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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 (257) / PSB / 2019 / 1410-1414 Dated: 29/03/19

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 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, **Bhai Parmanand Vidya Mandir (School ID-1001166), Surya Niketan, Delhi-110092** submitted its proposal for enhancement of fee for the academic session 2017-2018 in the prescribed format including the impact on account of implementation of recommendations of 7th CPC with effect from 1 Jan 2016.

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 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.

AND WHEREAS, necessary records and explanations were also called from the school through email. Further, school was also provided an opportunity of being heard on 11 June 2018 at 10:00 AM to present its justifications/ clarifications on fee increase proposal including audited financial statements 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 key findings noted are as under:

A. Financial Discrepancies

1. As per direction no. 2 included in the Public Notice dated 4 May 1997, *"it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society"*. Additionally, Hon'ble High Court of Delhi in its judgement dated 30 Oct 1998 in the case of Delhi Abibhavak Mahasangh concluded that "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Also, clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10 Feb 2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

   Accordingly, based on the aforementioned public notice and Hon'ble High Court Judgement, the cost relating to land and construction of the school building has to be met by the society, being the property of the society and school funds i.e. fee collected from students is not to be utilised for the same.

   Further, Order no. F.DE.-15/ACT-I/WPC-4109/PART/13/962 dated 13 Oct 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school had utilized school funds for addition to building, which should be recovered from the society.

   The financial statements of the school for the FY 2014-2015 and 2015-2016 revealed that the school has incurred expenditure on construction of building out of school funds and has capitalized building totalling to INR 1,70,44,793 in the aforesaid financial years, which is not in accordance with the aforementioned provisions. Further, this capital expenditure was incurred on the building without complying the requirements prescribed in Rule 177 of DSER, 1973. Though the financial statements of the school reflect opening block of building, adjustment in the fund position of the school has been done to the extent of additions made in the past three financial years (based of financial statements obtained for evaluation of the fee increase proposal for FY 2017-2018).

Accordingly, this amount of INR 1,70,44,793 is hereby added to the fund position of the school (enclosed in the later part of this order) considering the same as funds available with the school and with the direction to the school to recover this amount from the Society within 30 days from the date of this order.

B. Other Discrepancies

1. 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.

   As per order no. F.DE.-15/ACT-I/WPC-4109/PART/13/962 dated 13 Oct 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017, the school was directed to ensure that the provision for gratuity and leave encashment should be based on actuarial valuation and equivalent amount is deposited with LIC (any other insurer).

   It was noted that the school has created provision for Gratuity and Leave encashment amounting to INR 1,36,24,183 and INR 44,29,600 respectively and reported the same in its financial statements for FY 2016-2017. Based on the information submitted by the school and taken on record, it was noted that while the school had obtained actuarial valuation of its liability towards gratuity as on 31 Mar 2017, it has not obtained the same for leave encashment, but has recorded the provision for leave encashment in its financial statements for FY 2016-2017 without actuarial valuation.

   Further, based on documentary evidence provided by the school, it was noted that the school has deposited INR 1,44,16,635 towards its liability towards staff gratuity and INR 42,00,000 towards its liability towards staff leave encashment with LIC till FY 2018-2019. Accordingly, the amounts deposited by the school in group gratuity and leave encashment schemes of LIC have been considered while deriving the fund position of the school (enclosed in the later part of this order). Since total amount deposited by the school till FY 2018-2019 has been considered, the provision for gratuity and leave encashment budgeted for FY 2017-2018 have not been included in the budgeted expenses for FY

2017-2018 while deriving the fund position of the school (enclosed in the later part of this order).

The school is further directed to ensure that the liability towards leave encashment is recorded on the basis of actuarial valuation. Further, the school should ensure that the fund value of the investment made with LIC is adequate to cover the liability determined by the actuary.

2. Rule 176 - 'Collections for specific purposes to be spent for that purpose' of the DSER, 1973 states "*Income derived from collections for specific purposes shall be spent only for such purpose.*"

   Para no. 22 of Order No. F.DE./15(56)/ Act/2009/778 dated 11 Feb 2009 states "*Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged.*"

   Sub-rule 3 of Rule 177 of DSER, 1973 states "*Funds collected for specific purposes, like sports, co-curricular activities, subscriptions for excursions or subscriptions for magazines, and annual charges, by whatever name called, shall be spent solely for the exclusive benefit of the students of the concerned school and shall not be included in the savings referred to in sub-rule (2).*" Further, Sub-rule 4 of the said rule states "*The collections referred to in sub-rule (3) shall be administered in the same manner as the monies standing to the credit of the Pupils Fund as administered.*"

   Also, earmarked levies collected from students are a form of restricted funds, which, according to Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, are required to be credited to a separate fund account when the amount is received and reflected separately in the Balance Sheet.

