

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/13/814

Dated: 03/07/2017

ORDER

Whereas, the request of Nutan Vidya Mandir, AGCR Enclave, Delhi-110092 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/13/181-185 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 Nutan Vidya Mandir, AGCR Enclave, Delhi-110092, 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 Nutan Vidya Mandir on 15.05.2017 at 10.00AM 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 15.05.2017 at 10.00AM 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.	The revenue of the school as shown in the financial statements were not corroborating with the fee structure of the school and the number of students for F.Y. 2013- 14, 2014-15 and 2015-16. It was also reported that the school is following cash basis of accounting and student wise fee register, concession register and records pertaining to students who have left the school were not made available for verification.	The minor differences surfaced in reconciliation because some of the students left the school after getting admission. This has no significant impact on school fees.	No supporting document/ calculation have been submitted by the school in support of their submission.
2.	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 requests for a refund. Also as per clause 4, after the expiry of 30 days, the un-refunded Caution Money belonging to the ex-students shall be reflected as income for the next financial year and it shall not be shown as liability. Further, this income shall also be taken into account while projecting fee structure	The unclaimed caution money will be included in the income of the school.	Accepted school. BY

	for the ensuing academic year. However, it was reported that caution money pertaining to the students who have left the school is not being refunded along with bank interest. Also after expiry of 30 days, the un-refunded caution money is not treated as income and is being reflected as security deposit (liability). The same is also not being considered at the time of projecting fee structure for ensuing academic year.		
3.	The school was collecting Annual Charges from the students. The annual fees collected from Nursery classes were recorded as revenue receipts and annual fee collected from primary section were recorded as development fees. It seems that the school is not able to distinguish between annual charges and development charges. As the utilisation of development fees is specifically mentioned in clause no. 14 of Order No. F. DE.15(56)/ACT/2009/778 dated 11.02.2009, thus proper accounting of annual charges and development fees is required.	These will be distinguished henceforth and will be recorded separately.	Accepted by School,
4.	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, upgradation 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 depreciation 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.' The school was utilising the development fund for purposes other than the purposes mentioned in the order referred above. Also, school had not created any depreciation reserve fund in compliance of this order in F.Y. 2013-14 & 2014-15. No development fees has been charged in F.Y. 2015-16.	The school has not collected any development fee from the students in FY 2015-16 and development fee collected in the past has already been utilized for the specified purposes. School will open the Depreciation reserve fund in due course, on collection of development fee in future.	The school should comply with the DOE instructions in this regard.

**Other discrepancies:**

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	The school is generally irregular in depositing of Employees' Provident Fund (EPF) dues to the concerned authorities.	The school is depositing PF in time as per relevant rules and regulations.	No supporting document/ calculation have been submitted by the school in support of their submission.

