WP(C) 7777/2009

Delhi Abhibhavak Mahasangh & Ors.

Vs.

Govt. of NCT of Delhi & Ors.

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

Index

Place: Delhi

Date: 27.07.2017

Secretary

Delhi High Court Committee for Review of School Fee

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

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

Cause List for Monday, 1st May 2017

S. No.	Cat. No.	School Name & Address
1	B-60	The Heritage School, Sector-23, Rohini
2	B-656	St. Thomas Girls S. S. School, Mandir Marg
3	B-424	Pragati Public School, Sect.13, Dwarka
4	B-602	VSPK International School, Sector-13, Rohini
1	B-618	Mount Carmel School, Anand Niketan
2	B-388	Mount Carmel School, Dwarka
3	B-71	N.C. Jindal Public School, Punjabi Bagh

Cause List for Tuesday, 2nd May 2017

S. No.	Cat. No.	School Name & Address
1	B-608	Cambridge Primary School, Darya Ganj
2	B-690	Cambridge Primary School, New Rohtak Road
3	B-581	St. Paul's Diocesan School, Jangpura
4	B-616	St. Martin's Diocesan School, Delhi Cantt.
5	B-574	Manav Bharti India International School, Panchsheel Park

Cause List for Wednesday, 3rd May 2017

S. No.	Cat. No.	School Name & Address
1	B-596	Vikas Bharti Public School, Sector-24, Rohini
2	B-622	Hillwoods Academy, Preet Vihar
3	B-623	Col. Satsangi's Kiran Merorial School, Chhatarpur
4	B-638	Sneh International School, New Rajdhani Enclave

Cause List for Thursday, 4th May 2017

S. No.	Cat. No.	School Name & Address
1	B-639	Nutan Vidya Mandir, Dilshad Garden
2	B-640	The Srijan School, North Model Town
3	B-653	Apeejay School, Sheikh Sarai-I
4	B-655	St. Anthony's Sr. Sec. School, Hauz Khas

Cause List for Monday, 15th May 2017

S. No.	Cat. No.	School Name & Address
1	B-658	The Frank Anthony Public School, Lajpat Nagar
2	B-660	Tagore International School, East of Kailash
3	B-664	New Green Fields School, Alaknanda
4	B-669	Blue Bells International School, East of Kailash
5	B-108	The Indian School, Josup Broz Tito Marg

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Delhi High Court Committee ★ For Review of School Fee ★

Cause List for Wednesday, 17th May 2017

S. No.	Cat. No.	School Name & Address
1	B-677	Ganga International School, Hiran Kudna
2	B-347	Ever Green Public School, Vasundhara Enclave
3	B-488	Queen Mary's School, Sect.25, Rohini
4	B-60	The Heritage School, Sector-23, Rohini
5	B-574	Manav Bharti India International School, Panchsheel Park

Cause List for Thursday, 18th May 2017

S. No.	Cat. No.	School Name & Address
1	B-596	Vikas Bharti Public School, Sector-24, Rohini
2	B-622	Hillwoods Academy, Preet Vihar
3	B-623	Col. Satsangi's Kiran Merorial School, Chhatarpur
4	B-638	Sneh International School, New Rajdhani Enclave
5	B-60	The Heritage School, Sector-23, Rohini

Cause List for Wednesday, 24th May 2017

S. No.	Cat. No.	School Name & Address
1	B-686	Arunodaya Public School, Karkardooma Inst. Area
2	B-53	Remal Public Sr. Sec. School, Sector-3, Rohini
3	B-57	St. Giri Sr. Sec. School, Sector-3, Rohini
4	B-630	Jain Bharti Model School, Sector-16, Rohini
5	B-424	Pragati Public School, Sect.13, Dwarka

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Delhi High Court Committee ★ For Review of School Fee ★

01.05.2017 000003

B-60

The Heritage School, Sector-23, Rohini, Delhi

Present : Sh. Parveen Jain, CA, Sh. Ajay Gupta, CA, Sh. Naval Kishore, Admn. Of the school.

In compliance with the directions given by the Committee on 20.03.2017, the school filed copies of various complaint made by one Sh. Jai Bhagwan Aggarwal and the orders passed thereon by the Dy. Director of Education (Act-I). The Committee has gone through complaints and finds that except to a limited extent of non maintenance of earmarked depreciation reserve account, the complaint does not relate to the terms of reference of this Committee. With regard to the maintenance of earmarked depreciation reserve fund, the Dy. Director of Education has directed the school to deposit the amount charged as depreciation in earmarked bank account. The school has stated in its reply that the school was already maintaining an earmarked depreciation reserve account in the bank. The complaints having been disposed off by the Dy. Director of Education vide orders dated 17.03.2016 and 26.07.2017.

The Committee has examined circular dated 20.03.2009 issued by the school to the parents of the students regarding hike in fee in pursuance of order dated 11.02.2009 issued by the Director of Education. The circular mentions that the tuition fee has been hiked by Rs. 500 per month w.e.f. 01.09.2008. It also mentions that an increase in development fee from 10% to 15% has been permitted. In addition, the school is allowed to recover lump sum arrear fee @ Rs. 4,500 per student. The circular further mentions that an invoice showing the amount of dues payable by the students is enclosed. However, the school has not filed a copy of the invoice which was issued to the students with regard to hike in fee and recovery of arrears. The authorized representative appearing for the school have not been able to produce the copy of the invoice even at the time of hearing. They seek some time to do so. The school may file copies of invoices issued to the students of each class within one week. Matter will come up for further hearing on 17.05.2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

01.05.2017

B-656

St. Thomas Girls S.S. School,Mandir Marg, Delhi

Present :Sh. R.K. Khanna, C.A. & Sh. Vinod Kumar, Accountant of the school.

The school has filed written submissions dated 1.5.2017 contradicting to the calculation sheet prepared by the committee and has given its own calculation sheet. It needs to be notice at the outset that even as per the calculation sheet given by the school, it had surplus of Rs.17,60,133 which arose on account of hike in tuition fee in pursuance of order dated 11.2.2.2009 issued by the Director of Education. The school has not displayed that on account of hike in tuition fee and recovery of arrears in pursuance of the aforesaid order it had recovered a total sum of Rs.1.04,78,710 as tuition fee arrears and Rs. 38,63,775 as arrears of development. Also the school has not displayed that as a result of hike in tuition fee, the school generated additional revenue of Rs. 92,8,461 by way of incremental fee in the year 2009-10.

The variations in the calculations prepared by the committee and those prepared by the school are as follows :-

a. The school has claimed that the reserve required to be maintained for future contingencies equal to 4 months salaries ought to be taken as salary actually paid for the months of April to July 2010, instead of the 4 months average salary for the year 2009-10.
b. It is contended that if, this was done, the requirement of reserve to be set aside for further contingencies would go up by Rs. 55,23,365.
c. The school ought to have been allowed a sum equal to Rs.15,70,040 as contingency reserve which is equivalent to 2% of total expenditure (other than salary) for the year 2009-10.
d. Depreciation fund for 3 years which is Rs.1,02,26,683 ought also be allowed to retained for requisition or placement of fixed assets.
e. The school has furnished a copy of its fixed assets schedules for the years 2007-08 to 2009-10 in support of its claim.

The incremental salary on account of implementation of recommendations of the 6th pay commission was Rs.1,63,77,677 instead of Rs.1,42,21,955 as taken by the committee. It is submitted that the committee ought to have taken the total figure as per income and expenditure accounts in the two years instead of making adjustment to that.

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Delhi High Court Committee ★ For Review of School Fee ★

01.05.2017

The development fee ought not to have been included in the amount provisionally to be refundable by the committee solely for the reason that development fund and depreciation reserve fund were not created by the school. The school has filed hypothetical balance sheet showing the development fund and depreciation reserve fund which could have appeared in the balance sheet had they been created. The calculation sheet is not disputed on any other ground.

Arguments heard. Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

01.05.2017

B-424

Pragati Public School, Sec.13, Dwarka, Delhi

Present : Sh. Anil Jain, Authorized Representative, Sh. Rajiv Malik, Authorized Representative & Sh. Inderpal Singh, Accounts In charge of the school.

In compliance with the directions given by the committee on 23.3.2016, the school has filed details of payment of arrear salary alongwith copies of bank statements as also details of salaries paid in 2008-09 and 2009-10. The mode of payment in respect of arrear payments as well as the regular payments would be verified by audit officer of the committee and thereafter calculation sheet would be prepared. Matter to come up for further hearing on 17.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

01.05.2017

000007

B-602

VSPK International School, Sector-13, Rohini, Delhi

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

The committee has perused the circular dated 19.2.2009 issued by the school to the parents of the students regarding fee hiked in pursuance of order dated 11.2.2009 issued by the Director of Education. As per the circular school increased the regular monthly fee by Rs.500 p.m. w.e.f. 1.9.2008 and accordingly recovered Rs.3500 as arrears of fee for the period 1.9.2008 to 31.3.2009. Besides the school also recovered arrears of development fee @ 50 per month for the same period and consequently recovered Rs.350 per student as arrears for the same period. Besides the school also recovered the sum of Rs. 4500 per student lump sum arrear fee for the period 1.1.2006 to 31.8.2008.

The committee had noticed that the school was consistently incurring losses over a number of years. On going through the receipt and payment accounts of the school for the years 2006-07 to 2010-11, the committee notices that the expenditure of salary was a comparatively small fraction of the total tuition fee recovered from the students. Further the school had been regularly taking and repaying un secured loans from the family members of Sh. S.K. Gupta, the president of the society. The interest was being paid @ 12% per annum, as submitted by the President who is present at the time of hearing . Besides the school had also taken loans from different banks for purchase of buses. The interest as well as the repayment of loans had been made entirely from the fee received from the students. As on 31.3.2009 the written down value of the total fixed assets of school was Rs. 9,06,54,563. The corpus fund as on that date was in negative to the tune of Rs.1,04,047,66. The outstanding loans against such fixed assets were Rs.9,46,46,730 as on that date.

This shows that the entire fixed assets of the school including land and building to the extent they have been paid have been financed out of fee received from the students. This does not take into account the depreciation charged on the fixed assets for the period prior to 31.3.3009.

With regard to development fee, the school in its reply to the questionnaire issued by the committee stated that it had been charging development fee in all the years for which the information is sought i.e. 2006-07 to 2010-11. The school had been treating the same as a capital receipt however, the depreciation reserve fund was

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Delhi High Court Committee for Review of School Fee

maintained only in the books of the school and no earmarked bank accounts were maintained in the depreciation reserve fund or development fund. The development fee received by the school in 2009-10 was Rs. 50,76,349 and in 2011-11 it was Rs.07,02,388.

However, on verification the audited financials filed by the school as part of its annual returns under Rule 180 of Delhi School Educations Rules 1973, the committee observes that the contention of the school that it was treating development fee as a capital receipt is contrary to what is reflected in the audited financials. As per the audited financials it was treated as a revenue receipt in both the years.

The arguments raised by the authorized representatives. appearing for the school are that the revenue from the fee was not fully utilized for the purpose of creating fixed assets or for repayment of loans for interest but was primarily utilized for payment of salaries and other expenses of the school. Only the left over amount was utilized for payment of interest or repayment of loans to the banks. The unsecured loans taken by the school for the purpose of creating its infrastructure are still outstanding. Only the loans have been rotated in the sense that the loans from the one person is repaid and received from the another person. The fixed assets like furniture and fixture and buses are essential for running of the school and as such have to come out from the fee only as the school has no other source of revenue.

Arguments heard. Recommendations Reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee for Review of School Fee

02.05.2017 000009

B-581

St. Paul's Diocesan School, Jangpura, Delhi

Present : Sh. Sanjay Gupta, Accounts Asstt. Sh. Bharat Gupta, Accounts Asstt. & Sh. P.N. Biswas Teacher of the school.

The Committee has perused the three different circular dated 26/02/2009 issued by the school to the parents of the students of class Nursery, Prep and I to X regarding fee hike for the purpose of implementation of the recommendations of VI Pay Commission. As per the circular the school hiked tuition fee @ Rs. 200 per month w.e.f. Sept. 2008 and the lumps sum arrears as provided in the order dated 11/02/2009 issued by the Director of Education. The circulars do not mention anything about the arrears of development fee. During the course of hearing, the authorized representatives have submitted that no arrears of development fee have been recovered. The school has furnished almost the entire information as required vide notice dated 25/05/2015 issued by the Committee. The information has been furnished in respect of the pre primary school as well as the main school separately along with separate audited balance sheet. However, the school has not furnished the details of its accrued liabilities of gratuity and leave encashment as on 31/03/2010. The authorized representatives seek a time of about one month to furnish the same as the school is to be inspected by CBSE during next few days. The same may be furnished by 25th May 2017.