   Further, the aforementioned Guidance Note lays down the concept of fund based accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account ('Restricted Funds' column) and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account ('Restricted Funds' column).

   From the information provided by the school and taken on record, it has been noted that the school charges earmarked levy in the form of Transport Fees from students. Directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/962 dated 13 October 2017 issued to the school post evaluation of the proposal for enhancement of fee for FY 2016-2017 noted that the school was not maintaining separate fund account for transport fee and was generating surplus from the same. Based on the breakup of expenditure provided by the school for FY 2016-2017, it was noted that has incurred loss (deficit), which has been met from other fees/income:

Earmarked Fee	Income (INR)	Expenses (INR)	Surplus (INR)
	A	B	C=A-B
Transport Fee^	2,25,03,005	2,25,39,842	(36,837)

^ The school has not apportioned depreciation on vehicles used for transportation of students in the expenses stated in table above for creating fund for replacement of vehicles, which should have been done to ensure that the cost of vehicles is apportioned to the students using the transport facility during the life of the vehicles.

On account of non-maintenance of fund based accounting, total fees (including earmarked fee) have been included in the budgeted income and budgeted expenses (included those for earmarked purposes) while deriving the fund position of the school (enclosed in the later part of this order).

The school is hereby directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount of transport fund. Unintentional surplus/deficit, if any, generated from earmarked levy has to be utilized or adjusted against earmarked fees collected from the users in the subsequent year. Further, the school should evaluate costs incurred against earmarked levy and propose the revised fee structure for earmarked levy during subsequent proposal for enhancement of fee ensuring that the proposed levies are calculated on no-profit no-loss basis.

3. Para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states "*Where the fund is meant for meeting capital expenditure, upon incurrence of the expenditure, the relevant asset account is debited which is depreciated as per the recommendations contained in this Guidance Note. Thereafter, the concerned restricted fund account is treated as deferred income, to the extent of the cost of the asset, and is transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year.*"

   Basis the presentation made in the audited financial statements for FY 2016-2017 submitted by the school, it was noted that the school was not crediting amount equivalent to depreciation on assets purchased out of development fund as income, which was not in compliance with the accounting treatment of restricted fund indicated in the guidance note. The school was also purchasing assets out of depreciation reserve fund though there was no specific investment available for the same. Depreciation reserve is more of an accounting head for appropriate treatment of depreciation in the books of account of the school in accordance with Guidance Note 21 issued by the Institute of Chartered Accountants of India. Thus, only development fund received from students can be utilised by school for purchase of furniture, fixture and equipment.

   Also, the school has enclosed a consolidated fixed assets schedule giving details of all assets carried over by the school in its audited financial statement for FY 2016-2017 and has not prepared separate fixed assets schedules for assets purchased against development fund and those purchased against general reserve.

   This being a procedural finding, the school is instructed to make necessary rectification entries relating to development fund and depreciation reserve to comply with the accounting treatment indicated in the Guidance Note. Further, the school should prepare separate fixed assets schedule for assets purchased against development fund and other assets purchased against general reserve/ fund.

4. Order no. F.DE.-15/ACT-I/WPC-4109/PART/13/962 dated 13 Oct 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school had utilized development fee in contravention of Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009 which states that "*Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment.*"

   It was observed that the school had incurred expenditure on purchase of library books of INR 1,27,568 during FY 2016-2017 and utilized development fund for the same, which is in contravention of the directions of the directorate.

   The school is hereby directed to follow DOE instruction in this regard and ensure that development fund is utilised only towards purchase of furniture, fixture and equipment.

5. Order no. F.DE.-15/ACT-I/WPC-4109/PART/13/962 dated 13 Oct 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school was not following standard procurement process.

   Based on information submitted by the school, it was noted that the school has established a purchase committee to review the procurements carried out by the school and ensure transparency. However, the school did not submit relevant documents such as quotations, comparative statements, etc. to validate that proper procurement process is being followed by the school.

   The school is hereby advised to follow proper process and maintain proper documentation to validate the same. Compliance will be verified at the time of evaluation of next fee hike proposal.

