

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DIRECTORATE OF EDUCATION
(PRIVATE SCHOOL BRANCH)
OLD SECRETARIAT, DELHI-110054

No. DE.15(594)/PSB/2018/30342-46

Dated: 11/12/2018

ORDER

WHEREAS, this Directorate vide its order No. DE.15 (318)/PSB/2016/19786 dated 17 Oct 2017 of Directorate of Education, Govt. of NCT of Delhi, has issued 'Guidelines for implementation of 7th Central Pay Commission's recommendations in private unaided recognized schools in Delhi' and required that private unaided schools, which are running on land allotted by DDA/other govt. agencies with the condition in their allotment letter to seek prior approval of Director (Education) before any fee increase, need to submit its online fee increase proposal for the academic session 2017-2018. Accordingly, vide circular no. 19849-19857 dated 23 Oct 2017 the fee increase proposals were invited from all aforesaid schools till 30 Nov 2017 and this date was further extended to 14 Dec 2017 vide Directorate's order No. DE.15 (318)/PSB/2016/20535 dated 20 Nov 2017 in compliance of directions of Hon'ble High Court of Delhi vide its order dated 14 Nov 2017 in CM No. 40939/2017 in WPC 10023/2017.

AND WHEREAS, attention is also invited towards order of Hon'ble High Court of Delhi dated 19 Jan 2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others where it has been directed by the Hon'ble Delhi High Court that the Director of Education has to ensure the compliance of term, if any, in the letter of allotment regarding the increase of the fee by all the recognized unaided schools which are allotted land by DDA.

AND WHEREAS, The Hon'ble High Court while issuing the aforesaid direction has observed that the issue regarding the liability of Private unaided Schools situated on the land allotted by DDA at concessional rates has been conclusively decided by the Hon'ble Supreme Court in the judgment dated 27 Apr 2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others wherein Hon'ble Supreme Court in Para 27 and 28 has held as under:-

"27....(c) It shall be the duty of the Director of Education to ascertain whether terms of allotment of land by the Government to the schools have been complied with...

28. We are directing the Director of Education to look into the letters of allotment issued by the Government and ascertain whether they (terms and conditions of land allotment) have been complied with by the schools.....

.....If in a given case, Director finds non-compliance of above terms, the Director shall take appropriate steps in this regard."

AND WHEREAS, the Hon'ble Supreme Court in the above said Judgment also held that under section 17(3), 18(4) read along with rule 172, 173, 175 and 177 of Delhi School

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Education Rules, 1973, Directorate of Education has the authority to regulate the fee and other charges to prevent commercialization of education.

AND WHEREAS in response to this directorate's circular dated 23 Oct 2017 referred to above, **Lawrence Public School (School Id 1618250), C-3 Block, Janakpuri, New Delhi - 110058** submitted its proposal for enhancement of fee for the academic session 2017-2018 in the prescribed format..

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of expert Chartered Accountants at HQ level who has evaluated the fee increase proposals of the school very carefully in accordance with the provisions of the DSEA, 1973, the DSER, 1973 and other orders/ circulars issued from time to time by this Directorate for fee regulation.

WHEREAS, the team of Chartered Accountants have referred to the Directorate's "previous orders" (No. F. DE-15/ACT-I/WPC-4109/PART/13/610-614 dated 6 March 2017 and No. F. DE-15/ACT-I/WPC-4109/PART/13/973 dated 13 October 2017) issued to **Lawrence Public School (School Id 1618250), C-3 Block, Janakpuri, New Delhi - 110058** in relation to evaluation of the proposal for enhancement of fee for the academic session 2016-2017, wherein it was mentioned that the compliances to the instructions/directions given in the said orders will be seen/examined during the scrutiny of fee hike proposal for session 2017-2018 including recovery of amounts from its Society.

AND WHEREAS, necessary records and explanations with regard to compliance by the school to the instructions/directions included in previous orders were called from the school through email. Further, school was also provided an opportunity of being heard on 17 July 2018 at 2:00 PM to present its justifications/ clarifications on the status of its compliance to the instructions/directions included in the previous orders and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted.