The Committee has perused the audited financials of the school as well as the reply given by the school to the questionnaire regarding development fee. It is conceded that the school was treating development fee as revenue receipts in its accounts and no earmarked development fund or depreciation reserve fund were maintained. The authorized representatives of the school state that the school does not have any transactions with its parent society i.e. no accounts of society appears in its books.

Calculation sheet to be prepared after receipt of information regarding accrued liabilities of gratuity and leave encashment as on 31/03/2010 and the matter will be heard further on 08/06/2017 at 11.00 a.m.

Rcvd Photocopy of Minutes duly signed by Secretary St. Paul's Diocesan School 02/5/2017

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee for Review of School Fee

02.05.2017

000010

B-616

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

Present : Dr. A.D. Lyall Principal/Manager, Sh. I.P. Pasricha, C.A. & Sh. Mukesh Kumar Accounts Officer of the school.

Arguments Heard. The committee finds that the fee hiked effected by the school in pursuance of order dated 11.2.2.2009 issued by the Director of Education, as well as the arrear fee recovered was not adequate, considering that funds required to be kept in reserve for future contingencies and accrued liabilities, leave encashment and gratuity. Accordingly the committee finds no reason to interfere the fee hike effected by the school or the development fee recovered by it in pursuance of order dated 11.2.2009 issued by the Director of Education.

Detail order will be passed separately.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

02.05.2017

000011

B-574

Manav Bharti India International School, Panchsheel Park, Delhi

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

The authorized representatives appearing for the school have filed detailed break up of amounts appearing as fee and salaries and other income in consolidated income and expenditure account . On perusal of the same the committee finds that the school, in addition to a higher sec. school, nursery school and was also running a teachers training institute from the same premises. It is admitted by them the land was allotted to the society for the purpose of running a school only and that the land was allotted in a nominal lease amount. However they contend that the consolidated balance sheet of the society on the basis of which they requested that the relevant calculation made to examine the fee hike already takes care of the revenues of the nursery school hostel and teachers training college.

The committee finds that prima facie the school had funds to the tune of Rs.18.67 crores as on 31.3.2008 and even after setting aside funds with the tune of Rs.1.65 crores for future contingencies and accrued liabilities of leave encashment and gratuity, the school had its own fund Rs. 17.02 crores. As against this, the total additional expenditure that befall on the school on account of implementation of recommendations of 6th pay commission was just Rs.1.61 crores. And the same could have been absorbed by the school out of its own funds and there was no need to recover any arrear fee or incremental fee in terms of order dated 11.2.2.009 issued by the Director of Education. However, the school generated an additional revenue to the tune of Rs.1.41 crores by recovering arrear fee and the incremental fee during the year 2009-10. A copy of the calculation sheet have been provided to the authorized representatives appearing for the school for rebuttal, if any.

Photocopy Received 4/5/17

The matter will come up for hearing on 17th May 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

03.05.2017

000012

B-596

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

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

The calculation sheet could not be prepared as the school did not file the columnar Receipt and Payment account, though it filed column Income and Expenditure accounts and balance sheets. The authorized representatives appearing for the school contends that on the order dated 7.4.2017 did not require Receipt and Payment account to be filed.

Be that as it may, the school will file columnar Receipt and Payments accounts for the years 2007-08 to 2010-11. The same be done within one week. After these documents are filed, calculation sheet to be prepared and matter will come up for further hearing on 18.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

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

03.05.2017 000013

B-622

Hillwoods Academy, Preet Vihar, Delhi

Present: Ms. Vinita Sharma, Office Executive & Ms. Richa Bhatia, Office Executive of the school.

An application has been received on behalf of the school to give further time for submission of details as per order 10.4.2017.

The school has not produced its books of accounts and could not produced it during last two hearings also. One last opportunity is given to the school to furnish the required details and produce its books of accounts on 18.5.2017. Matter to come up on 18.5.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

03.05.2017

000014

B-623

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

Present : Shri S. Krishna, Consultant , Sh. Ramlal Pandit, Sr. Accountnat, Sh. Sunil Kohli, Accounts Supervisor & Sh. Surendra Prasad, Asstt. Manager of the school.

The complainant one Sh. Vipin was issued a notice for today to produce evidence in support of allegations made against the school. However he is not present . On the last date of hearing a copy of the complaint was given to the authorized representatives of the school who appeared in the matter for response. The school has filed its reply dated May 3, 2017 in which it has not adverted to the contents of the complaint at all, instead it has challenged the loco standi of the complainant.

This committee was constituted by the Hon'ble Delhi High Court by judgment which was passed in public interest litigation filed by Delhi Abhibhavak Mahasangh. As such every citizen is entitled to make a complaint, if he/she is aware of any financial irregularities committed by the school which result in fee charged by it which is in excess of the school charged particularly reference to fee hike effected by the school in pursuance of order dated 11.2.2.009 issued by the Director of Education.

The committee has gone through the complaint in which it is realized as follow:

a. The school charged a sum of Rs.5000 per subject as service charges for change of subject in the board examination .
b. There was a raid by income tax authorities on the school and a very heavy amount of unaccounted cash was recovered .
c. The school is booking exaggerated expenditure on various assets.

During the course of hearing the authorized representatives have submitted that as a result of income tax raid , a sum approximately Rs.9 crores was assessed as tax and interest which was subsequently recovered by appellate authorities. However the school got relief from the appellate authorities and the amount recovered was subsequently refunded. It is further submitted that the recovery as well as demand was made from the parent society of the school. On a query by the committee the representatives of the school submit that the society has no other activity except running the school. The school will file the audited financials of the parent society for the years 2006-07 to 2010-11 within one week. Matter will come up for further hearing on 18.5.2017.

Photo copy received
5/5/17

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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03.05.2017

000015

B-638

Sneh International School, New Rajdhani Enclave, Delhi

Present : Sh. Manu Luthra, C.A. & Ms. Kavita Chopra, Accountant of the school.

In compliance with the notice dated 10.4.2017 the school filed a details salary statement for the period 2008-09 & 2009-10 showing month wise salary paid to each employee. It is submitted that the new staff recruited by the school is paid the salary for 11 months. All the 12 months is paid from the next year. **Audit officer of the Committee to verify these statements with reference to the copies of the salary register which were taken on record on the last date of hearing, and thereafter make the relevant calculations and put up the same before the committee. Matter to come up for further hearing on 18.5.2017.**

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee * For Review of School Fee *

04.05.2017

000016
B-639

Nutan Vidya Mandir, Dilshad Garden, Delhi

Present: Sh. Raj Kumar, Accountant, Sh. Pramod Singh, Accountant & Sh. Jitendra Sharma, Advocate of the school.

The school has still not furnished the details of transactions with Parishad Cooperative Bank. The authorized representatives appearing for the school saying that the financials are brought in the books for the last twenty years. The Committee is of the view that a small balance is being carried forward in the books implies that the school has certain deposits in the bank but they are not fully reflected in the balance sheet. With regard to accounts with Oriental Bank of Commerce and Cooperation Bank the authorized representatives state that these are availed for construction of school building prior to the year 2006-07 and since they are operative accounts there is hardly any net repayment, only the interest account is paid on the old rates. They seek time to have instructions from the management with regard to the collection of arrear fee which has not been disbursed as arrear salary to the staff. The Committee is of the view that since the fee was collected specifically for the purpose of arrear salary to the staff the same ought to be paid to the staff. The school will clarify the position on the next date of hearing. Further the transactions with Cooperative Bank may also be explained even if the same balance is being carried at some stage the school would have made some deposit in that bank. Whether it was recovered or not may be expressed with the statement. The audited financials for the year with which such deposits were made may be filed before the next date of hearing.

The building constructed out of the loans taken from the banks are reflected as capital expenditure which does not form part of schedule of fixed assets.

The matter to come up for further hearing on 1.6.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee * For Review of School Fee *

04.05.2017

000017

B-640

The Srijan School, North Model Town, Delhi

Present: Sh. V.A. Moses, Principal, Sh. D. Tewary, Admn. Officer, Ms. Shweta Bansal, Accountant of the school.

On the last date of hearing, the Committee had taken a notice of a complaint against the school on which the Directorate of Education had conducted an inspection and submitted its report. Since the name of the complainant was not disclosed by the Directorate, no notice was issued to the complainant. However, the school was given a copy of the complaint and was asked to give its response. The school has filed its response today and the authorized representatives appearing for the school have produced the books of accounts of the school for verification by Committee.

The response submitted by the school is silent on certain issues that were raised in complaint. The Committee has verified the main issues that have been highlighted by the complainant with reference to books of accounts of the school and notes as follows:

1. The complainant had apparently stated that one Sh. Jaspal Singh Accountant of DPS Dwarka is paid @ Rs. 15,000 per every visit and the money is taken in the name of his wife. The response filed by the school is silent on this aspect. During the course of hearing, the authorized representatives have admitted this fact but state that Rs. 15000 is paid per month for two visits and not for every visit.
2. The Complainant had stated that 15 cars for owners were purchased out of the funds of the school. On verifications of the accounts and financials of 5years i.e. 2006-07 to 2010-11 which were before the Committee, it is observed that during these five years 6 cars were purchased for an aggregate value of Rs. 47,04,715.
3. The Complainant stated that 27 buses were purchased from the school funds and the loans taken for purchase of these buses was paid out of the fees collected from the students along with interest. The Committee has found that a total sum of Rs. 9,65,73,393 was repaid by the school towards principal and interest on these loans.
4. The Complainant had stated that a sum of Rs. 30.00 lacs was paid by the school to one Ms. Parthasarthi who is a member of Managing Committee every year. The Committee on verification of accounts has found that during 5 years, the total payment to Ms. Parthasarthi was Rs. 18,75,000.

Prima facie, the Committee considers all the aforesaid funds to be deemed available with the school out of which the total additional liabilities that were incurred by the school on implementation of the recommendations of VI Pay Commission and the school apparently did not need to hike any fee for that purpose nor to recover any arrear fee.

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Delhi High Court Committee ★ Fee of School ★ For Review

04.05.2017

000018 B-640

The Committee has already noticed that originally in 2008-09, the school was not charging any development fee. However, it introduced a new levy of 15% of tuition fee as development fee and that too with retrospective effect from 01/04/2008.

The school is required to show cause as to why the aforesaid funds as mentioned in foregoing paragraphs be not considered as deem available with the school as in view of the Committee, these constituted diversion which the school could not have done in view of the decisions of Hon'ble Supreme Court in the case of Modern School vs Union of India (2004) 5 SCC 583 and Action Committee.

The matter is listed for further hearing on 01/06/2017 at 11.00 a.m.

Recd. a copy
11/6/2017

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

04.05.2017

B-653

Apeejay School, Sheikh Sarai-I, Delhi

Present : Sh. S.K. Murgai, Financial Advisor, Sh. A.P. Sharma, Principal, Sh. Rajiv jain, Sr. Accountant & Sh. Sunil Bhatt, Sr. Accountant of the school.

In compliance with the directions of the committee on 11.4.2017 the school filed a detailed calculations sheet of development fund and depreciation reserve fund since 1999 to 2000 wherein the development fee was first introduced. The committee observes that the statement is incorrect as the school already has sum of Rs. 38,47,130 as the opening development fund in 1999-2000 that is prior to introduction of development fee. The school has also shown that the FDRs earmarked against depreciation reserve fund to the extent of total accumulated depreciation on all the assets instead of showing the accumulated deprecation on assets required out of development fund. The authorized representatives appearing for the school seeks sometime to file the correct information. The same may be filed in 10 days .

Matter to come up for further hearing on 1.6.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

04.05.2017

000020
B-655

St. Anthony's Sr. Sec. School, Hauz Khas, Delhi

Present : Sh. J.A. Martin, C.A. & Sh. Chandan Kumar Pali, Accountant of the School.

The school has controverted the calculation sheet and filed written submissions date 04/05/17 which are taken on the record. Arguments heard. Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

15.05.2017

000021

B-658

The Frank Anthony Public School, Lajpat Nagar, Delhi

Present : Ms. Simran Singh, C.A. & Sh. Ashok Kumar, Accountant of the school.

The school has today filed two written submissions alongwith the calculation sheet prepared by it controverting the calculations made by the Committee dated 15/05/2017. The Committee has examined the calculation sheet of the school and observes that the same is at variance with the calculations prepared by the Committee only in respect of following six items.

