

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/ 865

Dated: 8/8/2017

ORDER

Whereas, the request of Alok Bharti Public School, B-1, Sector-16, Rohini, Delhi for increase in fee for the academic session 2016-17 was rejected by Director (Education) vide order No.F.DE.15/Act-1/WPC-4109/PART/13/236-240 dated 26.12.2016 with the specific direction to rectify the deficiencies as illustrated in the said order and submit compliance report to Dy. Director of Education concerned within thirty days.

And whereas, the Director (Education) had referred to the representation of Alok Bharti Public School against the fee hike rejection order of this Directorate and had decided to give an opportunity to the school to be heard in person.

And whereas, a committee was constituted to hear the case of the school in detail with a view to assist the Director of Education to dispose of the representation.

And whereas, in this connection, an opportunity of being heard was provided to the Manager/HoS of Alok Bharti Public School on 16.05.2017 at 04.30PM at Conference Hall, Ludlow Castle School Sports Complex, Civil Lines, Delhi-110054.

And whereas, the submissions of the schools were heard by the above said committee on 16.05.2017 at 04.00PM and during the hearing, the issues raised in the representation of the school were discussed at length. The submissions made by the school are taken on record and analyzed in accordance with the provisions of Delhi School Education Act and Rules, 1973 and directions issued there-under.

Financial discrepancies:-

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	The incomes shown in the financial statements were not corroborated with the fee structure of the school and number of students. Further, the following discrepancies in relation to the fees collected by the school have been observed:	The accounts are being checked/verified by the accountant and necessary corrections are made. In future, the rebate	Accepted by School.

	<p>a) Fees received during a day are recorded by the School through single entry in the cash book and that too, without any narration. No subsidiary records are maintained by the school. However, there were instance of higher or lower amount recorded in the cash book.</p> <p>b) There were instances where rebates are granted by teachers without any authority.</p>	<p>in fee to the students shall be granted with prior approval of authority.</p>	
2.	<p>As per clause 14 of order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, development fee shall be treated as capital receipt. However, school is treating it as revenue receipt. School is utilising the development fees in contravention to the above mentioned order for meeting its operating expenses.</p>	<p>As there is limited funds with the school to maintain the building, development has been utilised for renovation of damaged rooms and other maintenance of school.</p>	<p>The School should follow the DOE instructions in this regard and should treat development fees as capital receipt only.</p>
3.	<p>Excess tuition and transport fees is collected by the school from the students.</p>	<p>The excess amount collected against tuition fee and transport fee have been refunded to the concerned students.</p>	<p>Accepted by school. Compliance shall be verified at the time of scrutiny of next fee increase proposal of the school, if any.</p>
4.	<p>As per Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, earmarked levy will be calculated and collected on 'no profit no loss' basis and spent only for the purpose for which they are being charged. All transactions relating to the earmarked levies shall be an integral part of the school accounts and any surplus recognised shall be recorded as earmarked levy fund. School is charging transport fees from</p>	<p>This aspect shall be taken care in future.</p>	<p>The school has ensured to comply the same in future.</p>

	the students and is not recognising the surplus as a separate fund.		
5.	The books of accounts prepared by the school are not reliable. There are numerous mistakes in it. The salaries paid to teachers as per school records and as per TDS return does not match. Also, there is mismatch between the actual salary paid and the salary payable as per the attendance records.	There is no mismatch in the salary statement as well as TDS deducted on salaries.	No documents are enclosed to substantiate the claim. Compliance shall be verified at the time of next fee increase proposal of the school, if any.

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	The school does not have any policy of procurement and there is no process of calling bids/quotations.	In future the policy relating to procurement in case of major shall be followed and there will be no violations of procurement policy.	The school has ensured to comply the same in future.
2.	The school is not regular in depositing statutory dues of tax deducted at source in accordance with the provisions the Income Tax Act, 1961 to the income tax department.	The Tax deducted at source will be deposited with IT Department on time in future.	School should adhere all statutory compliances.
3.	The format of Balance Sheet, Income & Expenditure Account and Receipts and Payments Account were not in the format prescribed in Appendix-II of the Order no. F.DE- 15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16-04-2016. Also, the accounting principle and policies followed by the school are not in accordance with the generally accepted accounting principles as applicable to non-business organization / not-for-profit organization.	Financial Statements for FY 2015-16 has already been prepared in proper format by following appropriate accounting principle and policy.	Compliance shall be verified at the time of next fee increase proposal of the school, if any.
4.	The school is not maintaining any fixed assets register.	The school is maintaining the fixed assets register.	Compliance shall be verified at the time of next fee increase proposal of the school, if any.