AND WHEREAS, the reply of the school, documents uploaded on the web portal for fee increase and subsequent documents submitted by the school were thoroughly evaluated by the team of Chartered Accountants and status of the compliance to the instructions/directions included in the previous orders are as under:

A. Financial Discrepancies:

S. No.	OBSERVATIONS IN PREVIOUS ORDER	DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
1.	The school has made substantial payments to related parties during the period under review. Details are as follows:	School is not allowed to pay rent to the related party and is directed to recover the amount paid as rent to	It is submitted that nursery classes are not permitted along with higher	The Hon'ble High Court of Delhi in the matter of Social Jurist vs Govt. of NCT of Delhi & ANR concluded "We do not find any

S. NO.	OBSERVATIONS IN PREVIOUS ORDER				DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
	Name of Person / Official Designation/ Relationship with School	FY 2013-2014	FY 2014-2015	FY 2015-2016	management committee member and trustee son within 60 days from the date of issue of this order.	classes in the same premises. And the higher classes I to XII were running in a small plot of D.D.A. i.e. 0.54 acre in the same block i.e. C-3 block of Janakpuri, New Delhi.	<i>proper reason or rationale to keep Pre-school apart and segregated by those regular school where Pre-school facilities exist and admission start from that stage."</i> Thus, the contention of the school is incorrect that Nursery classes are not permitted to be operated along with higher classes. Accordingly, the school having shifted nursery and KG classes to a rented premises owned by trustee's son since 2012 has violated the terms and conditions of recognition. Also, the school did not recover the amount as indicated in previous order and has continued to pay rent during FY 2016-2017 (including budgeting for payment of rent during FY 2017-
	Payment of Rent						
	Manish Kumar / Management Committee Member/ Trustee's Son	7,20,000	9,95,769	11,10,810			
	Sanjay Kumar / Admin. Officer/ Trustee's Son	7,20,000	9,95,769	11,10,810			
	Payment of Salary						
	Rekha Kumari / Principal Trustee's / Daughter In Law	5,35,014	6,27,045	7,33,725			
	Vandana Kumari / Head Mistress / Trustee's Daughter In Law	2,92,422	3,68,932	3,72,564			
	Sanjay Kumar / Admin. Officer / Trustee's Son	4,95,625	5,33,351	5,90,770			
	Total	27,63,061	35,20,866	39,18,679			
	The school was operating its Nursery and KG division in rented premises till FY 2011-12 and the school entered into a new rent agreement with Trustee's sons in September 2012 and shifted its Nursery and KG division to new location for which the rent is paid to Trustee's sons.						

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S. No.	OBSERVATIONS IN PREVIOUS ORDER	DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
				2018), resulting in non-compliance of the directions included in the orders of the directorate. Thus, the school is liable for necessary action in accordance with section 24(4) of the DSEA, 1973.*
2.	The school has not submitted financial statements and fee structure pertaining to Nursery and KG division with DoE in FY 2013-14 and FY 2014-15. This may be considered as contravention of Section 17 (3) of DSEA & R 1973 which states that 'The manager of every recognised school, shall before the commencement of each academic session, file with the Director a full statement of the fees to be levied by such school during the ensuing academic session.	School is directed to submit financial statements and fee structure pertaining to DDE (PSB) within 30 days from the date of issue of this order.	Fee structure of the school for FY 2013-2014 to FY 2016-2017 has been submitted.	Considered.
3.	Change in the place of Operation of School was not intimated to DoE in respect of shifting the Nursery and KG division to new premises.	School is not allowed to change the place of nursery and KG classes without informing DoE. Further, concerned DDE (District) is to inspect and report within 15 days that safety	Directorate's website is reflecting updated address along with exact GPS coordinates. That has to be considered as Directorate	The School did not comply with the terms and conditions of recognition on account of shifting the classes to rented premises.

