

GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI
D I R E C T O R A T E O F E D U C A T I O N
(PRIVATE SCHOOL BRANCH)
OLD SECTT: DELHI-54

No.DE.15/PSB/fee matters/2016/12589 - 12595

Dated: 27-12-2016

ORDER

Some complaints have been received from the parents regarding charging of increased fee from the students for the academic session 2016-17 by Ahlcon Public School, Mayur Vihar, Phase -I, Delhi - 110091 and also further proposal of 25% fee hike for the coming academic session 2017-18 by the school.

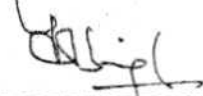
In this connection attention of Manager/HoS of Ahlcon Public School, Mayur Vihar, Phase -I, Delhi - 110091 is hereby invited towards this Directorate order dated 23-12-2016(Copy enclosed) issued in respect of fee hike proposal for the year 2016-17 submitted by Ahlcon Public School for prior sanction of Director (Education) in pursuance of order dated 19-01-2016 of Hon'ble high Court in WPC No.4109/2013, vide which the proposal of the school for increase in fee for the academic session 2016-17 has been rejected by the Director of Education with the direction under section 24(3) of DSEAR, 1973 to comply with the following directions:-

1. Not to increase fee for the session 2016-17, if any amount already charged in lieu of increase of fee for the session 2016-17, the same shall be refunded to the parents or adjusted in the fee of subsequent months as per convenience of the parents.
2. To inform the parents about refusal of fee hike by the Directorate of Education and publicize through its website, notice board and circular to parents.
3. To rectify the deficiencies as pointed out in the above said order dated 23-12-2016 and submit compliance report within 30 days to DDE concerned.
4. In case of submission of any further proposal for increase in fee for the next academic session, the compliance of pointed out deficiencies/violations in the

above said order dated 23-12-2016 duly rectified must be attached along with the proposal.

In view of above, the Manager/HoS of Ahlcon Public School, Mayur Vihar, Phase -I, Delhi - 110091 is hereby again directed to comply with the directions of the above said orders dated 23-12-2016 in letter & spirit.

Non compliance of the directions will be viewed seriously.



(YOGESH PRATAP)
DY. DIRECTOR OF EDN. (PSB)

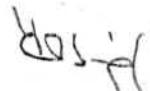
To
The Hos/Manager,
Ahlcon Public School,
Mayur Vihar, Phase-I,
Delhi - 110091.

No.DE.15/PSB/fee matters/2016/ 12589 - 12595

Dated: 27-12-2016

Copy to the:

1. OSD to Hon'ble Dy. Chief Minister/MoE, GNCTD, Delhi Secretariat, Delhi.
2. PS to Director (Education), Dte. of Education. Old Sectt., Delhi.
3. PA to Addl. DE (PSB), Dte. of Education. Old Sectt., Delhi.
4. DDE (East) with the request to ensure compliance of this order by the school management. A copy of the complaint is also attached for further inquiry and report.
- ✓ 5. OS (IT) with the direction to upload the same on departmental website.
6. Guard file.



(YOGESH PRATAP)
DY. DIRECTOR OF EDN. (PSB)

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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/13/41

Dated: 23-12-16

Order

WHEREAS, Hon'ble High Court of Delhi vide judgment dated 19.01.2016 in writ petition No. 4109/2013 in the matter of Justice for All versus GNCTD and others has directed the Director of Education 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 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 27.04.2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School V. 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 with rule 172,173,175 and 177 of Delhi School Education Rules 1973, Directorate of Education has the authority to regulate the fee and other charges to prevent commercialization of education.

AND WHEREAS, this Directorate vide order No.F.DE-15/ACT-I/WPC-5256/16/9352-9359 dated 16.04.2016, sought online proposals of fee increase for prior sanction of the Director of Education, from the Unaided Recognized Private Schools, allotted land by the land owning agencies on the condition of obtaining such prior sanction of fee increase from the Director of Education up to 31.05.2016 and further extended to 31.07.2016 vide this Directorate's order of even number dated 03.06.2016, in compliance of Hon'ble High Court judgment dated 31.05.2016 in the WPC No.5256/2016 . This date was further extended to 22.08.2016 vide this Directorate's order of even number dated

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03.08.2016 in compliance of Hon'ble High Court judgment dated 29.07.2016 in the WPC No. 6612/2016.

