

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI  
DIRECTORATE OF EDUCATION  
(PRIVATE SCHOOL BRANCH)  
OLD SECRETARIAT, DELHI-110054

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 816

Dated: 03/07/2017

ORDER

Whereas, Little Fairy Public School, Phase-IV, Ashok Vihar, Delhi-52 had submitted its online proposal for fee hike for the academic session 2016-17.

And whereas, it was decided by the Director (Education) vide order No. F. DE-15/ACT-I/WPC-4109/PART/13/246-50 dated 26.12.16, that, the fee hike proposal of Little Fairy Public School may be considered only after all the discrepancies, as mentioned in the said order are rectified by the school first.

And whereas, in response to the said order dated 26.12.16, the school had submitted its compliance report on 04.01.17. Detail of submissions of school along with remarks of this branch is as under:

**Financial discrepancies:**

S No	Details of discrepancy	Submission of School	Remarks
1	The school is charging a depreciation rate different from the rate prescribed as per the Guidance Note (GN-21) on Accounting by Schools, issued by the Institute of Chartered Accountants of India.	The school has informed that for the Financial Year ending March, 2016, depreciation schedule of Fixed Assets has been prepared, audited and filed as per Guidance Note (GN21) on Accounting by the Schools (earlier depreciation was charged as per prescribed under Income Tax Act, 1961).	Compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.
2	Payment of Gratuity Act, 1972," is applicable to the school; however, it is not recognising Gratuity liability.	It has been informed by the school that Applicability Payment of Gratuity Act, 1972 - There had been no such case of retirement so far. No funds are earmarked for the said purpose because of huge deficit. The school has	The school is directed to strictly follow the provisions laid down under DSEAR, 1973. Compliance may be seen during scrutiny of the fee hike proposal for the

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		further informed that they shall be making provision of gratuity liability in their book as soon as the funds are available.	Academic Session 2017-18.
3	Bank reconciliation statement is not being prepared.	It has been informed by the school that the bank reconciliations have been completed up to dated and now there is no discrepancy in reconciliations.	Considered
4	The school does not maintain receipt and payment accounts. Receipt and payment account is mandatory pursuant to Clause 24 of Order No. F.DE./15/778 dated 11/02/2009	It has been informed by the school that Receipt & Payment Account as per clause-24-duly Audited Receipt & Payment Account ending March, 2016 as per Clause-24 of Order No. F. DE/15(56)/Act/2009/778 dated 11.02.2009 is enclosed.	Considered

**Other discrepancies:**

S.No	Details of discrepancy	Submission of School	Remarks
1	During the course of inspection, Inspection team observed that the Balance Sheet of the school has not been presented as prescribed by appendix - II of DSER, 1973, specified by Order no. 7905-7913 dated 16.04.2016.	It has been informed by the school that the audited Balance Sheet for the Year 2015-16 has been duly prepared as per Appendix-II of DSER-1973 (Earlier Balance Sheets were prepared as prescribed under the Income Tax Act, 1961).	Compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.
2	As per Guidance Note-21 "Accounting by Schools" issued by Institute of Chartered Accountants of India, fees shall be recognised as income as and when it is due i.e. on accrual basis. The school is recognising the same on Cash basis.	It has been informed by the school that the school enclosed audited financial for the year 2015-16 showing fees collected on accrual basis. Advance fees of Rs.351600/- shown in current liabilities and fees receivable of Rs. 170153/- shown in	Compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.

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		current assets duty reflected in Balance Sheet of Financial Year ending March- 2016.	
3	<p>As per point No. 14 of Order No. F.DE./15(56)/ACT/2009/778 dated 11.02.2009, 'Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up-gradation and replacement of furniture, fixture and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a depreciation reserved fund, equivalent to the deprecation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained development fund account.'</p> <p>With regard to above, following observations were made</p> <ul style="list-style-type: none"> <li>a) the school is charging depreciation to income and expenditure account and not maintaining depreciation reserve fund</li> <li>b) The school is collecting development fund</li> <li>c) the school does not maintain any separate bank account for the development fees collected</li> <li>d) Development fund is</li> </ul>	<p>It has been informed by the school that Development Fund had been utilized to pay off salaries to staff and other day to day expenses; there was no balance available to be kept for future in the designated fund. Payment of salary of staff is the priority of the school and as other funds were insufficient to mitigate salary expenses, development funds were utilized for the same.</p> <p>The depreciation reserve fund was utilized for paying salary of our staff which is our priority because of financial constraints.</p>	<p>The school is directed to strictly follow the provisions laid down under DSER, 1973. Further, compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.</p>