1. The school has taken the accrued liability towards leave encashment at Rs. 1,37,31,125 as against 78,17,436 taken by the Committee.
2. The school has taken the accrued liability of gratuity at Rs. 2,78,19,341 as against Rs. 11,58,149 taken by the Committee.
3. The school has claimed a sum of Rs. 13,80,684 for arrears on account of one additional increment as per office memorandum dated 19th March 2012 issued by the Govt. of India which was paid by it on 3rd May 2013 along with salary for the month of April 2013. The school has filed a detail of such payment along with copy of the bank statement evidencing therein.
4. The school had claimed a sum of Rs. 18,17,241 on account of differential increment in leave encashment and gratuity to the employees who retired upto 31 March 2010 which made in the year 2010-11. School has filed copies of bank statements for these payments.
5. The school has claimed that sum of Rs. 24,03,328 be allowed for the development fee received in 2009-10 and 2010-11 which had been utilized on eligible assets, although the school did not state that it treated development fee as a revenue receipt and thus it was not fulfilling the pre conditions laid down by the Hon'ble Supreme court in the case of Modern School vs. Union 2004.
6. The school has claimed that although the funds available with it amounting to Rs. 6,05,41,690 have been correctly determined by the committee the same could not have been fully utilized for the purpose of implementation of recommendations of VI Pay Commission as the school had already committed funds towards construction of multipurpose hall, the process of its construction having started on 23rd April 2008 when the fees was paid to Municipal corporation of Delhi for sanction of building plan. The school has filed copy of the demand draft as well as its internal payment voucher evidencing the statement. The school has also filed a copy of the construction contract which it executed with the contractor on 10th April 2009. The Committee observes that the value of contract executed with the contract is Rs. 1,49,53,919. The authorized representative appearing for the school has conceded that the Notes on accounts along with balance sheet as on 31/03/2009 also show this amount as the capital commitment for extension of the building of the school.

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Delhi High Court Committee * For Regulation of Unaided Private Schools *

As regards the accrued liability of leave encashment, the school has filed copy of an actuarial value certificate dated 20th April 2017. The liability has taken by the actuary is Rs. 1,37,31,125. The Committee has taken the value at Rs. 78,17,436 as per information furnished by the school itself under cover of its letter dated 07/07/2015. The authorized representative is unable to explain as to how this figure was given and contends that since now the value has been correctly determined by an authorized actuary, the same ought to be taken into account in the calculations made by the Committee. The Committee considers this submission of the authorized representative to be reasonable as the actuaries are experts in the evaluating such liabilities and their reports has to be precedence over the calculations made by the lay person.

With regard to the accrued liability of gratuity, the school submits that as in the case of leave encashment, the liability of gratuity was also estimated by the certified actuary at Rs. 3,87,58,166. However, the school has an LIC Policy of covering its liability of gratuity. It is submission of the authorized representative that fund value of LIC policy do not adequately cover the full liability as the past service liability of the employees was not fully covered by taking the policy. Accordingly he claimed a sum of Rs. 2,78,19,344 out of the total liability of Rs. 3,87,58,166 as determined by the actuary. The authorized representative is unable to provide any justification of the figure of Rs. 11,58,149 which the school had given vide dated 07/07/2015. For the reasons given in the issue of leave encashment, the Committee accepts the contention of the authorized representative.

The third and fourth contention with regard to payments on account of arrears on account of additional increment as per office memorandum dated 19th March 2012 as also increment on additional gratuity paid to employees who retired upto 31st March 2010 do not require much discussion as these liabilities pertain to the period prior to 31st March 2010 and have been discharged by the school. The school has already furnished their detail and bank statement in evidence of the payments.

The Fifth and sixth contention with regard to allow expenditure incurred out of development fee on eligible fixed assets although the school was treating the same as revenue expenditure and with regard to the school not utilizing the existing reserves for making payment of increased salaries on account of implementation of recommendations of VI Commission need a detailed consideration by the Committee the argument put forth by the authorized representative have been heard.

Recommendations reserved.

Received Copy of the Order 19/05/17

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee * For Review of School Fee *

15.05.2017

000023

B-660

Tagore International School, East of Kailash, Delhi

Present: Sh. Rajeev Agarwal, Accountant, Ms. Nidhi Rewari, Acctts. Assistant of the school.

The school has not filed its corrected reply to the notice dated 26/05/2015 as was required to be filed vide order dated 12/04/2017 by this Committee. Ms. Nidhi Rewari who appeared on last date and is present today also says that she did not understand what the Committee had required to file. A copy of the order dated 12/04/2017 may be furnished to her. The same may be complied within 15 days. Matter will come up for further hearing on 02/06/2017 at 11.00a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

15.05.2017

000024

B-669

Blue Bells International School, East of Kailash, Delhi

Present : Sh. S.S. Kalra, C.A. & Sh. Nirmal C. Rana, Accounts Officer of the school.

The authorized representatives made an oral request for adjournment in the case. As requested the matter will come up for hearing on 2.6.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

15.05.2017

000025

B-108

The Indian School, Josup Broz Tito Marg, Delhi, Delhi

Present : Sh. K.S. Vaid, Manager, Sh. Brijesh Kumar Singh Asstt. Bursar & Sh. Vishal. Bajaj, Consultant of the school.

The school has filed a letter dated 15th May 2017 alongwith which it has enclosed copies of the Pay Orders issued to the ex-employees of the school towards payment of arrears on account of implementation of 6th pay Commission. The school has also enclosed copy of the speed post receipts vide which the drafts were sent to the ex employees. After factoring in these calculations, the Committee observes that although the school was in deficit after implementation of the recommendations of 6th pay Commission, prima-facie it was not fulfilling the preconditions for charging the development fee. After factoring in the deficit on account of implementation of recommendations of 6th pay Commission, the Committee had provisionally determined a sum of Rs. 67,90,498 to be refundable out of the development fee charged by the school in the years 2009-10 and 2010-11 which was in pursuance of the order dated 11.2.2009 issued by the Director of Education. A copy of the Calculation sheet is being given to the authorized representative of the school for rebuttal. The matter will come up for further hearing on 2.06.2017 to consider the submissions of the school. The competent person for the school will also file an affidavit stating that none of the pay orders issued to the ex-employees, have been received back.

Recd. Dharmender 17/5/17

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

17.05.2017

B-677

Ganga International School, Hiran Kunda, Delhi, Delhi

Present: Sh. R.K. Narang, Accounts Officer of the school.

On 27.4.2017 the school was required to furnish a detailed statement showing the amounts paid to the staff members as arrears year wise along with copies of the settlements arrived at between the school and the staff members. Bank statements evidencing such payments are required to be filed. However, the school has not filed an employee wise detail of the arrears paid to them . The copy of settlement between the school and the employees in writ petition no. 9961/2009 has been filed but the same does not mention the amount to be paid in terms of such settlements, which has been arrived at different parties. The school has filed copies of the payment receipts in respect of payments which were purportedly made in terms of such settlements to the employees. However, the committee observes that the payments have been made as full and final settlement of 6th pay commission arrears, gratuity and other claims. Moreover, the payments are purportedly made in cash and do not mention the date on which it has been paid. The settlement has been arrived at on 22.5.2013 and some part of the payments made would relate to the disputes between the parties after 31.3.2010. The school has not filed employee wise details of 6th pay commission arrears that were due to the employees. The school is required to file a consolidated set of documents giving the details of fee receipt and salary paid in the format in which the school gave the information vide letter 8th June 2015 for all the years in which the arrear fee as on 11.02..2009 was received and the arrear salary in pursuant to the recommendations of the 6th pay commission was paid. Evidence of payment of arrears will also be filed. The copies of vouchers of payment of arrears in different years to different employees will also be filed. Statement of the parent society as appearing in the books of the school from 1.4.2006 to 31.3.2011 is also required. The school is also required to produce its books of accounts (i.e. cash book, bank book as well as ledgers) for all the years in which the payment of salary arrears have been made .

Matter will come up for further hearing on 5.6.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee * For Review of School Fee *

17.05.2017

000027

B-347

Ever Green Public School, Vasundhara Enclave, Delhi

Present : Sh. Rahul Jain, C.A. & Lokendra Singh, Accountant of the school.

In compliance to the directions given by the Committee on 15.12.2016, the school furnished copies of its annual returns for the years 2010-11, 2011-12 and 2012-13 . The school also furnished a calculation sheet showing the amount of fee due from the students in the year 2010-11 to 2011-12 in accordance with the fee structure filed by it. With regard to the apparent anomaly of the aggregate fee as reflected by income and expenditure account was more than 20% in the year 2010-11 and the school has stated that the fee is being accounted on the receipt basis and the ~~amounted~~ outstanding fee i.e. short received in 2010-11 is recovered in 2011-12. Likewise for the year 2012-13.

The strength of the students in 2011-12 was 1413 which rose to 1490 in 2012-13. It is submitted that if the increase strength and the increased fee 10% is considered, the result is an increase of 20%.

The committee has perused the fee structure of the school as well as copies of fee receipts produced by the school and finds that the school was not charging any additional fee than what was reflected in the fee structure. Overall increase in fee as reflected in the fee structures of the two years is about 10%. The committee finds this explanation of the authorized representatives of the school to be in order..

With regard to the source of cash received by the parent society which is transferred to the school by way of aid, the authorized representatives submit that the same are donations received from sundry persons but they are not linked with the admissions of students made to the school, The authorized representatives will file an affidavit from the Head of the Society to this effect.

Calculation sheet to be prepared. Matter will come up for further hearing on 12.6.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

17.05.2017

000028
B-488

Queen Mary's School, Sector-23, Delhi

Present : Sh. Vikas Goyal, C.A., Ms. Rooma Jain, C.A. & Sh. Harsh Kumar Assistant of the school.

In compliance with the directions given by the Committee on 22/12/2016, the school filed the required documents under cover of its letter dated 02/04/2017. The Committee has perused the statement giving break up of arrear fee and salary for the years 2008-09 to 2010-11. Apparently the figures given in the statement do not match with the audited financials of the school. The school has not brought its books of accounts from which the position could have been verified.

The authorized representative seeks some time for filing the reconciliation between the statement filed with the audited financials. The Committee further notices that although the arrear fee was collected by the school in the years 2008-09 and 2009-10, a substantial part of arrear salary was paid only in the years 2011-12, 2014-15 and 2015-16. It appears that in one case, the school paid more amount than what was due. The authorized representatives submit that the difference is on account of interest as the employee had gone to the court and got a favorable judgment. The school will also file the judgment of the aforesaid case. It appears that in some cases the school has withheld a part of the arrears payable to the staff. It is submitted by the authorized representative that the amount was withheld as security which was payable by the staff, in pursuance of the decision taken by the management of the school. The school will file a copy of the minutes of meeting at which such decision was taken. On perusal of the balance sheet of the school the committee finds that prior to 2011, no such security apparently taken from the staff.

The school will file a complete list of the arrear fee recovered by it from the students giving the name of the student as well as class and dates of such recovery. The school will also file a statement giving the details of salary arrears payable to the staff as per the recommendations of VI Pay Commission. These documents be filed within two weeks.

Matter will come up for further hearing on 05/06/2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

17.05.2017

000029

B-510

The Heritage School, Sector-23, Rohini, Delhi

Present : Sh. Naval Kishore, Admn. Astt. Sh. Susheel Dubey, Accountant of the school.

On the last date of hearing i.e. 1.5.2017 the school was directed to produce copies of invoices that were issued to the students regarding recovery of arrear fee in pursuance of order dated 11.2.2009 issued by the Directorate of Education. This was required to be done within one week. However, till today these have not been filed and today the school is seeking adjournment on account of certain unavoidable circumstances. What are these unavoidable circumstances, the school has not came out. It appears that the school is not producing these documents before the committee purposely. The committee is inclined to draw an adverse inference towards the school, however in the interest of justice one more opportunity is given to the school to produce its documents tomorrow i.e. 18.5.2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

17.05.2017

000030

B-574

Manav Bharti India International School, Panchsheel Park, Delhi

An application is filed on behalf of the school seeking adjournment on account of non availability of its counsel. As requested the matter will be relisted for 5.6.2017

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

18.05.2017

000031

B-596

Vikas Bharti Public School, Sector-24, Delhi

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

A copy of calculation sheet prepared by the committee has been given to the authorized representatives appearing for the school. Prima facie it appears that school had sufficient funds of its own and did not need to hike any fee or recover arrear fee in pursuance of order dated 11.2.2009 issued by the Directorate of Education. The school may file its rebuttal, if any, before the next date of hearing. Matter will come up for further hearing on 5.6.2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

Recd
23/05/17

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Secretary

Delhi High Court Committee For Review of School Fee

18.05.2017

000032

B-622

Hillwoods Academy, Preet Vihar, Delhi

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

During the course of hearing the authorized representative appearing for the school had suddenly been taken ill. The matter is adjourned and will be taken on hearing on 7th June 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

18.05.2017

000033

B-623

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

Present : Sh. Sanjeev Agarwal, C.A., Sh. Ramlal Pandit, Sr. Accountant, Sh. Sunil Kohli, Accounts Supervisor & Sh. Surendra Prasad, Asstt. Manager of the school.

