

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/13/831

Dated: 18/07/2017

ORDER

Whereas, the request of Ramjas School, Sector-IV, R.K. Puram, New Delhi-110022 for increase in fee for the academic session 2016-17 was rejected by Director (Education) vide order No.F.DE.15/Ac2t-1/WPC-4109/PART/13/126-130 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 Ramjas 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 Ramjas School (Sector-IV, R.K. Puram) on 12.05.2017 at 12.30PM 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 12.05.2017 at 12.30 PM 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.	As per DOE order no. DE.15/ Act/ Duggal.com/203/99/23033-23980 dated 15/12/1999, Caution money	In future the caution money will be refunded to the	The school has ensured to comply the

	<p>collected from the students, shall be kept deposited in a scheduled bank and shall be returned to the student at the time of his / her leaving the school, along with bank interest thereon. The school is however not following the above guideline. Instead, the interest earned on the caution money deposit, is transferred to Student Welfare fund.</p>	<p>students along with the interest as per the guidelines of DOE.</p>	<p>same in future.</p>
<p>2.</p>	<p>As per the DOE order No. DE/15/150/ Act/2010/4854-69 dated 09/09/2010, in case of ex-students who have not been refunded the caution money, the schools shall inform them at their last shown address in writing to collect the said amount within 30 days. After the expiry of 30 days, the un-refunded caution money belonging to ex-students, shall be reflected as the income for the next financial year and it shall not be shown as liability. The school is however, not following the above guideline. The un-refunded caution money of ex-students is kept in Caution money account & reflected as a liability up to three years. Thereafter, the lapsed caution money is transferred to Student Welfare fund but it is never treated as income.</p>	<p>It is noted that in future, we will follow the procedure as per DOE guidelines.</p>	<p>The school has ensured to comply the same in future.</p>
<p>3.</p>	<p>Building and Land are not appearing in the assets of the books of accounts of the school and school has informed that the same is appearing in foundation book, whereas related expenses are booked but income is not booked in the books of school.</p>	<p>The Building is appearing in the consolidated Financial Statements of the Ramjas Foundation.</p>	<p>Before applying for next fee increase proposal, certified statement of incomes of current year is to be added to amount recoverable.</p>

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	Original Receipt against the fee collection are not preserved and are destroyed after closing/completion of audit except the receipts for caution money, admission fee and registration fee.	Once the audit is completed, fee pay-in-slips as we have all records in the fee register and bank statements.	Considered.
2.	Fixed Assets registers are not properly maintained and also not reconciled with the finance record. In many cases assets identification number and their location are not mentioned.	Fixed Assets register are properly maintained and identification numbers are duly mentioned.	There are no supporting to substantiate this claim of school. Compliance shall be verified at the time of next fee increase proposal of the school, if any.
3.	Purchase procedure through tendering and their limitation if any has not been found to be formulated by the management.	We are properly following the purchase procedure through tenders only and will further strengthen the system in future.	Compliance shall be verified at the time of next fee increase proposal of the school, if any.
4.	Experience mentioned in application form of appointment are not supported by documentary evidence and school management are also not asking for the same.	The concerned institutions are contacted for verification and in future, the correspondence will be documented.	Compliance shall be verified at the time of next fee increase proposal of the school, if any.
5.	School makes contracts on plain paper instead of judicial stamp paper.	From FY 2016-17 onwards, all contracts will be made on judicial stamp papers.	Accepted by School.

And whereas, after going through the representations dated 30.01.2017 and the submissions made by the school during the hearing held on 12.05.2017 as well as financial statements/budget of the school available with this Directorate, it emerges that:-

The school is having a surplus fund of Rs. **1,18,42,701** /- as per the following details:-

Particulars	Amount (Rs)
Cash and Bank balances as on 31.03.16 as per audited Financial Statements	37,33,902
Investment as on 31.03.16 as per audited Financial Statements	12,12,42,543
Total	12,49,76,445
Less: Development Fund as per audited Financial Statements	4,63,02,138
Less: Depreciation Reserve Fund as per audited Financial Statements	1,05,11,284
Less: Provision for Gratuity*	3,48,36,745
Less: Provision for Leave Encashment*	98,62,301
Available Funds	2,34,63,977
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)	8,40,95,053
Other income for 2015-16 as per financial statement	9,27,671
Estimated availability of funds for 2016-17	10,84,86,701
Less: Budget expenses for the session 2016-17 as submitted by school management (revenue)	9,66,44,000
Net Surplus	1,18,42,701

*The school is hereby directed to make earmarked equivalent investments against provision for Retirement Benefits with LIC (or any other agency) within 90 days of the receipt of this order, so as to protect the statutory liabilities. And provisions for gratuity and leave encashment should be based on actuarial valuation.

And whereas, in view of the above examination, it is evident that the school is having sufficient surplus funds even after meeting all the budgeted expenditure for the financial year 2016-17.

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

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.

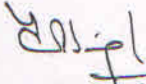
And whereas, these recommendations alongwith relevant materials were put before Director of Education for consideration and who after considering all the material on the record has found that the school is having sufficient surplus funds to meet the financial implications for the financial year 2016-17 and the representation dated 03.02.2017 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 Ramjas School, Sector-IV, R.K. Puram, New Delhi-110022, 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 26.12.16 will be seen/examined during the scrutiny of fee hike proposal for session 2017-18, if any.
3. 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.

4. 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

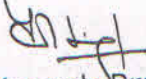
The Manager/HoS
Ramjas School, Sector-IV,
R.K. Puram, New Delhi-110022.

No. F. DE-15/ACT-I/WPC-4109/PART/13/831

Dated: 18/07/2017

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