S. No.	OBSERVATIONS IN PREVIOUS ORDER	DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
		of students are adequately taken care of by the school.	being informed about the location of the school.	
4.	The school has started incurring additional cost of Rent of INR 2,00,000 per month due to expansion (shifting the Nursery and KG division to new premises) without any intimation to DoE.	Compliance shall be verified at the time of next fee increase proposal of the school, if any.	The school is paying rent as per the rent agreement provided.	Based on the rent agreement provided, rent of INR 1,30,000 with 5% increase since 2013-2014 has been noted. The school has to recover the entire amount of rent paid by it for the nursery school till date in accordance with financial discrepancy no. 1 above.
5.	The provision for Gratuity and Leave Encashment has not been done on the basis of Actuarial Valuation. In the absence of the same under or over statement of liability on account of Gratuity and Leave Encashment and consequent impact on surplus/deficit in Income & Expenditure Account cannot be commented upon.	School is directed to maintain adequate provisions for leave encashment and gratuity based on actuarial valuation in accordance with ICAI pronouncements	School is providing for gratuity and leave encashment as per the provisions of Payment of Gratuity Act, 1972.	The school has not complied with direction regarding valuation of its liability towards staff retirement benefits from an actuary. The school is directed to ensure compliance within 30 days from the date of this order along with investing the amount determined by the

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				actuary towards retirement benefits in the investments that qualify as 'Plan Assets' per accounting standard 15 issued by the Institute of Chartered Accountants of India.
6.	The income shown in the financial statements of the school do not corroborate with the fee structure of the school. The fee collected by the school is short by INR 14,765, INR 6,01,238 and INR 77,400 in FY 2013-14, FY 2014-15 and FY 2015-16 respectively when compared with the fee which should have been collected as per fee structure. No reconciliation has been submitted by the school for the same and this reflects that the internal controls are not adequate in the school.	The school is directed to maintain proper books of accounts and to submit the reconciliation statement for the quoted differences at the time of next fee increase.	The school denies any discrepancy of such kind.	The school did not provide any documentary evidence to substantiate its claim for previous years. However, the school submitted a reconciliation of income with the fees structure and number of students for the FY 2016-2017, but the same was incomplete as the figures of incomes mentioned in the same were different from the amounts of incomes mentioned in the audited financial statements.

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				Accordingly, the compliance could not be validated. The school is directed to maintain proper reconciliation of fees received, which corroborates with the fees structure and number of students enrolled.
7.	The school is not collecting any Development fee hence no development fund and depreciation reserve fund has been maintained by the school. However, there was balance of INR. 21,23,859 in the Development Fund account at the beginning of FY 2013-14 and this has been adjusted against the expenses on 'Building under Construction' by the school which is contravention of Clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009. The school has incurred INR 18,38,155 till FY 2012-13 under the head 'Building under Construction' and not furnished any documentation in respect of the same and at the same time the school has taken a built up property on rent from the trustee's sons in FY 2012-13.	As per clause 14 of the order dated 11.02.2009 school is not allowed to utilise the development for purposes other than mentioned in the said order. School is directed to submit proper documents in relation to these construction expenses incurred at the time of submission of next fee increase proposal of the school.	The school considers the entire amount, deposited in the bank or banks as that of school. The school does not differentiate heads among different heads, under which the deposits are made.	The comment of the school confirms non-compliance with the provisions of Order No. F.DE./15 (56)/ Act /2009 / 778 dated 11 Feb 2009. Regarding construction of building, the school submitted the ledger account of 'Building under Construction' and did not submit any supporting documents in relation to the same. Based on the information provided by the school, development fee collected from students has been

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				<p>utilized towards construction of school building, which was a contravention of DSEA & R, 1973 and judgement of the Supreme Court in the case of Modern School. Further, construction of building is the responsibility of the Society, and fees collected from students should not be utilised for the same. Also, this capital expenditure was incurred on the building without complying the requirements prescribed in Rule 177 of DSER, 1973.</p> <p>Additionally, it was noted that though the expense on construction was recorded by the school, the school rented the premises of the Trustee's son. It was further noted that the school leased one more floor in the</p>

