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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(627)/PSB/2018/ 30547 - 30551 Dated: 14.12.2018

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

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AND WHEREAS in response to this directorate's circular dated 23 Oct 2017 referred to above **Guru Nanak Public School (School ID: 1411212), Pushpanjali Enclave, Pitampura Delhi-110034** 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.

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, the school was provided several opportunities of being heard through emails dated 10 July 2018, 17 July 2018, 20 July 2018, 26 July 2018, 10 Aug 2018, 17 Aug 2018, 28 Aug 2018 and through letter dated 06 Sept 2018 sent at the address of the school to present its justifications/ clarifications on fee increase proposal including audited financial statements. However, the school did not respond to any to the emails/letter and did not appear to avail the opportunity of being heard. Accordingly, the fee hike proposal has been disposed-off based on available documents and taken on record.

AND WHEREAS the 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. Observation relating to income from canteen, book shop and uniform shop maintenance collected by the society of INR 7.62 Lakhs during FY 2015-2016 was noted in Order no. No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016 issued to the school post evaluation of the proposal for enhancement of fee for the academic year 2016-2017.

   The school did not provide any document relating to canteen, book shop and uniform shop maintenance and submitted that the school is not collecting any amount for maintenance of canteen, book shop and uniform shop and that no amount has been paid/ transferred to the society.

   In absence of any documentary evidence, this amount of INR 7.62 Lakhs 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. Further, the school is instructed to reflect the income from canteen, book shop and uniform shop in the financial statements of the school.

   The school is also instructed to submit documentary evidence regarding its explanation that the school has no book-shop and uniform shop by reflecting that no income has been recorded by the society from the school premises. Compliance shall be ensured at the time of evaluation of subsequent fee hike proposal.

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2. Para 57 of Accounting Standard 15 – 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.*"

Observation relating to amount invested in Group Gratuity Assurance Scheme against which no liability was reflected in the financial statements of the school and not obtaining actuarial report were noted by the Directorate through its Order no. No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016.

It was noted that while the school has taken a group gratuity plan from LIC, which has details of actuarial liability towards gratuity (but not leave encashment), the school has not reflected its liability towards retirement benefits in its financial statement. The school is yet to create a provision for gratuity and leave encashment in its books of account. Further, the school has not obtained actuarial valuation in respect of its liability towards leave encashment nor has it created any plan-asset (leave encashment plan from LIC or other insurer) in respect of the same.

From the audited financial statements of the school for FY 2016-2017, it was observed that the school has invested Rs.1.90 crores approx. in LIC Group Gratuity Assurance Scheme till 31 Mar 2017.

The school submitted an intimation letter received from LIC towards contribution due on the group gratuity plan for FY 2017-2018 of INR 49,90,685. Accordingly, the same has been considered along with the value of gratuity fund reflected on 31 Mar 2017 as per the audited financial statements for FY 2016-2017 totalling to INR 2,40,31,516 while deriving the fund position of the school for FY 2017-2018 (enclosed in the later part of this order).

The school is directed to obtain actuarial valuation of its liability towards staff leave encashment and depositing the same in investment that qualifies as 'plan-asset' in accordance with Accounting Standard 15 issued by the Institute of Chartered Accountants of India. Further, the school is directed to ensure that the amount of liability arrived by the actuary is matched with an equivalent provision for gratuity and leave encashment in the financial statements of the school.

3 Observation relating to operation of college classes in school premises during the years 2006 to 2014 and charging of common expenses for operations of the college were reflected as expenses in the school's book of accounts and non-reflection of income from running of college resulting in diversion of funds and over-statement of expenditure was noted in Order no. No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016 issued to the school post evaluation of the proposal for enhancement of fee for the academic year 2016-2017.

Based on the observation noted above, while the school has incurred common expenses relating to the college, it has not disclosed any income earned from operating the classes of college. School submitted that the college had been closed in the year 2014 and the

Management Committee, which was running the college has also been dissolved. Accordingly, obtaining details of income and other details at this stage (after 4 years) is not feasible.

In absence of any documentary evidence, no impact has been considered in the fund position of the school (enclosed in the later part of this order). However, the school is directed to either identify the income of the college and recover the same from the society within 30 days from the date of this order or identify the common expenses and on the basis of fair allocation, distribute the expenses between the school and the college and recover the amount of excessive expenses charged in the books of account of the school from the society within 30 days from the date of this order. Compliance shall be ensured at the time of evaluation of subsequent fee hike proposal.