In compliance of the direction of the Committee on 3.5.2017, the school filed the balance sheet of the parent society on 11.5.2017. On perusal of the balance sheet, the Committee observes that besides that the school whose case is being considered by this committee, the society is running two other schools outside Delhi i.e. UCSKM Public School, Nawrang Pur, & UCSKM Public School Bhiwadi. The authorized representative who appeared for the school on 3.5.2017 had stated that the society had no other activity except running the school. In view of this finding it is become necessary to examine the balance sheet of the society in conjunction with the balance sheet of three schools.

The school has filed two sets of written submission on dated 18.5.2017. One of them is with regard to the complaint filed by one Sh.Vipin and the other is with respect to the justification of fee hike for the purpose of implementation of recommendations of 6th pay commission. These are taken on record. The school is directed to file the balance sheet of all the four different accounting entities in a columnar form so as to examine the funds that were available with this school as well as the funds held by the society that could be with this school. Needful will be done within 15 days. Matter to come up for further hearing on 13th June 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

Received
25-5-2017

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Delhi High Court Committee for Review of School Fee

18.05.2017

000034

B-638

Sneh International School, New Rajdhani Enclave, Delhi

Present : Ms. Navita Chopra, Accountant of the school.

Copy of the calculation sheet has been given to the authorized representative appearing for the school. Prima facie it appears that the school did not require to hike any fee for implementation of the recommendations of the 6th pay commission. The school may file its rebuttal before the next date of hearing. Matter to come up for further hearing on 7th June 2017,

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

18.05.2017

000035

B-510

The Heritage School, Rohini, Delhi

Present : Sh. Nawal Kishore, Administrative Assistant & Sh. Susheel Dubey Accountant of the school.

The school has filed copies of the fee invoices raised on the students of different classes for recovery of arrear fee pursuant to order dated 11.2.2.009 issued by the Directorate of Education. As per invoices the school recovered arrears of tuition fee @ Rs. 3500 for the period 1.9.2008 to 31.3.2009 and the arrear of tuition fee Rs.4500 for the period 1.1.2006 to 31.8.2008, besides the school has also recovered arrears of development fee @ 10% for different classes. The development fee arrears for the period 1.9.2008 to 31.3.2009 have been recovered as per the details given below :

Class	Amount
Pre school to pre primary	2749
1st to 5th	2839
6th to 8th	3049
9th to 11th	3390

As noted earlier the arrears of tuition fee for the period 1.9.2008 to 31.3.2009 was recovered uniformly @ Rs.3500 per student. The school was charging development fee in the year 2008-09 @ 10% of the tuition fee. Accordingly the recovery of development fee for the period 1.9.2008 to 31.3.2009 could have not been exceeded Rs.350 per student i.e. 10% of Rs.3500. The school is required to explain as to how it was justified in charging arrears of development fee which were in excess of Rs.350 for the period 1.9.2008 to 31.3.2009. Matter to come up for further hearing on 7th June 2017.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

24.5.2017

000036

B-686

Arunodaya Public School, Karkardooma Inst. Area, Delhi

Present: Ms. Rupika Tandan, Vice Principal & Sh. Bhagsar Singh, Accountant of the school.

On 18.4.2017, Mrs. Raj Abrol Director of the school had contended that though resolution passed by the managing committee stipulated that the tuition fee will be hiked by Rs.200 per month for all classes except 11 & 12th for which the hike would be 300 p.m., the school had hiked the tuition fee by Rs.200 per month only for all the classes. She further stated that the arrears of only 6 months were recovered instead of 7 months from 1.9.2008 to 31.3.2009. The audit officer of the committee was directed to verify these facts and on examination of the record she has reported that both the contentions of the Director of the school were wrong. The school recovered the arrear fee for the full 7 months and the fee hiked for classes 11 & 12 was also Rs.300 p.m. The Committee had noticed that the school in its reply to the questionnaire regarding development fee stated that the school did not charge any development fee for any of the 5 years(2006-07 to 2010-11) for which the information was sought. However, the Committee on perusal of the balance sheet of the parent society i.e. Arunodaya Educational Society finds that the school was charging development fee in all the years for which the information was sought. However, the same was being collected directly by the society and not by the school. In 2006-07 the school collected development fee aggregating Rs.9,24,480, in 2007-08 it collected Rs. 13,71,410, in 2008-09 it collected Rs.13,72,550, in 2009-10 it collected Rs. 20,82,000 & in 2010-11 it collected Rs. 24,90,750. The Committee also finds that instead of providing funds to the school, the society was borrowing funds from it. The Delhi School Education Rules 1972 specifically states that no fee contribution or all other charge shall be collected from any student by the trust or society running any recognized school, whether aided or not and every fee contribution or other charge collected from any student by a recognized school shall be collected in its own name and proper receipt is granted by the school on every collection made by it. The Committee has also perused the fee schedules filed by the school under Section 173 of Delhi School Education Act 1973 and observes that the school had never reported that it was charging development fee from the students. On perusal of the information filed by the school vide its letter dated 18.4.2017 the Committee finds that the charge of development fee was not reported to this Committee also.

All these inconsistencies in the submissions made by the school has raised a serious doubt about the authenticity of information furnished by it. In the circumstances the audit officer of the committee is directed

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Secretary

Delhi High Court Committee * For Review of School Fee *

24.5.2017

000037 B-686

to make a detailed verification of the records of the school as well as the parent society for the years 2008-09 to 2010-11. The school will also file the audited balance sheet of 2011-12 and 2012-13 to ascertain the recovery of arrear fee and payment of arrear salary in those years. The school is required to produce its entire accounting, fee and salary records besides its bank statements for these years before the audit officer of the committee on 7th June 2017. The above mentioned records of its parent society should also be produced.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee For Review of School Fee

24.5.2017

000038

B-53

Remal Public Sr. Sec. School, Sect.-3, Rohini, Delhi

Present: Sh. Puneet Batra, Advocate & Sh. Rohit Bajaj, Manager of the school.

The Committee has prepared the calculation sheet regarding justifiability of fee hike in pursuance of order dated 11.2.2009 issued by the Directorate of Education. As per the calculations it is determined that that fee hike effected by the school as well as recovery of arrear fee for the purpose of implementation of the recommendations of 6th pay commission was justified. Detailed order to be passed separately.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Secretary

Delhi High Court Committee ★ For Review of School Fee ★

24.5.2017

000039

B-57

St. Giri Sr. Sec. School, Sect. 3, Rohini, Delhi

Present : Sh. Arun Diwedi, Accountant & Sh. Rahul Sharma AR of the school.

The Committee has examined the books of accounts of the school. It is observed that the major part of the salaries are paid in cash, only miniscule portion is paid by cheques that too are bearers. Perusal of the cash books of the school shows that the school was maintaining heavy cash in hand. As on 1.4.2009 the school had a closing balance of Rs. 17,92,947 as cash in hand out of which only a sum of Rs.6,20,000 was deposited in the bank on 2.4.2009. There had been daily receipts of cash thereafter but hardly any deposit in the bank. As on 9.4.2009 the cash in hand was Rs.30,84,111. The same pattern continues throughout the year. On 5.11.2009 the cash in hand was Rs.22,50,232. The next deposit in the bank was on 20.11.2009 amounting to just Rs.1 lac. On 4.12.2009 the cash in hand was Rs.24,33,806 out of which just Rs. 2 lac was deposited in the bank on 7.12.2009. In fact the cash in hand of the school has always been much more than its bank balance. It is incomprehensible as to how a school can maintain such heavy cash allowances. For a school of this size, the cash in hand ought not to exceed Rs.50,000. The school claims to have implemented the recommendations of 6th Pay Commission w.e.f. 1.4.2009. The principal of the school is Ms. Sanyogita Giri who is stated to be a daughter in law of the chairman of the parent society. After implementation of the recommendations of the 6th pay commission she is shown to have been paid a salary of Rs.56,662. The PGTs are shown to have been paid between Rs. 30,000 and 36,000 and TGT around Rs. 28,000. There is no justifiable cause for making payments of such heavy amounts by bearer cheques or in cash. This coupled with the observations of the committee that the school was maintaining a very heavy cash balance of around 25 lacs throughout the year out of which only small amounts were deposited in the bank. It ends to the belief that the school in actual fact has implemented the recommendations of the 6th pay commission. Consequently the Committee is of the view that the school ought to refund the entire fee hike in excess of 10% along with interest of 9% per annum from the date of collection to the date of refund of the fee charged by it in the year 2008-09, in pursuance of order dated 11.2.2009 issued by the Director of Education.

With regard to the development fee also the school in its reply to the questionnaire conceded that it was treating development fee as a revenue receipt in the years 2009-10 and 2010-11, which is under examination by the Committee. This confession was reiterated by the authorized representative of the school in the hearing before the Committee on 20.3.2017. As per the information furnished by the school,

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Delhi High Court Committee for Review of School Fee

it recovered development fee amounting to Rs.11,99,200 in 2009-10 and Rs.12,83,400 in 2010-11. Since the school was not fulfilling the pre conditions laid down by the Duggal Committee regarding charging of development fee which were subsequently confirmed by the Hon'ble Supreme court in the case of Modern school vs Union of India (2004) 5 SCC 583. The school was not entitled to charge any development and it ought to refund the amounts collected as development fee in the years 2009-10 and 2010-11 along with the interest @ 9% per annum from the date of collection to the date of refund. Since the fee hike in 2009-10 would also be part of fee for the subsequent years, the school ought also to refund the fee recovered by it in the subsequent years to the extent it relates to the hike in 2009-10 for which the committee has recommended refund.

Recommendations pronounced in the open meeting of the Committee after the conclusion of hearing.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

24.5.2017

000041

B-630

Jain Bharti Model School, Sector 16, Delhi

Present : Sh. Sanjeev Kr. Jain, Manager, Sh. Gajendra Kumar C.A., Ms. Priyanka Kaushal, Clerk, Sh. Kamaljeet Office Attendant of the school.

The Committee has examined the books of accounts and salary records produced by the school. The school has filed written submissions dated 24/05/2017 which have been taken on record. The Committee has taken on record copies of the ledger accounts, payment of arrears salary as well as arrear payment sheet from the school. It observes as follows:

(i) The arrear salary i.e. claim to have been paid to the staff has been paid entirely in cash except for the payment to Mrs. Mamta Jain, Principal of the school who is the wife of the General Secretary of the Society who himself also the Manager of the school. However, the regular salary paid to those very teachers to whom the arrears have been purportedly paid is paid by bank transfer.

(ii) The school claims to have implemented the recommendations of the VI Pay Commission w.e.f. 1st July 2009. Perusal of the salary account of the school for the year 2009-10 shows that while for all the months in 2009-10, salary is paid by bank transfers, for the months of June and July 2009, entire salary was purportedly paid in cash.

(iii) Perusal of the cash book of the school shows that the school was maintaining heavy cash balance with it. The cash in hand as at the end of the month, as reflected by the cash book of the school is as follows:

Month end	Cash in hand	Cash at bank
30 April 2009	Rs. 18,86,153	Rs. 224
30 May 2009	Rs. 15,67,202	Rs. 1023
30 June 2009	Rs. 38,79,623	Rs. 685
31 July 2009	Rs. 28,78,265	Rs. 1320
31 August 2009	Rs. 32,68,421	Rs. 6,371
30 Sept. 2009	Rs. 19,03,366	Rs. 826
30 October 2009	Rs. 25,96,618	Rs. 1363
30 November 2009	Rs. 12,05,344	Rs. 276
31 December 2009	Rs. 16,75,781	Rs. 1772
30 January 2010	Rs. 4,73,347	Rs. 1894
27 Feb. 2010	Rs. 12,52,766	Rs. 198
31 March 2010	Rs. 79,987	Rs. 35194

Sh. Sanjeev Kumar Jain, the Manager of the school who is present at the time of hearing submits that this has happened on account of carelessness.

