

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/ 860

Dated: 8/8/2017

ORDER

Whereas, the request of St. Mathew Public School A-6 Paschim Vihar, New Delhi-110063, 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/13/216-220 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 St. Mathew Public School, against the fee hike rejection order No. DE-15/Act-1/WPC-4109/ Part/13/216-220 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 details 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 St. Mathew Public School, 11.05.2017 at 4:00 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 4:00 PM 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 School is accounting for most of the items of expenses on cash basis as contrary to the general accepted accounting practice. The accounting principle and policies followed by the school are not on the basis of generally accepted accounting principles applicable to non-business organization/ not-for-profit organization.	The School undertook to follow the Accrual Basis of Accounting from this year onward.	Accepted by School.
2.	Depreciation has not been charged by the school during the FY 2014-15 and 2015-16 in the books of accounts. Accordingly there is no addition to the Deprecation Fund maintained by the school after March 31, 2014. However the same should be done as per the Guidance note (GN 21) on Accounting by Schools, issued by the Institute of Chartered Accountants of India.	The School undertook to charge depreciation from next year onwards.	Accepted by School.
3.	The school has changed the practice of disclosure of fixed assets in the financial statements from Written Down Value (WDV)	The School undertook to disclose the fixed assets in the Financial	Accepted by School.

	concept to Original cost concept along with Depreciation from Financial Year 2014-15.	Statements properly.	
4.	The school has not created provision for Gratuity as required by the Payment of Gratuity Act, 1972 in the financial statements for the year 2015-16 submitted by school to DOE.	The School does not have sufficient funds for creation for Gratuity.	The School is directed to follow guidelines of DoE in this regard.
5.	The School has treated development fund as revenue receipt during the FY 2013-14. Further it has also used a part of the development fund for revenue expenses during the FY 2015-16 in contravention to the clause 14 of Order no. F.DE. /15(56) /Act/2009/778 dated 11/02/2009.	The School undertook not to use development fund for revenue expenditure.	Accepted by School.

Other discrepancies:-

1.	<p>Following deviations have been reported in the preparation of Financial Statements of the school in contravention to Guidance Note on Accounting by Schools (2005) issued by ICAI:</p> <p>(i) Staff payments and benefits to teaching and non-teaching staff have not been shown separately in the Income &amp; Expenditure Account and Receipt and Payment Account.</p> <p>(ii) The balance sheet has not been prepared as per the specific format i.e. previous year figures are disclosed against the respective current year figures.</p>	<p>The School undertook to disclose staff payments and other benefits to teaching staff and non-teaching staff separately from the current financial year.</p> <p>No reply offered on the format of Balance Sheet by the School.</p>	<p>Accepted by School.</p> <p>The School is directed to follow guidelines of DoE in this regard.</p>
2.	The school funds are being managed by the 'The Manager' of School and 'The Manager' is also designated as 'Head of School'. This is in contravention to Rule 174 of DESA 1973.	The school funds are already being managed by 'Manager' and 'Treasurer' of the school.	The School is directed to follow guidelines of DoE in this regard.

And whereas, after going through the representations dated 24.01.2017 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 deficit of Rs. **29,34,510/-** as per the following details:-

Particulars	Amount (In Rs.)
Cash and Bank balances as on 31.03.2016 as per unaudited financial statement	4,59,621
Investment as on 31.03.16 as per unaudited financial statement	7,72,582
Total	12,32,203

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)	98,96,688
Other income for 2015-16 as per unaudited financial statement	12,76,599
Estimated availability of funds for 2016-17	1,24,05,490
Less Budgeted expenses for the session 2016-17 as submitted by school management	1,53,40,000
<b>Surplus / (Deficit)</b>	<b>(29,34,510)</b>

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, the school proposal for fee increase for the session 2016-17 was earlier declined vide order dated 26.12.17, on the ground that the school had sufficient reserves to mitigate the shortage of funds. During the hearing, the school has represented that those reserves are not available in the form of cash or investments with the school and represents other assets of the school and the school is not able to manage its affairs from the funds available.

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 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. Further, Director(Education) has decided to allow the school to increase the existing fee as submitted in online proposal or by 10%, whichever is lower, for the session 2016-17.


Accordingly, it is hereby conveyed that the representations for fee hike of St. Mathew Public School A-6 Paschim Vihar, New Delhi-110063, has been accepted by the Director of Education and the School is allowed increase the existing fee as submitted in online proposal or by 10%, whichever is lower for the session 2016-17.

Further, the management of said school is hereby directed under section 24(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. 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.
3. The fee should be utilised as per 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). These are to be followed in true letter and spirit.

This issues with the prior approval of the Competent Authority.

Non compliance of the orders shall be viewed seriously.

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

To


The Manager/HoS  
St. Mathew Public School,  
A-6 Paschim Vihar, New Delhi-110063.

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 860

Dated: 8 / 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
5. Guard file.

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