that though the school had not increased the tuition fee in accordance with order dated 11/02/2009, nevertheless, it had increased tuition fee in 2009-10 by 10% to 27% for different classes. Further development charges were increased by 33%. The school was directed to produce its books of accounts on 20/04/2012. On this date, the Manager of the school again appeared and produced its full records which were again examined by Ms. Sunita Nautiyal. She observed that the school had implemented the VI Pay Commission Report w.e.f. October 2010 and after such implementation, the financial burden on the school by way of increase salary went up by Rs. 1,16,316 per month. After increase of tuition fee, the school had generated additional funds by Rs. 62,940 per month approximately. She also observed that development fee was charged only at the time of admission. The books of accounts appeared to have been maintained in normal course.

In order to provide an opportunity of being heard by the Committee, the school was issued a notice dated 27/05/2013, to appear before the Committee on 26/06/2013. As the school was found to be charging development fee also, besides tuition fee, a questionnaire eliciting information specifically about receipt of

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For Review of School Fee

development fee, its utilisation and maintenance of development fund and depreciation reserve fund, was issued to the school.

On 26/06/2013, Sh. S.K. Sharma, Manager of the school appeared with Sh. Ashwani Kumar Shrivastava, audit assistant. They filed reply to the questionnaire regarding development fee and were heard by the Committee. It was contended that the school paid salary by account payee cheques and proper deductions for provident fund and TDS were made. However, the school did not produce its cash books, ledgers, bank statements, PF or TDS records. It was contended that since these records had already been checked by the audit officer of the Committee, they thought that they would not be required at the time of hearing. The school sought some time for producing the required records.

A fresh notice of hearing dated 02/09/2013 was issued to the school for hearing on 19/09/2013. On this date, Sh. S.K. Sharma, Manager, appeared with Ms. Vishakha, Accountant of the school. The books of accounts, salary register and provident fund records were produced by them and the same perused by the Committee. During the course of hearing, the representatives of the school fairly conceded that while the fee was hiked w.e.f. 01/04/2009, the VI Pay Commission Report was implemented from October 2010 and that too only partially. With regard to development fee, it was contended that the school treats the development as a revenue receipt and the same is utilised for building repairs & maintenance.

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COMMITTEE
For Review of School Fee

Discussion & Determination:

000280

1. Tuition Fee

As noted above, the audit officer of the Committee found as a matter of fact that the school had implemented the VI Pay Commission Report w.e.f. 01/10/2010 but the representatives of the school conceded during the course of hearing on 19/09/2013 that even w.e.f. 01/10/2010, the VI Pay Commission was only partially implemented, while the school had increased its tuition fee w.e.f. 01/04/2009. In view of the admission of the representatives of the school, the Committee is of the view that the fee hiked by the school from 01/04/2009 to 30/09/2010 was not justified. The school could at best have hiked the fee by 10%. The actual fee hiked by the school was as follows:

Class	Monthly Tuition fee in 2008-09 (Rs.)	Monthly Tuition Fee in 2009-10 (Rs.)	Monthly Increase in 2009-10 (Rs.)	Percentage increase	Excess fee charged monthly
Nursery & KG	1000	1150	150	15.00%	50
I to IV	900		250	27.77%	160
V to VI	950		200	21.05%	105
VII	1000		150	15.00%	50
VIII	1000	1220	220	22.00%	120
IX to X	1100		120	10.90%	0

The fee hiked in 2009-10 in excess of 10%, as shown in the last column of the above table, ought to be refunded along with interest @ 9% per annum.

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Further, the fee hike effected by the school for the period 01/04/2010 to 30/09/2010, which the Committee finds unjustified was as follows:

Class	Monthly Tuition fee in 2009-10 after excluding amount refundable (Rs.)	Monthly Tuition Fee in 2010-11 (Rs.)	Monthly Increase in 2010-11 (Rs.)	Percentage increase	Excess fee charged monthly
Nursery & KG	1100	1350	250	22.72%	140
I to IV	990	1350	360	36.36%	261
V	1045	1350	305	29.19%	200
VI	1045	1400	355	33.97%	250
VII	1100	1400	300	27.27%	190
VIII	1100	1400	300	27.27%	190
IX to X	1220	1400	180	14.75%	58

The fee hiked in 2010-11 in excess of 10%, as shown in the last column of the above table, for the period 01/04/2010 to 30/09/2010, ought to be refunded along with interest @ 9% per annum.

Development Fee

As discussed above, the school itself contended that it was treating development fee as revenue receipt and also utilizing the same for building repair and maintenance, which is a revenue expense. The Committee is of the view that the school was not fulfilling any of the pre conditions prescribed by the Duggal Committee for charging development fee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of

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India & ors. (2004) 5 SCC 583. While the school had been charging fee since 2006-07, the Committee is required to consider the fee charged in pursuance of order dated 11/02/2009 issued by the Director of Education. Hence, the Committee can only recommend refund of the development fee charged in 2009-10 and 2010-11. As per the written submission of the school dated 26/06/2013, the school charged a sum of Rs. 2,85,110 as development fee in 2009-10 and Rs. 4,06,500 in 2010-11. The Committee is of the view that the school ought to refund these sums along with interest @ 9% per annum.

Recommendations:

In view of the foregoing discussions, the Committee is of the view that the school ought to refund the excess tuition charged from 01/04/2009 to 30/09/2010 as mentioned hereinbefore along with interest @ 9% per annum. The school ought also to refund the development fee of Rs. 2,85,110 recovered in 2009-10 and Rs. 4,06,500 recovered in 2010-11 along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Sd/-

Sd/-

Dr. R.K. Sharma
Member

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 09/11/2013

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Secretary



000283

Shaheed Bishan Singh Memorial Senior Secondary School,

Manasarover Garden, New Delhi - 110 015

297
The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'A' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education and had also implemented the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

With a view to provide an opportunity of hearing to the school vide notice dated 18.07.2013, it was requested to appear before the Committee on 01.08.2013, for hearing, along with its fee and accounting records.

On the scheduled date, Shri Tarun Kumar Sharma, TGT, Shri Sudhir Kumar, PGT and Ms. Amarjeet Kaur, Accountant of the school appeared before the Committee for hearing. It was admitted by them that the report of 6th Pay Commission had not been implemented but the fee was increased w.e.f. 2009-10, in terms of the order of the

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Director of Education dated 11.02.2009. They also presented reply to the questionnaire, regarding development fee. According to the reply, the school did not charge the development fee from the students.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
Pre-Primary	615	815	200
I	670	885	215
II-V	685	885	200
VI-VIII	770	970	200
IX-X	850	1050	200
XI-XII	960	1160	200

It is evident from the above that the school had hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, but the report of the 6th Pay Commission had not been implemented. Without implementing the recommendations of the 6th Pay Commission, the School was not entitled to utilize the aforesaid order of the Director of Education for raising the fee.

Since, the school did not implement the report of 6th Pay Commission, but, increased the fee in terms of order of the Director of Education, dated 11.02.2009, the Committee is of the

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view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 04-10-2013

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Secretary



St. Sophia's Sr. Sec. School, Paschim Vihar, New Delhi - 63

280
The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had also implemented the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

With a view to provide an opportunity of hearing to the school vide notice dated 18.07.2013, it was requested to appear before the Committee on 01.08.2013, for hearing, along with its fee and accounting records.

On the scheduled date, Shri Madan Mohan Dubey, PGT of the school appeared before the Committee for hearing. It was pointed out by him that the school, in its reply to the questionnaire had already stated, that the report of 6th Pay Commission had been implemented partially w.e.f. May, 2011; but, the fee had been increased w.e.f. April, 2009, in terms of the order of the Director of Education dated

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000287

11.02.2009. On that date, the school representative did not file any reply to the questionnaire of the Committee regarding development fee and sought time to file the same. On 06.08.2013 the school submitted its reply to the questionnaire on development fee. According to the reply, the school had not charged the development fee from the students.

The Committee has perused the record and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I -III	500	600	100
IV-V	550	850	300
VI-VIII	645	945	300
IX	650	1050	400
X	650	950	300
XI & XII Science	800	1450/1500	650/700
XI & XII Commerce with Computer	770	1170	400
XI & XII Commerce without Computer	770	970	200

It is evident from the record that the school had hiked the fee, not only in terms of the order dated 11.02.2009 of the Director of Education, but also in excess thereof for many classes. Even according to the claim of the school it had partially implemented the recommendations of the 6th Pay Commission w.e.f. May 2011. Without

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fully implementing the recommendations of the 6th Pay Commission, the School was not entitled to utilize the aforesaid order of the Director of Education for raising the fee.

Thus, the claim of the school that the report of the 6th. Pay Commission has been implemented partially, is of no avail to the school for increasing the fee. Since, the school has increased the fee, not only in terms of the order of the Director of Education dated 11.02.2009, but also in excess of the tolerance limit of 10% in respect of various classes the Committee is of the view that the hike in fee in 2009-10, which were made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 04-10-2013

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Secretary



Abhinav Model School, Dilshad Garden, Delhi - 110 095

280

The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education and had also implemented the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

With a view to provide an opportunity of hearing to the school vide notice dated 18.07.2013; it was requested to appear before the Committee on 01.08.2013 for hearing, along with its fee and accounting records.

On the scheduled date, Shri Sanjeev Sharma, Principal and Shri Rakesh, C.A., of the school appeared before the Committee for hearing. They presented reply of the school to the questionnaire. According to the reply, the school had implemented the report of 6th Pay Commission w.e.f. December, 2008, but the salary according to the 6th Pay Commission was paid in January, 2009. Besides presenting the reply it was submitted by the representatives of the

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

school that the fee was hiked but not to the maximum extent permissible by the order of the Director of Education dated 11.02.2009. It was also pointed out that the school had not charged development fee from the students. It was also contended by them that, only basic pay and grade pay were paid to the staff, without deducting any TDS from the salaries.

The Committee has examined the record and submissions of the school representatives. As per the record, the school had hiked the fee in the year 2009-2010 as indicated in the following table:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
Nursery	360	450	90
K.G.	380	460	80
I	370	480	110
II	400	480	80
III	400	500	100
IV	410	500	90
V	420	510	90
VI	420	520	100
VII	430	520	90
VIII	430	530	100

It is evident from the above that the school had increased the fee to the maximum extent, in terms of the order of the Director of Education dated 11.02.2009 for classes I, III, VI and VIII and for the remaining classes the fee was increased much in excess of the

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tolerance limit of 10% without fully implementing the report of the 6th Pay Commission. Partial implementation of the 6th Pay Commission as claimed by the school does not entitle the school to avail of the order of the Director of Education dated 11.02.2009.

Since, the school did not implement the report of the 6th Pay Commission fully, its claim to have implemented the report partially for taking advantage of the aforesaid order of the Director of Education for raising the fee, cannot be accepted. Therefore, the Committee is of the view that the hike in fee in 2009-10, which were made in excess of the tolerance limit of 10%, was unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 04-10-2013

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Secretary



Sonia Public School, Durgapuri Extn., Delhi - 110 093

29 ✓
The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education and had also implemented the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

With a view to providing an opportunity of hearing to the school vide notice dated 18.07.2013, it was requested to appear before the Committee on 08.08.2013, for hearing, along with its fee and accounting records.

On the scheduled date, Shri R.V. Sharma, the Manager of the school appeared before the Committee. The Manager submitted that:
(i) the school had implemented the report of 6th Pay Commission partially;
(ii) only basic pay, grade pay, part of DA and TA as per revised scales are being paid to the teachers;

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

(iii) the school had hiked the fee from Rs.400 to Rs.550 - 580 per month for different classes, in 2009-10;

(iv) the school did not charge any development fee; and

(v) the school could not implement the report of the 6th Pay Commission fully due to paucity of resources.

The Committee has perused the record and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I-V	400	550	150
VI-VIII	400	580	180

It is evident from the record that the school had hiked the fee, beyond the limit prescribed by the order of the Director of Education dated 11.02.2009. It was admitted by the school that it had partially implemented the recommendations of the 6th Pay Commission. This being so, without fully implementing the recommendations of the 6th Pay Commission, the School was not entitled to utilize the aforesaid order of the Director of Education for raising the fee.

Thus, the claim of the school that the report of the 6th. Pay Commission has been implemented partially, is of no avail to the school for increasing the fee. Since the school has increased the

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fee, not only, in excess to the order of the Director of Education dated 11.02.2009, but also beyond the tolerance limit of 10%, the Committee is of the view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 04-10-2013

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Muni Mayaram Jain Public School, Pitampura, Delhi - 110 088

25

The school had not replied to the questionnaire sent by the Committee by email on 27.02.2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director, District North West-B of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had hiked the fee in terms of the order dated 11.02.2009 of the Director of Education and had also implemented the 6th Pay Commission. Accordingly, it was placed in Category 'B'. However, while reviewing the pending cases, it appeared to the Committee that the claim of the school that it had implemented the 6th Pay Commission report was doubtful. Therefore, it was directed vide notice dated 09.05.2013, to produce its fee, salary and accounting records and also to submit reply to the questionnaire on 06.06.2013.

In response to the notice, Shri Surender Kumar Jain, C.A., and Shri Rohan Lal Jain, President of the Society appeared before the Committee and produced the required records. Reply to questionnaire was also filed. The reply made it clear that the school had not implemented the 6th Pay Commission. With regard to hike in tuition fee in pursuance of order dated 11.02.2009 of the Director of

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Education, it was non-committal as it stated that it had not hiked the fee in pursuance of the aforesaid order but had hiked it by 20% from 01.04.2009. With regard to development fee, it stated that it had charged the same for all the five years for which information was sought (Amount charged in 2009-10 was Rs.2,64,465 and in 2010-11, it was Rs.2,66,300). It was further stated that the same was treated as a Revenue receipt and no Development Fund or Depreciation Reserve Fund were maintained by it. The details of utilisation of development fee also showed that instead of spending it for purchase/upgradation of furniture and fixtures or equipments, it was being spent for routine revenue expenses.

25. The records produced by the school were examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed that the school had hiked the fee by Rs.90 p.m. for pre-primary and primary, Rs.100 p.m. for classes I to VIII and by Rs.200 p.m. for classes IX to X in 2009-10 which was an increase of 20%. With regard to payments of salaries, the Audit Officer observed that salary to the staff had been paid on pre-revised scale. Only basic pay, HRA and DA were paid, which were also not as per Government rules. The school had three bank accounts but salary to the staff had been paid in cash.

In order to provide an opportunity of hearing to the school, vide notice dated 27.06.2013, the school was directed to appear before the

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Committee on 24.07.2013, along with its fee, salary and accounting records.

257

On the scheduled date, Shri N.C. Jain, Manager appeared with Shri Sulekh Chand Jain, General Secretary and Shri S.K. Jain, Auditor of the school . They filed written submissions and were also heard by the Committee. The representatives of the school contended that the school was not in position to implement the 6th Pay Commission report due to inadequacy of funds. It was further contended that, no doubt the school had hiked the fee to the maximum extent permitted vide order dated 11.02.2009 of the Director of Education, but the same was only incidental as the school did not hike any fee from 2006-07 to 2008-09. The school filed a chart showing the fee structure from 2006-07 to 2010-11 in support of its contention. The representatives of the school, however admitted that the development fee charged had been treated as Revenue receipts and had been utilized for revenue expenditures.

The Committee has examined the returns of the school, its reply to the questionnaire, the observations of the Audit Officer and the submissions made by the school representatives, during the course of hearing. Though the school hiked the tuition fee to the maximum extent permitted by the Director of Education without implementing the 6th Pay Commission and the hike works out to much more than the tolerance limit of 10% if

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viewed in isolation for one year i.e. 2009-10, no refund is being recommended by the Committee in view of the fact that the fee remained static in 2006-07, 2007-08 and 2008-09.

208
However, with regard to development fee, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. in as much as the Development Fee is not being treated as a Capital receipt, it is not being used for acquiring/upgrading furniture or fixtures or equipments, no Development Fund or Depreciation Reserve Fund are being maintained. Therefore, the charge of development fee was not in accordance with law and the same charged in the years 2009-10 (Rs.2,64,465) and 2010-11 (Rs.2,66,300) ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated : 29-09-2013

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Ostel Public School, Bhajanpura, Delhi - 110053

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school filed under rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director of Education, District, NorthEast. On preliminary examination of the returns, it appeared that the school had hiked the fee, and had implemented the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

In order to verify the returns of the school, it was directed vide notice dated 09.05.2013, to produce its fee and salary records and also to submit reply to the questionnaire on 10.06.2013.

Mrs.Veer Bala, Manager and Sh.S.K.Sharma, Accountant appeared on the scheduled date. Reply to the aforesaid questionnaire was also filed. According to the reply, the school had neither implemented the 6th Pay Commission nor had hiked the fee. The school had also not charged development fee from the students.

The records produced by the school were examined in the first instance by Shri A.D.Bhateja, Audit Officer of the Committee. He observed to the effect as under: -

- (i) the school had hiked fee in 2009-10, by Rs.60/- to Rs.150/-, that is within the range of 25% to 43%,

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- (ii) the school had hiked the fee in 2010-11 by Rs.55/- for all classes that is within the range of 10% to 17%,
- (iii) salary to the staff during 2009-10 paid according to pre-revised scale during 2009-10, and
- (iv) during 2010-11, the school claimed to have implemented the 6th Pay Commission, but not according to recommendations of the Pay Commission.

In order to provide an opportunity of hearing to the school, vide notice dated 24/06/2013, the school was directed to appear before the Committee on 10.07.2013, along with its fee and accounting records.

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On the appointed date of hearing, Mrs. Veer Bala, Manager, Sh. S.K.Sharma, Accountant and Sh. B.P.Sharma, Member of the society, appeared before the Committee. According to them: -

- (i) the school representatives contended that the school had not implemented the recommendations of the 6th Pay Commission,
- (ii) the school had hiked fee between 25% to 43% during 2009-10, but was not much in terms of quantum,
- (iii) the school had been operating on very low fee structure, and
- (iv) the school had not charged development fee from the students.