AND WHEREAS, in response to above Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-91., submitted the proposal for increase in fee for the academic session 2016-17.

AND WHEREAS, the directorate followed a very rigorous and systematic process of evaluation of the financial statements of the school, in order to ascertain whether the proposal of fee increase in the academic year 2016-17 is justified or not.

AND WHEREAS, a special inspection of Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-91 was conducted under Rule 180 of Delhi School Education Rules, 1973, vide order No. DE-15/Act-1/WPC-4109/Pt-2/13/10405-10412 dated 22.07.2016.

AND WHEREAS, in order to maintain maximum transparency, it was decided vide circular No. DE-15/Act-1/WPC-4109/Pt-2/13/11267-11274 dated 20.09.2016, to share the report of special inspection with the school under Rule 190(6) of Delhi School Education Rules, 1973. Accordingly the report of special inspection was served upon the school for comments.

AND WHEREAS, the comments of the school and field inspection report were then examined and commented upon by an independent team of accountants and financial experts as a second level check to give expert inputs to the Directorate and after taking into account the comments of the school, the school has been found committing the following financial irregularities and violations:

Financial Irregularities/ Violations:

- (i) As per The Delhi School Education Act & Rules, 1973 there is no provision for collection of fee in the name of "One Time Periodic Maintenance and Activity Charge". The management informed that the fee is collected for the purpose of repair and maintenance. In the absence of any accounting policy, the amount so collected has been transferred to the Repair and Maintenance fund as capital receipt in 2013-14. In the year 2014-15 it was treated as revenue receipt and in the year 2015-16 it was transferred to the Development Fund Account, hence no proper accounting procedure followed.
- (ii) During the year 2014-15 a term loan of Rs. 5,00,00,000 was taken in the name of Shanti Devi progressive education society for alteration/renovation and repair/maintenance work of "Ahlcon Public School". As per the financial statements a sum of Rs.1,50,00,000 has been repaid by the school leaving the balance of Rs. 3,50,00,000 in the head 'secured loan' as on 31-03-2016. School has also paid interest of Rs. 18,62,648 for the year 2014-15 and Rs.48,57,051 for the year 2015-16 as per the ledger account. As the loan was given to the society, the amount of loan, its repayment and interest paid should also appear in the Books of society and not in the books of the school.
- (iii) As per Receipts and Payments Account for the year 2014-15, the school has taken loan for Rs.6,30,00,000. The analysis of receipts and payments account

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shows that the same was utilised for repayment of another loan and Rs. 3,60,55,731/- was repaid during the year.

- (iv) As per Point No.-23 of order no- F.DE./15(56)/Act/2009/778 dated 11/02/2009, no amount whatsoever shall be transferred from the recognised unaided fund/ school fund to a society or trust or any other institution. In schedule 10 of loans and advances under current assets, amount of Rs 3,54,41,899.79 was shown as advance paid in 2013-14 in the name of Shanti Devi Progressive Education Society under which the school is functioning. After receipt of Rs. 25,00,000 in F.Y. 2015-16 the balance of Rs 3,29,41,899.79 is still appearing against the society. It is in contravention to above guidelines as interest free fund has been transferred to the society.
- (v) 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. Computer fees, sports fee, transport fees and other specific fees collected are earmarked levies. However, in the absence of proper presentation of expenditure against these levies, the surplus/ deficit of funds can't be ascertained for these earmarked levies.
- (vi) The school has not maintained specific investments against the development fee received, which is a contravention of clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009.
- (vii) Depreciation is being charged by the school as per the Income Tax Act, 1961; however the same should be as per the Guidance note (GN 21) on Accounting by Schools, issued by the Institute of Chartered Accountants of India. Inspecting team is unable to quantify the impact due to limited information made available to them by the school.
- (viii) The School has incurred expenditure for alteration or renovation of building amounting to Rs. 6,85,50,948/- during the last three financial years. The same has been booked as revenue expenditure instead of capital expenditure.