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S. No.	OBSERVATIONS IN PREVIOUS ORDER	DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
				<p>premises owned by the Trustee's son in mid of 2013. Thus, there is a possibility that the amount recorded in the books of school as 'building under construction' has been utilised on construction of a floor in the premises owned by the Trustee's son and possible indication of diversion of school funds. Thus, the school is directed to recover INR 18,38,115 spend on building construction during FY 2012-2013 and submit evidence of receipt of amount (including deposit slip and bank statement) within 30 days from the date of this order. Failure to comply with the above directions will necessitate initiation of appropriate action against the school in accordance</p>

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S. No.	OBSERVATIONS IN PREVIOUS ORDER	DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
				with section 24(4) of the DSEA, 1973.
8.	The school management is not charging any service fee or rentals from the vendors of books and uniform who have been allocated space in the school premises. This is a potential revenue loss to the school.	School need to explain why no rent is being charged from these vendors and to account for the rental income in the books of accounts.	No space is provided to such types of vendors.	DDE district is hereby directed to inspect the premises and relevant records and submit its report within 30 days from the date of this order.
9.	The school has not maintained item wise fixed asset register and the assets of the school have not been tagged or numbered.	School is directed to maintain proper fixed asset registers as to disclose assets type, purchase cost, location, Units etc.	Fixed Asset Register has been prepared by the school.	The fixed asset register prepared by the school had incomplete details and did not include details such as location of assets, asset identification number, depreciation amount, name of person to whom a movable assets is assigned etc. The school is directed to update its Fixed Assets Register with the details mentioned herein above.

B. Other Discrepancies:

S. NO.	OBSERVATIONS IN PREVIOUS ORDER	DIRECTIONS IN PREVIOUS ORDER	SUBMISSIONS OF THE SCHOOL	REMARKS
1.	As per Clause 6 of Order No. 1978 dated 16.04.2010 If after exhausting all possibilities, a school still finds it necessary to hike the tuition fee; it shall first take the major stakeholders in the school system i.e. parents into confidence and as per Clause 20 of Order No. F.DE./ 15(56) /Act/ 2009/ 778 dated 11/02/2009 no fee, fund or any other charges by whatever name called , shall be levied or realised unless it is determined by the managing committee in accordance with the directions contained in this order and unless the representatives of the PTA and the nominees of the undersigned are associated with these directions. The school has not formed any PTA and hence, the approval of fee increase proposal without the consent of PTA by the Managing Committee is the contravention of the above said Clauses, though the Nominees appointed by the Government were present in the meeting.	School is directed to comply with DoE instructions in this regard. Compliance shall be verified at the time of next fee increase proposal of the school, if any.	As per the school PTA formation is not mandatory in the school as it has been stated by Delhi High court.	The school has not complied with the directions regarding formation of Parents Teachers Association. Though as per Hon'ble High Court of Delhi, consent of PTA is not necessary for fee hike, the school is directed to form Parents Teachers Association within 30 days from the date of this order as per the guidelines for constitution of Parents Teachers Association included in Directorate's Circular No. 1913 dated 12 Apr 2010. Failure to comply with the above directions will necessitate initiation of appropriate action against the school in accordance with

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				section 24(4) of the DSEA, 1973.
2.	The school is not following any formal procedure of procurement from contractors and is continuing with the old vendors. Even for the new contractors appointed in FY 2015-16, the school has no bidding documents available on record.	School is directed to implement proper internal control system in relation to procurement of goods and services.	The vendors and suppliers are working with the school since long. They were initially approved and afterwards have been contacted on the basis of comparisons done initially. They give us concessions on the basis of our prompt payments, processing and financial records.	The school need to strengthen its procurement mechanism and should at least obtain quotations when the existing vendors request for increase in rates to validate market prices for the same.
3.	The vouchers are neither serially number nor maker checker concept has been followed. This is an indication that the internal controls are not proper in the school in relation to maintenance of financial records and authorization of financial transactions	School is directed to introduce the proper internal system in relation to payment processing, maintenance of financial records and	The school has serially numbered the vouchers. There is proper control in relation to payments, processing	The school has not submitted any documents to substantiate its claim. The school is directed to maintain proper internal control system in relation to payment processing,