The Committee has examined the record of the school, observations of the Audit Officer and the submission made by the school representatives at the time of hearing. The school had hiked the fee in the following manner: -

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Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10
I	240	300	60
II	240	300	60
III	260	350	90
IV	280	350	70
V	300	400	100
VI	300	400	100
VII	350	500	150
VIII	400	500	100

From the above, it follows that the school had hiked the fee beyond the tolerance limit of 10% even though it had not implemented the recommendations of the 6th Pay Commission.

In the circumstances, therefore, the Committee is of the view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee affected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

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

Dated:- 23.10.2013

Sd/-

**J.S. Kochar
Member**

Sd/-

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

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Mother's Convent School, Mandawali, Fazalpur, Delhi - 110 092

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school filed under rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director of Education, District North East. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11-02-2009 and has also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

In order to verify the returns of the school, it was directed vide notice dated 13.05.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 11.06.2012.

On schedule date, Shri Kumar Rahul, Manager of the school appeared and produced the records. Reply to the aforesaid questionnaire was also filed. As per the reply to the questionnaire, the school had neither implemented the recommendations of the 6th Pay Commission, nor increased the fee in accordance with the order of the Director of Education dated 11.02.2009.

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The records produced by the school were examined in the first instance by Shri A.K. Batra, Audit Officer of the Committee. His observations were that: -

- (i) the school has hiked the fee by Rs.100/- per month, ranging from 17.8% to 19.6% for all the classes,
- (ii) during the year 2010-11, the school has hiked fee within the range of 10% and
- (iii) the benefit of 6th Pay Commission has not been extended to the staff.

In order to provide an opportunity of hearing to the school, vide notice dated 24.06.2013, the school was directed to appear before the Committee on 10.07.2013, along with its fee and accounting records.

On the appointed date of hearing, Shri Kumar Rahul, Manager, Shri R.D. Kardam, Account Assistant and Shri Kumar Sudipi, Accountant of the school appeared before the Committee. The representatives of the school contended that the school had not implemented the 6th Pay Commission and had also not increased fee in accordance with the order of the Director of Education dated 11.02.2009. It was also submitted that the school did not charge any development fee.

The Committee has examined the records, observations of the Audit Officer and the submissions of the school representatives. As per records, the school has hiked the fee in the following manner: -

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Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10
I & II	510	610	100
III to V	540	640	100
VI to VIII	560	660	100

It is evident from above that the school had hiked fee in excess of the tolerance limit of 10% in 2009-10, but, not in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the report of 6th Pay Commission.

The Committee is of the view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Recommended accordingly.

Sd/-

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

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Dated: 14.10.2013

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Secretary



Bal Mandir Public School, Kailash Nagar, Delhi-110031

The school had not submitted reply to the questionnaire dated 27/02/2012 issued by the Committee. However, copies of the returns filed by the school under Rule 180 of Delhi School Education Rules, 1973 were received through the Dy. Director of Education, East District. On preliminary examination of such returns, it appeared that the school had implemented the VI Pay Commission Report and for that purpose had also hiked the fee in terms of order dated 11/02/2009 issued by the Director of Education. Accordingly, the school was placed in Category 'B'.

In order to verify the factum of implementation of the VI Pay Commission Report, the Committee vide letter dated 14/05/2013, required the school to produce on 27/05/2013, its salary records, books of accounts, bank statements, provident fund returns and TDS returns, besides producing its fee records. The Committee also required the school to submit reply to the questionnaire issued by it.

On the scheduled date, Mrs. Sangeeta Suri, Principal of the school appeared. The required records were produced which were examined by Sh. N.S. Batra, Audit Officer of the Committee. Reply to the questionnaire was also filed as per which the school stated that it had implemented the VI Pay Commission Report w.e.f. March 2009 and by way of evidence, it filed statement of salary for the month of February 2009 and March 2009. It was mentioned that the school had

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

not paid any arrears of salary for the period prior to March 2009 on account of paucity of funds. With regard to hike in fee, it submitted that it had not increased the fee in terms of order dated 11/02/2009 issued by the Director of Education nor had it recovered any arrear fee. With regard to development fee, the school stated that it had started charging the same only w.e.f. 2010-11.

Sh. N.S. Batra, Audit Officer of the Committee examined the fee, salary and accounting records of the school and observed that contrary to the averment in its reply to the questionnaire, the school had hiked the fee in 2009-10 to the maximum extent permitted by the order dated 11/02/2009 issued by the Director of Education. The hike was between Rs. 200 per month and Rs. 300 per month for different classes which, when measured in percentage terms, was a hike of between 21% and 27.2%. Further in 2010-11 also, the school had hiked fee @ Rs. 200 per month for all the classes, which resulted in an increase to the order of 14.2% to 17.3% for different classes. As per his observations, the fee hike in 2009-10 and 2010-11 was as follows:

Class	Fee in 2008-09	Fee in 2009-10			Fee in 2010-11		
	Amount	Amount	Increase	%age increase	Amount	Increase	%age increase
VI-VIII	950	1150	200	21.05	1350	200	17.39
IX	1025	1300	275	26.83	1500	200	15.38
X	1100	1400	300	27.27	1600	200	14.28

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COMMITTEE
For Review of School Fee

With regard to implementation of VI Pay Commission, his observation was that the same had been implemented w.e.f. March 2009. The salary was paid by cheques as well as in cash. It was also observed that TDS was being deducted from the salary.

In order to give an opportunity to the school to justify the fee hike effected by it for implementation of VI Pay Commission Report, the Committee issued a notice dated 24/06/2013 for hearing on 10/07/2013. On this date, Smt. Sangeeta Suri, Principal of the school appeared with Sh. Yogesh Kumar Member of Managing Committee, along with the fee, salary and accounting records of the school. They were heard by the Committee and the records produced by them were also examined.

307
During the course of hearing, it was contended by the representatives of the school that VI Pay Commission had been implemented w.e.f. 01/04/2009. However, the back arrears were not paid to the staff. The school hiked the fee to the extent permitted vide order dated 11/02/2009 issued by the Director of Education but no arrear fee was collected. The Committee examined the fee receipts produced by the school and observed that in the year 2009-10, besides tuition fee, the school also charged examination fee @ Rs. 1200 per annum. However, this fee was not reflected in the fee schedule filed by the school. It was contended that this was charged only in 2009-10 to partially meet the salary hike on account of implementation of VI Pay Commission Report. Thus effectively, the

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school hiked the tuition fee by a further amount of Rs. 100 per month, which takes the hike in fee beyond the level permitted by the aforesaid order dated 11/02/2009.

On perusal of the salary payable account for the year 2009-10, the Committee observed that the school was differentiating between various staff members, so far as mode of payment was concerned. Out of a total of about 25 staff members, only 8 to 10 staff members were being paid salary by bank transfer. The remaining staff members were paid salary in cash. The ratio of payment by bank transfer and by cash was almost 50:50. The representatives of the school had no explanation to offer as to why all the staff members could not be paid salary by bank transfer. Further examination of TDS records produced by the school showed that TDS was being deducted only in case of a couple of staff members. The TDS returns were filed by the school for financial years 2009-10 and 2010-11 only on 23/05/2013 i.e. after receipt of notice from the Committee. Although the school claimed to have implemented the VI Pay Commission Report w.e.f. 01/04/2009, the provident fund returns of the school did not show any hike in salary. It was submitted that the school was deducting provident fund on a maximum amount of Rs. 6,500 per month for all the staff members.

For all the above reasons, the Committee is not convinced of the claim of the school that it had implemented the VI Pay Commission Report in respect of all the staff members. It appears that some of the

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

staff members, who were paid salary by bank transfer in respect of which TDS was also deducted, were paid salaries as per the recommendations of VI Pay Commission while the remaining staff members who were paid salary in cash and in whose cases, TDS was also not deducted, the implementation of VI Pay Commission was shown only in papers. However, the matter requires an in depth verification.

The Committee, therefore, recommends special inspection to be carried out by the Director of Education, particularly to examine the fact whether VI Pay Commission Report had been implemented by the school in respect of all the staff members. Further the Committee recommends that the examination fee recovered by the school which had not been reflected in the fee statement filed under section 17(3) ought to be refunded along with interest @ 9% per annum as the same is illegally charged.

Recommended accordingly.

Development fee:

With regard to development fee, the school in its reply to the questionnaire stated that development fee is being charged w.e.f. 2010-11 only. During that year, a total sum of Rs. 4,64,400 was collected as development fee out of which a sum of Rs. 2,14,348 was utilised on purchase of fire fighting equipments. It was also mentioned that the development fee is treated as a capital receipt. However, no

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earmarked bank account for FDRs or investments were maintained for parking unutilised development fund and depreciation reserve fund on the assets acquired out of development fee.

The contentions of the school have been examined with reference to the audited financials of the school. **However, since the school is not fulfilling all the pre conditions laid down by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583, the Committee is of the view that the development fee charged by the school was not proper and ought to be refunded along with interest @ 9% per annum.**

Recommended accordingly.

310

Sd/-

Dr. R.K. Sharma
Member

Sd/-

CA J.S. Kochar
Member

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 28/10/2013

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Bhandari Modern Public School, Brahmpuri, Delhi - 110 053

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. On preliminary examination of the records, it appeared that the school had hiked the fee in accordance with the order of the Director of Education dated 11.02.2009 and had also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

In order to verify the returns of the school, it was directed vide notice dated 09.05.2013, to produce its fee and salary records and also to submit reply to the questionnaire on 03.06.2013.

311
On the scheduled date, Shri Rajinder Kumar, Principal of the school appeared and produced the required records. Reply to questionnaire was also filed. According to the reply, the school had not hiked the fee and had also not implemented the recommendations of the 6th Pay Commission.

The records produced by the school initially were examined by Shri A.K. Batra, Audit Officer of the Committee. His observations were that the school had hiked the fee in 2009-10 by Rs.100/- per month i.e. by 30.7%, in accordance with the order dated 11.02.2009

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of the Director of Education. The school had also hiked the fee in 2010-11 by 10.5%. The Audit Officer also noted that the school has not implemented the recommendations of the 6th Pay Commission.

In order to provide an opportunity of hearing to the school, vide notice dated 17.06.2013, the school was directed to appear before the Committee on 05.07.2013 along with its fee and accounting records.

On the appointed date of hearing, Shri Rajinder Kumar, Headmaster with Shri Kapil Upadhaya, Accountant appeared before the Committee. They were heard.

312
During the course of hearing, it was contended by the school representatives that the school had increased the fee in 2009-10 by Rs.100/- per month, which was the maximum hike permitted by order of the Director of Education dated 11.02.2009. However, the recommendations of the 6th Pay Commission could not be implemented on account of paucity of funds. It was also contended that the school did not charge development fee.

The Committee has examined the returns of the school, its reply to the questionnaire, the observations of the Audit Officer and the submissions made by the school representatives, during the course of hearing. From the record, it is apparent that the school had hiked the fee in 2009-10 by Rs.100/- raising it from Rs.325/- to Rs.425/- for all

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classes to the maximum permissible limit in terms of order of the Director of Education dated 11-02-2009. But the school was not entitled to utilize the aforesaid order of the Director of Education as it had not implemented the report of 6th Pay Commission.

In view of the foregoing facts, the Committee is of the view that the fee hiked by the school w.e.f. April 2009 was not justified as the school had not implemented the recommendations of the VI Pay Commission Report. Therefore, the fees increased by the school, in excess of 10%, w.e.f. 01.04.2009, ought to be refunded along with interest @ 9% per annum.

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

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

DR. R.K.Sharma
Member

Sd/-

J.S.Kochar
Member

Dated: 10.10.2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000314

Arwachin Bharti Bhawan Sr. Sec. School,

Balbir Nagar, Shahdara, Delhi - 110 032

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. On preliminary examination of the records, it appeared that the school had hiked the fee in accordance with the order of the Director of Education dated 11.02.2009 and had also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

In order to verify the returns of the school, it was directed vide notice dated 14.05.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 28.05.2012.

On the scheduled date, Shri Brijpal Sharma, from the school appeared and produced the records. Reply to questionnaire was also filed. According to the reply, the school had not hiked the fee but had implemented the recommendations of the 6th Pay Commission w.e.f. September, 2010 except arrears were not paid to the teachers.

The records produced by the school in the first instance were examined by Shri A.K. Batra, Audit Officer of the Committee. He has observed that the school was recognized as Government aided school

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

from class I to X. However, the senior secondary classes i.e. XI and XII are running without government aid. The Audit Officer has also recorded that the school in 2009-10, had hiked the fee for senior secondary classes by Rs.180/- per month that was in the range of 21.9%. During the year 2010-11, the school had further hiked the fee by Rs.100/- per month which was nearly in the range of 10%. The school had also charged development fee from the students. Regarding implementation of the recommendations of the 6th Pay Commission, the Audit Officer has recorded that they were not fully implemented by the school as the allowances such as HRA, Transport Allowance and the DA are not being paid to the staff.

In order to provide an opportunity of hearing to the school, vide notice dated 24.06.2013, the school was directed to appear before the Committee on 10.07.2013 along with its fee and accounting records.

On the appointed date of hearing, Shri Brijpal Sharma, Head clerk with Shri Vijay Sharma, LDC of the school appeared before the Committee. They were heard. The records of the school were also examined.

During the course of hearing, it was contended by the school representatives that the school, from class I to X was running as government aided school and only classes XI and XII are functioning as unaided. The representatives confirmed that the observations of

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the Audit Officer dated 28.05.2013 were correct. Regarding development fee, it was contended that the same was charged per student per annum as per below: -

<u>Year</u>	<u>Rate</u>
(i). 2006-07 to 2008-09	Rs.400/-
(ii). 2009-10	Rs.1000/-
(iii). 2010-11	Rs.1500/-

It was admitted that the depreciation reserve fund was not being maintained.

The Committee has examined the returns of the school, its reply to the questionnaire, the observations of the Audit Officer and the submissions made by the school representatives, during the course of hearing.

316 The school had hiked the fee in 2009-10, for all classes by raising it from Rs.820/- to Rs.1000/- per month and has not implemented the recommendations of the 6th Pay Commission. The school has also charged development fee.

In the circumstances, the Committee is of the view that the fee hiked by the school w.e.f. April 2009 was not justified as the school had not implemented the recommendations of the VI Pay Commission. Therefore, the fees increased, in excess of 10%,

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000317

w.e.f. 01.04.2009, ought to be refunded along with interest @ 9% per annum. Since the fee hiked in 2009-10 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2009-10 ought also to be refunded along with interest @9% per annum.

With regard to development fee, the Committee finds that the school was charging the same without complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the charge of development fee during 2009-10 and 2010-11 was not in accordance with law and ought to be refunded along with interest @ 9% per annum.

217
Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Sd/-

J.S. Kochar
Member

Dated: 10-10-2013

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✓
Secretary



G.C. Public School, New Ashok Nagar, Delhi - 110 096

The school had not replied to the questionnaire sent by the Committee by email on 27.02.2012. However, a few statements purported to be the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director, District East of the Directorate of Education on 24.05.2012. The Committee, vide its letter dt. 25.05.2012 advised the school to submit its complete returns. In reply, the school submitted voluminous statements and in the covering letter dt. 14.06.2012, it stated as follows:

- (a) The school had increased the fee consequent to the order of the Director of Education.
- (b) The school had implemented the 6th Pay Commission report we.f. 01.01.2006

318

Accordingly, the school was placed in Category 'B'. However, while reviewing the pending cases of this category, it appeared to the Committee that the claim of the school regarding implementation of the 6th Pay Commission was doubtful. Therefore, vide notice dated 13.05.2013, the school was directed to produce its fee salary and accounting records and also to submit reply to the questionnaire on 05.06.2013.

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In response to the notice, Shri Rahul Sharma, Manager appeared before the Committee. Reply to questionnaire was also filed. As per this reply, the school changed its earlier stand of having implemented the 6th Pay Commission report w.e.f. 01.01.2006. It now stated that the same was implemented from April, 2009. Surprisingly, the school now stated that it had not increased the fee in terms of order dated 11.02.2009 of the Director of Education contrary to its earlier letter dt. 14.06.2012. With regard to development fee, the school stated that it did not charge any development fee from the students.

319
The records produced by the school were examined by Shri N.S. Batra, Audit Officer of the Committee. He observed that the school had increased the fee by Rs.70/- for all classes during 2009-10 in terms of order dated 11-02-2009 of the Director of Education. He further observed that the school had not implemented the report of 6th Pay Commission in totality. Only basic pay and grade pay were being paid to the staff and other allowances like HRA, DA and TA are not paid as recommended by the 6th Pay Commission.

In order to provide an opportunity of hearing to the school, vide notice dated 17.06.2013, the school was directed to appear before the Committee on 05.07.2013, along with its fee, salary and accounting records.

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000320

On the scheduled date, Shri Rahul Sharma, Manager of the school appeared with Ms. Reena Sharma, TGT before the Committee. They were heard. It was contended by the representatives of the school that the monthly fee had been increased by about Rs.70/- per month in 2009-10. Fee for classes I to V it was raised from Rs.300/- to Rs.370/-, while that for classes VI to VIII it was increased from Rs.350/- to Rs.420/- per month. It was also contended that the school had partly implemented the report of 6th Pay Commission w.e.f. April, 2009. When confronted with the total expenditure on salaries in 2008-09 and 2009-10, which showed a marginal increase of about 10%, the representatives contended that this was on account of a number of teachers remaining on leave. Salaries as well as arrears are stated to be paid in cash.