	Supporting documents such as invoices, bills of the expenditures incurred were not made available by the school to the firm for audit since these records were misplaced during the process of shifting of administration office.	Only a few vouchers/bills which were misplaced during shifting of administrative office could not be shown.	The school should keep all the records under proper custody and safety as the money being spent belong to the public.																											
3.	Point 16 of the terms and conditions of land allotment letter states that School shall ensure percentage of free ship from tuition fees as laid down under rules by the Delhi Administration from time to time is complied with. Also, the school shall ensure admissions to students belonging to weaker section to the extent of 25% and to grant free-ship. However, it was reported that the admissions were falling short of the cut off in 2015-16. The school has responded that 21 students at entry level (nursery) and additional 3 EWS students were admitted.	24 seats were notified for admission of which 6 seats were reserved for EWS. But only 3 students had applied for EWS seats who were duly admitted and this was communicated to DoE.	Considered.																											
4.	The accounting principle and policies followed by the schools are not on the basis of generally accepted accounting principles applicable to non-business organisation / not-for profit organisation. The school follows mercantile system for recording the expenditure transactions whereas cash system for recording the fees received from students.	The school management has taken a note of it and undertake to follow only mercantile system of accounting in future.	Accepted by School.																											
5.	The school had both receipt and payment transactions with Nutan Vidya Mandir Society. Upto 2014-15 school maintained different books for primary section and nursery section. Some of the transactions are as follows:-	Summary of certain transactions were reported but no irregularity as such is reported.	The schools are not allowed to transfer any funds from school fund to the society.																											
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>2013-14</th> <th>2014-15</th> </tr> </thead> <tbody> <tr> <td>Primary to Nursery</td> <td>1,25,000</td> <td>4,40,000</td> </tr> <tr> <td>Primary to Society</td> <td>5,67,830</td> <td>-</td> </tr> <tr> <td>Society to Nursery</td> <td>2,55,000</td> <td>2,75,000</td> </tr> <tr> <td>Society to Nursery</td> <td>-</td> <td>1,05,000</td> </tr> <tr> <td>NYM to Society</td> <td>-</td> <td>-</td> </tr> <tr> <td>Nursery to Society</td> <td>550000</td> <td>-</td> </tr> <tr> <td>Nursery to Society</td> <td>-</td> <td>4,45,000</td> </tr> <tr> <td>Total</td> <td>14,97,830</td> <td>12,65,000</td> </tr> </tbody> </table>	Particulars	2013-14	2014-15	Primary to Nursery	1,25,000	4,40,000	Primary to Society	5,67,830	-	Society to Nursery	2,55,000	2,75,000	Society to Nursery	-	1,05,000	NYM to Society	-	-	Nursery to Society	550000	-	Nursery to Society	-	4,45,000	Total	14,97,830	12,65,000		
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6.	No Fixed Asset register has been maintained by the school.	The school undertake to maintain the fixed asset register in future.	Accepted by school.																											

And whereas, after going through the representations dated 24.01.2017 and submissions made by the school during the hearing held on 15.05.2017 as well as financial statements/budget of the school available with this Directorate, it emerges that:-

The school is having a deficit of Rs. 2,20,267/- as per the following details:-

Particulars	Amount(Rs)
Cash and Bank balances as on 31.03.16 as per School submission	3,60,620
Investment as on 31.03.16 as per School Submission	-
Total	3,60,620
Less: Development Fund (As per School Submission)	3,60,620
Available Funds	0
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)	53,50,600
Other income for 2015-16 as per unaudited financial statement	1,29,858
Estimated availability of funds for 2016-17	54,80,458
Less: Budget expenses for the session 2016-17 as submitted by school management	53,65,810
Surplus fund	1,14,648
Less: 1 months' Salary Provision*	3,34,915
<b>Net Deficit</b>	<b>-2,20,267</b>

\*The school is hereby directed to submit FDRs in joint name of Dy. Director (Education) and Manager of the School against 1 months' salary provision with DoE within 30 days of receipt of this Order.

And whereas, during hearing the school has submitted that during the academic session of 2016-17, the number of fee paying students has decreased to 211 as compared to 239 in the previous academic session of 2015-16. Due to this the receipts of the school from fee have reduced considerable but the expenses have remained at the same level. Due to which the school does not have sufficient funds to run the school.

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 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 does not have sufficient liquid funds to meet the financial implications 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 does not have sufficient liquid funds to meet the financial implications for the financial year 2016-17 and the representation dated 24.01.2017 and subsequent submissions made in this regard find merit in respect of sanction for increase in fee and hereby accepted on the basis of above mentioned observations.

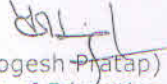
Accordingly, it is hereby conveyed that the representations for fee hike of Nutan Vidya Mandir, AGCR Enclave, Delhi-110092, has been accepted by the Director of Education and the School is allowed to increase the fee as proposed by the school for the session 2016-17.

Further, the management of said school is hereby directed under section 3) of DSEAR 1973 to comply with the following directions:

1. Compliance of all the instructions 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.
2. 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

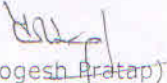
The Manager/HoS  
Nutan Vidya Mandir, AGCR Enclave,  
Delhi-110092.

No. F. DE-15/ACT-I/WPC-4109/PART/13/81A

Dated: 03/07/2017

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