

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/ 973

Dated: 13/10/2017

ORDER

Whereas, the request of Lawrence Public School, C-3 Block, Janakpuri, New Delhi-110058 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/13/610-614 dated 06.03.2017 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 Lawrence Public School against the fee hike rejection 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 Lawrence Public School on 16.05.2017 at 02.00PM 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 02.00PM 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 school has made substantial payments to related parties during the period under review. Details are as follows: <table border="1"><thead><tr><th>Name of Person</th><th>Official Designation</th><th>Relation with School</th><th>Nature of Payment</th><th>2013-14</th><th>2014-15</th><th>2015-16</th></tr></thead><tbody><tr><td>Manish Kumar</td><td>Management Committee Member</td><td>Trustee's Son</td><td>Rent</td><td>7,20,000</td><td>9,95,769</td><td>11,10,810</td></tr><tr><td>Sanjay Kumar</td><td>Admin. Officer</td><td>Trustee's Son</td><td>Rent</td><td>7,20,000</td><td>9,95,769</td><td>11,10,810</td></tr></tbody></table>	Name of Person	Official Designation	Relation with School	Nature of Payment	2013-14	2014-15	2015-16	Manish Kumar	Management Committee Member	Trustee's Son	Rent	7,20,000	9,95,769	11,10,810	Sanjay Kumar	Admin. Officer	Trustee's Son	Rent	7,20,000	9,95,769	11,10,810	The school has not responded specifically against the discrepancy mentioned in the order.	School is not allowed to pay rent to the related parties and is directed to recover the amount paid as rent to
Name of Person	Official Designation	Relation with School	Nature of Payment	2013-14	2014-15	2015-16																		
Manish Kumar	Management Committee Member	Trustee's Son	Rent	7,20,000	9,95,769	11,10,810																		
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West-B

	<table border="1"> <tr> <td>Rekha Kumari</td> <td>Principal</td> <td>Trustee's Daughter In Law</td> <td>Salary</td> <td>5,35,014</td> <td>6,27,045</td> <td>7,33,725</td> </tr> <tr> <td>Vandana Kumari</td> <td>Head Mlstrass</td> <td>Trustee's Daughter In Law</td> <td>Salary</td> <td>2,92,422</td> <td>3,68,932</td> <td>3,72,564</td> </tr> <tr> <td>Sanjay Kumar</td> <td>Admin. Officer</td> <td>Trustee's Son</td> <td>Salary</td> <td>4,95,625</td> <td>5,33,351</td> <td>5,90,770</td> </tr> <tr> <td colspan="4" style="text-align: center;">Total</td> <td>27,63,061</td> <td>35,20,866</td> <td>39,18,679</td> </tr> </table> <p>The school was operating its Nursery and KG division in rented premises till FY 2011-12 and the school entered into a new rent agreement with Trustee's sons in September 2012 and shifted its Nursery and KG division to new location for which the rent is paid to Trustee's sons.</p>	Rekha Kumari	Principal	Trustee's Daughter In Law	Salary	5,35,014	6,27,045	7,33,725	Vandana Kumari	Head Mlstrass	Trustee's Daughter In Law	Salary	2,92,422	3,68,932	3,72,564	Sanjay Kumar	Admin. Officer	Trustee's Son	Salary	4,95,625	5,33,351	5,90,770	Total				27,63,061	35,20,866	39,18,679		Management committee member and Trustee son within 60 days from the date of issue of this order.
Rekha Kumari	Principal	Trustee's Daughter In Law	Salary	5,35,014	6,27,045	7,33,725																									
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2.	The school has not submitted financial statements and fee structure pertaining to Nursery and KG division with DoE in FY 2013-14 and FY 2014-15. This may be considered as contravention of Section 17 (3) of DSEA & R 1973 which states that 'The manager of every recognised school, shall before the commencement of each academic session, file with the Director a full statement of the fees to be levied by such school during the ensuing academic session.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to submit financial statements and fee structure pertaining to DDE (PSB) within 30 days from the date of issue of this order.																												
3.	Change in the place of Operation of School was not intimated to DoE in respect of shifting the Nursery and KG division to new premises.	The school has not responded specifically against the discrepancy mentioned in the order.	School is not allowed to change the place of nursery and KG classes without informing DoE. Further, concerned DDE(District) is to inspect and report within 15 days that safety of students are adequately taken care of by the school.																												
4.	The school has started incurring additional cost of Rent of Rs. 2,00,000 per month due to expansion (shifting the Nursery and KG division to new premises) without any	The starting rent was Rs. 130000/- p.m. and not Rs 2 lacs	Compliance shall be verified at the time of next fee increase																												

