

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/13/825

Dated: 18/07/2017

ORDER

Whereas, the request of Lalit Mahajan SVM Sr. Sec. School, 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/ 2106/72 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 Lalit Mahajan SVM Sr. Sec. 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 Lalit Mahajan SVM Senior Secondary School on 12.05.2017 at 11.00AM 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 11.00 AM 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 financial year 2014-15 the school has debited Building by Rs. 4,10,06,890 and corresponding credit has been given to the parent society 'Samarth Shiksha Samiti' thereby creating a loan account payable to the parent society. This is in contravention to Clause 2 of the Public Notice dated 04.05.1997 which states that it is the responsibility of the society who has	It is pointed out that building transferred to School at the value of Rs.4,10,06,890 whereas the amount payable to society is Rs. 5,38,05,374.	Justification submitted by school is not in line with the existing law under DSER, 1973. The school should follow the instructions of

<p>established the school to raise such funds from their own sources and donations from the other associations because the immovable property of the school becomes the sole property of the society. It was also reported that school funds have been utilised regularly towards the payment to parent society.</p>		<p>DOE in this regard and this transfer of the building should be treated as contribution of the society and not as a liability towards society.</p>
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Other discrepancies:-

<p>1.</p>	<p>The school has not complied with Order no: F.DE-15/Act-I/WPC-4109/Part/13/7905- 7913 dated 16-04-2016. The school has not prepared the financial statements as per the required format for the FY 2013-14 and 2014-15 and in the provisional financial statements of FY 2015-16, previous year figures have not been mentioned as required by the standard format prescribed for financial statements.</p>	<p>Agreed that the Balance Sheet till FY 2014-15 was not prepared in the prescribed format.</p>	<p>The school should follow the instructions of DOE in this regard.</p>
<p>2.</p>	<p>The school has not complied with Order no: F.DE-15/Act-I/WPC-4109/Part/13/7914-7923 dated 16-04-2016. The school has not submitted the financial statements as per the prescribed format for FY 2013-14, 2014-15 and 2015-16 along with proposal for increase of fees with DoE. Moreover, other documents required to be submitted as per this order was neither submitted nor was complete.</p>	<p>No response from School.</p>	<p>The school should follow the instructions of DOE in this regard.</p>
<p>3.</p>	<p>On review of major contracts, it was observed :</p> <ul style="list-style-type: none"> a. The School is not permitted by the parent society 'Samarth Shiksha Samiti' to enter into contracts directly. Most of the contracts are in the name of the Society itself. b. As most of the contracts are entered into by society and were not available for inspection. c. Transport contracts are entered by school which do not have any standard procedure for 	<p>All important contracts related to running and operations of the school are being finalised at the school level itself. Copies of the same are available with the school and can be provided, if required.</p>	<p>No supporting documents were made available to substantiate this claim by School. Compliance shall be verified at the time of next fee increase proposal of the school, if any.</p>

	appointment and renewal.		
4.	The school has been charging the proposed increased fee during 2016-17 from the students though as per the guidelines of the department vide order number F.DE-15/Act-1/WPC-4109/Part/13/7914-7923 dated 16-04-2016, such increased fees should be refunded to the students or adjusted from their subsequent fee.	The school has submitted that the order no. F.DE-15/Act-1/WPC-4109/Part/13/7914-7923 was issued on 16-04-2016 subsequent to the management committee meeting held in January, 2016 for the purpose of fee hike.	The school should follow the instructions of DOE in this regard. The school should refund the increased fee collected from the students for FY 2016-17.
5.	The earmarked levy on account of Pupil fee is collected to honour the students by giving scholarships and prizes and for conducting seminars in school. But it is not properly utilizing it for the purpose for which it is collected. This is contravention to Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009 along with Clause 6 of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999.	It is incorrect to say that pupil fund was not used for the purposes it was meant for, though discrepancies, if any, shall be taken in future.	School to show documentary evidence to support its claim at the time of next fee increase proposal.
6.	The school is charging tuition fees in excess of standard cost of establishment, including provision for DA, bonus, other benefits and expenditure of revenue nature concerning curricular activities. This is contravention of Clause 8 of Order No. 1978 dated 16.04.2010 and Clause 19 of Order No. F.DE./ 15(56) /Act/ 2009/ 778 dated 11/02/2009.	No response from the School.	The school should follow the instructions of DOE in this regard and compliance shall be verified at the time of next fee increase proposal of the school.
7.	The school has refunded the caution money to most of the students. However, the bank interest on the same has not been refunded. Further the un-refunded caution money belonging to ex-students along with the bank interest on it has not been recognised as income. This is contravention of Clause 18 of Order No. F.DE./15(56)/Act/2009/778 dated 11/02/2009 and Clause 3 of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999.	In some cases, it was tried to refund the caution money to the concerned students. However, the students didn't turn up.	The school should follow the instructions of DOE in this regard.

And whereas, after going through the representations dated 28.01.2017 and 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.58,87,776/- as per the following details:-

Particulars	Amount (Rs)
Cash and Bank balances as on 31.03.16 as per School submission	79,29,078
Investment as on 31.03.16 as per School Submission	70,29,602
Total	1,49,58,680
Less: Provision for Retirement Benefits*	84,39,969
Available Funds	65,18,711
Fees for 2015-16 as per unaudited financial statement(We have assumed that the amount received in 2015-16 will at least accrue in 2016-17)	2,74,40,304
Other income for 2015-16 as per unaudited financial statement	7,26,298
Estimated availability of funds for 2016-17	3,46,85,313
Less: Budget expenses for the session 2016-17 as submitted by school management	2,87,97,537
Net Surplus	58,87,776

*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, 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, 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, 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 28.01.2017 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.

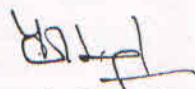
Accordingly, it is hereby conveyed that the representations for fee hike of Lalit Mahajan SVM Sr. Sec. School, Vasant Vihar, New Delhi-110057, has been rejected by the Director of Education.

Further, the management of said school is hereby directed under section 24(3) of DSEA&R 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 23.12.16 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).
5. The school is not allowed to present liability amounting to Rs.4,10,06,890/- towards society against transfer of building in its Financial Statements.

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

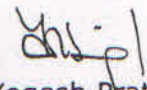
The Manager/HoS
Lalit Mahajan SVM Senior Secondary School,
Vasant Vihar, New Delhi-110057.

No. F. DE-15/ACT-I/WPC-4109/PART/13/825

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