

# **Licenses to Open a School: It's All About Money**

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In Delhi, 14 lakh children are out of school. So why is there a shortfall in the supply of schools? Does the government help to better the situation? Why or Why not? In the light of these mind-boggling questions, let us examine the restrictions imposed on opening a school in Delhi. Opening a private school is a mind-numbing task; it involves a colossal amount of paperwork. An applicant faces a four-pronged attack by the Directorate of Education (DoE), the Central Board of Secondary Education (CBSE), the Municipal Corporation of Delhi (MCD), and the Delhi Development Authority (DDA); making the procedure to open and operate a school financially expensive and time consuming.

In the opinion of school authorities, to open a school up to V standard it requires close to Rs. 20 lakhs, which escalates to Rs. 40–50 lakhs for a school up to VIII standard, then to Rs. 1 crore for a school up to X standard and finally to a whooping Rs. 1.5–2 crore for a school up to XII standard. Believe it or not, but the figures quoted above exclude the land costs involved. Without catering to the demands of the *sarkari babus* (governmental officials) it is next to impossible to run a private school. In other words, operating through a purely legitimate route is wishful thinking on part of an applicant.

## **How to open a school?**

To elucidate, the following is the detailed procedure required to open a school: *First*, in order to open a school, an association or a group of individuals has to be registered as a society under the Societies Recognition Act, 1860 or as a trust constituted under any law for the time being in force. This is to prove the “non profit” motive of the society.

*Second*, the society then needs to obtain an “Essentiality Certificate” (EC) from the DoE. An EC is an essential document certifying the requirement of a school in the particular zone, on the basis of which land is allotted to the society for the purpose of building a new school. An EC is stipulated to avoid proliferation of schools, which could make existing schools redundant. The DoE decides the need for a school in a particular zone. By restricting the supply of schools in an area, it restricts the role of the market in assessing the demand for school education. Within 3 years of obtaining the certificate, the construction of the school has to commence, failing which the society has to apply for renewal. Along with the application for EC a fee of Rs. 500/- and a set of 11 documents are to be submitted. An EC is granted after certifying the non-proprietary nature of the society, the financial status of the society, the association

of members et al. The above is issued as per rule 44 of Delhi School Education Rules, 1973.

*Third*, land is allotted to the society for purpose of the new school in the desired zone. For land to be allotted, the society needs to obtain a “letter of sponsorship” from the DoE. This is forwarded to one of the land owning agencies like the DDA or MCD and the land is sold at subsidized rates by the land owning agency. Surprisingly, an acre of subsidized land in South-Delhi costs Rs. 82,50,000/- and in places like Vasant Kunj it goes up to Rs. 1.25 crore. Thus only on the approval of the DoE, can land be allotted to the society in question.

*Fourth*, once the school has been established, the school authority needs to apply for recognition with the concerned authority. Recognition up to V standard is granted by MCD and up to VIII standard by the DoE. For further recognition up to X and XII standard, application for upgradation has to be submitted with a minimum gap of 2 years. To obtain recognition from DoE, a set of 17 documents is to be submitted along with the application. These also include a wide array of secondary licenses, for instance, a duly approved Scheme of Management, Completion Certificate, Sanctioned Building Plan, Water Testing Report, Health Certificate. All this is governed as per the rules mentioned in Delhi Education Act, 1973.

*Lastly*, a school needs to apply for affiliation with CBSE. Only on affiliation with CBSE can the students of the particular school appear for public examinations. In order to get affiliated, the school needs to follow the prescribed syllabi and books (NCERT).

Prima-facie, the laws do not appear worthy of any harm, but personal experiences of school authorities speak otherwise. Given below is a list of licenses and documents required to open and operate/run a school:

	<b>Name of license</b>	<b>Governing Act</b>	<b>Regulating authority</b>
1	Registration Certificate of Society	Societies Recognition Act, 1860	
2	Essentiality Certificate	Delhi Education Act, 1973	DoE
3	Certificate of Recognition	Delhi Education Act, 1973	MCD/ DoE
4	Certificate of Upgradation	Delhi Education Act, 1973	DoE
5	Certificate of Affiliation	Affiliation Bye-Laws	CBSE
6	Certificate of MCD		MCD
7	Affidavit regarding proper purchase of land and no violation of master plan in the land used		MCD/DDA

	<b>Name of license</b>	<b>Governing Act</b>	<b>Regulating authority</b>
8	Site Plan of the Building/Sanctioned Building Plan		MCD/DDA approved
9	Building Fitness Certificate		MCD
10	Health Certificate		MCD
11	Water Testing Report		Delhi Jal Board
12	Completion Certificate		DDA
13	Duly approved Scheme of Management		DoE
14	No Loan Certificate against FD issued by the bank		Bank
15	Land Use Permitted Certificate (in case of rented land)		Landlord

