

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/13/826

Dated: 18/07/2017

ORDER

Whereas, the request of Cambridge School, A-Block, New Friends Colony, New Delhi-110025 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/13/141-145 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 Cambridge School; New Friends Colony against the fee hike rejection order No. DE-15/Act-1/WPC-4109/Part/13/141-145 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 was provided to the Manager/HoS of Cambridge School on 11.05.2017 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 11.05.2017 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.	As per clause 18 of order No. F.DE./15 (56)/Act/2009/778 dated 11/02/2009, caution money collected from students shall be refunded to students at the time of his/ her leaving the school along with bank interest thereon irrespective of whether he/ she	The funds have been transferred to the Development Fund and it is requested that this be allowed to stand for the reason submitted.	Improper treatment of un-refunded caution money. Instructions issued by the

<p>requests for a refund. However, it was reported that caution money pertaining to many students who have left the schools is not being refunded along with bank interest. The un-refunded caution money which has been expired by 30 days is being reflected as a liability & has not been treated as income. The same is also not being considered at the time of projecting fee structure for ensuing academic year. The non-refunded caution money till 2006-07 has been transferred to Development fund.</p>	<p>The school has with effect from FY 2016-17 instituted a system whereby automatic refund of the security deposit is made to parents on transfer of child.</p>	<p>DoE in this regard are to be complied with by the school.</p>
<p>2. As per clause 8 of order No. DE.15/Act/Duggal.com/203/99/23033-23980 dated 15/12/1999 and further reiterated by clause 23 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, no amount shall be transferred from the recognized unaided school fund of a school to the society or the trust or any other institution. However, it was reported that the school has transferred Rs.4,55,000, Rs.6,34,600 and Rs.6,24,000 for the years 2013-14, 2014-15 and 2015-16 respectively to the society under the head service charges. This amounts to diversion of funds from the school. Further management has informed that above expenses is only the reimbursement of staff training and curriculum development expenditure incurred by the society.</p>	<p>The Society conduct centralized training for teachers, Seminar for the benefit of teachers and students, and Development of teaching & curriculum material for the benefit of all the schools run by it. The payments made have been for such payments and against invoices on record which have been audited & verified.</p>	<p>The school is not allowed to transfer any funds to the society from the school funds.</p> <p>There was no supported invoices submitted by the school instead letters from society instructing the school to pay a lump-sum amount against reimbursement of expenses was submitted.</p>
<p>3 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. The school is charging Midday fees, Tennis fees and Transport fees from the students and no separate account is being maintained for such fees.</p>	<p>The surplus i.e. generated is due to unscheduled holidays, leaves or absence of students as the payment to the facility providers was made on actual basis.</p>	<p>The school is not allowed to make any profit or surplus out of earmarked levies. Instructions issued by the DoE in this regard are to be complied with by</p>

		the school.
The school is charging depreciation for diminution on building and stating the building at net value. The depreciation is not routed through Income and Exp. A/C but adjusted against General Fund thus generating a negative balance. The cumulative effect of such charge from 2004-05 was set off in General Fund in FY 2014-15 by book transfer from Development Fund.	The school due to oversight made purchases of capital nature from revenue account and did not adjust these annually or otherwise against the capital accounts (Development Fund and Depreciation). However, this has been corrected from 2014-15 to reflect the correct financial position.	Accepted by the school. School building is an asset of the society. Hence, depreciation should not be claimed by the school. Also correct balance of Development Fund cannot be ascertained and the same shall be verified at the time of next fee increase proposal of the school, if any.

And whereas, after going through the representations dated 03.02.2017 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.3,58,56,620/- as per the following details:-

Particulars	Amount(Rs)
Cash and Bank balances as on 31.03.16 as per School submission	51,18,577
Investment as on 31.03.16 as per School Submission	4,80,59,380
Total	5,31,77,957
Less: Depreciation Reserve Fund (As per School Submission)	1,05,46,680
Less: Provision for Gratuity & Leave Encashment*	1,05,17,977
Available Funds	3,21,13,300
Fees for 2016-17 as per Unaudited Financial Statements (as per school submission)	5,03,52,235
Other income for 2016-17 as per Unaudited Financial Statements (as per school submission)	43,13,860
Estimated availability of funds for 2016-17	8,67,79,395
Less: Expenses for the session 2016-17 as submitted by school management (Revenue - Actual)	5,02,09,359

Particulars	Amount(Rs)
Excess: Expenses for the session 2016-17 as submitted by school management (Capital - Actual)	7,13,416
Net Surplus**	3,58,56,620

*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 amounting to Rs. 80,88,946 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, 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 is any surplus 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 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.

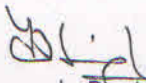
Accordingly, it is hereby conveyed that the representations for fee hike of Cambridge School, A-Block, New Friends Colony, New Delhi-110025, has been rejected by the Director of Education.

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

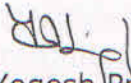
The Manager/HoS
Cambridge School
A-Block, New Friends Colony,
New Delhi-110025

No. F. DE-15/ACT-I/WPC-4109/PART/13/826

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