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	treated as revenue receipt.		
4	The school maintains high cash balance. Further the same is not adequately insured.	Daily cash is deposited on the next day because in the evening of the same day the bank does not accept any deposits. In case of Holiday/Non working day it is extendable.	No further action is required.
5	The school does not maintain any fixed assets register.	It has been informed by the school that Fixed Assets Register has been properly maintained for the said three financial years but the record was not traceable during audit. However, register has since been retrieved. Further, it is added that the details of the assets have been reflected in the schedule of depreciation in all the previous years.	The school is directed to strictly follow the provisions laid down under DSER, 1973. Further, compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.
6	The school has started to charge increased fees from the students without any approval from the DoE during the first quarter of financial year 2016-17. This is non-compliance of Order No F.DE-15/ACT-I/WPC-4109/Part/13/10248-10255 dated 15/07/2016.	It has been informed by the school that the school has started the adjustment of Tuition Fees and other charge realize during the previous quarter. It ensured that the same will be adjusted in current quarter.	Compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.
7	The school is not reporting the transactions with related parties as required by Accounting Standard (AS) 18, 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India.	It has been informed by the school that all related party transactions which has been required to be reported under Accounting Standard (AS-18) have been duly mentioned in Notes of Accounts for the Financial Year ending March, 2016.	Compliance will be seen during scrutiny of the fee hike proposal for the Academic Session 2017-18.
8	The bank balances as per the books	It has been	No further

does not match with the balances as per the bank statement. Further the reconciliation of the same was not provided by the school.				informed by the school that all the bank accounts are duly reconciled as on date and copy of bank reconciliation for the Year Ending March, 2016. Year Ending March, 2016.	action is required.
Year	Balance as per books	Balance as per bank	Difference		
31 <sup>st</sup> March 2014	7,15,747	5,03,626	2,12,121		
31 <sup>st</sup> March 2015	10,04,105	7,19,704	2,84,401		
31 <sup>st</sup> March 2015 (2016)	7,83,576	4,37,663	3,45,913		

**Though the school has either rectified the discrepancies or has undertaken to comply the same, compliance of the same, as mentioned against each submission above will be seen/examined during the scrutiny of fee hike proposal for the session 2017-18, if any.**

And whereas, compliance report dated 04.01.17 along with all relevant materials were put before the Director(Education) for consideration and who after considering all the materials on record has accepted the fee hike proposal of the said school for session 2016-17 and allowed the school to increase the fee, as proposed by the school.

Accordingly, it is hereby conveyed that the fee hike proposal of Little Fairy Public School, Phase-IV, Ashok Vihar, Delhi-52 has been accepted by the Director of Education and the school is hereby allowed to increase the fee, as proposed by the school.

Further, the management of said school is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. The fee should be utilized as per true letter and spirit of Rule 177 of the DSEA&R. 1973 and the judgment of the Hon'ble Supreme Court in the case of Modern School Vs Union of India (2004).

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This issues with the prior approval of the Competent Authority.

Non compliance of the order shall be viewed seriously.

*Yogesh Pratap*

(Yogesh Pratap)  
Deputy Director of Education-1  
Private School Branch  
Directorate of Education

To

The Manager/HoS  
Little Fairy Public School,  
Phase-IV, Ashok Vihar, Delhi-52

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 016

Dated: 02/02/2017

Copy to:-

1. P.S. to Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. P.A. to Addl. Director of Education (Private School Branch), Directorate of Education, GNCT of Delhi.
4. DDE concerned
5. Guard file.

*Yogesh Pratap*

(Yogesh Pratap)  
Deputy Director of Education-1  
Private School/ Branch  
Directorate of Education