	intimation to DoE.	for Ground Floors (4 rooms), 1 st Floor (4 rooms) and huge basement.	proposal of the school, if any.
5.	The provision for Gratuity and Leave Encashment has not been done on the basis of Actuarial Valuation. In the absence of the same under or over statement of liability on account of Gratuity and Leave Encashment and consequent impact on surplus/deficit in Income & Expenditure Account cannot be commented upon.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to maintain adequate provisions for leave encashment and gratuity based on actuarial valuation in accordance with ICAI pronouncements.
6.	The income shown in the financial statements of the school do not corroborate with the fee structure of the school. The fee collected by the school is short by Rs. 14,765, Rs. 6,01,238 and Rs. 77,400 in FY 2013-14, FY 2014-15 and FY 2015-16 respectively when compared with the fee which should have been collected as per fee structure. No reconciliation has been submitted by the school for the same and this reflects that the internal controls are not adequate in the school.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to maintain proper books of accounts and to submit the reconciliation statement for the quoted differences at the time of submission of next fee increase proposal.
7	The school is not collecting any Development fee hence no development fund and depreciation reserve fund has been maintained by the school. However, there was balance of Rs. 21,23,859 in the Development Fund account at the beginning of FY 2013-14 and this has been adjusted against the expenses on 'Building under Construction' by the school which is contravention of Clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009. The school has incurred Rs. 18,38,155 till FY 2012-13 under the head 'Building under Construction' and not furnished any documentation in respect of the same and at the same time the school	The school has not responded specifically against the discrepancy mentioned in the order.	As per clause 14 of the order dated 11.02.2009 school is not allowed to utilise the development for purposes other than mentioned in the said order. School is directed to submit proper documents in relation to these

	has taken a built up property on rent from the trustee's sons in FY 2012-13.		construction expenses incurred at the time of submission of next fee increase proposal of the school.
8	The school management is not charging any service fee or rentals from the vendors of books and uniform who have been allocated space in the school premises. This is a potential revenue loss to the school.	The school has not responded specifically against the discrepancy mentioned in the order.	School need to explain why no rent is being charged from these vendors and to account for the rental income in the books of accounts.
9	The school has not maintained item wise fixed asset register and the assets of the school have not been tagged or numbered.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to maintain proper fixed assets register so as to disclose assets type, purchase cost, location, units, etc.

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	As per Clause 6 of Order No. 1978 dated 16.04.2010 If after exhausting all possibilities, a school still finds it necessary to hike the tuition fee; it shall first take the major stakeholders in the school system i.e. parents into confidence and as per Clause 20 of Order No. F.DE./ 15(56) /Act/ 2009/ 778 dated 11/02/2009 no fee, fund or any other charges by whatever name called, shall be levied or realised unless it is determined by the managing committee in accordance with the directions contained in this order and unless the representatives of the PTA and the nominees of the undersigned are associated with these	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to comply with DoE instructions in this regard. Compliance shall be verified at the time of next fee increase proposal of the school, if any.

	directions. The school has not formed any PTA and hence, the approval of fee increase proposal without the consent of PTA by the Managing Committee is the contravention of the above said Clauses, though the Nominees appointed by the Government were present in the meeting.		
2.	The school is not following any formal procedure of procurement from contractors and is continuing with the old vendors. Even for the new contractors appointed in FY 2015-16, the school has no bidding documents available on record.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to implement proper internal control system in relation to procurement of goods and services.
3.	The vouchers are neither serially number nor maker-checker concept has been followed. This is an indication that the internal controls are not proper in the school in relation to maintenance of financial records and authorization of financial transactions.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to introduce the proper internal system in relation to payment processing, maintenance of financial records and authorization of transactions.
4.	The school has not complied with the provisions of Rule 174 of DSEA & R 1973. The payments made by the school have been authorized only by one person viz. Manager of School instead of being authorized jointly by two persons viz. Head of School and Manager or Head of School and Authorized member by the manager.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to introduce the proper internal system in relation to payment processing, maintenance of financial records and authorization of transactions.
5.	The school has not refunded interest on Caution Money to the students along with caution money refund. Moreover, the school has not reflected un-refunded caution money belonging to ex-students as income in the next financial year after the expiry of thirty days and has also not taken this into account while projecting fee structure for ensuing academic year. This is contravention of Clause 18 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009.	The school has not responded specifically against the discrepancy mentioned in the order.	School is directed to comply the conditions of clause 18 of the order dated 11.02.2009 and to maintain separate bank account for caution money collected and amount which is not payable to students can be treated as income.

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.

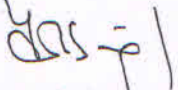
And whereas, these recommendations alongwith relevant materials were put before Director of Education for consideration and who after considering all the material on the record has found that the school is having sufficient surplus funds to meet the financial implications for the financial year 2016-17 and the representation dated 11.02.2017 and subsequent submissions made thereafter in this regard find no merit in respect of sanction for increase in fee and hereby rejected on the basis of above mentioned observations.

Accordingly, it is hereby conveyed that the representations for fee hike of Lawrence Public School, C-3 Block, Janakpuri, New Delhi-110058, has been rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. Not to increase fee for the session 2016-17. If, in case, increased fee has already been charged from the parents, the same shall be refunded/adjusted.
2. Compliance of all the instructions as mentioned in the order dated 06.03.17 will be seen/examined during the scrutiny of fee hike proposal for session 2017-18, if any.
3. The fee should be utilised as per letter and spirit of 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).

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
Private School Branch
Directorate of Education

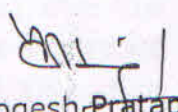
To
The Manager/HoS
Lawrence Public School,
C-3 Block, Janakpuri, New Delhi-110058.

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 973

Dated: 13/10/2017

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