320

The Committee has examined the returns of the school, its reply to the questionnaire, the observations of the Audit Officer and the submissions made by the school representatives, during the course of hearing. In view of the flip flops of the school with regard to hike in fee and implementation of the 6th Pay Commission report and the admitted fact that the salary as well as arrears of salary were paid in cash and the fact that the total expenditure on salary as reflected in the financials of the school reflected a marginal increase of just about 10%, the Committee is of the view that its claim of having implemented the 6th Pay Commission report, even partially, can only be taken with a pinch

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COMMITTEE
For Review of School Fee

of salt. The usual explanation offered by many schools that after implementation of 6th Pay Commission, there was absenteeism amongst the staff and this resulted in lower salaries being paid, has been offered by this school also. The Committee rejects this application and is of the view that while the school took advantage of the order dt. 11.02.2009 issued by the Director of Education, it did not implement the 6th Pay Commission report for which purpose the schools were allowed to hike the fee in the first place. Looking at the level of fee in 2008-09, the hike in fee was 20% to 23% which was much in excess of the tolerance limit of 10%. The same was unjustified. In view of the Committee, the school would have been justified in hiking the fee only to the extent of 10%. The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @ 9% per annum. However, as the school did not hike any fee in 2010-11, the refund may relate to only the fee hike effected in 2009-10.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh. (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated : 09/09/2013

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Nehru Academy, Vasishta Park, New Delhi - 110 046

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school under rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director of Education, District South West-'B'. On preliminary examination of the records, it appeared that the school had hiked the fee and has also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

222
In order to verify the returns of the school, it was directed; vide notice dated 16.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 27.07.2012.

Mrs. Rajni R. Pratap, Manager and Mrs. Kavita Sharma, HM of the school, appeared on the scheduled date. Reply to the aforesaid questionnaire was also filed. According to that the school had neither implemented the recommendations of the 6th Pay Commission, nor had hiked the fee.

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The records produced by the school were examined in the first instance by Shri A.K. Bhalla, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the tuition fee within the range of less than 10% in 2009-10 and 2010-11 and the school had also not implemented the report of the 6th Pay Commission.
- (ii) it emerged from the school records that the school was disbursing salaries to the staff as per the 5th Pay Commission, as well as on consolidated, basis and
- (iii) the school increased the salary of the staff w.e.f. 01-04-2009, but not according to the 6th Pay Commission Report.

In order to provide an opportunity of hearing to the school, vide notice dated .04/06/2013, the school was directed to appear before the Committee on 27.06.2013, along with its fee and accounting records.

On the appointed date of hearing, Mrs. Rajni R. Pratap, Manager and Mrs. Kavita Sharma, HM of the school, appeared before the Committee. The school representatives contended that 6th Pay Commission had not been implemented and the fee was hiked nominally, in 2009-10 and 2010-11. It was also contended that the development fee had been inadvertently mentioned in the fee schedule. Actually it was an annual activity charge, which was recorded as such in the books of accounts.

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2


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000324

The Committee has examined the record of the school, observations of the Audit Officer and the submission made by the school representatives at the time of hearing. The school had hiked the fee in the following manner: -

Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10
I	460	510	50
II	480	530	50
III	500	550	50
IV	530	580	50
V	540	595	55
VI	560	615	55
VII	580	640	60
VIII	580	640	60

324
In view of above, the school had not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and the same was increased within the tolerance limit of 10%. We do not agree with the contention of the persons representing the school that the development fee had been inadvertently mentioned in the fee schedule and actually it is annual activity charge. The explanation of the school is an afterthought. The school in fact had charged development fee @ Rs.450/- to Rs.500/- in 2009-10 and @ Rs.500/- to Rs.550/- in 2010-11 per student for different classes in addition to the annual fee.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000325

The Committee is of the view that no intervention is called for so far as the issue of fee hike is concerned as the school has not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and hike is within the tolerance limit of 10%.

As regards the development fee, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee for charging the same, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the school ought to refund the development fee charged from the students during 2009-10 and 2010-11, in pursuance to the order of the Director of Education dated 11.02.2009, along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh(Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 14-10-2013

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Secretary



Perfect Foundation School, Palam Colony, New Delhi-110045

The Committee, vide its letter dated 14/02/2012, required the school to furnish copies of fee statements, details of salary paid to the staff prior to implementation of VI Pay Commission as well as after its implementation, statement indicating fee hike in terms of order dated 11/02/2009 issued by the Director of Education, besides certain other information. The school, under cover of its letter dated 23/02/2012, submitted the required information and stated that VI Pay Commission had been partially implemented w.e.f. January 2010, in as much as only the basic pay had been revised as per the VI Pay Commission report. The salary for the month of December 2009 aggregated to Rs. 2,08,762 while that for the month of January 2010 aggregated to Rs. 2,46,238. The fee hike effected by the school w.e.f. 01/04/2009 for different classes was as follows:

Class	Fee in 2008-09 (Rs.)	Fee in 2009-10 (Rs.)	Increase in 2009-10	
			(Rs.)	% age
I	350	430	80	22.85%
II	365	455	90	24.66%
III	410	500	90	21.95%
IV	425	525	100	23.53%
V	450	550	100	22.22%
VI	500	600	100	20.00%
VII	540	700	160	29.63%
VIII	570	750	180	31.58%

Based on the submissions of the school, the school was placed in Category 'B'.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000327

While reviewing the status of pending cases, the Committee noticed that the school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012 to all the schools, which was followed by a reminder dated 27/03/2012. In order to have pointed replies to the specific queries as per the questionnaire, the Committee vide its letter dated 31/01/2013 required the school to submit its reply thereto. The school submitted its reply vide letter dated 07/02/2013, giving virtually the same information as was furnished vide its earlier letter dated 23/02/2012.

3.7
In order to provide an opportunity of being heard by the Committee, the school was issued a notice dated 02/09/2013, to appear before the Committee on 19/09/2013. As the school was found to have charged development fee also, besides tuition fee, a questionnaire eliciting information specifically about receipt of development fee, its utilisation and maintenance of development fund and depreciation reserve fund, was issued to the school.

On the date of hearing, Ms. Neelam Sunil, Headmistress/Manager of the school appeared with Mr. Surjeet Singh, Accountant. They filed a comparative chart showing the fee charged by the school from 2006-07 to 2010-11 and also reply to the questionnaire regarding development fee.

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Submissions:

000328

It was contended by the representatives of the school that the school had not at any time in the past increased the fee which was in excess of 10%. However, in 2009-10, the school had to hike the fee ranging between 22.86% and 31.58% for different classes on account of the partial implementation of VI Pay Commission recommendations. It was further contended that despite the fee hike, the school did not have sufficient resources to fully implement the VI Pay Commission Report.

Discussion & Determination:

1. Tuition Fee

3-2-6
It is an admitted position that the school partially implemented the recommendations of the VI Pay Commission and that too partially w.e.f. 01/01/2010. However, the fee hike effected by it, as per the schools own submissions, was between 22.86% and 31.58% w.e.f. 01/04/2009. There was absolutely no justification in hiking the fee for the period 01/04/2009 to 31/12/2009. For the remaining period of the year 2009-10 i.e. 01/01/2010 to 31/03/2010, the fee hike appears to be justified in view of the hike in salary bill of the school after partial implementation of VI Pay Commission Report.

Hence the Committee is of the view that the fee hike effected by the school for the period 01/04/2009 to 31/12/2009 in excess of 10% was not justified and ought to be refunded along with interest @ 9%

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ANIL DEV SINGH
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For Review of School Fee

per annum. In view of the increase in salary bill after partial implementation of VI Pay Commission Report w.e.f. 01/01/2010, the Committee is not inclined to recommend the refund of any part of fee for the subsequent years.

2. Development Fee

3. The school vide its reply dated 19/09/2013, to the questionnaire issued by the Committee regarding development fee, submitted that it was charging development fee from 2006-07 to 2010-11 and on this count, it had collected a total sum of Rs. 3,43,775. This amount included development fee of Rs. 75,600 charged in 2009-10 and Rs. 66,100 charged in 2010-11. It was further stated that the development fee had utilised for purchasing fixed assets and for payment of deficit in payment of salary to school. It was also stated that it has been treated as a capital receipt in its books. However, with regard to maintenance of a depreciation reserve fund account, the school maintained a studied silence.

The Committee has perused the balance sheets of the school and observes that the school has not utilised the entire development fee for permitted purposes i.e. purchase and upgradation of furniture, fixture and equipments. In 2009-10, the additions to fixed assets were just Rs. 61,677, while amount shown as utilised is Rs. 1,37,257. In 2010-11, the amount received as development fee was Rs. 66,100 and an unspent amount of Rs. 35,053 was brought forward from the previous year while the amount utilised was just Rs. 27,515 leaving

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COMMITTEE
For Review of School Fee

an unspent balance of Rs. 73,638. This amount was not parked in a separate account. Further perusal of the balance sheets shows that the school was not maintaining any depreciation reserve fund account.

The Committee is of the view that the development fee charged by the school is not in accordance with the recommendations of the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School & Union of India & ors. (2004) 5 SCC 583. Therefore the Committee is of the view that the school ought to refund the development fee charged in 2009-10 and 2010-11 along with interest @ 9% per annum.

Recommendations:

In view of the foregoing discussion and determination, the school ought to refund the tuition fee hiked by it in excess of 10% for the period 01/04/2009 to 31/12/2009 along with interest @ 9% per annum. Further, the development fee collected by the school amounting to Rs. 75,600 in 2009-10 and Rs. 66,100 in 2010-11, ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.
Sd/-

Dr. R.K. Sharma
Member

CA J.S. Kochar
Member

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dated: 09/11/2013

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Bal Vaishali Public School, Harkesh Nagar, New Delhi-110 020

3-1
The school did not reply to the questionnaire sent by the Committee on 27.02.2012. On preliminary examination of the records, it appeared that the school had hiked the fee in accordance with the order of the Director of Education dated 11.02.2009 and had also implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'B'.

In order to provide an opportunity of hearing to the school, vide notice dated 04.06.2013, the school was directed to appear before the Committee on 26.06.2013 along with its fee and accounting records.

On the appointed date of hearing, Shri O.P. Bhardwaj, Manager, Shri S.K. Sharma, Accountant and Shri A.N. Jha, teacher of the school appeared before the Committee. They were heard.

It was fairly conceded by the school that it had hiked the fee by Rs.100/- per month in 2009-10, in accordance with the order of the Director of Education dated 11.02.2009, but it did not recover any arrears. On the issue of implementation of recommendations of the 6th Pay Commission, the school stated that it was nominally

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

implemented in 2010-11, in as much as only the basic salary was increased. It was admitted that the allowances as per the recommendations of the 6th Pay Commission were not paid. It was also stated by the representatives of the school that the school did not charge any development fee.

The Committee has examined the records and the submissions of the school representatives. As per records, the school has not charged development fee but it hiked the fee in the following manner: -

Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10
I & II	275	375	100
III to V	330	430	100
VI to VIII	360	460	100

It is evident from the above that the school had hiked fee by utilizing the order of the Director of Education dated 11.02.2009 in excess of the tolerance limit of 10% in 2009-10. But the school was not entitled to invite the aforesaid order of Director of Education as it had not implemented the recommendations of the 6th Pay Commission.

The claim of the school that the recommendations of the 6th Pay Commission have been implemented partially is of no avail to the school for increasing the fee.

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000333

Since the school has increased the fee in terms of order of the Director of Education dated 11.02.2009, the Committee is of the view that the hike in fee in 2009-10, which was made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

DR. R.K. Sharma
DR. R.K. Sharma
Member

J.S. Kochar
J.S. Kochar
Member

Dated: 10.10.2013

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Secretary

J. Anil Dev Singh
10.10.2013
JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000334

Titiksha Modern Public School, West Karawal Nagar, Delhi - 110 094

334
The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school under rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director of Education, District North East. On preliminary examination of the records, it appeared that the school had not hiked the fee and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed; vide notice dated 10.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 19.07.2012. No one on behalf of the school attended the Office of the Committee on 19.07.2012. The office of the committee received a letter on 27.07.2012 from the H.M. of school, requesting for another date for the verification of records. The school was directed to produce records on 13.08.2012.

Mrs. Anjana Budhiraja, H.M. of the school, appeared on the scheduled date. Reply to the aforesaid questionnaire was also filed. According to it the school had neither implemented the recommendations of the 6th Pay Commission nor had hiked the fee.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000335

The records produced by the school were examined in the first instance by Shri A.K. Vijn, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the tuition fee within the range of 10.34% to 20% in 2009-10 and by 10.48% to 17.93% in 2010-11,
- (ii) the school had not implemented the report of the 6th Pay Commission, and
- (iii) the school had charged development fee from the students.

335
In order to provide an opportunity of hearing to the school, vide notice dated 23/09/2013, the school was directed to appear before the Committee on 04.10.2013, along with its fee and accounting records.

On the appointed date of hearing, Sh. Harvinder Kumar, Manager, Mrs. Anjana Bhardwaj, H.M. and Mr. Vineet Batra, Account Consultant of the school, appeared before the Committee. The school representatives submitted that the recommendations of the 6th Pay Commission were implemented by the school and the fee was hiked in 2009-10 and 2010-11, though more than 10%, but nominal in absolute terms. It was also contended that the school had charged development fee in 2008-09 and 2009-10. The development fee had been treated as revenue receipt and had been utilized for the payment of the salaries.

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Regarding Tuition Fee: -

000336

The Committee has examined the record of the school, observations of the Audit Officer and the submission made by the school representatives at the time of hearing. The school had hiked the fee in the following manner: -

Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10
I	320	380	60
II	320	400	80
III	340	400	60
IV	340	420	80
V	362	430	68
VI	392	444	52
VII	416	464	48
VIII	446	504	58

In view of above, the school had not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and the same was increased marginally in excess of the tolerance limit of 10%. The school had not implemented the recommendations of the 6th Pay Commission.

In view of the aforesaid facts, the Committee is of the view that no intervention is called for in so far as the issue of hike in fee is concerned as the school has not increased the fee in terms of order of the Director of Education dated 11.02.2009 and hike is marginally in excess of the tolerance limit of 10%.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Regarding Development Fee: -

000337

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

<u>Year</u>	<u>Development Fee charged</u>
2008-09	Rs.1,27,200.00
2009-10	Rs.1,50,800.00

337
In view of the forgoing, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee for charging the development fee which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the development fee amounting to Rs.1,50,800.00 charged by the school during 2009-10, in pursuance of the order of the Director of Education dated 11.02.2009, ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh(Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 28-10-2013

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Secretary



000338

Akash Model School, Nithari Extn., Nangloi - 110 086

3rd -
The school had not submitted its reply to the questionnaire sent by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'B' of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had not hiked the fee, in terms of the order dated 11.02.2009 of the Director of Education and had also not implemented the recommendation of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 04.07.2012 to produce its fee and salary records and also to submit reply to the questionnaire on 12.07.2012. The Manager of the school requested for some more time to submit the record. On the request of the Manager, the school was directed to appear on 30-07-2012 for the verification of records.

On 30-07-2012, the Manager of the school appeared, but, did not produce bank pass books and other financial records. It also failed to furnish any details of fee structure. He requested for fixation of another date for the verification of records of the school. Keeping in

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

view the request, the school was directed to produce the records on 06-08-2012.

On 06-08-2012, Shri A.S. Rana, Chairman of the school appeared before the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had implemented the recommendations of the 6th Pay commission from March, 2010, but had not hiked the fee in terms of the order dated 11.02.2009 of the Director of Education.

3-9
The records, produced by the school were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the school had claimed to have implemented the report of the 6th Pay Commission w.e.f. March, 2010, but was not making the payment of the salary, in terms of recommendations of 6th Pay Commission. The school had not paid arrears of salary to the staff and had also not recovered the fee arrears from the students. The Audit Officer had further reported that the school did not hike fee in 2009-10, but, fee was hiked in 2010-11 in terms of order dated 11.02.2009 of the Director of Education. The Audit Officer also noted that the school received aid from the society during 2010-11 in cash and salary to the staff had also been paid in cash.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, it was directed to appear before the

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Secretary



Committee on 24.08.2013, along with its fee and accounting records.

On 24.08.2013, no one appeared before the Committee.

However, the Office of the Committee had received a letter dated 21-08-2013 from the school, stating that the school had produced all documents at the time of verification and nothing more was to be added in this matter. Since no one appeared on behalf of the school, the Committee has decided to take decision on the basis of documents available on record of the Committee.

On examination of the returns filed by the school under Rule 180 of DSER, 1973, it has been noticed that the school had hiked the fee in the following manner:-

Classes	Tuition Fee charged in 2008-09	Tuition Fee charged in 2009-10	Tuition Fee Increase in 2009-10	Tuition Fee charged in 2010-11	Increase in Tuition Fee in 2010-11
Pre-school to Pre-primary	300	300	Nil	400	100
I to V	400	400	Nil	500	100
VI to VIII	500	500	Nil	600	100
IX to X	600	600	Nil	800	200

The school had not increased tuition fee in 2009-10, but in 2010-11, unjustifiable hike in fee in terms of the order dated 11.02.2009 of the Director of Education during 2010-11, even though the school had not implemented the 6th Pay Commission report.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000341

As far as the development fund is concerned, it appears from the records that the school had not charged any development fee.

Since the school did not implement the report of the 6th Pay Commission, but, had increased the fee, the Committee is of the view that the hike in fee in 2010-11, which were made in excess of the tolerance limit of 10%, was unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee affected by the school in 2010-11, in excess of 10%, ought to be refunded by the school along with interest @9% per annum to the students.