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		authorization of transactions.	and financial records.	maintenance of financial records and authorization of transactions.
4.	The school has not complied with the provisions of Rule 174 of DSEA & R 1973. The payments made by the school have been authorized only by one person viz. Manager of School instead of being authorized jointly by two persons viz. Head of School and Manager or Head of School and Authorized member by the manager.	School is directed to introduce the proper internal system in relation to payment processing, maintenance of financial records and authorization of transactions.	There are three authorised signatories and payments can be made by signatures of any two.	The school has provided a copy of resolution dated 20 Jan 2018. However, evidence of submission of the same to the bank was not provided by the school to substantiate its claim on account of which compliance could not be validated. The school should obtain a certificate from the bank(s) regarding authorised signatories with mode of operation and submit the same to validate compliance within 30 days of issue of this order.
5.	The school has not refunded interest on Caution Money to the students along with caution money refund. Moreover, the school has not reflected un-refunded caution money belonging	School is directed to comply the conditions of clause 18 of	The school is not collecting any caution money or	As per Clause 18 of Order no F.DE/15(56)/Act/ 2009/778 dated 11 Feb 2009

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	to ex-students as income in the next financial year after the expiry of thirty days and has also not taken this into account while projecting fee structure for ensuing academic year. This is contravention of Clause 18 of Order No. F.DE. /15 (56) /Act /2009 / 778 dated 11/02/2009.	the order dated 11.02.2009 and to maintain separate bank account for caution money collected and amount which is not payable to students can be treated as income.	security since 2010 from new admissions. Ex-students are not much interested to get refund of this petty amount of INR 500.	<p>stated "No caution money/security deposit of more than five hundred rupees per student shall be charged. The caution money, thus collected shall be kept deposited in a scheduled bank in the name of the concerned school and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund."</p> <p>The school is directed to ensure compliance with DSEA & R, 1973 and all direction in orders no. issued by the directorate in this regard.</p>
6.	-	The school was directed not to	No increase in fees were	As per the response submitted by the

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		increase fee for the session 2016-2017. If, in case, increased fee had already been charged from the parents, the same shall be refunded/adjusted	made in FY 2016-2017.	school, the school has not collected increased fee during academic session 2016-2017; however, from the audited financial statements of FY 2016-2017 of the school, it was noted that the income from tuition fee, annual charges and annual maintenance fee have increased by around 8-9% as compared with FY 2015-2016. The school provided a reconciliation of fee for FY 2016-2017, which did not match and the school could not provide detailed reasons for increase in the income during FY 2016-2017. Refer Financial Discrepancy No. 6 for details. Accordingly, whether the school collected increased fee

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				during FY 2016-2017 could not be evaluated. The compliance will be validated at the time of evaluation of subsequent fee hike proposal.

Though the school did not comply with most of the directions of this Directorate included in its previous orders, basis which the proposal for enhancement of fee submitted by the school for the academic session 2017-2018 should have been out-rightly rejected. However, the Directorate has gone further and carried out a preliminary analysis of the audited financial statements submitted by the school for FY 2016-2017 and budgeted income and expenditure for FY 2017-2018 in order to derive the fund position of the school in relation to FY 2017-2018 for which proposal for enhancement of fee has been submitted by the school. Based on the preliminary financial analysis, it has been derived that total funds available with the school for the financial year 2017-2018 are estimated to be INR 8,31,67,888 out of which cash outflow during FY 2017-2018 is estimated to be INR 3,25,26,000. This results in net surplus of INR 5,06,41,888 after meeting all the expenses for FY 2017-2018 as detailed hereunder:

