

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/ 828

Dated: 18/07/2017

ORDER

Whereas, the request of CRPF Public School, Sector-16 B, Dwarka New Delhi-110075 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/13/151-155 dated 26.12.2016 with the specific direction to rectify the deficiencies as illustrated in the said order and submit compliance report to Deputy Director of Education concerned within in thirty days.

And whereas, the Director (Education) had referred to the representation of CRPF Public School, Dwarka against the fee hike rejection order No. DE-15/Act-1/WPC-4109/ Part/13/151-155 dated 26.12.2016 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 is hereby provided to the Manager/HoS of CRPF Public School on 11.05.2017 at 12.30 PM 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 11.05.2017 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 is 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 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	The expenses incurred are more than the income under above heads.	No supporting submitted by the school. Compliance shall

	used only for the purpose for which these are collected. During the evaluation of the financial statements as submitted by the school it was observed that school was collecting user charges under various heads and able to generate considerable surplus by collecting more fee than the actual expenditure.		be verified at the time of next fee increase proposal of the school, if any.
2.	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. During the evaluation of financial statements of the school it was observed that the school is recording the same in the Income and Expenditure Account as revenue receipt.	The cash flow was not adequate to maintain the school account moreover the expenditure on assets is more than the development fund received during the year.	Instructions issued by the DoE in this regard are to be complied with by the school.

Other discrepancies:-

1.	The format of Balance Sheet for FY 2015-16, 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.	The final audited accounts are as per the prescribed format.	Compliance shall be verified at the time of next fee increase proposal of the school, if any.
2.	As per clause 3 of Order No. 1978 dated 16 April 2010, schools should not consider the increase in fee to be the only source of augmenting the revenue. They should also venture upon other permissible measures for increasing revenue receipts. It was observed that the school has not considered alternative ways of augmenting revenue apart from fee increase.	Land has been provided by the DDA for the school and not for any business activity. Hence no other object can be considered for alternate measures of generating revenue.	Accepted.

And whereas, after going through the representations dated 23.01.2017 and submissions made by the school during the hearing held on 11.05.2017 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.3,20,39,141 /- as per the following details:-

Particulars	Amount(Rs)
Cash and Bank balances as on 31.03.16 as per School submission	99,53,425
Investment as on 31.03.16 as per School Submission	3,85,85,136
Total	4,85,38,561
Less: Development Fund#	0
Less: Depreciation Reserve Fund (As per School Submission)	93,46,364
Less: Provision for Gratuity*	46,28,425
Less: Provision for Leave Encashment*	13,71,505
Available Funds	3,31,92,267
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)	5,58,86,621
Other income for 2015-16 as per financial statement	61,54,157
Estimated availability of funds for 2016-17	9,52,33,045
Less: Budget expenses for the session 2016-17 as submitted by school management	6,31,93,904
Net Surplus**	3,20,39,141

In the Financial statements of the school for FY 2015-16, development fund is Nil.

*The school is hereby directed to make earmarked equivalent investments against provision for Gratuity & Leave Encashment 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 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, 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 23.01.2017 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.

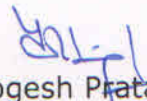
Accordingly, it is hereby conveyed that the representations for fee hike of CRPF Public School, Sector-16 B, Dwarka, New Delhi-110075, has been rejected by the Director of Education.

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-1
Private School Branch
Directorate of Education

To

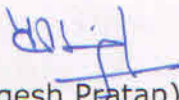
The Manager/HoS
CRPF Public School,
Sector-16 B, Dwarka,
New Delhi-110075

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 228

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