

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/ 873

Dated: 22/8/2017

ORDER

Whereas, the request of Chinmaya Vidyalaya, Vasant Vihar, New Delhi-110057 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/13/43 dated 23.12.2016 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 Chinmaya Vidyalaya 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 Chinmaya Vidyalaya on 16.05.2017 at 10.30AM 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 10.30AM 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.	During the year 2013-14 the school has paid/ transferred Rs.2,00,00,000/- (Rs. Two crores) to Delhi Chinmaya Sewa Trust (the parent body of the school), in violation of both Supreme Court Rulings, rules 176 and 177 of DSER 1973 and Order of DoE issued from time to time. Para 1 of Order no. DE 15/Act/Duggal.com/203/99/23033-	The amount has been paid to the society against the expenditure incurred by the parent body for construction of school.	The school is hereby directed to recover the amount paid to society against construction of school amounting Rs. 2 crores.

S. No.	Detail of discrepancy	Submissions of the school	Remarks
	23980 dated 15.12.1999 states - "No amount whatsoever shall be transferred from the recognized unaided school fund of a school to the society or the trust or any other institution.		
2.	Depreciation reserve fund equivalent to Depreciation charged in the Revenue Account is not being maintained by School. (Clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009 of DoE).	The school has not purchased fixed assets out of development fund and hence, it is not required to maintain any depreciation reserve fund.	School response is not tenable as it is against the legal provisions. School shall not be allowed to charge development fee, if it does not maintain Depreciation Reserve Fund.
3.	Security Deposit / Caution money of Rs.500/- being received from students is not being maintained in a separate bank account. Payment of the same to the students is being made @ Rs. 300/- after deducting Rs.200/- for Alumni Association. Interest is not being paid on such refund to the students. (Clause 18 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009 of DoE).	The school has stopped deducting alumni fund and has decided not to charge any security deposits from FY 2017-18 onwards.	Accepted by School.

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	The Audited Financial statements for the year 2014-15 submitted by school did not accompany Receipts and Payment Account (Receipt and payment account is mandatory pursuant to Para 24 of the Order dated 11.02.2009, Order of SC and Appendix-II).	The same is uploaded on the DOE website.	Not attached in the response letter.
2.	Security Deposit / Caution money register is not being maintained by School. Only consolidated ledger account was available.	The school undertake to maintain the student wise details of security deposits.	Accepted by School.
3.	The school has made investments in	The school	Accepted by

S. No.	Detail of discrepancy	Submissions of the school	Remarks
	fixed deposits and gratuity fund with Reliance Life Insurance for which Investment Register is not being maintained.	undertakes to maintain the register in this regard.	School.
4.	For the three years of inspection undertaken, there was negative cash seen in the books of accounts on multiple instances (to the maximum of Rs 350.)	The amount being nominal as some time petty expenses are booked and cash is spent by the staff which is later on reimbursed. The school undertake that it would happen in future.	Dropped in the light of non materiality of issue.
5.	Budget for the year 2016-17 as submitted online to DoE along with the proposal for fee increase @ 10%, is not approved by Managing Committee of the school. There is no mention of the same in minutes of the Managing Committee meeting held on 10 March, 2016.	The proposal was duly approved by the managing committee. Copy of minutes enclosed.	No annexure was enclosed to this effect.
6.	The school is not charging anything or receiving any consideration from the book shop and dress/ uniform shop rented. This resulted in direct loss of income to the school.	No comments	The school is hereby directed to enter into arms length transactions in order to ensure prudential financial management practices.
7.	The Development Fee levied and charged from students is being utilized for payment of building maintenance i.e. regular and routine repair/maintenance of building, property tax and ground rent on year to year basis.	The school has been charging Building Maintenance and Development Fund and is utilizing it accordingly.	School response is not tenable as it is against the legal provisions.
8.	The school maintains a ledger account named security deposit and debits this account when security deposit is refunded. Balance in such account represents the consolidated amount payable. School doesn't have any record of un-refunded amount of caution money student wise / year wise.	The school undertake to maintain the student wise details of security deposits.	Accepted by School

And whereas, after going through the representations dated 20.02.2017, 16.05.2017 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 surplus fund of Rs. **3,93,81,909/-** as per the following details:-

Particulars	Amount (Rs)
Cash and Bank balances as on 31.03.16 as per School submission	4,35,91,733
Investment as on 31.03.16 as per School Submission	88,25,527
Add: Amount recoverable from Society against payment made against building construction	2,00,00,000
Total	7,24,17,260
Less: Development Fund and Depreciation Reserve Fund#	0
Less: Provision for Gratuity*	1,36,53,404
Available Funds	5,87,63,856
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)	10,19,09,652
Other income for 2015-16 as per financial statement	58,68,871
Estimated availability of funds for 2016-17	16,65,42,379
Less: Budget expenses for the session 2016-17 as submitted by school management (Revenue)	12,01,70,470
Less: Budget expenses for the session 2016-17 as submitted by school management (Capital)	69,90,000
Net Surplus**	3,93,81,909

#The school is not maintaining development fund and depreciation reserve fund.

*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.

**As sufficient funds are available with the school, it is hereby directed that the School shall create 3 months' salary provision amounting to Rs. 1,51,26,765 in accordance with the provisions of Right to Education Act, 2009 and to submit FDRs in joint name of Dy. Director (Education) and Manager of the School with DOE within 30 days of receipt of this order.

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 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 is having sufficient surplus funds to meet the financial implications for the financial year 2016-17 and the representation dated 20.02.2017 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 Chinmaya Vidyalaya, Vasant Vihar, New Delhi-110057, 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 23.12.17 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).

Non compliance of the order shall be viewed seriously.

This issues with the prior approval of the Competent Authority.


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

To

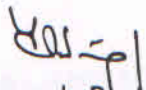
The Manager/HoS
Chinmaya Vidyalaya,
Vasant Vihar, New Delhi-110057

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 873

Dated: 22/8/2017

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 (South-west-A)
5. Guard file.


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