Particulars	Amount (INR)
Cash and Bank Balance as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	22,75,727
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	4,40,38,550
Total Liquid Funds Available with the School as on 31 Mar 2017	4,63,14,277
<u>Add:</u> Estimated Fees and other incomes for FY 2017-2018 based on audited financial statements of FY 2016-2017 of the school [Refer Note 1]	3,87,58,938
<u>Add:</u> Recovery of rent paid to related parties FY 2016-2017 and previous years [Refer Financial Discrepancy No. 1 and Note 2 below]	80,06,282
<u>Add:</u> Recovery from society for the amount spent on construction of building [Refer Financial Discrepancy No. 7]	18,38,115
Gross Estimated Available Funds for FY 2017-2018	9,49,17,611
<u>Less:</u> Provision for Retirement Benefits [Refer Note 3]	1,12,29,518
<u>Less:</u> Caution Money (as per audited financial statements for FY 2016-2017)	5,20,205
Net Estimated Available Funds for FY 2017-2018	8,31,67,888
<u>Less:</u> Budgeted Expenses for FY 2017-2018 [Refer Note 4]	3,25,26,000
Estimated Surplus as on 31 Mar 2018	5,06,41,888

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Notes:

1. Fee and income as per audited financial statements of FY 2016-2017 has been considered with the assumption that the amount of income during FY 2016-2017 will at least accrue during FY 2017-2018.
2. With reference to Financial Discrepancy No. 1, the amount quantified includes INR 56,53,158 during FY 2013-2014 till 2015-2016 (as per previous order) and INR 23,25,124 paid as rent during FY 2016-2017 totaling to INR 80,06,282.
3. While the school has not complied with the direction of the directorate regarding obtaining actuarial valuation of its liability towards retirement benefits, the amount of provision existing as on 31 Mar 2016 (as per audited financial statements of FY 2015-2016) for retirement benefits has been considered.
4. Per the Budgeted Receipt and Payment Account for FY 2017-2018 submitted by the school along with proposal for fee increase, the school had estimated the total expenditure during FY 2017-2018 of INR 4,14,76,000, which in some instances was found to be unreasonable/excessive. Based on the explanations and details provided by the school during personal hearing, most of the expense heads as budgeted were considered even though certain expenditures were increased substantially by the school as compared to FY 2016-2017. However, during review of budgeted expenses, discrepancies were noted in some of the expense heads and new expense heads were noted, which were adjusted from the budgeted expenses. Therefore, the following expenses have been adjusted while considering in the budgeted expenses for FY 2017-2018:

Particulars	FY 2016-2017	FY 2017-2018	Amount allowed	Amount Disallowed	Remarks
Rent, Rates and Taxes	24,58,620	24,50,000	-	24,50,000	Refer Financial Finding No. 1
Contingency Expenditure	-	15,00,000	-	15,00,000	School did not provide any details in respect of this new head of expenditure
Construction of New Block	-	50,00,000	-	50,00,000	School funds cannot be used for construction of building as it is sole responsibility of society
Total	24,58,620	89,50,000	-	89,50,000	

In view of the above examination, it is evident that the school has sufficient funds for meeting all the budgeted expenditure for the financial year 2017-2018.

Whereas, the school has not complied with old order reference the school had transferred funds to a related party as rent without approval from Directorate for shifting part of the school amounting to INR 56,53,158 from FY 2013-2014 till 2015-2016 and has continued to pay rent subsequently (INR 23,25,124 paid during FY 2016-2017). The school was directed to recover total amount of rent paid to related party within 60 days from the date of issue of the order. However, the school has failed to comply with the instructions/directions of this directorate and has not recovered the amount in question.