24/ Since the fee hiked in 2010-11 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2010-11 ought also to be refunded along with interest @9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

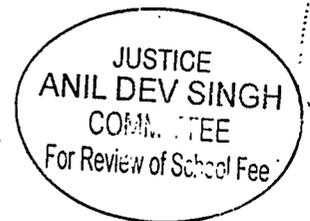
Sd/-

Dr. R.K. Sharma
Member

Dated: 20-09-2013

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Secretary



Bhagat Vihar Public School, Karawal Nagar, Delhi - 110 094

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North-East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

342
In order to verify the returns of the school, it was directed, vide notice dated 05.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 16.07.2012. No one attended the office of the committee on 16.07.2012. The school was again directed vide notice dated 06.08.2012 to produce its record on 22.08.2012.

On 22.08.2012, Manager of the school presented a letter requesting for one more opportunity to produce record. On the request of the school, it was directed to produce record on 10.09.2012.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000343

On the schedule date, Shri Satish Kumar, Manager of the school appeared and produced the requisite records. Reply to questionnaire was also filed. According to the reply, the school had hiked the fee w.e.f. April 2009, and had implemented report of 6th Pay Commission w.e.f. April, 2011.

3²³
The records produced by the school in the first instance were examined by Shri N.S. Batra, Audit Officer of the Committee. His observations were that the school, in 2009-10, had hiked the fee in terms of order of the Director of Education dated 11.02.2009 and had claimed to have implemented the report of 6th Pay Commission w.e.f. 01-04-2011. The school did not produce salary register for 2011-12, therefore the claim of the school, to have implemented the report of 6th Pay Commission, could not be verified. The school was provided one more opportunity to produce the salary records and bank statements on 18-09-2012.

Shri Satish Kumar, Manager appeared on 18-09-2012 and produced the salary records. The Audit Officer examined the records and recorded that the school, though had claimed to have implemented the report of 6th Pay Commission, yet its full benefit had not been extended to the teaching and non-teaching staff, as DA was paid @12% against the approved rate of 51% and HRA and TA was paid on pre-revised rates.

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2

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000344

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013, the school was directed to appear before the Committee on 24.08.2013 along with its fee and accounting records.

On the appointed date of hearing, Shri Satish Kumar, Manager along with Shri Vasudev Sharma, Accountant of the school appeared before the Committee. During the course of hearing, the school representatives filed statement of fee charged by the school during 2009-10. Reply to questionnaire regarding development fee was also submitted. According to that the school had not charged development fee from the students. The representatives of the school contended that the 6TH.Pay Commission had not been implemented and the salary to the staff had been slightly increased on ad-hoc basis in 2011-12.

The Committee has perused the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I to V	550	650	100
VI to VIII	600	700	100

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

It is evident from the above that the school had hiked the fee, though, not in terms of the order of the Director of Education, dated 11.02.2009, yet, in excess of the tolerance limit of 10%, despite the fact that it has failed to implement the report of the 6th Pay Commission.

In view of the foregoing facts, the Committee is of the view that the fee hiked by the school w.e.f. April 2009 was not justified as the school had not implemented the recommendations of VI Pay Commission. Therefore, the fees increased, in excess of 10%, w.e.f. 01.04.2009, ought to be refunded along with interest @ 9% per annum.

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

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

DR. R.K.Sharma
Member

Sd/-

J.S.Kochar
Member

Dated: 10.10.2013

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Secretary



000346

New Convent Model Sec. School, Tukhmir Pur, Delhi - 94

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North-East of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notices dated 16.07.2012 and 23.07.2012, to produce its fee and salary records and also to submit reply to the aforesaid questionnaire on 09.08.2012.

On the scheduled date, Shri Ashwini Sharma, Vice-Principal of the school appeared before the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had neither implemented the recommendations of the 6th Pay commission nor had hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

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The records, produced by the school were examined in the first instance by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the school has not implemented the report of 6th Pay Commission and salary had been disbursed in cash as per norms of 5th Pay Commission. The Audit Officer further recorded that in 2009-10, the school had hiked fee within the tolerance limit of 10%, but in 2010-11 the hike in fee was effected in terms of the order of the Director of Education dated 11.02.2009.

In order to provide an opportunity of hearing to the school, vide notice dated 24.05.2013, it was directed to appear before the Committee on 04.06.2013, along with its fee and accounting records. On 04.06.2013, no one appeared before the Committee for hearing. The notice of hearing had been delivered to the school on 30.05.2013 as confirmed from India Post Tracking System.

In view of the absence of the school despite service, the Committee considers it appropriate to take a view in the matter on the basis of observations of the Audit Officer and records available with it. As per the record the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10	Tuition Fee in 2010-11	Increase in Tuition fee 2010-11
I to V	800	850	50	1000	150
VI to VIII	850	900	50	1100	200
IX to X	950	1000	50	1200	200

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000348

It is evident from the above that in the year 2009-10 the school had hiked the fee within the tolerance limit of 10% but in the year 2010-11 the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 without implementing the recommendations of the 6th Pay Commission.

The Committee is of the view that the hike in fee in 2010-11, which was made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2010-11 in excess of 10% ought to be refunded along with interest @9% per annum.

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

[Signature]
J.S. Kochar
Member

[Signature]
Dr. R.K. Sharma
Member

Dated:- 23.10.2013

I agree
[Signature]
23.10.2013

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[Signature]
Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Gyan Deep Vidya Mandir Public School,**Kair, Najafgarh New Delhi - 110 043**

3/2
The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school filed under Rule 180 of the Delhi Education Rules, 1973, were received from the Office of the Deputy Director of Education, District South West-'B'. On preliminary examination of the returns, it appeared that the school had not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 13.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 24.07.2012. No one attended the office of the Committee on the aforesaid date. The school was again directed vide notice dated 06.08.2012 to produce its record on 23.08.2012. Sh. Vishnu Dutt, Member M.C. attended the Office of the Committee on the schedule date and produced a letter dated 23.08.2012, requesting for some more time to produce record. On the request of the school, it was directed to produce record on 03.09.2012. On that date, Sh. Vishnu Dutt, Member M.C. again produced a letter dated 03.09.2012, requesting for further time to

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

produce the record. The school was given another opportunity to produce record on 06.09.2012.

On the schedule date, Shri Vishnu Dutt, Member M.C., of the school appeared and produced the requisite records. Reply to questionnaire was also filed. According to the reply, the school had hiked the fee w.e.f. April 2009 and had implemented the recommendations of the 6th Pay Commission w.e.f. September, 2009.

The records produced by the school, in the first instance, were examined by Shri N.S. Batra, Audit Officer of the Committee. His observations were that the school in 2009-10, had hiked the fee in terms of order of the Director of Education dated 11.02.2009 and had implemented the report of 6th Pay Commission. He also noted that the school had also charged development fee from the students.

In order to provide an opportunity of hearing to the school, vide notice dated 27.05.2013, the school was directed to appear before the Committee on 17.06.2013 along with its fee and accounting records.

On the appointed date of hearing, Shri Vishnu Dutt, Member M.C. of the school appeared before the Committee.

During the course of hearing, it was contended by the representative of the school that the school had not implemented the

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recommendations of the 6th Pay Commission and the salary to the staff had been paid commensurate with the fee that was collected. Since he had not brought the salary register, bank statements, cash book, ledger and reply to questionnaire regarding development fee, he was asked to produce the same on 05.07.2013. Both times, he conceded that report not implemented then why asked to bring books.

On 01.08.2013, Sh. Vishnu Dutt, Member M.C. again appeared. He conceded that the recommendations of the 6th Pay Commission had not been implemented by the school. Only basic pay as per the report of 6th Pay Commission had been paid to the staff. Reply to the questionnaire regarding development fee was also submitted. According to the reply the school had received an amount of Rs.2,79,695/- as development fee during 2010-11. That had been recorded as revenue receipt and separate depreciation reserve fund, was not being maintained by the school.

The Committee has examined the record, observations of the audit officers and has considered the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I	360	460	100
II	380	480	100
III	390	490	100
IV	400	500	100

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V	420	520	100
VI	480	580	100
VII	500	600	100
VIII	550	650	100
IX	750	850	100
X	800	1000	200

It is evident from the above record that the school had hiked the fee in terms of the order of the Director of Education, dated 11.02.2009 for all classes except for class VIII and IX, where the hike had been less than the said order, but in excess of the tolerable limit of 10%. We also find that the school had not implemented the recommendations of the 6th Pay Commission. The school had also charged development fee from the students without creating an earmarked Development Fund.

In view of the foregoing, the Committee is of the view that the fee hiked by the school w.e.f. April 2009 was not justified as the school had not implemented the recommendations of the VI Pay Commission Report. Therefore, the fees increased, in excess of 10%, w.e.f. 01.04.2009 ought to be refunded along with interest @ 9% per annum.

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

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000353

With regard to development fee, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, development fee collected by school to the tune of Rs.2,79,695/- during 2010-11 in pursuance of order of the Director of Education dated 11.02.2009 ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K. Sharma
Member

Sd/-

J.S. Kochhar
Member

Dated: 14.10.2013

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Secretary



Sant Nirankari Public School, Avtar Enclave,

Paschim Vihar, New Delhi -110 063

354
The school did not reply to the questionnaire issued by the Committee on 27.02.2012. On preliminary examination of the records, it appeared that the school had neither hiked the fee in accordance with the order of the Director of Education dated 11.02.2009 nor had implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 13.7.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 24.07.2012.

On the scheduled date, Mrs. Meenakshi Chugh, Headmistress of the school appeared and produced the requisite records. Reply to aforesaid questionnaire was also filed. According to the reply, the school without hiking the fee, had implemented the recommendations of the 6th Pay Commission w.e.f. June, 2012, but had not paid the arrears.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The records produced by the school were examined in the first instance by Shri N.S.Batra, Audit Officer of the Committee. He observed as follows: -

- (i) there was no hike in fee during the year 2008-09 and 2009-10 but during 2010-11, there was a marginal hike,
- (ii) the school was charging activity fee at the rate of Rs.500/- per month from the students, which was introduced from the academic session 2008-09,
- (iii) the activity fee should be considered as part of tuition fee, and
- (iv) the school had also charged development fee from the students.

3-5
The Committee on perusal of the returns of the school under Rule 180 of the Delhi School Education Rules, 1973, reply to the questionnaire, copies of documents and the observations of the Audit Officer, was of the view that the issue of monthly activity charges at the rate of Rs.500/- per month, which appeared to have been introduced by the school w.e.f. 2009-10, as per Income and Expenditure Account, needs to be re-examined by the Audit Officer to determine as to from which date, the new levy was introduced by the school. It was also decided to call for the fee structure for 2012-13 and Pay Bills for the months of May, 2012 and June, 2012 to examine the pre and post implementation status of implementation of 6th Pay Commission.

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COMMITTEE
For Review of School Fee

The Audit Officer of the Committee again examined the records and reported that the new levy on account of activity charges at the rate of Rs.500/- per annum had been introduced in 2008-09. The school had also introduced other charges and computer fee @ Rs.200/- to Rs.500/- per month in the year 2009-10 in addition to the activity charges.

350
It was further reported, by the Audit Officer, that the school, had charged, development fee under the head of Building Fund in the financial records of the school. The development fee and annual charges were taken to Boys Fund, in the books of accounts of the school. The receipt in respect of annual charges and development fund had not been shown, either, in the Income and Expenditure Accounts or in the Receipt and Payment Accounts for any of the years, by the school. The school was not maintaining Depreciation Reserve Fund. The 6th Pay Commission had been implemented w.e.f. June, 2012.

In order to provide an opportunity of hearing to the school, vide notice dated 27.05.2013, the school was directed to appear before the Committee on 19.06.2013, along with its fee and accounting records.

On the appointed date of hearing, Mrs. Meenakshi Chugh, Headmistress of the school with Shri Sanjeev Kumar, LDC of the

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COMMITTEE
For Review of School Fee

school appeared before the Committee. They were heard. The records of the school were also examined.

During the course of hearing, the school representative admitted that the recommendation of the 6th Pay Commission had been implemented w.e.f. June, 2012. In reply to the questionnaire, dated 17.06.2013, the school had admitted that it was charging development fee. The representatives of the school also confirmed the observations of the Audit Officer as mentioned above.

CONCLUSION : -

Regarding Fee Hike

The Committee has examined the records of the school. As per records, the school had hiked the fee in the following manner: -

Class	Tuition fee (including activity fee) in 2008-09	Tuition fee (including activity fee) in 2009-10	Increase in Tuition fee (including activity fee) in 2009-10
Pre-primary	825	925	100
I	825	975	150
II	825	975	150
III	825	1075	250
IV	825	1075	250
V	825	1175	350
VI	925	1175	250
VII	925	1225	300
VIII	925	1225	300

From the above, it is clear that the school had hiked the tuition fee to the maximum extent permitted by the Director of Education

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w.e.f. 2009-10, without implementing the recommendations of the 6th Pay Commission and the hike works out to much more than the tolerance limit of 10%.

Therefore, the fee hiked w.e.f. April, 2009, in excess of 10% ought to be refunded along with interest @9% per annum.

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

Regarding Development Fee

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

<u>Year</u>	<u>Development Fee charged</u>
2006-07	2, 65,300.00
2007-08	90,100.00
2008-09	1, 83,400.00
2009-10	1, 59,500.00
2010-11	4, 70,650.00

It is not denied that the school had charged Development fee from the students without creation of the Development Fund and Depreciation Reserve Fund. The Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which conditions were

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For Review of School Fee

affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. The development fee charged by the school to the tune of Rs. 6, 30,150.00 during 2009-10 and 2010-11, in pursuance of the order of the Director of Education dated 11.02.2002, was not in accordance with law and ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.


DR. R.K. Sharma
Member


J.S. Kochhar
Member

Dated: - 25-10-2013

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25/10/2013

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Education Point Convent School, Vikas Nagar, New Delhi - 59

The school had not submitted its reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendation of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notices dated 13.07.2012 and 31.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire but both the letters were received back as undelivered with the postal remarks that the school was found locked on both the occasions.

The Audit Officer of the Committee on 19-09-2012 contacted the school and tried to know the correct postal address of the school. Ms. Charu, receptionist of the school on phone, refused to tell the postal address of the school. The Audit Officer contacted the Manager of the school over phone number-9891582025, who finally confirmed the correct postal address of the school. He was also informed to appear

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before the Committee for the verification of records on 03-10-2012 on phone and through a letter dt.19-09-2012 as well.

On the scheduled date viz 03-10-2012, Mr. Vinod Jain, part-time accountant of the school attended the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had implemented the recommendations of the 6th. Pay commission w.e.f. April, 2010 and had hiked the fee w.e.f. April, 2009. It was claimed that the school did not collect arrears of tuition fee from the students and had also not paid the same to the staff.

The records, produced by the school were examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed that the school has hiked the tuition fee during 2009-10 by Rs.90/- to Rs.190/- i.e. 18.36% to 34.50% and during 2010-11, within permissible limit of 10%.

361 The Audit Officer of the Committee also recorded that: (i) the school had not paid full salary before and after the claim of implementation of 6th Pay Commission; (ii) the school had collected fee in cash and salary was also paid in cash; and (iii) the school did not maintain any bank account.

In order to provide an opportunity of hearing to the school, vide notice dated 27.05.2013, it was directed to appear before the Committee on 19.06.2013 along with its fee and accounting records.

On 19.06.2013, no one appeared before the Committee on behalf of the school, despite the fact that the notice of hearing had

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COMMITTEE
For Review of School Fee

been delivered to the school on 31.05.2013, as confirmed from India Post Tracking System.

In the circumstances the Committee considers it appropriate to record its recommendations on the basis of observations of the Audit Officer and records available with it.

The Committee has examined the returns filed by the school under Rule 180 of DSER, 1973 and the observations of the Audit Officer of the Committee.

As per records, the school has hiked the fee in 2009-10 in the following manner:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I to III	440	530	90
IV to VI	490	580	90
VII and VIII	550	740	190

It is evident from the above that the school had increased the fee w.e.f. 2009-10, in excess of the tolerable limit of 10%.

The claim of the school that the report of the 6th Pay Commission has been implemented is not correct as the staff has not been paid arrears of fee. Partial implementation is of no avail to the school to justify the fee hike. Since the school has increased the fee, almost in terms of the order of the Director of Education dated 11.02.2009, and in excess of the tolerance to limit of 10% for all classes, the Committee is of the view that the hike in fee in the year 2009-10, which was made in excess of the tolerance

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

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

[Signature]
J.S. Kochar
Member

[Signature]
Dr. R.K. Sharma
Member

363
Dated 4/10/13

[Signature]
4/10/2013

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[Signature]
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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000364

C-310

S. Jassa Singh Ramgarhia Public School,

Chand Nagar, New Delhi - 110 018

The school had not submitted its reply to the questionnaire sent by the Committee on 27/02/2012. However, the returns of the school under rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West 'A' of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had not hiked the fee, in terms of the order dt.11.02.2009 of the Directorate of Education. Accordingly, the school was placed in Category 'C'.

In order to verify the returns, the school, vide letter dt.19.07.2012 was directed to produce its fee, salary and accounting records and also to submit reply to the questionnaire on 06.08.2012.

On the scheduled date, Shri Harmahender Singh, Manager of the school appeared and produced the records of the school. Reply to the questionnaire was also filed, as per which the school claimed to have partially implemented the recommendation of the 6th Pay Commission

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COMMITTEE
For Review of School Fee

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w.e.f. April, 2012. It was also claimed that the school had not hiked the fee as per order dt. 11.02.2009 of the Director of Education.

The records produced were examined by Shri N.S. Batra, Audit Officer of the Committee. His observations were that the school had increased tuition fee by Rs.45 to Rs.65 per month in 2009-10 and Rs.50 to Rs.75 per month in 2010-11 which was within 10%. The Audit Officer also observed that the school was charging development fee without creating Depreciation Reserve Fund.

365
In order to provide an opportunity of being heard, notice of hearing dated 27-05-2013, was issued to the school, with the directions to appear before the Committee on 26.06.2013. A questionnaire regarding development fee was also issued.