Recommendations reserved.

Dr. R.K. SHARMA
MEMBER

J.S. KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee

24.5.2017

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B-424

Pragati Public School, Sect. 13, Dwarka, Delhi

Present : Sh. Anil Kumar Jain, Sh. Rajiv Malik and Sh. Inder Pal Singh, Authorized Representatives of the school.

A copy of the calculation sheet prepared by the Committee has been given to the authorized representatives of the school. As prima facie it appears that the school has sufficient funds of its own and did not need to recover any arrear fee or hike any fee in pursuance of order dated 11/02/2009 issued by the Director of Education. Further prima facie it appears that the development fee recovered by the school was also not justified as the school was not fulfilling the pre conditions laid down by the Duggal Committee which were affirmed by the Hon'ble Supreme Court in the case of Modern School. The school may file its rebuttal, if any before the next date of hearing. Matter to come up for further hearing on 07/06/2017 at 11.00 a.m.

Dr. R.K. SHARMA
MEMBER

J.S.KOCHAR
MEMBER

JUSTICE ANIL KUMAR (Retd.)
CHAIRPERSON

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Delhi High Court Committee ★ For Review of School Fee ★

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

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

In the matter of:

Cambridge Primary School, Darya Ganj, Delhi(B-608)

Recommendations of the Committee

Present: Ms. Purnima Mehta, Ex-Headmistress & Sh. Ravi Arora ,Office Assistant of the school.

The committee had made the recommendations on 26.11.2015, holding that the school ought to refund the entire amount of arrear fee amounting to Rs.12,64,000 and the incremental fee for the year 2009-10 amounting to Rs.9,93,170 recovered in pursuance of order dated 11.02.2009 issued by the Directorate of Education alongwith interest @ 9% per annum.

Subsequently an application dated 03.08.2016 was made on behalf of Society for the Advancement of Education, the parent society of the school, seeking reconsideration of recommendations made by the committee. One of the grounds seeking review of the original recommendations was that since the school had closed and the notices issued could not be served on it, the decision was taken qua the school ex –parte.

This Committee vide its order dated 08.03.2017 allowed the application of the school and set aside the original recommendations made by it.

In the meantime, in anticipation of a favourable order, the school filed a letter dated 09.01.2017 and furnished the information required by the Committee vide its notice dated 26.05.2015.

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Delhi High Court Committee * For Review of School Fee *

As per the information furnished, the school recovered a total sum of Rs.12,64,000 as arrear fee. Further, as a result hike in regular fee in pursuance of order dated 11.02.2009 issued by the Director of Education, it recovered an additional sum of Rs. 9,93,170 by way of incremental fee for the year 2009-10. Thus, admittedly the additional revenue generated by the school by way of arrear fee and incremental fee in 2009-10 was **Rs.22,57,170.**

Again, as per the information furnished by the school, the school paid a total sum of Rs. 24,61,327 as arrear salary. Further, the additional salary paid by the school in the year 2009-10 on account of recommendations of 6th pay commission was Rs.17,24,759. Thus admittedly the total additional expenditure that the school was obliged to incur on account of the recommendations of the 6th pay commission was **Rs.41,86,086.**

The authorized representatives appearing for the school contended that the fee hike effected by the school as well as arrear fee recovered by it in pursuance of order dated 11.02.2009 was justified as the total additional revenue generated by the fee hike/arrear fee collected by it was only about 50% of the total expenditure incurred by it on additional salary/arrears as a result of recommendations of VI Pay Commission.

Before considering the justification of fee hike, this Committee has to determine whether the school had sufficient funds of its own from which the additional expenditure incurred by it on account of implementations of recommendations of 6th pay commission could be met.

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The order dated 11.02.2009 issued by the Director of Education, clearly states that a fee hike is not mandatory for the schools and all schools must first of all explore the possibility of utilizing the existing reserves to meet any shortfall in payment of salaries and allowances as a consequence of increase in the salary and allowances of employees.

The fee was hiked w.e.f. 01.09.2008. Therefore, the latest audited balance sheet that could show the funds that were available with the school is the balance sheet as on 31.03.2008. The Committee has examined this balance sheet of the school and observes that the school had net current assets (funds) amounting to Rs.1,25,14,734 as on that date. However, the Committee has taken a view that the entire funds available with the school should not be deemed to be available for meeting the additional expenditure on account of implementation the recommendations of the 6th pay commission but the school ought to maintain funds in reserve for meeting its accrued liabilities of gratuity and leave encashment besides keeping funds reserve for any future contingency.

As per the balance sheet of 31.3.2010, the school had made a provision of Rs. 35,13,783 towards its accrued liability of gratuity. The school has not made any provision for its accrued liability of leave encashment nor furnished any details of such liability, despite being required to do so vide notice dated 26.5.2015 issued by the Committee. In the circumstances it is presumed that the school did not have any accrued liability on account of leave encashment as on 31.3.2010. The Committee has taken a view in the case of other schools that a sum equivalent to 4 months salary ought to be retained by the schools as a

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Delhi High Court Committee * For Review of School Fees *

reserve for future contingencies. The total expenditure of regular salary for the year 2009-10, as per the information furnished by the school under cover of its letter dated 9.1.2017 is Rs.46,28,609 based on this the requirement of the school keep funds in reserve for future contingencies amounts to Rs.15,42,869.

Thus, the Committee is of the view that the school ought to be allowed keep funds and reserve amounting to Rs. 50,56,652 (35,13,783 + 15,42,869). If this amount is taken into consideration, the school would have funds amounting to **Rs.74,58,081** (1,25,14,734-50,56,652), which in view of the Committee was available with the school and could have been utilized for meeting its additional liabilities on salary on account of implementation of recommendations of 6th pay commission. The total additional expenditure which the school had to incur on account of the recommendations of 6th pay commission, as noticed above, was **Rs.41,86,086.**

The authorized representative appearing for the school contends that the school did not want to utilize its existing funds for implementation of recommendations of 6th pay commission as the school was operating from rented premises and needed funds to acquire a land for establishing the school.

However, in view of the clear mandate of the order dated 11.02.2009 issued by the Director of Education that all schools must first of all explore the possibility of utilizing the existing reserves to meet any shortfall in payment of salaries as per recommendations of 6th pay commission as also the decision of the Hon'ble Delhi High Court in WP (C) 7777 of 2009, vide which this Committee was constituted , the contention of the authorized representative cannot be accepted and this

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Delhi High Court Committee * For Review of School Fee *

Committee holds that the school had sufficient funds of its own to meet the additional liabilities on account of the recommendations of 6th pay commission and therefore no fee hike was required nor any recovery of arrear fee was warranted .

In view of the above reasons, the Committee is of the view that the original recommendations made by it requiring the school to refund the entire amount of fee hiked in terms of order dated 11.02.2009 and the entire amount of arrear fee recovered by it alongwith interest @ 9% do not call for any change or rectification. The Committee reiterates its original recommendations dated 26.11.2015.

Recommended accordingly.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K.Sharma
(Member)

Date: 02/05/2017

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Secretary

Delhi High Court Committee * For Review of School Fees *

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

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

In the matter of:

Cambridge Primary School, New Rohtak Road, Delhi(B-690)

Recommendations of the Committee

Present: Ms. Purnima Mehta, Ex-Headmistress & Sh. Ravi Arora ,Office Assistant of the school.

The Committee had made the recommendations on 11.09.2015, holding that the school ought to refund the entire amount of arrear fee amounting to Rs.13,44,063 and the entire amount of incremental fee for the year 2009-10 @ Rs. 200 per month w.e.f. 01/04/2009, the entire amount of development fee of Rs. 6,58,314 charged in the year 2009-10 and Rs. 7,57,837 in the year 2010-11 along with interest @ 9% per annum from the date of collection to the date of refund.

Subsequently an application dated 03.08.2016 was made on behalf of Society for the Advancement of Education, the parent society of the school, seeking reconsideration of recommendations made by the committee. One of the grounds seeking review of the original recommendations was that since the school had closed and the notices issued could not be served on it, the decision was taken qua the school ex –parte.

This Committee vide its order dated 07/12/2016 allowed the application of the school and set aside the original recommendations made by it.

The school vide its written submissions dated 09/01/2017, furnished the information required by the Committee vide its notice dated 26.05.2015.

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Delhi High Court Committee for Review of School Fee

As per the information furnished, the school recovered a total sum of Rs.13,44,063 as arrear fee. Further, as a result hike in regular fee in pursuance of order dated 11.02.2009 issued by the Director of Education, it recovered an additional sum of Rs. 8,10,527 by way of incremental fee for the year 2009-10. Thus, admittedly the additional revenue generated by the school by way of arrear fee and incremental fee in 2009-10 was **Rs. 21,54,590.**

Again, as per the information furnished by the school, the school paid a total sum of Rs. 23,34,030 as arrear salary. Further, the additional salary paid by the school in the year 2009-10 on account of recommendations of 6th pay commission was Rs.9,75,417. Thus admittedly the total additional expenditure that the school was obliged to incur on account of the recommendations of the 6th pay commission was **Rs.33,09,447.**

The authorized representatives appearing for the school contended that the fee hike effected by the school as well as arrear fee recovered by it in pursuance of order dated 11.02.2009 was justified as the total additional revenue generated by the fee hike/arrear fee collected by it was significantly less than the total expenditure incurred by it on additional salary/arrears as a result of recommendations of VI Pay Commission.

Before considering the justification of fee hike, this Committee has to determine whether the school had sufficient funds of its own from which the additional expenditure incurred by it on account of implementations of recommendations of 6th pay commission could be met.

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Delhi High Court Committee * For Review of School Fee *

The order dated 11.02.2009 issued by the Director of Education, clearly states that a fee hike is not mandatory for the schools and all schools must first of all explore the possibility of utilizing the existing reserves to meet any shortfall in payment of salaries and allowances as a consequence of increase in the salary and allowances of employees.

The fee was hiked w.e.f. 01.09.2008. Therefore, the latest audited balance sheet that could show the funds that were available with the school is the balance sheet as on 31.03.2008. The Committee has examined this balance sheet of the school and observes that the school had net current assets (funds) amounting to Rs.1,82,75,734 as on that date. However, the Committee has taken a view that the entire funds available with the school should not be deemed to be available for meeting the additional expenditure on account of implementation the recommendations of the 6th pay commission but the school ought to maintain funds in reserve for meeting its accrued liabilities of gratuity and leave encashment besides keeping funds reserve for any future contingency.

As per the balance sheet of 31.3.2010, the school had made a provision of Rs. 16,61,412 towards its accrued liability of gratuity. The school has not made any provision for its accrued liability of leave encashment nor furnished any details of such liability, despite being required to do so vide notice dated 26.5.2015 issued by the Committee. In the circumstances it is presumed that the school did not have any accrued liability on account of leave encashment as on 31.3.2010. The Committee has taken a view in the case of other schools that a sum equivalent to 4 months salary ought to be retained by the schools as a

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Delhi High Court Committee * For Review of School Fee *

reserve for future contingencies. The total expenditure of regular salary for the year 2009-10, as per the information furnished by the school under cover of its letter dated 9.1.2017 is Rs.38,09,309 based on this the requirement of the school keep funds in reserve for future contingencies amounts to Rs.12,69,769.

Thus, the Committee is of the view that the school ought to be allowed keep funds and reserve amounting to Rs. 50,79,078 (38,09,309 + 12,69,769). If this amount is taken into consideration, the school would have funds amounting to **Rs.1,31,96,655** (1,82,75,734 -50,79,078), which in view of the Committee was available with the school and could have been utilized for meeting its additional liabilities on salary on account of implementation of recommendations of 6th pay commission. The total additional expenditure which the school had to incur on account of the recommendations of 6th pay commission, as noticed above, was **Rs.33,09,447.**

The authorized representative appearing for the school contends that the school did not want to utilize its existing funds for implementation of recommendations of 6th pay commission as the school was operating from rented premises and needed funds to acquire a land for establishing the school.

However, in view of the clear mandate of the order dated 11.02.2009 issued by the Director of Education that all schools must first of all explore the possibility of utilizing the existing reserves to meet any shortfall in payment of salaries as per recommendations of 6th pay commission as also the decision of the Hon'ble Delhi High Court in WP (C) 7777 of 2009, vide which this Committee was constituted , the contention of the authorized representative cannot be accepted and this

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Delhi High Court Committee * For Review of School Fee *

Committee holds that the school had sufficient funds of its own to meet the additional liabilities on account of the recommendations of 6th pay commission and therefore no fee hike was required nor any recovery of arrear fee was warranted .