6. The school has not prepared Fixed Asset register (FAR) in proper format. The school has only captured the asset name, purchase date and the amount in the FAR. The school has not included complete details in the FAR such as serial number, location, invoice number, supplier, identification number, cost of asset, other cost, depreciation, etc. to facilitate identification of asset and documenting complete details of assets at one place.

   During personal hearing, the school confirmed that it will prepare FAR with details above in FY 2018-2019. The school is directed to prepare a FAR with relevant details mentioned above. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

After detailed examination of all the material on record and considering the clarification submitted by the school, it was finally evaluated/ concluded that:

i. The total funds available for the year 2017-2018 amounting to INR 20,79,32,022 out of which cash outflow in the year 2017-2018 is estimated to be INR 19,94,52,879. This results in net surplus of INR 84,79,143. The details are as follows:

Particulars	Amount (INR)
Cash and Bank Balance as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	27,13,153
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	4,00,64,017
Investment with LIC against retirement benefits (as per audited financial statements of FY 2016-2017)	67,69,974
Total Liquid Funds Available with the School as on 31 Mar 2017	**4,95,47,144**
Add: Estimated Fees and other incomes for FY 2017-2018 based on audited financial statements of FY 2016-2017 of the school [Refer Note 1]	16,60,41,754
Add: Recovery of amount spent on addition to Building during FY 2014-2015 and 2015-2016 to be recovered from the society [Refer Financial Finding No. 1]	1,70,44,793
Gross Estimated Available Funds for FY 2017-2018	**23,26,33,691**
Less: Caution Money as on 31 Mar 2017 (as per audited financial statements of FY 2016-2017)	85,034
Less: FDR in the joint name of Manager of the school and Director of Education against Salary Reserve (as per audited financial statements of FY 2016-2017)	60,00,000
Less: Development Fund balance as on 31 Mar 2017 ('Nil' as per audited financial statements of FY 2016-2017)	-
Less: Depreciation Reserve Fund [Refer Note 2]	-
Less: Investment with LIC against retirement (Gratuity) [Refer Other Finding No. 1]	14,416,635
Less: Investment with LIC against retirement (Leave Encashment) [Refer Other Finding No. 1]	42,00,000
Net Estimated Available Funds for FY 2017-2018	**20,79,32,022**
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 3]	18,22,02,879
Less: Arrears of salary as per 7th CPC	1,72,50,000
Estimated Surplus	**84,79,143**

Notes:

1. Fee and income as per audited financial statements of FY 2016-2017 (together with increase of 5% approved by DoE during 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. On evaluation of depreciation reserve, it was noted that the school had charged depreciation on fixed assets and had transferred the same to depreciation reserve on liabilities side of the Balance Sheet of the school. Also, the school is charging development fund from students for purchase, up-gradation and replacement of furniture, fixture and equipment. Though balance of development fund as on 31 March 2017 as per audited financial statements has been adjusted for deriving the fund position of the school above, depreciation reserve (that is to be created equivalent to the depreciation charged in the revenue accounts as per clause 14 of Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009) is more of an accounting head for appropriate accounting treatment of depreciation in the books of account of the school in accordance with

Guidance Note 21 issued by the Institute of Chartered Accountants of India. Thus, there is no financial impact of depreciation reserve on the fund position of the school. Accordingly, it is not considered in table above. Also, refer other finding no.3.

3. 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 19,65,10,000 (including arrears of salary as per 7th CPC of INR 1,72,50,000), 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, while some expenses were restricted to actual expenditure incurred in FY 2017-2018. Also, during review of budgeted expenses, discrepancies were noted in some of the expense heads, which were adjusted from the budgeted expenses including adjustment of expense allowing increase up to 10% / 25% over expense incurred during FY 2016-2017 giving consideration to general rise in cost/inflation and especially because FY 2017-2018 is the year of implementation of 7th CPC where additional financial burden of increase salary of staff is already there. The same were discussed during personal hearing with the school. Therefore, the following expenses have been adjusted while considering the budgeted expenses for FY 2017-2018:

Expense Heads	FY 2016-17	FY 2017-18	Adjustments	Amount Allowed	Reasons for Adjustments
Provision for Gratuity	18,93,137	34.00,000	34.00,000	-	Refer Other Finding No. 1
Provision for Leave Encashment	13,45,564	17,00,000	17,00,000	-	
Provision for Contingency Fund for Staff Salary	14,70,838	34,00,000	34,00,000	-	The amount of salary reserve created by the school has been considered separately in fund position above basis the amount deposited by the school in fixed deposit with bank in joint name of the Manager and DDE (District). As this is the year of implementation of recommendations of 7th CPC, no further amount has been considered.
Security Service Charges	32,60,823	60,00,000	19,23,971	40,76,029	Based on the explanation provided by the school regarding increase in minimum wages,