On the scheduled date, S. Jarnail Singh, Chairman, Shri H.S. Kohli, Manager and S. Daljit Singh, Vice-Chairman of the school appeared before the Committee. They submitted reply to the questionnaire regarding development fee. As per the reply, the school had charged development fee in all the years from the 2006-07 to 2010-11. The charge on this account was Rs.63,780 in 2009-10 and Rs.68,165 in 2010-11. Development fee was treated as a Revenue receipt by the school and it was also stated that the expenditure out of such fee was

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COMMITTEE
For Review of School Fee

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not incurred for any particular purpose. It was also stated that the school did not maintain any Depreciation Reserve Fund. It was also contended that the school hiked the tuition fee in 2009-10 and 2010-11 only to the extent of 10%.

The Committee has examined the returns of the school, its reply to the two questionnaires, the observations of the Audit Officer and the submissions made by its representatives, during the course of hearing.

The Committee is of the view that in so far as Tuition fee is concerned, no intervention is called for since the fee hike effected by the school was within the tolerance limit of 10%.

66
Re.: Development Fee

As already noticed, the school has collected the development fee as per details below:

Year	Amount
2006-07	Rs.40,146-00
2007-08	Rs.52,385-00
2008-09	Rs.55,790-00
2009-10	Rs.63,780-00
2010-11	Rs.68,165-00

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The Committee is of the view that as the school is not complying with any of the preconditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors., the school ought to refund the Development Fee of Rs.63,780 charged in 2009-10 and Rs.68,165 charged in 2010-11 , along with interest @9% per annum.

Recommended accordingly.

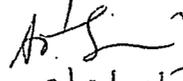

CA J.S. Kochar
Member


Dr. R.K. Sharma
Member

Dated : 09/09/2013

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I agree

9/9/2013

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000368

Adarsh Jain Dharmic Shiksha Sadan, Najafgarh, New Delhi-110043

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South West-'B' of the Directorate of Education. On examination of the returns, it prima-facie appeared that the school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 19.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 06.08.2012. The office of the committee received a letter dated 06.08.2012 from the Manager of the school requesting for some more time to produce the school records. The school was directed to produce its records on 23.08.2012.

On the schedule date, Shri Sunil Kumar Jain, Manager and Sh. Anil Kumar Jain, Secretary of the school appeared before the Committee

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COMMITTEE
For Review of School Fee

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and produced the records for verification. Reply to the questionnaire was also presented by him. According to the reply, the school had neither implemented the recommendations of the 6th Pay commission, nor had hiked the fee in 2009-10, in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the fee in 2009-10 by 13.15 % to 25 % for different classes,
- (ii) the school had not collected arrears of tuition fee from the students;
- (iii) the school had not implemented the report of 6th Pay Commission, and
- (iv) the salary had been paid on pre-revised scale.

In order to provide an opportunity of hearing to the school, vide notice dated 23.09.2013, it was directed to appear before the Committee on 08.10.2013, along with its fee and accounting records.

On 08.10.2013, Shri Vipin Jain, Member of the Management Committee of the school appeared before the Committee for hearing. He

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presented reply to the questionnaire regarding Development Fee. As per the reply, the school did not charge Development Fee. It was stated by Mr. Jain that recommendations of 6th.Pay Commission had not been implemented by the school. The school had hiked fee in 2009-10 marginally in excess to 10%.

The Committee has examined the record, observations of the audit officer and the submissions made on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I-II	380	430	50
III	380	450	70
IV-V	410	470	60
VI	450	520	70
VII	470	550	70
VIII	500	600	100
IX-X	660	800	120
XI-XII	900	1100	200

It is evident from the above that the school had increased the fee w.e.f. 2009-10, in terms of order of the Director of Education dated 11.02.2009 for classes VIII, XI and XII. For other classes, the hike was not in terms of the said order but surely it was in excess of the tolerance limit of 10%. It was not open to the school to utilize the aforesaid order

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of the Director of Education to hike the fee as it had not implemented the recommendations of the 6th Pay Commission.

Since, the school has increased the fee, in terms of the order of the Director of Education dated 11.02.2009 and in excess of the tolerance to limit of 10% for some of the classes, the Committee is of the view that the hike in fee in 2009-10, which were made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

Sd/-

Justice Anil Dev Singh(Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: - 28-10-2013

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Gyanodaya Sr. Sec. Public School,**Dindarpur, Najafgarh, New Delhi - 110 043**

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

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In order to verify the returns of the school, it was directed vide notice dated 19-07-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 06-08-2012.

On the scheduled date, Sh. Tribhuvan Chaudhary, TGT and Sh. Amit Chaudhary, TGT of the school attended the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school, had implemented the recommendations of the 6th Pay

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COMMITTEE
For Review of School Fee

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Commission w.e.f. October 2009 and had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school were examined by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that the school had implemented the recommendations of the 6th Pay Commission w.e.f. October 2009 and had not hiked the fee in terms of order of the Director of Education dated 11.02.2009. The audit Officer also observed that the school had not collected arrears of fee from the students and had also not paid salary arrears to the staff.

In order to provide an opportunity of hearing to the school, vide notice dated 23.07.2013 the school was directed to appear on 24-08-2013, along with its fee and accounting records.

On the scheduled date, Sh. Rajinder Singh, Chairman, Sh. V.B. Singh, Manager and Sh. Neeraj Kumar P.G.T. of the school, appeared before the Committee for hearing. It was admitted by the school representatives that the school did not implement the report of 6th Pay Commission. With regard to fee hike, it was contended that the hike in fee in 2009-10 and 2010-11 was within the tolerance limit of 10%. Reply to the questionnaire regarding development fee was also filed. According to the reply, the school had charged development fee and the same had

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been treated as revenue receipt and no earmarked development fund or depreciation reserve fund had been maintained.

The Committee has perused the record, observations of the audit officer and has considered the submissions made on behalf of the school.

Regarding Fee: -

As per the record, the school had hiked the fee in the following manner:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I to V	450	500	50
VI to VIII	500	550	50
IX To X	550	600	50

374 It is evident from above that the school had hiked the fee within the tolerance limit of 10% and not in terms of the order of the Director of Education, dated 11.02.2009. it is not in dispute anymore that the school had not implemented the report of the 6th Pay Commission.

Since the school did not implement the report of 6th Pay Commission and had also not increased the fee in terms of order of the Director of Education, dated 11.02.2009, the Committee is of the view that no intervention is called for in regard to the matter of fee.

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000375

Regarding Development Fee: -

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

<u>Year</u>	<u>Development Fee charged</u>
2006-07	Rs.5,04,950/-
2007-08	Rs.3,26,900/-
2008-09	Rs.6,43,000/-
2009-10	Rs.7,11,000/-
2010-11	Rs.9,74,650/-

Hence, the Committee is of the view that as the school is not complying with any of the preconditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors., the school ought to refund the Development Fee of Rs. 16,85,6,50/- charged from 2009-10 to 2010-11, in pursuance to the order of the Director of Education dated 11.02.2009, along with interest @9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated:- 24.10.2013

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000376

C-337

Rockvale Public School, Naraina, New Delhi- 110 028

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South- West 'A' of the Directorate of Education. On examination of the returns, it prima facie appeared that the school had neither hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, nor had implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

376
In order to verify the returns of the school, vide letter dated 06.08.2012 of the Office of the Committee, it was directed to produce its fee and salary records and also to submit reply to the questionnaire on 22.08.2012.

On the scheduled date Sh. Arbind Kumar, Teacher of the school appeared before the Office of the Committee and produced the records of the school. Reply to the aforesaid questionnaire was not submitted by the school.

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For Review of School Fee

The records, produced were examined in the first instance by Shri A.K. Bhalla, Audit Officer of the Committee. He observed that the school had hiked the fee during 2009-10 and 2010-11 in excess of the tolerable limit of 10%. The school had not implemented the report of 6th. Pay Commission. The school was directed to submit reply to the questionnaire issued by the Committee. On 30.08.2012, Shri Arbind Kumar, Teacher of the school again appeared and submitted reply to the questionnaire. According to the reply, the school had implemented the report of 6th Pay Commission w.e.f. April, 2011 but arrears were not paid to the staff as the arrears of fee had not been collected from the students.

In order to provide an opportunity of hearing to the school, notice of hearing dated 24.07.2013 was served on the school with the directions to appear before the Committee on 27.08.2013.

On 27.08.2013, Shri Arbind Kumar, PRT along with Shri P.K. Mehta, Part-time Accountant of the school appeared before the Committee for hearing. They contended that the school had nominally implemented the 6th Pay Commission w.e.f. April, 2011 and the fee had been hiked within the tolerable limit of 10% in the years 2009-10 and 2010-11. Reply to the questionnaire regarding development fee was also submitted. According to the reply, the school had charged development fee w.e.f. 2009-10. The representatives of the school conceded that the development fund had been considered as revenue

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receipt and no separate depreciation reserve fund had been maintained.

The Committee has examined the record, observations of the Audit Officer and the submissions of the school representatives. On examination, it had been noticed that the school had hiked the fee in the following manner: -

Class	Tuition fee (including computer fee and activity charges) in 2008-09	Tuition fee (including computer fee and activity charges) in 2009-10	Increase in tuition fee in 2009-10	Tuition fee (including computer fee and activity charges) in 2010-11	Increase in tuition fee in 2010-11
I - II	285	320	35	355	35
III -V	320	355	35	395	40
VI - VIII	340	375	35	415	40

In view of the above, the school had hiked the fee but not in terms of the order of the Director of Education dated 11.02.2009.

Hence, the Committee is of the view that in so far as Tuition Fee is concerned, no intervention is called for, since the school had not hiked the fee in terms of the order of the Director of Education, dated 11.02.2009.

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

<u>Year</u>	<u>Amount</u>
2009-10	Rs. 87,075-00
2010-11	Rs.1,36,350-00

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000379

It cannot be disputed that the school had charged the Development Fee without complying with the pre-conditions for charging the same as the development fee was treated as Revenue Receipt and Depreciation Reserve Fund was not created.

Since the school has collected the development fee in 2009-10 and 2010-11, to the tune of Rs.2,23,425-00 without complying with any of the preconditions prescribed by the Duggal Committee, which conditions were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors., the school ought to refund the Development Fee of Rs.2,23,425-00 charged in the years 2009-10 and 2010-11, in pursuance of the order of the Director of Education dated 11.02.2009 along with interest @9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated:- 24.10.2013

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Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

JUSTICE
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COMMITTEE
For Review of School Fee

New Gian Public School, West Sagar Pur, New Delhi - 46

The school had not submitted its reply to the questionnaire sent by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South West-'B' of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had not hiked the fee, in terms of the order dated 11.02.2009 of the Director of Education and had also not implemented the recommendation of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 06.08.2012 to produce its fee and salary records and also to submit reply to the questionnaire on 22.08.2012.

On 22-08-2012, Shri Parveen Kumar, Manager and Shri Rahul Jain, C.A., of the school appeared before the Office of the Committee. Reply to the questionnaire was also submitted. According to the reply, the school had neither, implemented the report of 6th Pay Commission nor, hiked the fee in terms of the order dated 11.02.2009, of the Director of Education.

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COMMITTEE
For Review of School Fee

000381

The records, produced by the school were examined by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that the school had hiked the fee within the permissible limit of 10% in 2009-10 and 2010-11. As per the noting of the Audit Officer, (i). The school had not implemented the recommendations of the 6th Pay Commission, (ii). The salary to the staff is being paid on pre-revised scale and (iii). HRA and DA had not been paid as per rules.

In order to provide an opportunity of hearing to the school, vide notice dated 24.07.2013, it was directed to appear before the Committee on 27.08.2013, along with its fee and accounting records.

321
On 27.08.2013, Shri Anil Kumar, Member of Managing Committee with Shri Rahul Jain, C.A., appeared before the Committee for hearing. The school filed reply to the questionnaire regarding development fee. According to the reply, the school was charging development fee, w.e.f. 2007-08 from the students, but, the school did not maintain separate depreciation reserve fund. As regards the implementation of 6th Pay Commission report, the representative of the school contended that the same had not been implemented. However, the fee was nominally hiked in 2009-10 and 2010-11; but not in terms of the order dated 11.02.2009, of the Director of Education.

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ANIL DEV SINGH
COMMITTEE
For Review of School Fee

The Committee has perused the returns of the school filed under Rule 180 of the DSER, 1973, the observations of the Audit Officer, written submission filed and the records produced during the course of hearing and also the oral submissions made on behalf of the school.

The school has charged fee as shown below: -

Class	Tuition Fee charged during year 2008-09	Tuition Fee charged during year 2009-10	Increase in fee in 2009-10	Tuition Fee charged during year 2010-11
I to V	425	425	Nil	450
VI to VIII	525	540	15	550

Thus, the school has nominally hiked the fee within the permissible limit of 10%, in 2009-10 and 2010-11.

The school has also charged development fee as detailed below:-

Year	Amount
2007-08	Rs.1,78,721-00
2008-09	Rs.2,50,800-00
2009-10	Rs. 64,950-00
2010-11	Rs. 70,500-00
Total =	Rs.5,64,971-00

Since the hike in tuition fee was less than 10% in 2009-10, the Committee is of the view that no intervention is required on this count.

As far as development fund is concerned, it is apparent from the records that the school is charging development fee from

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Secretary



2007-08 to 2010-11 but no earmarked development fund and depreciation reserve fund accounts are being maintained by the school. Therefore, the Committee finds that the school has charged development fee from 2007-08 to 2010-11 but pre-conditions as prescribed by the Duggal Committee for collection of development fee, which were upheld by the Hon'ble Supreme Court in the case of Modern school Vs. Union of India (2004) 5 SCC 583, are not fulfilled by the school. As such, the levy of development fee was not justified. Hence, Rs.5,64,971.00, which the school has charged in the form of Development Fee, ought to be refunded along with interest @9%.

33
Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 20-09-2013

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Secretary



Arya Vidya Mandir Middle School, Pratap Nagar, Delhi - 110 007

384
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North of the Directorate of Education. On preliminary examination of the records, it appeared that the school had not hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 08-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 28-08-2012. No one appeared on behalf of the school on 28.08.2012. However, the Office of the Committee received a letter dated 28.08.2012 requesting for some more time to submit the record. The school was directed to produce the record on 04.09.2012. Again the school authorities evaded verification of record and requested for a short adjournment. On the request of the school final opportunity to produce the record on 11.09-2012 was granted to the school.

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On the schedule date, Mr. K.K. Sethi, Manager of the school attended Office of the Committee and it was then that reply to the aforesaid questionnaire was also submitted. According to the reply, the school had neither implemented the recommendations of the 6th Pay Commission nor had hiked the fee.

The records produced by the school in the first instance were examined by Sh. N.S. Batra, Audit Officer of the Committee. He observed that-

- (i) the hike in fee during 2009-10 and 2010-11 had been 9.4% and 14.2%, respectively.
- (ii) the school had not implemented the recommendations of the 6th Pay Commission.
- (iii) the school had received donation to the tune of Rs.6,64,000/- during 2008-09 and 2009-10.
- (iv) the school had charged development fee but depreciation reserve fund had not been maintained.
- (v) final accounts for the years 2008-09 to 2010-11 had not been audited by the chartered accountant.

In order to provide an opportunity of hearing to the school, vide notice of the Committee dated 29.07.2013, the school was directed to appear on 30-08-2013 along with its fee and accounting records.

On 30.08.2013, Sh. V. Kumar, Chairman, Sh. K.K. Sethi, Manager, and Sh. Pawan Kapoor, Accountant of the school appeared before the

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2

Secretary



Committee. They presented the reply to the questionnaire regarding development fee. According to the reply, the school had charged development fee from the students. It was admitted by them that the school had not implemented the recommendations of the 6th Pay Commission, but had hiked the fee during the year 2009-10 and 2010-11 by 10%. They also pointed out that the school operates on a low fee base and was not in a position to afford auditor's fee to get the accounts of the school audited.

The Committee has examined the record, observations of the audit officer and the submissions made on behalf of the school. As per the record, the school had hiked the fee by Rs.30/- for all classes raising it from Rs.320/- to 350/- in the year 2009-10 and had not implemented the recommendations of the 6th Pay Commission.

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

<u>Year</u>	<u>Development fee charged</u>
2007-08	Rs. 15,550.00
2008-09	Rs. 16,950.00
2009-10	Rs. 18,600.00
2010-11	Rs. 27,750.00

CONCLUSION

Regarding Fee: -

From the record it is clear that the school had marginally hiked the fee in 2009-10 and had not implemented the report of 6th Pay Commission.

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[Signature]
Secretary



In the circumstances, the Committee is of the view that no intervention is called for qua the fee.

Regarding Development Fee: -

It is clear from the record that the school charged Development Fee. It, however, did not create any Development Fund nor the Depreciation Reserve Fund. Thus, the school failed to comply with the any of the pre-requisites prescribed by the Duggal Committee, for charging Development Fee, which pre-requisites were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the development fee to the tune of Rs.46,350.00 collected by the school during the years 2009-10 to 2010-11, in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law and ought to be refunded along with interest @ 9% per annum

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---24.10.2013

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Secretary



Saroj Montessary School, Vivek Vihar, Delhi- 110 095

328
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had neither hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, nor had implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, vide letter dated 28.08.2012, it was directed to produce its fee and salary records and also to submit reply to the questionnaire on 11.09.2012.

On the scheduled date Sh. Shailander Kumar, Principal of the school appeared before the Office of the Committee. He could not produce complete record and requested for extension of date for doing the needful. The school was directed to produce complete record on 25-09-2012.

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

On 25-09-2012, Sh. Shailander Kumar, Principal of the school appeared before the Office of the Committee and produced record of the school. Reply to the questionnaire was also filed. According to the reply the school had neither hiked the fee in terms of the order of the Director of Education dated 11.02.2009 nor implemented the recommendations of the 6th Pay Commission.