Development Fee:

With regard to development fee, the school in its application seeking review has contended that the recommendation of the Committee to refund the development fee amounting to Rs. 6,58,314 charged in 2009-10 and Rs. 7,57,837 in the year 2010-11 along with interest @ 9% per annum is contrary to the observations of the Committee in its original recommendations. It has further contended that the maintenance of separate development fund and depreciation fund is evident from its balance sheets for the year 2009-10 and 2010-11 which also reflects that the funds were kept in FDRs. Even otherwise, the development fee charged by the school does not have any connection with implementation of VI Pay Commission.

At the time of hearing, the authorized representatives appearing for the school did not raise any issue with regard to the recommendations of the Committee to refund the development fee charged in 2009-10 and 2010-11. Notwithstanding that, the Committee has examined the issue qua its original recommendations. The Committee had made the following observations in its original recommendations with regard to development fee:

> "In reply to the questionnaire issued by the Committee, the school stated that it had recovered a sum of **Rs. 6,58,314** as development fee in the year 2009-10 and **Rs. 7,57,837** in the year 2010-11. Although the school was

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recovering the development fee in the earlier years also, the Committee is concerned with the issue of recovery of development fee in 2009-10 and 2010-11 only as its mandate to examine the fee charged by the school pursuant to order dated 11/02/2009.

As per the details furnished by the school, nominal amounts were spent out of development fee and that too on revenue expenses like building repairs, general repairs etc. Further the school admitted that no earmarked fund accounts were maintained in respect of unutilised development fund and depreciation reserve fund on assets acquired out of development fund. The Hon'ble Supreme Court in the case of Modern School (supra), affirming the recommendations of the Duggal Committee on this issue, held as follows:

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

In view of the law laid down by the Hon'ble Supreme Court, the maintenance of depreciation reserve fund is a sine qua non for charging development fee. Since the school was not complying with this essential pre

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Delhi High Court Committee * For Review of School Fee *

condition and further since the school was utilising the development fee for meeting its revenue expenditure, the school was not justified in charging any development fee and the same ought to be refunded. However, as observed earlier, this Committee is making recommendations only in respect of the development fee charged in the year 2009-10 and 2010-11. For the earlier years, the Director of Education may take an appropriate view in accordance with law."

The recommendations to refund the development fee charged in 2009-10 and 2010-11 was primarily for the reason that the school was not maintaining any earmarked depreciation reserve fund and the same was being utilised for meeting its revenue expenses instead of utilising it for purchase or upgradation of furniture and fixture or equipments, for which it would meant. In reply to a specific question, in the questionnaire issued to the school, the school stated as follows:

Q. Whether depreciation reserve fund and unutilised development fund are kept in earmarked bank account or FDRs or investments? If yes, please provide the details thereof.

A. No. Depreciation reserve fund and unutilised development fund are kept in earmarked bank account or FDRs or investments.

As the answer given by the school was liable to two interpretations, the Committee examined the audited balance sheets of the school and found no earmarked deposits having been made by the school against the unutilised development fund and depreciation reserve fund. The Committee does not accept the contention of the school that development fund has no relation with the implementation of the recommendations of VI Pay Commission and therefore ought to not to have been considered by it as the Committee by its mandate is obliged to follow the principles laid by the Hon'ble Supreme Court in the case of

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High Court Committee * For Review of School Fee *

Modern School vs. Union of India (2004) 5 SCC 583, which specifically deals with the authority of the schools to charge development fee.

In view of the above reasons, the Committee is of the view that the original recommendations made by it requiring the school to refund the entire amount of fee hiked in terms of order dated 11.02.2009 and the entire amount of arrear fee recovered by it, as also the development fee recovered by it in 2009-10 and 2010-11, without fulfilling the pre conditions required to be fulfilled for charging the same, alongwith interest @ 9% do not call for any change or rectification. The Committee reiterates its original recommendations dated 11/09/2015.

Recommended accordingly.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K.Sharma
(Member)

Date: 02/05/2017

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Delhi High Court Committee * For Review of School Fee *

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

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

In the matter of:

St. Martin Diocesan School, Delhi Cantt, Delhi (B-616)

Recommendations of the Committee

Present: Dr. A.D. Lyall Principal/Manager, Sh. I.P. Pasricha, C.A. & Sh. Mukesh Kumar Accounts Officer of the school

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

(a) The school had implemented the recommendations of VI Pay Commission w.e.f. 01/04/2009.

(b) The arrears were paid in instalments along with salary.

(c) The school had increased the fee w.e.f. 01/04/2009 in pursuance of order dated 11/02/2009 issued by the Director of Education.

(d) The arrear fee was received in two instalments – in April 2009 and October 2009.

No details of fee hike and arrears recovered were furnished.

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Delhi High Court Committee for Review of School Fee

As the reply furnished by the school was short in details, the Committee issued a notice dated 31/07/2013 calling upon the school to furnish specific replies. The same was sent vide email. The school filed its response dated 10/08/2013 in which the school reiterated the answers that it had given to the questionnaire dated 27/02/2012. In addition the school furnished the details of the development fee charged by it from 2006-07 to 2010-11 and also its utilisation. The school stated that it treated the development fee as a revenue receipt in the account but utilised for purchase of capital asset. With regard to maintenance of separate depreciation reserve fund and development fund, the school admitted that it had not done so. The depreciation reserve fund account came to be opened only later.

The Committee issued another notice dated 26/05/2015 to the school to furnish the information in aggregates with regard to the arrear fee for different periods, arrear salary for different years, regular fee and regular salary, duly reconciled with the audited financials of the school. The school furnished the same under cover of its letter dated 22/06/2015.

It was stated by the school that although as per order dated 11/02/2009 issued by the Director of Education, the school was entitled to enhance the tuition fee w.e.f. 01/09/2008, it did not do so. It increased the fee only w.e.f. 01/04/2009. However, it stated that it had

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recovered a sum of Rs. 31,89,670 as arrear fee (presumably for the period 01/01/2006 to 31/08/2008). The arrears of salary that were paid by the school amounted to Rs. 64,74,601 and the same were paid over a period of 5 years from 2008-09 to 2012-13. The school also filed copies of its bank statements showing payment of arrear salary and copies of the regular salary sheets which included the payment of arrears also. All the payments were made by direct bank transfer to the accounts of the staff. In support of its contention, the school had not recovered any arrear fee for the period 01/09/2008 to 31/03/2009, it filed a copy of the circular that was issued to the parents of the students regarding fee hike.

Perusal of the circular shows that the school increased the fee of students of classes I to VIII by Rs. 200 per month and by Rs. 300 per month for classes IX to XII w.e.f. 01/04/2009. In addition, the school recovered lump sum arrear fee for the period 01/01/2006 to 31/08/2008 as provided in the order dated 11/02/2009 of the Directorate of Education. The circular clearly stated that the school was not charging the arrears of increased fee from Sept. 2008 to March 2009, as a special grace to the parents.

In order to afford an opportunity of being heard, the Committee issued a notice to the school to produce its books of accounts, salary records, fee records etc. The matter was examined in detail on

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Delhi High Court Committee for Review of School Fee

07/04/2017. The committee perused the circular dated 24.2.2009 issued by the school to the parents with regard to the hike in fee in pursuance of the order dated 11/02/2009 issued by the Directorate of Education for the purpose of implementation the recommendations of the 6th pay commission. The contention of the school that it had not recovered any arrear fee for the period 01/09/2008 to 31/03/2009 was verified with reference to its books of accounts. The Committee found the same to be correct. The fee hiked for other classes was also found to be in accordance with the circular issued to the parents. The Committee also examined the payments of arrears of salary along with the regular monthly salary and the found the same to be in order.

The Committee noticed that the school, in its reply to the questionnaire issued by the committee had conceded that it was treating development fee as a revenue receipt and no earmarked development fund or depreciation reserve fund were maintained. The Committee also noticed that the school had not filed the details of its accrued liabilities of gratuity and leave encashment. The Committee was of the view that information with regard to these liabilities was essential for the purpose of making relevant calculations. The Authorized Representative appearing for the school sought time to file actuarial valuation in respect of the same. The same was granted and the school furnished the actuarial valuation of these liabilities on 24/04/2017. As per the

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valuation reports, the liability of the school for gratuity was Rs. 42,93,913 and that for leave encashment it was Rs. 18,05,301.

The Committee also observed that the school was having a Montessori school whose financials were not merged in the financials of the main school. The school was advised to furnish the same, which it did.

Based on the audited financials of the main school, Montessori school and the information furnished by the school during the course of hearing, the Committee prepared the following calculation sheet to examine the justifiability of the fee hike effected by the school and arrears recovered by it from the students:

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Statement showing Fund available as on 31.03.2009 with the school and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report

	Particulars	Main	Montessori	Total
	Current Assets + Investments			
	Cash in Hand	28,453	7,252	35,705
	Cash at Bank	1,394,003	804,213	2,198,216
	FDRs with accrued interest	5,995,391	2,823,582	8,818,973
	Advance to Diocesan Society	-	420,000	420,000
	Loan to SMDS (Management)	714,215	1,480,660	2,194,875
	Fees Receivable	52,810	-	52,810
	Total Current Assets+ Investments	8,184,872	5,535,707	13,720,579
Less	*Current Liabilities*			-
	Expenses Payable	118,083	89,306	207,389
	Advance Fees	1,060,180	595,850	1,656,030
	Refundable Security	1,175,247	497,000	1,672,247
	Total Current Liabilities	2,353,510	1,182,156	3,535,666
	Net Current Assets + Investments	**5,831,362**	**4,353,551**	**10,184,913**
Less	**Reserves required to be maintained:**			-
	for future contingencies (equivalent to 4 months salary)	5,613,452	1,213,985	6,827,437
	for accrued liability towards Leave Encashment as on 31.03.2010	1,805,301	-	1,805,301
	for accrued liability towards Gratuity as on 31.03.2010	4,293,913	-	4,293,913
	Total reserves required to be maintained	11,712,666	1,213,985	12,926,651
	Funds available for implementation of 6th Pay Commission before Fee hike	**(5,881,304)**	**3,139,566**	**(2,741,738**
Less	**Additional Liabilities after implementation of 6th Pay Commission:**			-
	Arrear of Salary as per 6th CPC for 1.1.06 to 31.3.09	6,474,601	1,970,568	8,445,169
	Incremental Salary for 2009-10 (as per calculation given below)	5,951,773	98,967	6,050,740
	Total additional liabilities	12,426,374	2,069,535	14,495,909
	Excess / (Short) Fund Before Fee Hike	(18,307,678)	1,070,031	(17,237,64
Add	**Total Recovery for implementation of 6th Pay Commission**			
	Arrear of tuition fee for 1.1.06 to 31.3.09	3,189,670	223,820	3,413,490
	Incremental tuition fee for 2009-10 (as per calculation given below)	4,081,538	741,835	4,823,373
	Total recovery	7,271,208	965,655	8,236,863
	Excess / (Short) Fund After Fee Hike	(11,036,470)	2,035,686	(9,000,78

Development fee refundable being treated as revenue receipt:	**Main**	**Montessori**	**Total**
For the year 2009-10	1,158,000	945,100	2,103,10(
For the year 2010-11	1,129,500	959,500	2,089,00(
Total	2,287,500	1,904,600	4,192,10(
Less: Shortfall in Tuition Fee	(11,036,470)	2,035,686	(9,000,78
	(8,748,970)	**3,940,286**	**(4,808,68**

Working Notes:

For Main School	**2008-09**	**2009-10**	**% increase**
Normal/ regular salary	10,888,583	16,840,356	55
Incremental salary in 2009-10	**5,951,773**		
	2008-09	**2009-10**	**% increase**
Normal/ Regular Tuition fee	13,963,040	18,044,578	29
Incremental tuition fee in 2009-10	**4,081,538**		

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For Montessori School	2008-09	2009-10	
Normal/ regular salary	2,759,524	2,858,491	4%
Incremental salary in 2009-10	**98,967**		
	2008-09	**2009-10**	
Normal/ Regular Tuition fee	2,900,120	3,641,955	26%
Incremental tuition fee in 2009-10	**741,835**		

As would be apparent from the above calculation sheet, the school had funds to the tune of **Rs. 1,01,84,913** available with it as on 31/03/2009. The requirement of the school to keep funds in reserve for future contingencies, accrued liabilities of gratuity and leave encashment was **Rs. 1,29,26,651**. Thus effectively, the school did not have funds of its own out of which the additional expenditure it had to incur on account of implementation of VI Pay Commission recommendations could be met. The recovery of arrear fee and the incremental fee in the year 2009-10 resulted in additional revenue of **Rs. 82,36,863.** On the other hand, additional expenditure which it had to incur by way of payment of arrears and increased salary on account of the recommendations of the VI Pay Commission amounted to **Rs. 1,44,95,909**. Thus the school was short on funds to the extent of **Rs. 62,59,046** even after the fee hike. The school has not made any claim for being allowed to increase its fee over and above what was permitted by the order of the Director of Education. In fact, the school did not recover even the arrear fee that was permitted to be recovered by it. Though the Committee considers that the school was not fulfilling the

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pre conditions laid down by the Hon'ble Supreme Court in the case of Modern School vs. Union of India (2004) 5 SCC 583 for charging development fee, the Committee does not deem it to be a fit case for recommending refund of the development fee recovered by it in 2009-10 and 2010-11, which amounted to **Rs. 41,92,100**, in view of the deficit of **Rs. 62,59,046** incurred by it on implementation of the recommendations of VI Pay Commission.