	As per Clause 4 of Order No. DE/15 /150 /ACT /2010 /4854-69 dated 09.09.2010, after the expiry of 30 days, the un-refunded Caution Money belonging to the ex-students shall be reflected as income for the next financial year and it shall not be shown as liability. Further, this income shall also be taken into account while projecting fee structure for the ensuing Academic year. Caution money amounting to Rs.1,06,200 is lying since a long time as liability in the balance sheet.	The un-refunded caution money will be treated as revenue.	Accepted School.
6.	The school does not provide for terminal benefits of Gratuity and Leave Encashment payable to school staff in its Financial Statements.	The provision for gratuity and leave encashment shall be shown in financial statement when there is such situation arises in future.	Accepted School. by

And whereas, after going through the representations dated 07.02.2017 and submissions made by the school during the hearing held on 16.05.2017 as well as financial statements/budget of the school available with this Directorate, it emerges that:-

The school is having a deficit of Rs. **23,86,532/-** as per the following details:-

Particulars	Amount (Rs)
Cash and Bank balances as on 31.03.16 as per audited Financial Statements	6,33,846
Investment as on 31.03.16 as per audited Financial Statements	2,15,086
Available Funds	8,48,932
Less: Development Fund and Depreciation Reserve Fund#	0
Fees for 2015-16 as per financial statement (We have assumed that the amount received in 2015-16 will at least accrue in 2016-17)	1,33,36,993
Other income for 2015-16 as per financial statement	9,97,543
Estimated availability of funds for 2016-17	1,51,83,468
Less: Budget expenses for the session 2016-17 as submitted by school management	1,75,70,000
Net Deficit	-23,86,532

The school has not maintained development fund in accordance with Clause 14 of Order No. F.DE./ 15 (56) /Act /2009 / 778 dated 11/02/2009. Also, there is no

equivalent investment against the depreciation reserve fund. Hence, the same is not considered for above calculations.

And whereas, in view of the above examination, it is evident that the school does not have sufficient liquid funds to meet the financial implications for the financial year 2016-17.

And whereas, the school proposal for fee increase for the session 2016-17 was earlier declined vide order dated 26.12.17, on the ground that the school had sufficient reserves. During the hearing, the school has represented that the reserves are invested in fixed assets and there is no liquid funds available with the school to manage its affairs.

And whereas, as per clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, user charges should be collected on no profit and no loss basis and should be used only for the purpose for which these are collected. Accordingly, the school is advised to maintain separate fund in respect of each earmarked levies charged from students in accordance with the DSEA & R, 1973 and orders, circulars, etc., issued there under. If there are large surpluses under any earmarked levy collected from the students, the same shall be considered or adjusted for determining the earmarked levy to be charged in the next academic session.

And whereas, as per clause 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.' Accordingly, school is advised to maintain separate development fund and utilized the same strictly in accordance with the DSEA & R, 1973 and orders, circulars, etc., issued there under.

And whereas, these recommendations alongwith relevant materials were put before Director of Education for consideration and who after considering all the material on the record has found that the school does not have sufficient liquid funds to meet the financial implications for the financial year 2016-17 and the representation dated 07.02.2017 and subsequent submissions made in this regard find merit in respect of sanction for increase in fee and hereby accepted on the basis of above mentioned observations. Further, it has been decided by the Director (Education) to allow the school to increase the existing fee by 10% for the session 2016-17.

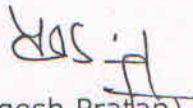
Accordingly, it is hereby conveyed that the representations for fee hike of Alok Bharti Public School, B-1, Sector-16, Rohini, has been accepted by the Director of Education and the school is hereby allowed to increase the existing fee by 10% for the session 2016-17.

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

1. Compliance of all the instructions mentioned in the order dated 26.12.17 will be seen/examined during the scrutiny of fee hike proposal for session 2017-18, if any.
2. In the light of Judgment of Modern School vs Union of India, the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings. Therefore it is to be ensured not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA&R, 1973.
3. The fee should be utilised as per Rule 177 of the DSEA & R, 1973 and the judgement of the Hon'ble Supreme Court in the case of Modern School Vs Union of India (2004). These are to be followed in true letter and spirit.

This issues with the prior approval of the Competent Authority.

Non compliance of the order shall be viewed seriously.

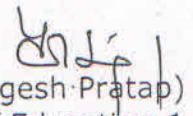

(Yogesh Pratap)
Deputy Director of Education-1
Private School Branch
Directorate of Education

To
The Manager/HoS
Alok Bharti Public School,
B-1, Sector-16, Rohini

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 865
Copy to:-

Dated: 8/8/2017

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)
Deputy Director of Education-1
Private School Branch
Directorate of Education