The records, produced were examined in the first instance by Shri A.K. Vijh, Audit Officer of the Committee. His observed that: -

- 35)
- (i) the school had hiked the fee during 2009-10, in excess of the tolerance limit of 10% per month,
 - (ii) the school had not implemented the recommendations of the 6th Pay Commission, and
 - (iii) the school had charged development fee w.e.f.2008-09 to 2010-11.

In order to provide an opportunity of hearing to the school, notice of hearing dated 25.07.2013 was served on the school with the direction to appear before the Committee on 29.08.2013.

On 29.08.2013, no one appeared before the Committee on behalf of the school, despite the fact that the notice of hearing had been delivered to the school on 27.07.2013, as confirmed from India Post Tracking System.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

In the circumstances, the Committee considers it appropriate to record its recommendations on the basis of observations of the Audit Officer and records available with it.

The Committee has examined the returns filed by the school under Rule 180 of DSER, 1973 and the observations of the Audit Officer of the Committee.

As per the available record, the school has hiked the fee in 2009-10 in the following manner:-

Class	Tuition Fee including other charges in 2008-09	Tuition Fee including other charges in 2009-10	Increase in Tuition fee including other charges 2009-10
I to V	240	300	60
VI to VIII	300	350	50

It is evident from the above that the school had collected other charges in addition to tuition fee. It also hiked Tuition Fee during 2009-10, in excess of the tolerance limit of 10%. However, it did not hike the fee in terms of the order of the Director of Education dated 11.02.2009.

Hence, the Committee is of the view that in so far as the Tuition Fee is concerned, no intervention is called for, since the school is working on low fee base and has not hiked the fee in terms of the order of the Director of Education, dated 11.02.2009.

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000391

The school had also charged Development Fee from the students in the following manner: -

<u>Year.</u>	<u>Amount</u>
2009-10	Rs.200.00 per student per annum
2010-11	Rs.350.00 per student per annum

Though the school had charged Development fee, it failed to comply with the pre-conditions of charging the development fee.

371
Regarding Development Fee, as already noticed, the school has collected the development fee without complying with any of the preconditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India &Ors. In the circumstances, the school ought to refund the Development Fee charged during the years 2009-10 and 2010-11, along with interest @9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated:- 23.10.2013

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Happy Public School, Vishwas Nagar, Shahdara, Delhi - 110 032

392

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On preliminary examination of the records, it appeared that the school had not hiked the fee in accordance with the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 22.10.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 06.11.2012.

On the scheduled date, no one attended the office of the Committee. However, the school vide letter dated 07-11-2012, requested for more time to produce its records. The committee, vide notice dated 12-11-2012 directed the school to produce its records on 22-11-2012. Again no one attended the office on 22-11-2012.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000393

However, on 26-11-2012 Sh. Satbir Arora, attended the office of the Committee and submitted incomplete financial of the school. Mrs. Sunita Nautiyal, Audit Officer of the Committee examined the records and directed the Manager to submit complete records of the school on 04-12-2012.

393
On 04-12-2012, Sh. Satbir Arora, Manager and Mrs. Pooja Arora, H.M., from the school appeared and produced the records. Reply to aforesaid questionnaire was also filed. According to the reply, the school had hiked the fee by 10% w.e.f. April 2009 and had partially implemented the recommendations of the 6th Pay Commission w.e.f. April, 2012, without making payment towards, DA, HRA and TA.

The records produced by the school in the first instance were examined by Shri A.K. Vijh, Audit Officer of the Committee. He observed as follows: -

- (i) the school in 2009-10, had hiked the fee within the tolerance limit of 10% but during the year 2010-11, the school had further hiked the fee by 16.69% to 16.95%,
- (ii) the school had also charged development fee from the students,
- (iii) The recommendations of the 6th Pay Commission were not fully implemented by the school as the allowances such as HRA, TA and the DA are not being paid to the staff,

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Secretary



000394

- (iv) the school had not maintained cash book and ledger for the years 2006-07 to 2010-11.

In order to provide an opportunity of hearing to the school, vide notice dated 25.07.2013, the school was directed to appear before the Committee on 29.08.2013, along with its fee and accounting records.

On the appointed date of hearing, Shri Satbir Singh Arora, Manager of the school appeared before the Committee. The records of the school were also examined. During the course of hearing, the Manager of the school confirmed that the observations of the Audit Officer dated 04.12.2012 were correct. The school also filed reply to the questionnaire regarding development fee. According to the reply the school had also charged development fee from the students. The development fee had been treated as revenue receipt and separate depreciation reserve fund had not been maintained.

The Committee has examined the returns of the school, its reply to the questionnaire, the observations of the Audit Officer and the submissions made by the school representatives during the course of hearing.

The school had hiked the fee in the following manner:-

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000395

Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10	Tuition fee in 2010-11	Increase in tuition fee in 2010-11
I to V	450	495	45	605	110
VI to VIII	460	505	45	615	110

It is evident from the above that the school has hiked the fee, within the tolerance limit of 10% during 2009-10, but during 2010-11, fee has been increased, in terms of the order of the Director of Education dated 11.02.2009, in excess of the tolerance limit of 10%, despite the fact that it has failed to implement the report of the 6th Pay Commission. The claim of the school to have implemented the recommendations of 6th Pay Commission partially, w.e.f. April 2012, cannot entitle it to hike the fee in terms of the order of the Director of Education dated 11.02.2009.

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

<u>Year</u>	<u>Amount charged</u>
2006	Rs.1, 68,000.00
2007	Rs. 1, 81,500.00
2008	Rs. 1, 85,400.00
2009	Rs. 1, 78,000.00
2011	Rs. 1, 90,000.00
2012	Rs. 2, 44,200.00
Total	Rs.13, 31,100.00

The development fee has been treated as revenue receipt and separate depreciation reserve fund has not been maintained.

In view of the foregoing facts, the Committee is of the view that the fee hiked by the school w.e.f. April 2010 was not justified

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Secretary



000396

as the school has not implemented the recommendations of VI Pay Commission. Therefore, the fees increased, in excess of 10%, w.e.f. 01.04.2010, ought to be refunded along with interest @ 9% per annum.

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

3
With regard to development fee, the Committee finds that the school was charging the same without complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, an amount of Rs.13,31,100.00, charged as development fee ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

Dr. R.K.Sharma
Member

Sd/-

J.S.Kochar
Member

Dated:- 23.10.2013

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Secretary



000397

C-385

R.S. Secondary Public School, Nihal Vihar, New Delhi - 110 041

307
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the filed school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-B of the Directorate of Education. On preliminary examination of the records, it appeared that the school had not hiked the fee in terms of the order dated 11.02.2009 of the Director of Education and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 22.10.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 07.11.2012. No one appeared on 07-11-2012. The school was issued fresh notice dated 12.11.2012, with the direction, to attend the Office of the Committee on 26.11.2012, for verification of records

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Secretary



000398

On 26-11-2012, Shri Surjeet Singh, TGT of the school attended the Office of the Committee for verification of records. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school had neither implemented the recommendations of the 6th Pay commission nor hiked the fee in terms of the order dated 11.02.2009 of the Director of Education.

346
The records, produced by the school were examined in the first instance by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that the school had hiked the fee in 2009-10 by 22.19% to 46.10%. The school did not produce salary register for verification and requested for an adjournment.

The school submitted the requisite records on 07.12.2012. The records had been examined by the said Audit Officer. He recorded that the salary to the staff had been paid on pre-revised rates without making payment towards D.A. and T.A.

In order to provide an opportunity of hearing to the school, vide notice dated 25.07.2013, it was directed to appear before the Committee on 29.08.2013, along with its fee and accounting records.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000399

On the scheduled date, Mrs. Ritu Mahindra, Chairperson of the school, attended the hearing before the Committee. The school filed a letter dated 29.08.2013, stating that the development fee had not been charged from the students. The representative of the school submitted that the recommendations of the 6th Pay Commission were not implemented but the fee had been hiked for all classes in 2009-10, in terms of the order of the Director of Education dated 11.02.2009.

The Committee has examined the record, observations of the Audit Officer and the submissions advanced on behalf of the school. As per the record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I to V	400	500	100
VI	500	600	100
VII	600	700	100
VIII	700	800	100
IX	750	850	100
X	800	950	150

It is evident from the above record that the school had hiked the fee, in terms of the order dated 11.02.2009 of the Director of Education, w.e.f, 2009-10, but the recommendations of the 6th Pay Commission were not implemented. The school had not charged development fee from the students.

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Conclusion:

000400

The school did not implement the recommendations of 6th Pay Commission, but increased the fee in terms of order of the Director of Education dated 11.02.2009. In the circumstances, the Committee is of the view that the hike in fee in 2009-10, which was in excess of the tolerance limit of 10%, was unjustified and ought to be refunded, along with interest @9% per annum.

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

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated—23.10.2013

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Guru Harkrishan Public School, Fateh Nagar, New Delhi

AD/

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'A' of the Directorate of Education. On examination of the returns, it prima-facie appeared that the school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 22.10.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 12.11.2012.

On the schedule date, Shri Amarjeet Singh, Accountant of the school appeared and submitted a letter from the Principal of the school, asking for next date for hearing. The school was given an opportunity to produce the records on 29-11-2012.

On 29.11.2012, Shri Amarjeet Singh, Accountant of the school appeared before the Committee and produced the records for

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

verification. Reply to the questionnaire was also presented by him. According to the reply, the school had not implemented the recommendations of the 6th Pay commission, but had hiked the fee in April, 2009, in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the fee in 2009-10 by 21.55% and during 2010-11, by Rs.41.20%,
- (ii) the school had not collected arrears of tuition fee from the students,
- (iii) the school had not implemented the report of 6th Pay Commission and
- (iv) the salary had been paid on pre-revised scale.

In order to provide an opportunity of hearing to the school, vide notice dated 27.05.2013, it was directed to appear before the Committee on 17.06.2013, along with its fee and accounting records.

On 17.06.2013, Shri Rachhpal Singh, Caretaker of the school appeared before the Committee for hearing. He submitted a letter seeking adjournment on the ground that the Accountant in-Charge of the school was not feeling well. On the request of the school, hearing

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2


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000403

was adjourned to 15.07.2013, with the directions, that the school would produce the annual returns under Rule 180 from the years 2006-07 to 2010-11 and reply to the questionnaire regarding development fee. On the next date viz. 15.07.2013, no one appeared before the Committee.

The Committee has examined the available record of the school.

As per record, the school has hiked the fee in 2009-10 in the following manners:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
Nursery to V	945	1125	180
VI to VIII	1025	1305	280
IX to X	1090	1370	280

403

It is evident from the above that the school had increased the fee w.e.f. 2009-10, in terms of order of the Director of Education dated 11.02.2009 and in excess of the tolerable limit of 10% and admittedly had not implemented the report of 6th Pay Commission. It was not open to the school to utilize the aforesaid order of the Director of Education to hike the fee as it had not implemented the recommendations of the 6th Pay Commission.

Since, the school has increased the fee, in terms of the order of the Director of Education dated 11.02.2009 and in excess of the tolerance to limit of 10% for all classes, the

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Committee is of the view that the hike in fee in 2009-10, which were made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

14
Sd/-

Justice Anil Dev Singh(Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 14-10-2013

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000405

C-409

Spring Bales Senior Secondary Public School,

New Govind Pura, Delhi - 110 051

405
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On examination of the returns, it prima-facie appeared that the school had not hiked the fee, in terms of the order of the Director of Education dated 11.02.2009 and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 28.01.2013, to produce its fee and salary records and also to submit reply to the questionnaire on 13.02.2013.

On the schedule date, Dr. Raj Dixit, Secretary of the society appeared and requested for some more time to present the record. The school was given an opportunity to produce the records on 27-02-2013.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

On 27.02.2013, Dr. Raj Dixit, Secretary of the society and Mrs. Prem, Assistant Teacher of the school appeared before the Committee and produced the records for verification. Reply to the questionnaire was also presented by him. According to the reply, the school had not implemented the recommendations of the 6th Pay commission, and also not hiked the fee in April, 2009, in terms of the order of the Director of Education dated 11.02.2009.

The records, produced by the school in the first instance were examined by Sh. A.D. Bhateja, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the fee in 2009-10 by 2.5% to 30% and during 2010-11, by 10.0% to 22%.
- (ii) the school had collected development fee from the students.
- (iii) the school had not implemented the recommendations of 6th Pay Commission and
- (iv) the salary had been paid on pre-revised scale.

In order to provide an opportunity of hearing to the school, vide notice dated 29.07.2013, it was directed to appear before the Committee on 30.08.2013, along with its fee and accounting records.

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000407

On 30.08.2013, Dr. Raj Dixit, Secretary of the society and Mrs. Prem Kumari Teacher of the school appeared before the Committee for hearing. They filed reply to the questionnaire regarding development fee. According to the reply the school had charged development fee once in a year from the newly admitted students. The development fee had been treated as revenue receipt and no Depreciation Reserve Fund had been created. The school representatives also submitted that the school had not implemented the recommendations of 6th Pay Commission due to paucity of funds but the fee had been hiked more than 10% for some of the classes in 2009-10 and 2010-11

The Committee has examined the available record of the school.

As per record, the school has hiked the fee in 2009-10 and 2010-11 in the following manners:-

Class.	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10	Tuition Fee in 2010-11	Increase in Tuition fee 2010-11
I-II	395	500	105	600	100
III-IV	430	500	70	600	100
V	540	540	NIL	650	110
VI	540	620	80	750	130
VII-VIII	590	660	70	790	130
IX-X	650	750	100	900	150
XI	00	00	00	00	00
XII	700	1000	300	1200	200

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It is evident from the above that the school had increased the fee w.e.f. 2009-10 and 2010-11, though not in terms of the order of the Director of Education dated 11.02.2009, but in excess of the tolerance limit of 10% and admittedly had not implemented the recommendations of the 6th Pay Commission.

Regarding Tuition Fee: -

408
Since, the school has increased the fee, though not in terms of the order of the Director of Education dated 11.02.2009, but in excess of the tolerance to limit of 10% for all classes, the Committee is of the view that the hike in fee in 2009-10, which were made in excess of the tolerance limit of 10%, was unjustified. Therefore, the Committee recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

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Secretary



Regarding Development Fee: -

000409

The school had charged development fee in the following manner, as evident from the letter dated 30-08-2013, submitted by the school:-

<u>Year</u>	<u>Development fee collected</u>
2006-07	Rs. 72,685.00
2007-08	Rs.1,31,910.00
2008-09	Rs.1,95,590.00
2009-10	Rs.1,59,010.00
2010-11	Rs. 88,450.00

The school had also stated in the said letter that development fee had been treated as revenue receipt and no separate depreciation reserve fund had been maintained.

109
Thus, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the Development Fee charged by the school to the tune of Rs.2,47,460.00, during the years 2009-10 to 2010-11 in pursuance of the order of the Director of Education dated 11.02.2009 was not in accordance with law, ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh(Retd.)
Chairperson
Dated: 28-10-2013

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

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Secretary

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Kasturi Model School, Adhyapak Nagar, Nangloi, Delhi - 110 041

A-
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. It was required to file the same within three days. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, it was directed, vide notice dated 03-08-2012 to produce its fee and salary records and also to submit reply to the questionnaire on 17-08-2012. No one appeared on the schedule date. The school, vide notice dated 30-08-2012 was directed, again to produce the required record on 13-09-2012.

On the schedule date Sh. Rakesh Bhardwaj, Manager of the school attended the Office of the Committee and it is then that the reply to the questionnaire was also submitted. According to the reply, the school had

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Secretary



neither implemented the recommendations of the 6th Pay Commission nor had hiked the fee.

The records, produced by the school in the first instance were examined by Sh. A.K. Bhalla, Audit Officer of the Committee. He observed that the audit of the school ending financial year 2010 and 2011, had been conducted by Sh. S.C. Sharma, C.A., but the name of the school did not appear in the list of schools, submitted by Sh. S.C. Sharma, C.A., to the Committee, which accounts were being audited by him. The school did not produce details with regard to the enrolment of the students, fee receipts and staff statements for the year 2009-10 for verification. The audit Officer further recorded that the salary payment records had not been properly maintained and appeared to be fudged for accounting purposes.

In order to provide an opportunity of hearing to the school, vide notice dated 22.07.2013, the school was directed to appear on 13.08.2013 along with its fee and accounting records.

On 13.08.2013, Sh. Rakesh Bhardwaj, Manager and Sh. Sachin Sharma, C.A., from the school appeared before the Committee for hearing. They filed the reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

from the students. It was admitted by them that the school had not implemented the report of 6th Pay Commission. It was submitted that the fee actually recovered had been less than the fee shown in the fee schedule. They also admitted that the school did not maintain books of accounts or fee receipt. From their submission, it appears that the school even did not know the Chartered Accountant, who had signed the balance sheets of the school.

412
The Committee has examined the record, observations of the audit officer and the submissions made on behalf of the school. As per the record the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10
I-V	450	550	100
VI-VIII	500	700	200

It is evident from the above that the school hiked the fee in 2009-10, in terms of order of the Director of Education, dated 11.02.2009, but did not implement the recommendations of the 6th Pay Commission.

Since, the school did not implement the recommendations of the 6th Pay Commission, but increased the fee in excess of the tolerance limit of 10% by utilizing the order of the Director of

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Education dated 11.02.2009, which it was not entitled to invoke, the school needs to refund the hike in fee in excess of 10%.

The Committee therefore recommends that the hike in the fee effected by the school in 2009-10 in excess of 10% ought to be refunded along with interest @9% per annum.

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

The Committee is also of the view that the financials of the school are not worthy of any credence. Therefore, the Committee recommends that the Director of Education should order a special inspection of the School, under Section 24(2) of Delhi School Education Act 1973, to ascertain the true state of affairs.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated---14-10-2013

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W
Secretary



Sangawan Model Sec. School, Rohini, Sector-23, Delhi - 86

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The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District North West-'B' of the Directorate of Education. On preliminary examination of the records, it appeared that the school had hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and had not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'A'.