For the foregoing reasons, the Committee is of the view that no interference is required with regard to fee hike and recovery of arrear fee in pursuance of order dated 11/02/2009 issued by the Director of Education nor any interference is required with regard to the recovery of development fee.

Recommended accordingly.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K.Sharma
(Member)

Date: 02/05/2017

Delhi High Court Committee * For Review of School Fee *

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

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

In the matter of:

St. Anthony Sr. Sec. School, Hauz Khas, New Delhi. (B-655)

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

Recommendations of the Committee

In order to elicit the relevant information from the schools to arrive at proper conclusions with regard to the necessity of fee hike effected by the schools and recovery of arrear fee pursuant to order dated 11/02/2009 issued by the Director of Education, the Committee issued a questionnaire dated 27/02/2012 to all the unaided recognised schools in Delhi (including the present school).

The school did not submit any reply and therefore a reminder was sent on 27/03/2012. However, no reply was received even after the reminder. The Committee issued a revised questionnaire on 06/12/2013. This time the school responded and submitted its reply under cover of its letter dated 13/12/2013. As per the reply submitted by the school, it implemented the recommendations of VI Pay Commission w.e.f. 01/01/2006 (sic). However, it clarified that the actual increase in salary was effected from Sept. 2009 and the school paid the arrears of salary for the period 01/01/2006 to 31/08/2008.

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Delhi High Court Committee for Review of School Fee

The school furnished a detail of arrears paid to the staff. As per the detail so furnished, the school paid arrears in five instalments starting May 2009 to January 2011. The total amount of arrears paid was Rs. 1,64,01,174. It filed salary statements for the months of August 2009 and September 2009 to show that incremental salary as a result of the implementations of the recommendations of VI Pay Commission. The school also stated that it had increased the fee as per the directions of Directorate of Education vide order dated 11/02/2009 w.e.f. April 2009. It also submitted a detail of arrear fee collected by it as per the aforesaid order.

With regard to development fee, it stated that it was charging development fee in all the five years i.e. 2006-07 to 2010-11, for which the information was sought. The same was treated as a capital receipt from the year 2009-10 onwards. In the year 2009-10, it collected a sum of Rs. 47,52,670 as development fee out of which it utilised Rs. 14,75,782. In 2010-11, it recovered development fee amounting to Rs. 54,36,870 out of which it utilised a sum of Rs. 5,68,230.

Further, the school was maintaining a depreciation reserve fund account which was being kept in earmarked FDRs. It was stated that the unutilised development fund was kept in separate FDRs which aggregated Rs. 85.00 lacs. In addition, further FDRs aggregating Rs. 72.09 lacs were kept against depreciation reserve fund which fully covered the depreciation reserve upto 31/03/2011.

The Committee issued a notice dated 26/05/2015 requiring the school to furnish the aggregate figures for the years 2008-09, 2009-10 and 2010-11 which were relevant for making calculations, duly reconciled with its audited Income & Expenditure Accounts, to examine the justifiability of fee hike effected by the school in pursuance of the aforesaid order dated 11/02/2009. The Committee also called for the information regarding the mode of payment of salaries paid by the school in 2008-09 and 2009-10.

The school submitted the required information on 24/06/2015. As per the information submitted, the school revised the figure of arrears paid to Rs. 1,55,30,845. The school also contended that being a minority institution its constitution rights need to be protected and relied upon the judgment of the Hon'ble Supreme Court in the case of TMA Pai Foundation & ors. vs State of Karnataka & ors. and Pramati Educational Trust & ors vs Union of India.

In order to give an opportunity of being heard to the school, the Committee issued a notice dated 27/12/2016 requiring the school to appear before it on 25/01/2017. The hearing was rescheduled to 10/03/2017. On this date, the authorized representatives of the school appeared and were heard. They submitted that the school has implemented the recommendations of the 6th Pay commission. The salary was paid through direct bank transfers to the accounts of employees. The school did not have sufficient funds of its own and required a fee hike, which was effected in accordance with the order dated 11/02/2009 issued by the Director of Education. It had accrued liability

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Delhi High Court Committee * For Review of School Fee *

of gratuity amounting to Rs. 1,30,43,655 and Rs. 86,95,763 for leave encashment. Further, the school required funds to be kept for any future contingency.

The Committee considered the submissions made by the authorized representatives appearing for the school and perused the figures as furnished by the school with reference to its books of accounts and audited financials. It also perused the circular dated 25/02/2009 issued to the parents regarding hike in fee and recovery of arrears pursuant to order dated 11/02/009 issued by the Director of Education.

As per the circular, the hike in fee for classes I to X and XII (commerce and Humanities stream) was Rs. 300 per month and Rs. 400 per month for XI and XII (Science stream) w.e.f. 01/09/2008. Further lump sum arrear fee was recovered @ Rs. 3,000/3,500 per student for the period 01/01/2006 to 31/08/2008. The Committee observed that there was no mention of any hike in development fee. It was submitted by the authorized representatives appearing for the school that till 2008-09, development fee was charged only from the new students. The fee schedule of the year 2008-09 also does not contain any mention of development fee. However, they filed a break-up of the arrear fee recovered by the school which showed a recovery of Rs. 36,120 as arrears of development fee calculated @ 15% of the increased tuition fee for seven months. It was submitted by the authorized representatives that only a few students paid the arrears of development fee.

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The Committee also perused the details of accrued liability of gratuity and leave encashment as on 31/03/2010 along with the written submissions.

The Committee accepts the contention of the school that it ought to retain sufficient funds to cover its accrued liabilities of gratuity and leave encashment besides keeping a reasonable reserve for any future contingency. The Committee has considered the requirement of reasonable reserves to be equivalent to 4 months salary as in the cases of other schools. The Committee is of the view that only the funds which remain with the school after setting aside the aforesaid reserves ought to be considered as available with for meeting the additional expenditure of the school on account of the recommendations of VI Pay Commission.

Keeping in view the aforementioned considerations, the Committee prepared the following calculation sheet to assess the justifiability of the hike in fee effected by the school:

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Statement showing Fund available as on 31.03.2008 with the school and the effect of hike in fee as per order dated 11.02.2009 and effect of increase in salary on implementation of 6th Pay Commission Report

	Particulars	Amount (Rs.)	Amount (Rs.)
	Current Assets + Investments		
	Cash in Hand	106,754	
	Cash at Bank	9,985,989	
	Advances to Staff	35,090	
	FDR with accrued interest	13,898,618	
	Transferred to Franciscan Trust for Education	117,858	24,144,309
Less	*Current Liabilities*		
	Security Deposits - Students	134,900	
	TDS payable	9,182	144,082
	Net Current Assets + Investments		**24,000,227**
Less	**Reserves required to be maintained:**		
	for future contingencies (equivalent to 4 months salary)	6,850,313	
	for accrued liability towards Leave Encashment as on 31.03.2010	8,695,763	
	for accrued liability towards Gratuity as on 31.03.2010	13,043,655	28,589,731
	Funds available for implementation of 6th Pay Commission before Fee hike		**(4,589,504)**
Less	**Additional Liabilities after implementation of VIth Pay Commission:**		
	Arrear of Salary as per 6th CPC for 1.1.06 to 31.8.08	7,690,124	
	Arrear of Salary as per 6th CPC for 1.9.08 to 31.3.09	7,840,751	
	Incremental Salary for 2009-10 (as per calculation given below)	5,052,035	20,582,910
	Excess / (Short) Fund Before Fee Hike		**(25,172,414)**
Add	**Total Recovery for implementation of 6th Pay Commission**		
	Arrear of tuition fee for 1.1.06 to 31.8.08	4,933,115	
	Arrear of tuition fee for 1.9.08 to 31.3.09	3,633,600	
	Incremental tuition fee for 2009-10 (as per calculation given below)	6,861,613	15,428,328
	Excess / (Short) Fund After Fee Hike		**(9,744,086)**

Development fee refundable as funds not kept earmarked equivalent to balance Development Fund and Depreciation Reserve Fund:

For the year 2009-10	4,752,670
For the year 2010-11	5,436,870
Total	10,189,540
Less: Shortfall in Tuition Fee	(9,744,086)
Net Amount refundable	**445,454**

Working Notes:

	2008-09	2009-10	% increase
Normal/ regular salary	15,498,903	20,550,938	33%
Incremental salary in 2009-10	**5,052,035**		

	2008-09	2009-10	
Normal/ Regular Tuition fee	23,725,836	30,587,449	29%
Incremental tuition fee in 2009-10	**6,861,613**		

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Delhi High Court Committee * For Review of School Fee *

It would be evident from the above calculation sheet that the school did not have sufficient funds of its own to implement the recommendations of VI Pay Commission. However, the Committee, prima facie, considered that the pre conditions to be fulfilled by the school for charging development fee were not being done and as such the development fee charged in the year 2009-10 and 2010-11 was liable to be refunded to the students. However after setting off a short fall in tuition fee, the amount that was prima facie determined to be refundable was Rs. 4,45,454. A copy of the calculation sheet was given to the school for its response.

The school filed written submissions dated 04/05/2017 showing that in 2009-10 and 2010-11, the school was fulfilling the pre conditions that were required to be fulfilled for charging development fee as it treated development fee as a capital receipt, the unutilised development fee was kept in earmarked FDRs and the school was also maintaining FDRs against Depreciation Reserve Fund.

The Committee has considered the written submissions filed by the school and observes that though the school was technically not maintaining a depreciation reserve in its books as the same was charged to the fixed assets which were carried at their written down value in the balance sheet, the school was substantively complying with the pre conditions laid down by the Hon'ble Supreme Court in case of Modern

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School vs. Union of Ind a(2004) 5 SCC 583 as it maintained earmarked FDRs against the accumulated depreciation.

The Committee is therefore of the view that the school is not required to make refund of any part of development fee, arrear fee or incremental fee recovered by it in pursuance of order dated 11/02/2009 issued by the Director of Education.

Recommended accordingly.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K.Sharma
(Member)

Date: 04/05/2017

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Delhi High Court Committee For Review of School Fee

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

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

In the matter of:

New Green Field School, Alaknanda, New Delhi (B-664)

Present: Sh. Ashwani Kumar & Sh. Naveen Chawla, Chartered Accountant, Authorized Representatives of the school.

Recommendations of the Committee

In order to examine the justifiability of fee hike effected by the schools in Delhi, the Committee issued a questionnaire dated 27/02/2012 to all the schools (including this school) seeking information with regard to fee, salary, arrears of fee and salary charged/paid by the school pursuant to the implementation of recommendations of the VI Pay Commission. As the school did not furnish reply to the same, a reminder dated 27/03/2012 was sent to the school. The school did not respond to the reminder also. Again a detailed questionnaire was sent to the school, incorporating therein certain relevant questions regarding the justifiability of charging development fee on 16/09/2013. The school furnished its reply vide its letter dated 21/09/2013. As per the reply submitted by the school,

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

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

Delhi High Court Committee ★ For Review of School Fee ★

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

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

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

Based on the audited financials of the school, the Chartered Accountants attached with this Committee made the relevant calculations and determined that the school had available with it a sum of Rs. 4,57,08,952 as on 31/03/2008, as against which the financial impact of the recommendations of VI Pay Commission was Rs. 1,14,66,385. The calculations made by the CAs did not account for the requirement of funds to be kept in reserve for accrued liabilities of gratuity, leave encashment and reserves for contingencies.