Other Irregularities/ Violations:

- (i) A penalty of Rs.2,20,000 was imposed by Dy. Conservator of Forest vide order dated 18.4.2013 on school for illegal pruning of trees. The amount was paid on 23.4.2013., which is an act of maladministration which resulted in additional burden on school finance.
- (ii) No physical verification of fixed assets for the F.Y. 2013-14, 2014-15 and 2015-16 was done. Hence, shortage and excesses, if any, can't be reported.
- (iii) School has not complied with the Order no. F.DE-15/ACT-I/WPC4109/Part/13/7905-7913 dated 16-04-2016., For example, the school is required to follow accrual system of accounting for maintaining its books of accounts and to disclose relevant accounting policies in its financial statements. However, these provisions are not adhered by the school.
- (iv) School is not having any procurement policy. There are four major contracts which were entered into without any tendering process. It was also reported that the school was paying Rs. 44 lakhs to transport contractor up to year 2015-16. However, in the budget statement for FY 2016-17 the same was

estimated at Rs 66 lacs in an arbitrary manner without presenting any justification.

(v) School has not created any 'Recognized Unaided School Fund' in accordance with the provision of section 18(3) of the DSEAR, 1973.

(vi) The weaknesses in the internal control system of the payment process of the School were also reported. For example, payments are processed before signing of vouchers by principal and manager, paid and cancelled stamp was not marked on the vouchers after making payments, purchase procedure was not followed, sanction letter of the competent authority not attached, corrections and overwriting in the bills are made etc.

Complaints:-

As regards examination of the complaints received from the parents, the discussion, with parents, in this regard is summarized as follows:

(i) Some parents have complained that, school is charging increased fee for the year 2016-17 without taking any approval from the competent authority. The increased fees are neither refunded nor adjusted by the school.

It was also evaluated that:

1. The revised reserve balances available with the school, amounts to 12,01,42,771 Rs. 26,61,01,412 .
2. The total funds available for the year 2016-17 amounts to Rs 26,61,01,412 out of which cash outflow in the year 2016-17 is estimated to be Rs. 23,30,90,692. This result in net surplus of funds as Rs. 3,30,10,720 for 2016-17, after all payments.
3. Thus, funds are available with the school to carry on the operation in the year 2016-17. In this regard, Directorate of Education has already issued directions to the schools vide order dated 16/04/2010 that all schools must, first of all, explore, and exhaust the possibility of utilizing the existing funds/reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowances of the employees.

AND WHEREAS, the findings were then analyzed by a committee constituted by the Director of Education vide order No. DE-15/Act-1/WPC-4109/Pt-2/13/11515-11519 dated 04.10.2016, comprising of senior officer and accounts functionaries.

AND WHEREAS, the report of Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-91. was evaluated by the said committee, in the light of findings of special inspection, School's comments and evaluation and recommendations by the independent team of accountants and financial experts as a second level check as well as of the provisions of DSER, guidelines and circular issued from time to time by this Directorate and recommended that since prima facie there are financial deficiencies/irregularities and also funds are available with the school to carry on its operations for the academic session 2016-17, the fee hike proposal of the school may not be accepted.

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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 not found the proposal of increase in the fee as submitted by said school, fit for granting sanction and has therefore rejected the same.

Accordingly, it is hereby conveyed that the proposal of fee hike of Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-91., 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 any amount already charged in lieu of increase of fee for the session 2016-17, the same shall be refunded to the parents or adjusted in the fee of subsequent months as per convenience of the parents.
2. To inform the parents about refusal of fee hike by the Directorate of Education and publicize through its website, notice board and circular to parents.
3. To rectify the deficiencies as listed above and submit compliance report within 30 days to D.D.E. concerned.
4. In case of submission of any further proposal for increase in fee for the next academic session, the compliance of above listed deficiencies/violations duly rectified must be attached along with the proposal.

The HOS/Manager of Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-91., is hereby directed to note the above for strict compliance.

Non compliance of the orders shall be viewed seriously.
This issues with the prior approval of the Director of Education.


(YOGESH PRATAP)
Deputy Director of Education-1
(Private School Branch)
Directorate of Education, GNCT of Delhi

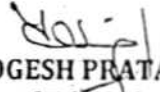
To
The Manager/ HoS
Ahlcon Public School,
Mayur Vihar,
Phase-I Delhi-91

No. F. DE-15/ACT-I/WPC-4109/PART/13/41

Dated: 23-12-16

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 (PSB), 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, GNCT of Delhi