Whereas per direction no. 2 of Public Notice dated 4 May 1997, it is the responsibility of the society who has established the school to raise funds from their own sources or donations from the other associations for construction of building because the immovable property of the school becomes the sole property of the society. Further, Hon'ble High Court

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of Delhi in its judgement dated 30 Oct 1998 in the case of Delhi Abibhavak Mahasangh concluded that tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society. Thus, the additions to the building should not be met out of the fee collected from students and the school is directed to recover INR 18,38,115 spent on building construction during FY 2012-2013 from the Society within 30 days from the date of this order.

And whereas Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses." Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:

- (a) assets held by a long-term employee benefit fund; and
- (b) qualifying insurance policies.

The school has been directed to ensure compliance with Accounting Standard 15 including measurement of its liability towards retirement benefits of the staff by a qualified actuary and making the investment against the liability so determined in the mode specified under the said Accounting Standard.

Additionally, during review of the audited financial statements of the school for FY 2016-2017, it was noted that school is charging "Annual Maintenance Fee" from students of all classes as earmarked levy. However, as the same is being charged from all students of the school, a separate charge is not justified and the same would get covered annual charges already collected from students. Thus, Annual Maintenance Fee charged from all students loses its character of earmarked levy, being a non-user based fees. Accordingly, the school should not charge such fee as earmarked fee with immediate effect and should incur the expenses relating to these from annual charges collected from the students.

And whereas, in the light of above evaluation, which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that the school has failed to comply with most of the directions given to the school after evaluation of the fee hike proposal for the academic session 2016-2017 and that the funds available with the school to carry out its operations for the academic session 2017-18 are sufficient and the fee increase proposal of the school may be rejected.

And whereas, recommendations of the team of Chartered Accountants along with relevant materials were put before Director of Education for consideration and who after considering all material on record has found that the school has faltered in complying in the directions of this directorate and has sufficient funds for meeting the expenses for the financial year 2017-2018. Therefore, Director (Education) rejects the proposal submitted by the school for enhancement of fee for the academic session 2017-2018.

Accordingly, it is hereby conveyed that the proposal of enhancement of fee for session 2017-2018 of **Lawrence Public School (School Id 1618250), C-3 block, Janakpuri, New Delhi -**

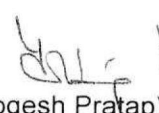
110058 has been rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. Not to increase any fee/charges during FY 2017-2018. In case, the school has already charged increased fee during FY 2016-2017 or FY 2017-2018, the school should make necessary adjustments from future fee/refund the amount of excess fee collected, if any, as per the convenience of the parents.
2. To communicate with the parents through its website, notice board and circular about rejection of fee increase proposal of the school by the Directorate of Education.
3. To rectify the financial and other irregularities/violations as listed above and submit the compliance report within 30 days from the date of this order to D.D.E.(PSB).
4. To ensure that the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings in accordance with the principles laid down by Hon'ble Supreme Court of Delhi in its Judgment of Modern School vs Union of India. Therefore, school not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA, 1973.
5. To utilise the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.
6. The Compliance Report detailing rectification of the above listed deficiencies/violations must also be attached with the proposal for enhancement of fee of subsequent academic session, as may be submitted by the school. Compliance of all the directions mentioned above will be examined before evaluation of proposal for enhancement of fee for subsequent academic session.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of section 24(4) of Delhi School Education Act, 1973 and Delhi School Education Rules, 1973.

This order has to be read in continuation to this Directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/973 dated 13 October 2017 issued to the School.

This order is issued with the prior approval of the Competent Authority.


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

1167


To:

The Manager/ HoS
Lawrence Public School
School ID -1618250
C3, Janakpuri
Delhi - 110058

No. DE.15(594)/PSB/2018/30342-46 Dated: 11/12/2018

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 Spl. Director of Education (Private School Branch), Directorate of Education, GNCT of Delhi.
4. DDE concerned with the direction to inspect the school premises and relevant records to validate if any space in the school is provided to vendors for sale of books and/or uniform and submit a report to HQ within 30 days from the date of this order.
5. Guard file.


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