In order to verify the returns of the school, vide letter dated 05.09.2012, it was directed to produce its fee and salary records and also to submit reply to the aforesaid questionnaire on 19.09.2012. No one appeared on behalf of the school on the scheduled date. The Office of the Committee vide notice dated 26-09.2012 provided another chance to the school to produce its financials on 15.10.2012.

On the schedule date, Shri Jai Pal Singh, Manager of the school appeared before the Office of the Committee and produced the records of the school. It was then that the reply to the questionnaire was also filed. According to the reply, the school had implemented the

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recommendations of the 6th Pay Commission w.e.f. 2006-07 and had also increased the fee in terms of the order of the Director of Education dated 11.02.2009 from 2006-07.

The records produced were examined in the first instance by Shri A.D. Bhateja, Audit Officer of the Committee. His observations were that: -

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- (i) the rates of fee for the year 2008-09 to 2010-11 had been found different from the fee structure of the school,
 - (ii) the school did not maintain salary payment register, cash book, ledger and fee register,
 - (iii) the claim of the school to have implemented the recommendations of the 6th Pay Commission could not be verified because of non-submission of fee and salary records.

In order to provide an opportunity of hearing to the school, notice of hearing dated 29.07.2013 was served upon the school with the directions to appear before the Committee on 14.08.2013. No one appeared on behalf of the school on 14.08.2013. The school was provided another opportunity vide notice dated 26.08.2013 to appear before the Committee for hearing on 12.09.2013. On the appointed date, again no one appeared but Shri J.P. Sangwan, Manager of the School informed the Office of the Committee on phone that he was not able to attend the hearing on 12.09.2013. The Manager of the school was advised to appear on 13.09.2013 before the Committee for hearing.

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On 13.09.2013, again no one appeared for hearing.

In view of the absence of the school on 13.09.2013 despite service of notice and information through phone, the Committee considered it appropriate to record its findings on the basis of the observations of the Audit Officer and the records made available with the Committee in due course.

Findings: -

As per the available record, the school had hiked the fee in the following manner: -

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10	Tuition fee in 2010-11	Increase of tuition fee in 2010-11
I	275	325	50	425	100
II	300	350	50	450	100
III	325	375	50	475	100
IV	350	400	50	500	100
V	375	425	50	525	100
VI	400	450	50	550	100
VII	425	475	50	600	125
VIII	450	500	50	650	150
IX	525	600	75	800	200
X	650	750	100	1000	250

It is evident from the above that the school had hiked the fee in 2009-10 though, beyond the tolerance limit of 10% yet the hike had not been much in absolute terms, but during the year 2010-11 the school had hiked the fee in terms of order of the Director of Education dated 11.02.2009. The claim of the schooled that it had implemented the recommendations of the 6th Pay Commission cannot be believed as the school has not produced the original records of the school. The

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school evaded to appear before the Committee with the original records. Therefore, it can be assumed that to hide the true state of affairs of the school, it did not appear before us and did not produce the original records.

In the circumstances, it is difficult to rely upon the record produced by the school. Therefore, the Committee is of the view that the Director of Education should order a special inspection of the School, under Section 24(2) of Delhi School Education Act 1973, to ascertain the true state of affairs.

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Since on the own showing of the school that there was a fee hike in terms of the order of the Director of Education dated 11.02.2009 during the year 2010-11, the school ought to refund the fee in excess of 10%. Further, the fee hiked in 2010-11 is also part of the fee for the subsequent years, there would be a ripple effect in the subsequent years and the fee of the subsequent years to the extent, it is relatable to the fee hiked in 2010-11 ought also to be refunded along with interest @9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Dated: 28-10-2013

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Secretary

Sd/-

J.S. Kochar
Member

4

Sd/-

Dr. R.K. Sharma
Member



G.B. M PUBLIC SCHOOL, SHIVANI ENCLAVE, PHASE-I,
KAAKROLA, NEW DELHI-110078

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

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4. With a view to verify the returns, the office of the committee vide its notice dated 13.06.2013 required the school to appear on 27.06.2013 and to produce entire accounting, fee and salary records for the years 2008-09 to 2010-11 and to furnish reply to the aforesaid questionnaire. On 27.06.2013, Mr. M.C. Sharma, Principal of the School and Shri S.P. Singh, Member of the Society, running the school, attended the office of the Committee. They produced the Fee Receipt Books and Salary Registers for 2008-09 to 2010-11 but failed to produce Fee Registers as according to them, the school was not maintaining the same. They also failed to produce Cash Books and Ledgers for any of the year. Day Books evidencing fee collected by the school was also not produced for the years 2008-09 and 2009-10 on the ground that the same were not being maintained. However, Day Book for the year 2010-11 was produced.

5. Incomplete records produced by the school through the Principal and Member of the Society were examined by one of the Audit Officers of the Committee. He observed to the effect that

- i. Fee receipt books for 2008-09 to 2010-11 were checked with the fee structures available on record and they were found to be correct.
- ii. The school did not collect arrears of tuition fee from the students.

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- iii. Salary of the staff has not been fixed as per the Government Orders.
- iv. No annual increments were granted to the staff.
- v. The salary is being paid in cash, although the school operates a bank account.
- vi. No bank statements and bank reconciliation statements have been produced.
- vii. The school has never deducted Income tax and Provident Fund from the salaries of the employees.

On 27.06.2013 itself, the Audit Officer required the representatives of the school to produce the remaining record on 05.07.2013. On the next date no one appeared on behalf of the school before the office of the Committee. The remaining record was also not produced by the school.

6. By notice dated 20.09.2013 the school was requested to appear **before the committee** on 27.09.2013 along with entire **accounting fee** and salary records for the years 2008-09 to 2010-11 for the examination of the same by the Committee. Pursuant to the notice, Mr. Mool Chand Sharma, Vice Principal and J.P. Singh, Accountant of the School appeared on the aforesaid date. They filed reply to the revised questionnaire and also addressed arguments. The reply to the questionnaire reads as under:-

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S.No.	Query	Reply
1.	Whether the school has implemented the recommendations of the 6 th Pay Commission.	Yes
2.	<p>If the answer to question no.1 is in the affirmative, please provide the following information:-</p> <p>i. With effect from which date is the increased salary to staff being paid?</p> <p>ii. Furnish the details of salary payment to staff, pre and post implementation, of the 6th Pay Commission.</p> <p>iii. Furnish the details of payment of arrears of salary to staff consequent to implementation of the 6th Pay Commission.</p>	<p>01.03. 2010</p> <p>February 2010 Rs.2,46,752/- March Rs4,24,541/- (copy of the salary sheet is enclosed)</p> <p>Nil</p>
3.	Whether the school has increased the fee of the students consequent to implementation of the 6 th Pay Commission in terms of the Order No. F.DE./15(56)/ACT/2009/778 Dated 11.2.2009 of the Director of Education.	NA
4.	<p>If answer to question no.3 is in affirmative, please provide the following information (separate sheets may be used):</p> <p>i. The date for which the fee increased?</p> <p>ii. Furnish the details of fee charged from the students class wise, indicating the number of students in each class, pre and post such increase.</p> <p>iii. Furnish the details of arrear fee charged from the students consequent to implementation of the 6th Pay Commission.</p>	<p>01.04.2010</p> <p>NA</p> <p>NIL</p>
5.	Whether the school is charging development fee ?	NA
6.	If answer to question no. 5 is in affirmative, kindly provide the following information/details:	

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

i. Year wise collection of development fee from 2006-07 to 2010-11	NA
ii. Year wise utilisation of development fee from 2006-07 to 2010-11. Please provide the amount of expenditure incurred under specific heads, out of development fee.	NA
iii. How development fee is treated in the accounts, i.e, whether it is treated as a revenue receipt or as a capital receipt.	NA
iv. whether separate depreciation reserve fund is maintained for depreciation on assets acquired out of development fee.	NA
v. whether depreciation reserve fund and un-utilised development fund are kept in earmarked bank account, or FDRs or investment. If yes,, please provide details thereof.	NA

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7. It is manifest from the aforesaid reply that the school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f., 01.03.2010. It is also claimed in the reply that the school had not increased the tuition fee in terms of the order of Director of Education dated 11.02.2009. However, it is admitted in the reply that fee was increased w.e.f., 01.04.2010. It is also admitted in the reply that arrears of the staff, consequent to the implementation of the 6th Pay Commission were not paid. It is claimed in the reply that the school has not charged Development Fee from 2006-07 to 2010-11.

RE. FEE HIKE

8. We have examined the available record, the observation of the Audit Officer and the submissions advanced on behalf of the school.

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We are not satisfied with the record of the school and no credence can be placed on it. It is doubtful that the school implemented the recommendations of the 6th Pay Commission as claimed in reply to the questionnaire. According to the reply the recommendations of the 6th Pay Commission were implemented w.e.f. 01.03.2010. From the pay bill for the month of April, 2010, post implementation of the recommendation of the 6th pay commission, no TDS was being deducted by the school. In case, it would have implemented the recommendations of the 6th Pay Commission, it was bound to deduct the TDS from the salary of the teachers, whose salary was above the taxable limit. It also needs to be pointed out that the salary was being paid by the school in cash to the staff. It is easy to manipulate the record if the salary is being paid in cash. In any event, even if we go by the claim of the school that they have implemented the recommendations of the 6th Pay Commission, it would only be a partial implementation as no arrears of salary, consequent to the implementation of the 6th Pay Commission have been paid to the staff. Partial implementation cannot be considered to be implementing the recommendations of the 6th Pay Commission. It appears that the claim of the school that it had implemented the recommendations of the 6th Pay commission is a ruse for enhancing the fee drastically, particularly in the year 2010-11. During arguments, the representatives of the school candidly admitted before us that the recommendations of the 6th Pay Commission have been implemented only on paper as the school was not in a position

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to implement the same due to paucity of funds. Since, the recommendations of the 6th pay commission were not implemented according to the aforesaid representatives of the school, we drew their attention to the record which reflects that the fee hike effected by the school in the year 2010-11 was much above the fee that could be charged as per the Order of the Director of Education dated 11.2.2009. Reacting to the query, the representatives of the school stated that the fee was actually not raised but has been shown to have been raised on papers. It is difficult to digest the plea of the representatives that the fee was not raised. The following table which has been culled out from record bears testimony to it.

	2008-09		2009-10		2010-11	
Class	Tuition fee		Tuition fee	%age	Tuition fee	%age
Nur.	275		300	9.37%	600	100%
1	320		350	9.37%	700	100%
2	330		360	9.09%	700	94.44%
3	340		375	10.29%	700	86.66%
4	350		385	10%	800	107.8%
5	370		410	10.81%	800	95.12%
6	380		420	10.52%	800	90.47%
7	390		450	15.38%	900	100%
8	400		500	25%	900	80%

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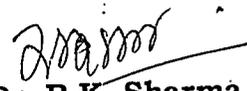


9. Though, we are not placing reliance on the record produced by the school, it will be travesty of justice if we ignore the drastic increase in fee on the own showing of the school.

10. Accordingly, we are of the view that the fee in excess of tolerance limit of 10% ought to be refunded by the school alongwith the interest @ 10% per annum from the date of collection of the increased fee to the actual date of refund. There would be ripple effect in the fee for the year 2011-12 and 2012-13 also as there would be further hikes in these years. The school should also refund the additional fee for these years with interest @ 9% per annum.

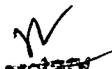
1. Recommended accordingly.
2. Since, we are not satisfied with the records of the school, we are of the view that the Director of Education should order a special inspection of the school under Section 24(2) of the Delhi Education Act, 1973 to ascertain the true state of affairs of the school.


Justice Anil Dev Singh (Retd.)
Chairperson


Dr. R.K. Sharma
Member

Dated: 11/11/2013

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Secretary

I agree

11/11/2013



000426

St. Lawrence Convent, Geeta Colony, Delhi - 110 031

A-6
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had neither hiked the fee, in terms of the order of the Director of Education dated 11.02.2009, nor had implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, vide letter dated 03.07.2012, it was directed to produce its fee and salary records and also to submit reply to the questionnaire on 11.07.2012. The Office of the Committee received a telephonic request for giving another date. However, the school filed reply to the questionnaire. The school was directed to produce its records on 01.08.2012. However, no one appeared on this date. A fresh communication dated 30.08.2012 was issued to the school to produce its books of accounts with fee and salary records on 13.09.2012.

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

000427

On the scheduled date Sh. Girish Mittal, Chairman and Sh. Naveen, Vice Chairman of the school appeared before the Office of the Committee and produced the records of the school. As per reply to the questionnaire, the school claimed to have implemented the recommendations of the 6th Pay Commission w.e.f January 2006. The school claimed to have paid arrears to the staff w.e.f. 01.01.2006 to 31.03.2008 without increasing the fee or even collecting the arrears fee. It claimed to have made arrears payment and increased salary out of reserve funds available with the school.

A 27
The records, produced were examined in the first instance by Shri A.D. Bhateja, Audit Officer of the Committee. His observations were that the school had not hiked the fee during 2009-10 and 2010-11. The school had not collected arrear of tuition fee from the students. The school had implemented the report of 6th. Pay Commission and had paid arrears of salary w.e.f. 01.01.2006 to 31.03.2008. The school had claimed that all dues had been paid, out of reserve and securities available with the school. However, the school did not produce its cash book and ledger for any of the years. The school was directed to produce its record on 21.09.2012. A neither anybody appeared nor was any record caused to be produced. However, a letter dated 24.09.2012 was received from the school saying that their Chartered Accountant who was maintaining the books of accounts was busy till 30.09.2012 and only after that date would be able to provide the records. A fresh communication dated

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25.09.2012 was issued to the school, providing it a final opportunity to produce its records on 10.10.2012. However, again nobody appeared on the scheduled date. The school was telephonically advised to produce the required records on 11.10.2012. On this date, the school produced only monthly summaries of its ledger accounts, copies of which were retained on record. Certain other details regarding payment of arrears salary and increased salary after implementation of the 6th Pay Commission were also filed. It was reiterated by the school that it had not increased any fee for implementing the 6th Pay Commission and the additional liabilities had been met out of the existing reserves.

The Audit Officer placed the matter before the Committee. The Committee felt that the school was trying to evade verification as it was observed that during the year 2009-10, when the school claimed to have implemented the 6th Pay Commission report, it had shown huge receipt of Rs.62,32,500/- as securities. The issue of development fee also needed to be examined.

The records and statement produced by the school were examined by Shri A.D. Bhateja, Audit Officer of the Committee. He observed that the school had not collected any arrear fee but had paid arrears of salary from 01.01.2006 to 31.03.2008 amounting to Rs.1,04,59,440/- in the instalments during the financial years 2008-09 and 2009-10. Further, the school had collected development fee of

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Rs.22,00,000/- in 2010-11 but no depreciation reserve fund had been maintained. With regard to the security of Rs.62,32,500/-, it was mentioned that the school had given a letter stating that the securities were received from staff and various vendors.

In order to provide an opportunity of hearing to the school, notice of hearing dated 23.07.2013 was issued to the school with the directions to appear before the Committee on 24.08.2013.

On 24.08.2013, no one appeared before the Committee for hearing. The notice of hearing had been delivered to the school on 24.07.2013, as confirmed from India Post Tracking System.

In view of the absence of the school despite service of notice on it, the Committee considers it appropriate to take decision in the matter on the basis of observations of the Audit Officer and records available with it.

The Committee has examined the returns of the school submitted under Rule 180 of DSER, 1973, reply to the questionnaire submitted by it, the observations of the Audit Officer and copies of documents brought on record during the course of verification. The Committee is of the view that the claim of the school of having implemented the commendations of the 6th Pay Commission is totally sham, for the following reasons: -

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The school claims to have paid arrears of 6th Pay Commission for the period from 01-01-2006 to 31-03-2008 as follows: -

2007-08 Rs.10,37,500-00

2008-09 Rs.45,67,250-00

2009-10 Rs.48,54,690-00

Rs.1,04,59,440-00

It is noteworthy that the 6th Pay Commission report was submitted to the Government on 24.03.2008 and the recommendations were accepted by the Govt. of India vide Gazette Notification dated 29.08.2008. The Directorate of Education issued order for implementation of 6th Pay Commission report on 11.02.2009 w.e.f. 01.09.2008 and payment of back arrears in two installments by 30.04.2009 and 31.10.2009. However, the school claims to have partially paid the arrears on 31.03.2008. This is bizarre to say the least.

(2). The school had always been reluctant to appear for verification of records and whenever, it appeared, it made request for postponement of verification. The school did not even appear before the Committee when notice of hearing was given to it.

(3). The school claims to have implemented the 6th Pay Commission recommendations and even paid the arrears out of its existing resources, without increasing or collecting any arrears fee. However, examination of its audited balance sheet as on 31.03.2008 shows that

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the school had negative cash and bank balance (overdraft) to the tune of Rs.21,32,357/- and did not have any en-cashable FDRs or other current assets. As on 31-03-2009 also, its net current assets were negative to the tune of Rs.12,14,360/-.

(4). The school did not produce its books of accounts for 2008-09 and 2009-10, despite availing of a number of opportunities.

In the circumstances, the Committee is of the view that this is a fit case for a special inspection under section 24(2) of Delhi School Education Act -1973, to be carried out by the Directorate of Education.

Development Fund: -

The Committee has perused the fee schedule of the school for the years 2007-08, 2008-09, 2009-10 and 2010-11. In the schedule of 2007-08, no development fee is reflected. However, development fee was introduced in 2008-09 and continued in 2009-10 and 2010-11. The following comparative chart indicates the development fee charged by the school in these three years: -

<u>Class</u>	<u>2008-09 (Rs.)</u>	<u>2009-10 (Rs.)</u>	<u>2010-11 (Rs.)</u>
I to VII	290/- p.m.	290/- p.m.	290/- p.m.
VIII to X	325/- p.m.	325/- p.m.	325/- p.m.
XI - XII	325/- p.m.	325/- p.m.	325/- p.m.