Expense Heads	FY 2016-17	FY 2017-18	Adjustments	Amount Allowed	Reasons for Adjustments
					increase of 25% over expense incurred during FY 2016-2017 has been considered.
Annual Day Function Expenses	30,53,085	40,00,000	6,41,607	33,58,394	No reasonable justification/ explanation provided by the school for such increase in expense as compared with FY 2016-2017. Accordingly, budgeted expenses have been for restricted to 110% of the expense incurred during FY 2016-2017.
3D Printing Activities	-	8,00,000	1,84,132	6,15,868	School submitted details of actual expenses incurred by it during FY 2017-2018, which have been considered basis the details provided by the school.
Vedic Math (Abacus) classes	-	29,00,000	60,000	28,40,000	
Digital Assessment Software	-	7,00,000	5,58,400	1,41,600	
Digital Document Management System	-	7,00,000	1,39,500	5,60,500	
R& M-Buildings	64,16,844	71,00,000	17,64,754	53,35,246	
R & M-Buildings Paintings	26,16,525	29,00,000	21,00,499	7,99,501	
R & M-Electric	31,37,789	33,00,000	5,90,919	27,09,081	
R & M-Furniture	29,62,867	33,00,000	7,40,745	25,59,255	
R & M:- Play Equipment	1,20,000	14,00,000	1,42,436	12,57,564	
Investment in Furniture, Equipment, etc.	2,85,39,808	1,45,42,000	22,50,000	1,22,92,000	Refer # below

Expense Heads	FY 2016-17	FY 2017-18	Adjustments	Amount Allowed	Reasons for Adjustments
Transport Expenses	2,25,39,842	-	(2,25,39,842)	2,25,39,842	
Total	**7,73,57,122**	**5,61,42,000**	**(29,42,879)**	**5,90,84,879**	

The school has budgeted expenditure of INR 22.5 lakhs towards purchase of motor car, which is not an allowable expenditure under any of the fee heads including development fund and is also not in accordance with Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10 Feb 2005 issued by this Directorate which states "*Capital expenditure cannot constitute a component of the financial fee structure.*" Also, the school has not complied with all the requirements of Rule 177 of DESR, 1973. Thus, this budgeted expense has not been considered with instructions to the school not to incur this budgeted capital expenditure.

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.

ii. The directions issued by the Directorate of Education vide circular no. 1978 dated 16 Apr 2010 states "*All schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase.*" The school has sufficient funds to carry on the operation of the school for the academic session 2017-2018 on the basis of existing fees structure and after considering existing funds/reserves.

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 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 is required to be recovered from the society.

And whereas per clause 14 of Order No. F.DE./15(56)/ACT/2009/778 dated 11 Feb 2009, Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up-gradation and replacement of furniture, fixture and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a depreciation reserve fund, equivalent to the deprecation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained development fund account. The school is advised to comply with the directions with regard to maintaining separate bank account, proper accounting & presentation of Development Fund in the School's financial statements and utilisation of development fund only towards purchase of furniture, fixtures and equipment.

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

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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.

And whereas, in the light of above evaluation which is based on the provisions of DSEA, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial irregularities that were identified (appropriate financial impact of which has been taken on the fund position of the school) and certain procedural findings which were also noted (appropriate instructions against which have been given in this order), the funds available with the school for implementation of recommendations of 7th CPC and to carry out its operations for the academic session 2017-18 are sufficient. Accordingly, 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 have sufficient funds for meeting the financial implications of 7th CPC salary and other expenses (except transportation 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 **Bhai Parmanand Vidya Mandir (School ID-1001166), Surya Niketan, Delhi-110092** has been rejected by the Director of Education Further, the management of said school is hereby directed under section 24(3) of DSEA, 1973 to comply with the following directions:

1. Not to increase any fee/charges during FY 2017-2018 and to refund/adjust the increase fee charged, if any, for the academic session 2017-2018 and 2018-2019 in the fee of subsequent months as per 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 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

To:
The Manager/ HoS
Bhai Parmanand Vidya Mandir
School ID 1001166
Surya Niketan, Delhi-110092

No. F.DE.15 (257) / PSB / 2019 / 1410-1414

Dated: 29/03/19

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
5. Guard file.

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