The Committee issued a notice dated 26/05/2015 seeking information about the aggregate amounts regular tuition fee, arrear fee, regular salary and arrear salary in a format it devised to facilitate the calculations. The information was duly submitted by the school under cover of its letter dated 12/06/2015.

In order to provide an opportunity to the school to justify the fee hike effected by it in pursuance of order dated 11/02/2009 issued by the Director of Education, a notice dated 30/12/2016 was issued to the school requiring it to to appear before the Committee on 30/01/2017 and to produce its books of

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Delhi High Court Committee * For Review of School Fee *

accounts and other relevant records for verification by the Committee. However, since term of this Committee expired on 31/12/2016, the hearing was rescheduled for 14/03/2017 after the term of the Committee was extended by the Hon'ble Delhi High Court. On this date, Sh. Ashwani Prabhakar, Manager and Sh. Navin Chawla, Chartered Accountant of the school appeared and produced the required records which were examined by the Committee. The authorized representatives of the school were also partly heard by the Committee. They submitted that the case of a sister school i.e. New Green Field School, Saket was listed for 12/04/2017 and since the facts in both the cases were more or similar, the hearing of both the cases may be taken up together. The Committee acceded to the request of the authorized representatives appearing for the school and listed the matter to 12/04/2017. The school was also advised to file written submission in advance. However, both the schools sought adjournment on that date. The adjournment request in the case of New Green Field School, Saket was declined by the Committee as it was of the view that the matter had been almost completely heard on the previous date and the school was seeking adjournment only to delay apprehended adverse finding against it. However, since no effective hearing had taken place in the case of this school, the request for adjournment was granted and the matter was directed to be listed on 15/05/2017. On this date, the authorized representatives of the school appeared and were finally heard.

The Committee takes notice of the written submissions dated 12/05/2017 filed by the school justifying that the fee hiked effected by it was

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Delhi High Court Committee * For Review of School Fee *

"in accordance with circular dated 11.2.2009" issued by the Directorate of Education, Delhi.

As per the circular issued to the parents, the school hiked tuition fee @ Rs.200 p.m. w.e.f. 01/09/2008. The recovery for the period 01/09/2008 to 31/03/2009 was made in lump sum arrear of Rs.1400 for 7 months. Besides, the school also recovered Rs.2,500 as lump sum arrear fee for the period 01/01/2006 to 31/08/2008, **as provided in the aforesaid circular dated 11/02/2009.** The authorized representatives appearing for the school admit that the school was not charging any development fee and hence there was no reason to increase any development fee w.e.f. 01/09/2008.

As per the written submissions filed by the school the total recovery of arrear fee from 2008-09 to 2010-11 was **Rs.62,46,540**. The total amount of arrear salary paid on the acceptance of recommendations of 6 pay commission amounted to **Rs.75,93,427.** The total incremental fee recovered by the school during the year 2009-10 amounted to **Rs. 40,11,170**, while the increase in the salary on account of the acceptance of the recommendations of the 6th pay commission resulted in an additional expenditure to the tune of **Rs.59,54,031.**

Along with the written submissions, the school has filed a detailed calculation sheets to show that the funds with the school, could not have been utilised for the purpose of implementation of the recommendations of VI Pay Commission, as they were parked for the purpose of needed developmental

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Delhi High Court Committee * For Review of School Fee *

activities of the school as the school was not charging development fee. It is submitted on behalf of the school that available funds did not entirely come out of fee charged from the students but had also accrued on account of interest on fixed deposits/investments. It is submitted that only the tuition fee can be utilised for the purpose of paying increased salary to the staff. Accordingly, it is submitted that out of the total funds of **Rs. 4,51,21,591** which were available as on 31/03/2008, a sum of **Rs. 1,03,17,397** were the reserves created in accordance with Rule 177 (2)(b) while a sum of **Rs. 1,89,70,000** had accumulated as interest on FDRs/investments. Accordingly, the school claims that only a sum of **Rs. 1,58,34,194** was available with it for general purposes out of which the school had to maintain a reserve for accrued liabilities of gratuity amounting to **Rs. 19,96,616**, leave encashment amounting to **Rs. 18,97,314** and a reserve equivalent to four months salary amounting to **Rs. 65,19,272.** It is thus argued that the school had only **Rs,. 54,20,992** available with it out of past savings which could have been utilised for the purpose of implementation of recommendations of VI Pay Commission. Against this, the total impact of implementing the recommendations of VI Pay Commission was **Rs. 1,35,47,458.** Thus there was a gap of **Rs. 81,26,466** which needed to be bridged by increasing the fee and recovering the arrear fee from the students in accordance with circular dated 11/02/2009 of the Director of Education.

In the written submissions filed by the school, it is admitted that the school recovered additional fee by way of fee hike and recovery of arrear fee and total of such recoveries amounted was **Rs.1,02,57,710**. Thus the school

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High Court Committee * For Review of School Fee *

in its own calculation sheet has admitted that it recovered a sum of **Rs. 21,31,244** in excess of its requirement for implementing the recommendations s of the 6th pay commission.

The Committee has considered the oral arguments advanced by the authorized representatives appearing for the school as well as the written submissions filed by it. The Committee has also considered the audited financials of the school. It notices that the school on its own has admitted that it recovered a sum of **Rs. 21,31,244** in excess of its requirements by hiking the fee/recovering the arrear fee in pursuance of order dated 11/02/2009. The issue that remains is whether this amount of Rs. 21,31,244 as worked out by the school is correct or not.

While there is no issue with regard to the figures of additional fee recovered and additional salary paid, the funds that were available with the school at threshold when the decision to hike the fee was taken need to be ascertained. In case, the funds that were available with the school, which could have been legitimately utilised for meeting additional expenditure on account of implementation of VI Pay Commission were sufficient, there would have been no occasion to increase the fee or recover the arrear fee as per order dated 11/02/2009 of the Director of Education. Hence, the findings of the Committee would hinge on the determination of such sum. As per the calculations given by the school, such funds amounted to Rs. 1,58,34,194 out

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of which the amounts that were required to be kept in reserve i.e. Rs. 1,04,13,202 (19,96,616+18,97,314+65,19,272) would be deducted.

The committee has gone though the audited balance sheet of the school as on 31.3.2008 and observes that the school had total sum of Rs. 4,73,32,147 as its current assets against which it had a current liability of Rs. 22,10,556. Thus the net current assets of the school were **Rs.4,51,21,591**. This position is not even disputed by the school in its own calculation sheet.

The Committee observes that the school was making payment to its Parents Society i.e. The New Green Field Educational Society, New Delhi on account of the accretion in its liability for gratuity every year. Therefore, the school was not required to maintain any reserve or payment of gratuity. The liability as on 31/03/2008 amounting to Rs. 5,51,651 has already been deducted while working out the aforesaid sum of Rs. 4,51,21,591.

So far as the liability of leave encashment is concerned, the school was not making any provision for the same upto March 2010. However, it made the provision of its accumulated liability as on 31/03/2011 and this amounted to Rs. 18,97,314. The authorized representative appearing for the school states that for working out the liability of leave encashment as on 31.3.2010 an approximate sum of Rs.5 lacs may be reduced from this figure. The Committee finds that the additional liability provided by the school in the year 2011-12 was Rs. 5.01 lacs. As such the Committee accepts the

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Delhi High Court Committee * For Review of School Fee *

submissions of the authorized representative. As the school was not permitted to increase the fee in the year 2009-10 beyond the increase that was allowed to it by order dated 11/02/2009, the leave liability as on 31/03/2010 is required to be reduced from the funds available with the school. Further the accrued liability of gratuity of the school as on 31/03/2010 and not 31/03/2008, is required to be reduced from the funds available with the school to be paid to the society in discharge of its liability. The same amount to Rs.11,46,972 as per the balance sheet of the school. However, since a liability of Rs.5,91,651 as on 31/03/2008 has already been factored in while calculating the net current assets, the additional reserve to be maintained by the school for meetings its accrued liability of gratuity as on 31/03/2010 would be **Rs. 5,55,321** only. This has been agreed to by the authorized representative of the school.

Thus the funds that were available with the school which could have been utilized for meeting the additional expenses of salary of implementation of 6th pay commission report are worked out as follows :-

Net Current Assets on 31.3.2008 (as admitted by the school)		**4,51,21,591**
Less :		
(1)Additional provision for gratuity as on 31.3.2010 (as admitted by the school)	5,55,321	
(2) provision for leave encashment as o n 31.3.2010 (as admitted by the school)	13,97,314	
(3) provision for 4 months salary as per the submission of the school	65,19,272	84,71,907
Net funds available		**3,66,49,684**

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Delhi High Court Committee * For Review of School Fee *

The school, in its calculation sheet, has reduced a sum of Rs.2,92,87,397 from the net currents assets showing it as designated funds. The justification for the same as given in the written submissions filed by the school is that a sum of Rs.1,89,70,000 represented interest on fixed deposits while another sum of Rs. 1,03,17,397 was the reserve available with the school in terms of Rule 177 (2) (b) of The Delhi School Education Rules 1973.

The argument put forth by the authorized representative appearing for the school is that the reserve as per rule 177 (2) (b) is required to be maintained by the school and could not have been utilized for implementing the recommendations of the 6th pay commission.

The committee does not accept this submission advanced by the authorized representative as the school has concededly hiked the fee and recovered the arrear fee in pursuance of order dated 11/02/2009 issued by the Directorate of Education. Para 2 of this order states that *"All schools must first of all, explore the possibility of utilizing the existing reserves to meet any shortfall in payment of salaries and allowances, as a consequence of increase in salaries and allowances of employees."* In Para 1 it is stated the fee hike is not mandatory and in Para 3 it is stated that if the school still feels it is necessary to hike the tuition fee (after utilizing its existing reserves), it shall do so with the consent of the Parent Teacher Association.

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Delhi High Court Committee * For Review of School Fee *

The school having taken advantage of fee hike as per the aforesaid order cannot ignore the conditions which are required to be fulfilled for effecting the fee hike as prescribed in that very order. Further in WP (C) 7777 of 2009, the Hon'ble Delhi High Court has held that if the schools had funds of their own they will not resort to fee a hike and the fee hike will be restricted only to the extent, it is actually required to meet the deficit, if any.

The second contention of the school is that interest on fixed deposit ought not be considered as available to the school for implementing the recommendations of the 6th pay commission, is also rejected as the fixed deposits have been admittedly created out of the savings held by the school out of the fee recovered by it in the previous years. Further, Para 11 of the same order of 11/02/2009 states that the school should not consider the increase in fee to be the only source of augmenting their revenue, they should also venture upon other permissible measures to increase its revenue receipts. In the teeth of these conditions, the school cannot be heard to say that the interest on fixed deposits which have been created out of savings from fee made in the previous years ought not be considered, as funds available with the school for implanting the 6th pay commission.

Determinations :

As per the above discussion, the Committee determines the following :-

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Delhi High Court Committee for Review of School Fee

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1. The school had funds available of its own as on 31.3.2008 i.e. prior to fee hike which amounted to Rs.4,51,21,591.

2. The school was required to keep funds in reserve amounting to Rs. 5,55,321 for its liability of gratuity as on 31.3.2010, Rs. 13,97,314 for its liability on account of leave encashment as on 31.3.2010 and Rs. 65,19,272 on account of reserve for future contingencies equivalent to 4 months salary.

3. The funds that were available with the school which could have been utilized for implementation of recommendations of 6th pay commission were Rs.3,66,49,684 (4,51,21,591 - 5,55,321-13,97,314 - 65,19,272).

4. The total financial impact of implementing the recommendations of the 6th pay commission up to 31.3.2010 was Rs.1,35,47,458.

In view of the above determinations, the Committee is of the view that the school had adequate funds available with it out of which it could have discharged its liability for additional expenditure on account of implementation of the recommendations of the 6th pay commission and it had no requirement to recover any arrear fee or increase any tuition fee for this purpose. The entire arrear fee collected by the school amounting to Rs.62,46,540 and the entire incremental tuition fee amounting to Rs.40,11,170 for the year 2009-10 ought to be refunded to

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

Recommended accordingly. Recommendations pronounced in the open meeting after the conclusion of hearing.

Justice Anil Kumar (R)
(Chairperson)

CA J.S. Kochar
(Member)

Dr. R.K. Sharma
(Member)

Date: 15/05/2017

TRUE COPY

Secretary

Delhi High Court Committee of School Fee