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W
Secretary



Further, perusal of the Balance Sheets for these years shows that development fee is neither capitalized nor any funds are set apart equivalent to depreciation charged on assets acquired out of development fee. There none of the pre-conditions laid down by the Duggal Committee which was affirmed by the Hon'ble Supreme Court of India in the case of Modern School & Ors. Vs. Union of India was fulfilled.

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The Committee is of the view that the development fund charged by the school was not justified and ought to be refunded along with interest @ 9% per annum. The mandate of the Committee is to examine the fee in pursuance of order dated 11.02.2009 issued by the DOE. **Therefore, the Committee recommends refund of development fund charged in 2009-10 and 2010-11.**

The figures of the development fee are not discernible from the audited financials of the school. Although, the Audit Officer has observed that the school charged development fee amounting to Rs.22 lacs in 2010-11, the same is not reliable for two reasons.

(a) First, the development fee calculated on the basis of student strength, work out to much more than Rs.22 lacs.

(b) Secondly, in the monthly ledger summary on record, the entire fee of Rs.22 lacs is shown to have been collected in the month of December, 2010, when the school collects the same at quarterly

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Secretary



interval, as is apparent for the copies of fee receipts on record. As the Committee has recommended the special inspection, the amount of actual development fee may be ascertained during the course of inspection. The school ought to refund the development charged in 2009-10, 2010-11 along with interest @9% per annum.

Recommended accordingly.

Sd/-

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

Sd/-

**J.S. Kochar
Member**

Sd/-

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

Dated: 28.10.2013

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Secretary



000434

New Rural Delhi Public School, Karala, Delhi - 110 081

434

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director of Education, District North West-B of the Directorate of Education. On preliminary examination of the records, it appeared that the school had neither hiked the fee in terms of the order of the Director of Education dated 11.02.2009 nor had implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 19.07.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 06.08.2012.

On the scheduled date, Shri Prashant Kumar Mathur, Manager of the school appeared before the Committee. Reply to questionnaire was also filed. According to the reply, the school claimed that it had implemented the recommendations of the 6th Pay Commission w.e.f. 01-03-2010, but did not hike the fee in terms of order of the Director of Education dated 11.02.2009.

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Secretary

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The records produced by the school were examined in the first instance by Shri A.D. Bhateja, Audit Officer of the Committee. He observed as follows: -

- 475
- (i) the school had not hiked the tuition fee in 2009-10 but, in the year 2010-11 the fee was hiked by Rs.300/- per month for classes I to V and by Rs.350/- per month for classes VI to VIII i.e. in the range of about 78% to 100%,
 - (ii) the school also started charging examination and stationary charges to the tune of Rs.600/- per annum from 2010-11,
 - (iii) the school claimed to have implemented the report of the 6th Pay Commission w.e.f. April, 2010, but complete benefits of the recommendations of the 6th Pay Commission were not granted to the teachers, and
 - (iv) the teachers are being paid only basic pay, grade pay and HRA on the basis of the recommendations of the 6th Pay Commission.

In order to provide an opportunity of hearing to the school, vide notice dated 27.05.2013, the school was directed to appear before the Committee on 26.06.2013, along with its fee and accounting records.

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Secretary

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On the appointed date of hearing, Shri Prashant Kumar Mathur, Manager, along with Shri Kush Rastogi, part-time accountant of the school appeared before the Committee. They were heard. The records of the school were also examined.

During the course of hearing, the representatives of the school submitted reply to the questionnaire regarding development fee and a letter stating that the school is not charging development fee.

He stated that the report of the 6th Pay Commission had been implemented w.e.f. 2008-09, even before the issuance of the order of its implementation. Earlier, in reply to the questionnaire, it was stated by the school that the 6th Pay Commission had been implemented w.e.f. March, 2010. On examination of salary sheet for March, 2010, it is found that DA was not being paid to the staff. The salary to the staff was being paid in cash without deducting TDS. The Committee has examined the fee receipts. They showed that the same was being charged from the students on a single day, although fee was different for different classes.

The school had charged fee as follows: -

Classes	Tuition Fee Charged in 2009-10	Tuition Fee Charged in 2010-11	Increase in Tuition Fee 2010-11
I to V	300	600	300
VI to VIII	450	800	350

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The school had also shown receipt of aid from the parents' society, which is as follows: -

<u>Year</u>	<u>Aid Received</u>
2006-07	Rs.8,00,000.00
2007-08	Rs.1,36,500.00
2008-09	Rs.2,26,500.00
2009-10	Rs.2,70,000.00
2010-11	Rs.4,50,000.00

457
It was contended by the representatives of the school that donation from the society were received in cash and the society also received donation from its members in cash, despite the fact that the school has a bank account in the State Bank of Patiala. Not even a single transaction of deposit into or withdrawal from the above has been shown to have been made. Neither the school nor the society files income tax returns. The school did not, even have a PAN or TAN.

Conclusions: -

The fee hike effected by school for all classes during 2010-11 was more than the fee hike permissible under order of the Director of Education dated 11-02-2009, issued for schools for implementing the recommendations of the 6th Pay Commission. The claim of the school to have implemented the 6th Pay Commission is difficult to believe in view of the fact that salary was paid to the staff in spite of the school having a bank

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

account with State Bank of Patiala in cash and no TDS was deducted. In the circumstances, the Committee is of the view that the hike in fee in 2010-11, which was made in excess of the tolerance limit of 10%, was unjustified and ought to be refunded. The Committee therefore recommends that the hike in the fee effected by the school in 2010-11 in excess of 10% ought to be refunded along with interest @9% per annum.

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

That apart, the Director of Education should order a special inspection of the School, under Section 24(2) of Delhi School Education Act 1973, to ascertain the true state of affairs particularly with regard to the fee hike in 2010-11 as the financials of the school do not inspire confidence.

Recommended accordingly.

DR. R.K. Sharma
DR. R.K. Sharma
Member

J.S. Kochar
J.S. Kochar
Member

Dated:- 23.10.2013

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Secretary
Secretary

I agree
AS
23/10/2013

JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

Manav Mangal Public School, M.B. Road,

Pul Pehladpur, New Delhi - 110 044

The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school filed under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District South of the Directorate of Education. On examination of the returns, it prima-facie appeared that the school had neither hiked the fee in terms of the order of the Director of Education dated 11.02.2009 and nor had implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, vide letter dated 18.09.2012, it was directed to produce its fee and salary records and also to submit reply to the questionnaire on 01.10.2012.

On the schedule date, Shri Parveen Sopheia, Accountant, of the school appeared before the Office of the Committee. It was then that reply to the questionnaire was also filed. According to the reply, the school had implemented the recommendations of the 6th Pay Commission

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000440

w.e.f. April, 2010 and had not increased the fee in terms of the order of the Director of Education dated 11.02.2009.

The school did not produce complete record, therefore was directed to attend the office on 11.10.2012 with complete record.

On 11.10.2012, Shri Parveen Sopheia, Accountant, of the school produced the records of the school. The records, produced in the first instance were examined by Shri A.K. Bhalla, Audit Officer of the Committee. His observations were that: -

- (i) the school has claimed to have implemented the recommendations of the 6th Pay Commission w.e.f. 01.04.2010,
- (ii) the school had not hiked the fee 2009-10,
- (iii) fee hike in 2010-11 had been by 9.30% to 9.91%,
- (iv) the school did not produce original record of fee receipts books and fee collection register for 2008-09, 2009-10 and 2010-11 for verification,
- (v) the school had charged development fee from the students and had not maintained depreciation reserve fund, and
- (vi) the school had utilized development fee for the purchase of motor vehicles.

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Secretary



000441

In order to provide an opportunity of hearing to the school; notice of hearing dated 25.07.2013 was served to the school with the direction to appear before the Committee on 29.08.2013.

On 29.08.2013, no one appeared before the Committee. The notice of hearing had been delivered to the school on 27.07.2013, as confirmed from India Post Tracking System.

Ani
In view of the absence of the school despite service of notice on it, the Committee considers it appropriate to record its findings.

On examination of the record that had to be verified from the original record, which the school has failed to produce before us and the observations of the Audit Officer, it was noticed that the school had maintained similar fee structure in 2009-10 to that of 2008-09 and the hike had been within the tolerance limit of 10% in 2010-11. The school has claimed to have implemented the recommendations of the 6th Pay Commission. The school had also charged development fee from the students on monthly basis and had utilized it for the purchase of motor vehicles.

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Since the original record has not been produced before us and has been withheld from our scrutiny, we cannot place reliance on the record filed in the Committee as it is worthy credence. Therefore, the Director of Education should order a special inspection of the School, under Section 24(2) of Delhi School Education Act 1973, to ascertain the true state of affairs.

Regarding the development fee

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The school has charged Development Fee from the students in the following manner:-

<u>Year</u>	<u>Development Fee charged per student per month.</u>
2008-09	Rs.50/- to 90/-
2009-10	Rs.50/- to 90/-
2010-11	Rs.55/- to 100/-

As above, the school has charged the development fee, without complying with any of the pre-conditions prescribed by the Duggal Committee for charging the same, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. The development fee charged by the school during 2009-10 and 2010-11, in pursuance of the order of the Director of

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000443

Education dated 11.02.2002, was not in accordance with law and ought to be refunded along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochhar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated—28.10.2013

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Secretary



443

Vaishali Public School, Sunder Park, Shastri Nagar, Delhi - 110 031

The school did not reply to the questionnaire issued by the Committee on 27.02.2012. However, the returns of the school under rule 180 of the Delhi School Education Rules, 1973 were received from the Office of the Deputy Director of Education, District East. On preliminary examination of the records, it appeared that the school had not hiked the fee and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, it was placed in Category 'C'.

AAH
In order to verify the returns of the school, it was directed; vide notice dated 16.10.2012, to produce its fee and salary records and also to submit reply to the questionnaire on 26.10.2012. No one on behalf of the school attended the Office of the Committee on 26.10.2012. The school vide notice dated 12.11.2012 was again directed to produce its record on 26.11.2012 for verification. The school evaded verification of record again on 26.11.2012. The school was provided last opportunity to produce its records on 06.12.2012.

On 06.12.2012 Sh. Vikas Gupta, Manager, of the school, appeared on the scheduled date. Reply to the aforesaid questionnaire was also filed. According to that the school had neither implemented the

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Secretary



recommendations of the 6th Pay Commission, nor had hiked the fee in terms of order of the Director of Education dated 11.02.2009.

The records produced by the school were examined in the first instance by Shri A.K. Bhalla, Audit Officer of the Committee. He observed that: -

- (i) the school had hiked the tuition fee within the range of 09.69% to 15.95% in 2009-10 and by 01.87% to 09.66% in 2010-11,
- (ii) the school had not implemented the recommendations of the 6th Pay Commission,
- (iii) the school did not maintain salary payment register,
- (iv) salary to the staff had been paid through vouchers in cash,
- (v) the school produced unsigned photocopies of salary statements, not even signed by the staff in token of receipt of salary.
- (vi) salary payment record of the school was un-reliable.
- (vii) the school had charged development fee from the students @ Rs.600/- per student w.e.f. 2008-09 to 2010-11.
- (viii) the school had not maintained separate development fund and depreciation reserve fund.

In order to provide an opportunity of hearing to the school, vide notice dated 23/09/2013, the school was directed to appear before the Committee on 23.10.2013, along with its fee and accounting records.

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On 23.10.2013, no one appeared on behalf of the school. It was confirmed from the India Post Track System that the notice of hearing had been delivered to the school on 25.09.2013. Thus, it is clear that the school willfully absented itself. The Committee therefore decided to record in due course its findings on the basis of records available with the Committee.

On examination of the financials returns of the school and the observations of the Audit Officer of the Committee, it was noticed that the school had hiked the fee in the following manner: -

Class	Tuition fee in 2008-09	Tuition fee in 2009-10	Increase in tuition fee in 2009-10
I	370	410	40
II	370	430	60
III	380	450	70
IV	390	450	60
V	400	450	50
VI	450	500	50
VII	480	550	70
VIII	480	550	70

In view of above, the school had not hiked the fee in terms of order of the Director of Education dated 11.02.2009 and the same was increased marginally in excess of the tolerance limit of 10%. The school had not implemented the recommendations of the 6th Pay Commission.

Further, the school did not produce original salary record, neither before the Audit Office nor before the committee. The school, rather

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JUSTICE
ANIL DEV SINGH
COMMITTEE
For Review of School Fee

evaded hearing before the committee to hide true state of affairs of the school.

In the circumstances, the Committee is of the view that the financials of the school do not inspire confidence. Therefore, the Director of Education should order a special inspection of the School, under Section 24(2) of Delhi School Education Act 1973, to ascertain the true state of affairs.

Regarding Development Fee: -

The school has admitted to have charged development fee @ Rs.600/- per student during the relevant period 2009-10 to 2010-11 and had not maintained separate development fund and depreciation reserve fund.

Therefore, the Committee is of the view that the school was not complying with any of the pre-conditions prescribed by the Duggal Committee for charging the same, which were affirmed by the Hon'ble Supreme Court in the case of Modern School Vs. Union of India & Ors. Therefore, the school ought to refund the development fee along with interest @ 9% per annum.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh(Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated: 28-10-2013

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Indira Memorial Public School, Mandawali, Fajalpur, Delhi-110092

4h v
The school did not reply to the questionnaire issued by the Committee on 27/02/2012. However, the returns of the school under Rule 180 of the Delhi School Education Rules, 1973 were received from the Office of Deputy Director, District East of the Directorate of Education. On prima facie examination of the returns, it appeared that the school had not hiked the fee, in terms of the order dated 11.02.2009 of the Director of Education and had also not implemented the recommendations of the 6th Pay Commission. Accordingly, the school was placed in Category 'C'.

In order to verify the returns of the school, it was directed vide notice dated 27.10.2012 to produce its fee and salary records and also to submit reply to the questionnaire on 05.11.2012.

On 05.11.2012, Sh.R.P.Sharma, President of the society attended the Office of the Committee. Reply to the aforesaid questionnaire was also submitted. According to the reply, the school, had implemented the recommendations of 6th Pay Commission, w.e.f. June 2012 and hiked the fee in terms of the order dated 11.02.2009, of the Director of Education w.e.f. April 2009.

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The records, produced by the school were examined in the first instance by Sh. A.D.Bhateja, Audit Officer of the Committee. He observed that the school had not produced fee receipt books; therefore fee record could not be verified. The school was directed to submit complete fee records on 20.11.2012.

449
On 20.11.2012, Sh.R.P.Sharma, President of the society submitted the requisite records, which were examined by the said Audit Officer. The school on 20.11.2011 again submitted reply to the questionnaire. According to the reply, the school, had implemented the recommendations of 6th Pay Commission, **w.e.f. June 2011** and hiked the fee in terms of the order of the Director of Education dated 11.02.2009, **w.e.f. April 2010**, whereas in its earlier reply dated 05.11.2012, the school, had stated that it had implemented the recommendations of 6th Pay Commission, **w.e.f. June 2012** and hiked the fee in terms of the order of the Director of Education dated 11.02.2009, **w.e.f. April 2009**.

The Audit Officer had observed further, that the school had implemented the recommendations of 6th Pay Commission, w.e.f. June 2011. The salary to the staff had been paid in cash. The school had not hiked the fee during 2009-10, but the same had been hiked fee w.e.f. April, 2010-11 by 9.89% to 28.65%.

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In order to provide an opportunity of hearing to the school, vide notice dated 25.07.2013, it was directed to appear before the Committee on 29.08.2013, along with its fee and accounting records.

On 29.08.2013, Sh.R.P.Sharma, President of the society appeared before the Committee for hearing. He filed reply to the questionnaire regarding development fee. According to the reply, the school had not charged development fee from the students. The representative of the school also contended that the school had, implemented the report of 6th Pay Commission, w.e.f November, 2012 and hiked the fee between 29% to 50% w.e.f. April 2010. It was also stated that the school did not deduct TDS in spite of the implementation of the recommendations of 6th Pay Commission.

The Committee examined the record, observation of the audit officer and submission of the school representative. As per the record, the school had hiked the fee during 2009-10 and 2010-11 in the following manner:-

Class	Tuition Fee in 2008-09	Tuition Fee in 2009-10	Increase in Tuition fee 2009-10	Tuition Fee in 2010-11	Increase in Tuition fee 2010-11
Pre-School & Pre-Primary	300	300	Nil	450	150
I to V	425	425	Nil	550	125
VI to VIII	600	600	Nil	650	50

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000451

It is evident from the above record that the school has hiked the fee for class Pre-School/Pre-Primary and classes I to V, w.e.f. April 2010 in excess of the permissible limit set by the order of the Director of Education dated 11.02.2009, and has claimed to have implemented the recommendations of 6th Pay Commission w.e.f. November, 2012.

In the circumstances, therefore, the increase of fee in excess of the tolerance limit of 10%, for class Pre-School/Pre-Primary and classes I to V , w.e.f. April, 2010 to October, 2012, was not justified and ought to be refunded along with interest @9% per annum.

Since the school has submitted two contradictory replies to the questionnaire of the Committee regarding the implementation of the recommendations of the 6th Pay Commission, the Director of Education should order a special inspection of the School, under Section 24(2) of Delhi School Education Act 1973, to ascertain the true state of affairs.

Recommended accordingly.

Sd/-

Justice Anil Dev Singh (Retd.)
Chairperson

Sd/-

J.S. Kochar
Member

Sd/-

Dr. R.K. Sharma
Member

Dated:- 23.10.2013

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