**Documents to be submitted along with application for EC/ Recognition/ Up gradation:**

1	Memorandum of Association
2	Affidavit regarding relationship of society members
3	Copy of Reserve Fund for Rs. 2 lakhs from the bank
4	Affidavit from management regarding proper operation of school, as per Delhi School Education Rules, 1973
5	Undertaking regarding fees and other charges
6	List of members of society with full particulars.
7	Details of land and building
8	Project report of proposed school
9	Experience of society/ members in the field of education
10	Scheme of Management
11	Documents regarding ownership of land allotted to school
12	Auditor's statement of account(s)
13	Staff statement as Performa
14	Rates of fee and other fund charges
15	Enrolment of students

This long list of documents produces enough paperwork for schools to employ an additional person just to please the government authorities. To fan the flames, the laws are ill defined and manipulative. From the above-mentioned list there are at least 8 documents that have to be obtained from the MCD or the DDA or the local

departments of the government. These departments are responsible for inflicting maximum damage. A case in point is the Health Certificate issued by the MCD; it is to check the safety and hygiene level within the campus of the school but the price set by the inspection officer is approximately Rs. 1000, thus destroying the purpose of the certificate. Similar manipulation is observed in other certificates like Water Testing Report, Building Fitness Certificate, Completion Certificate, Certificate of MCD et al.

**“From the poor you get hit and from the rich you get kicked...”**

**A Case Study of ABC School**

Lets focus on the plight of a typical school in Delhi, "ABC School." The study tells us how the Delhi School Education Act is detrimental to the quality of education and more so to the poor. As a result, the school still fails to obtain recognition from the state.

The story dates back to 1984, when ABC Society decided to establish a formal school through a purely legitimate route. Such a school would be established primarily to impart education to the poor, mainly, slum children. After filing their application for an EC, it took them 6 months to obtain it. This was because of the DoE's policy of issuing EC's once every 6 months, the argument being that this checks the proliferation of schools in an area.

The Society then applied to the DoE for sponsorship in order to purchase land. The DoE took another year to forward the "letter of sponsorship" to the DDA. Political instability forced them to obtain the same letter thrice, as newer governments wanted to re-review the allotment of land to the general public. But the buck did not stop here; even after the DoE's approval, ABC Society was denied land by the DDA.

They were informed that there was no land available, but finally after 3 years they were allotted an underdeveloped piece of land. This was purchased at a rate of Rs. 82.5 lakhs per acre, which was initially rejected by a private businessman, in turn helping their cause. In all, it took them 6 years to acquire land, because of which they had to obtain renewal for the EC thrice. The DDA took another 6-8 months to approve their building plan.

Fighting their way through government regulations, they finally succeeded in opening the School. But at this stage, they were denied recognition from the DoE, on account of non-compliance with Provision 10-Salaries of Employees of Delhi School Education Act. This act, with regard to salaries of employees, states, *“The scale of pay and allowances, medical facilities, pension, gratuity, provident fund and other prescribed benefits of the employees of a recognized private school shall not be less than those of the employees of the corresponding status in school run by the appropriate authority.”* The minimum salary paid to the teaching staff of a government school falls between Rs. 9,000 to Rs.13,000. In comparison to this, ABC School manages to pay a minimum Rs. 3,500.

At least the teachers are paid what they sign for, unlike the situation prevalent in a vast majority of schools, where the management manipulates records so as to comply with the rules and regulations. The School fails to pay high salaries because the poor communities cannot afford to pay sufficient fees to mop-up the funds needed to pay staff as per government scales.

At the same time *Grant-in-Aid* status has not been easy to obtain to compensate for the low fee collections, under which the government provides for 95% of expenses and the remaining 5% are borne by the management of the school. In such a case, no admission fee can be charged or collected by the school for admission to any class up to VIII standard.

Currently, the poor parents are paying Rs.100 per month as fees and other charges. In order to act in accordance with the Act, fees would need to be hiked perceptibly--a move not favored by the poor. Thus the requirement of paying government stipulated scales should be overlooked, if the government does not provide grant-in-aid. It should not be made a prerequisite for recognition, as it is an added financial burden on the management of the school.

Hitherto, the School has not been able to obtain recognition and it has been 17 years since they started. To legally attain all the 14 licenses, it takes a typical school 10 years on an average, which would reduce to 3–4 years if bribes are paid. Adding the opportunity cost to those 17 years, one wonders “why not pay bribes.” The School was asked to pay bribes at several stages, but they declined to do so. For an EC, they were asked to pay Rs. 5,000, to forward the letter of sponsorship, the amount set was Rs. 30,000–40,000 and to grant recognition, they were asked Rs. 1 lakh. Even for a *Grant-in-Aid* status, one has to please the government officials. Adding it up, one has to set aside 15–20% of their investments in schools as offerings to the babus, without which everything stands on hope.

### **Epilogue: Let sanity prevail**

We believe that in Delhi where 14 lakh children are out of school, a certificate proving the need of a school is foolishness. A private businessman is better equipped to assess the demand for education. Thus the Delhi School Education Act is anti-poor and discriminatory when put in action. In practice it is also a bureaucratic act and the norms promote corruption.

It is essential to liberate education from governing acts and regulating authorities. Let the people of our country think for themselves.