



Ref: ISB/EC-CIR-04/2014-17

30th April 2015

Dear Parent,

Greetings!

On the advent of the new academic year the entire academic management of the ISB is geared up for the fulfillment of our target to achieve excellence. We wish all the students and staff a fruitful academic year 2015-'16 and are looking forward for your support in making our dream a reality.

In our drive towards ensuring improved transparency, please be informed that we have conducted a thorough scrutiny of the financial status of the ISB and the activities during the past years.

We have appointed our existing external auditors at the end of Dec 2014, to conduct an interim audit for the last 9 months from the audited period of March 2014 and found that the school has made a deficit from operation amounted to BD. 450,880/, with an accumulated deficit for the last six years of the previous executive committee's term amounting to BD. 2.5 million.

In effect, the school is currently facing an average deficit of approximately BD. 50,000/-per month, which the school needs monthly, in addition to the current revenue, to meet the expenses. Another alarming issue is repayment of the loan amount for the Riffa campus for which we may have to find additional funds.

We as parents need to come together, brainstorm and formulate solid plans to overcome this huge debt trap that is challenging ISB's future operations and development.

Our close investigation, done with the help of a team of parents and experienced members of the community, revealed the following misappropriations happened in the past committee's term of six years, which we feel is our duty to convey to all parents of the ISB:

- A major misappropriation carried out by the former committee, was in the purchase of text books. For the first two years of the former committee's 6 year term, books were purchased by adhering to schools procedures. In the last four years, the committee gave purchase orders to a single distributor who had offered 37% discount. But in actual order the discount applied by the supplier was only a mere 15%! Thus, we could estimate that, for the last four years' book purchase, the previous committee brought in a financial loss of approximately BD.90,000/- for the school and parents.
We, the present committee purchased the books adopting fair practices, for the academic year 2015-'16, and could gain 43% of discount. It's worth mentioning that we did this after cancelling an order given by the previous committee, which was placed a few days before the elections in Dec-2014.
- Another flaw happened during the term of the former committee was their association with a private entrance coaching center named MAMS. The school premises was provided for six months to the institution for an annual rent of BD3300/- but paid only BD 300/-. There is no documental evidence available regarding the sponsorship and advertisements given by the aforesaid institution. It is estimated that about BD. 8,000/- loss was incurred for the school in this deal, without any benefit to our students in the academic front.
- We could identify another financial sham in the provision of service charges for the School Auditorium for outside functions. During 2011-2014, the premises were made available around 55 times for special programs without collecting the service charges. In this head the School must have collected at least BD. 13,000/-. However, documental evidence for prior years are not available in the school, stating the number of programs and the charges collected.

- It was found that in the school records, a child of the Hon. Member of the previous executive committee, who was not in Bahrain for the past three years, was retained as a student. We feel it was done to show that the member is eligible to hold the membership in the executive committee. The very same member, in the tuition fee head alone, is due to pay BD.1055/-. To cover up the hoax, the tuition fees of 102 such students, who were not attending in the school for more than a year from the year 2011-2014, have also been kept as valid students. So because of it about BD.22, 000/- has to be written off as bad debts! We would like to highlight that this is not only a financial dupery but a sheer violation of all formal procedures also.
- The former committee filed a case against the main contractor who was responsible for the construction of Shaikh Isa Block, and held an amount of BD. 56,144/- as retention amount. The same committee, while the case was under consideration of the court, has paid BD. 22,366/- to a sub-contractor who did not have any direct contract with the Indian School. It is observed that this act of the then Committee could be deemed as a contempt of court. The verdict of the Hon. Court has gone in favor of the main contractor and the court has ordered that he should be paid the full amount with a legal percentage of 2% applying from the date of the claim by ISB. So, the entire amount (including the amount paid to the sub-contractor) and the money spent for suing the case is now to be remitted by the Indian School.
- During the school election in Dec-2014, an allegation was in the air that the former committee has kept a huge amount pending to the Transport Company. In response to this, a declaration stating that the school did not have any outstanding amount payable to the Company was advertised in newspapers. However, this declaration also proved wrong as, in December 2014, the School was due to pay BD. 303,980/- to the company. The ISB has already received a formal letter from the Transport Company stating this fact.
- Another area of misappropriation is where the former Hon. Chairman and Hon. Secretary entered into an Exclusivity contract with a soft drink company, which was found to be very shady and that the contract was neither brought before the Audit Committee, nor was presented in the General Body meeting for its approval.
- Having scrutinized the roll of students who were granted concession on tuition fees for the academic year 2014-2015, it was found that 52 students were ineligible for such concessions. By granting concession to those students who are not satisfying the concession criteria, the school suffered a financial loss of BD.4,700/- and also many eligible cases were not considered.

The former Committee stepped down leaving behind a huge financial trap, an alarming decline in academic standards and has misled the school to an administrative bottleneck that even affected the admission policy and procedures.

Due to financial mismanagement, favoritism and absolute administrative inefficiency, the School of common man's refuge, is now fallen into a huge financial crisis.

We the present Committee are pledged to overcome this and are committed to maintain Total Transparency in our activities. We would be pleased to keep our parent community informed and seek the support of ISB parents in every foot step we take. Let us join together in our march towards "Excellence for ISB".

On behalf of the ISB Executive Committee 2014-2017.

Warm Regards,



Prince S. Natarajan
Honorary Chairman
Executive Committee 2014-2017