B. Other Discrepancies

1. Clause 19 of Order No. F.DE./15(56)/Act/2009/778 dated 11 Feb 2009 states "*The tuition fee shall be so determined as to cover the standard cost of establishment including provisions for DA, bonus, etc., and all terminal, benefits as also the expenditure of revenue nature concerning the curricular activities.*"

   Further clause 21 of the aforesaid order states "*No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school.*"

   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

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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 levies in the form of Transport Fees, Computer Fees, Science Fees, Geography Fees, Physical Education charges, etc. from students. However, the school has not maintained separate fund accounts for these earmarked levies and the school has been generating surplus from earmarked levies, which has been utilised for meeting establishment cost of the school. Details of calculation of surplus, based on breakup of expenditure provided by the school for FY 2016-2017 is given below:

Earmarked Fee	Income (INR)	Expenses (INR)	Surplus (INR)
Computer Fees	5,87,790	1,37,899	4,49,891
Science Fees	7,31,520	94,214	6,37,306
Activity Fees	67,60,952	*-	67,60,952
Transport Fees ^	43,07,100	18,15,413	24,91,687
Geography Fees	2,61,360	*-	2,61,360
Physical Education Fees	6,00,720	*-	6,00,720

^ 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.

* The school did not provide details of expenses incurred in respect of earmarked levy collected from students. The same was also noted under order no. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016 issued to the school post evaluation of the proposal for fee increase for FY 2016-2017.

On the basis of aforementioned orders, earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). The school is charging activity fees from the students of all classes. Thus, the fee charged from all students loses its character of earmarked levy, being a non-user based fees. Thus, based on the nature of the activity fees, the school should not charge such fee as earmarked fee and should incur the expenses relating to these from annual charges collected from the students. The school explained that annual charges are not sufficient to meet other revenue expenses of the school. Thus, the surplus generated from earmarked levies has been applied towards meeting general revenue expenditure of the school on account of which fund balance of earmarked levies could not be separated from the total funds maintained by the school. Accordingly, 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).

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The school is directed to maintain separate fund account depicting clearly the amount collected amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus, if any, generated from earmarked levies has to be utilized or adjusted against earmarked fees collected from the users in the subsequent year. Further, the school is directed to evaluate costs against each earmarked levy and propose the fee structure for earmarked levies during subsequent proposal for enhancement of fee ensuring that the proposed levies have been calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

2. As per Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009 states "*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 depreciation 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.*"

   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.*"

   An observation relating to non-maintenance of depreciation reserve fund, not accounting fixed assets as per Generally Accepted Accounting Principles by transferring amount equal to the cost of assets purchased to Income and Expenditure Account and depreciation on fixed assets not charged in the Income & Expenditure were noted in this directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016 issued post evaluation of the proposal for enhancement of fee for the academic year 2016-2017 submitted by the school.

   From the audited financial statements for FY 2016-2017, it was noticed that the school has continued its practice of charging the cost of asset purchased in the Income and expenditure account. It was further noted that the school adjusted depreciation from the value of the assets and was not creating depreciation reserve. Also, the transactions concerning development fund did not appear to be correctly reflected in the audited financial statements of the school of FY 2016-2017. On account of the school failing to appear for personal hearing, all transactions impacting development and capital fund could not be verified.

   Also, from the audited financial statements of the school for FY 2016-2017, it was noticed that the school has utilized development fund towards purchase of building material for the construction of building of INR 3,22,220, which is not in accordance with the direction included in above order and has utilized building fund of INR 4,20,308 for the same purpose and charged the total amount to Repair of Building in the Income and Expenditure Account.

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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.

Further, the school has not opened a separate bank account for deposit and utilisation of development fund till date. The school is directed to follow directions in this regard and maintain development fund in a separate bank account. The school is directed to ensure that development fund is utilised only towards purchase of furniture, fixture and equipment.

The school is directed to create depreciation reserve fund and to reflect all the fixed assets at historic cost. Further, the school is directed to do proper accounting of fixed assets in accordance with Generally Accepted Accounting Principles and development fund in accordance with Guidance Note 21. Also, the school should prepare separate fixed assets schedule for assets purchased against development fund and other assets purchased against general reserve/ fund. The school is further directed not to charge development fee till the time it complies with above directions.

3. Direction no. 3 of the public notice dated 4 May 1997 published in the Times of India states "*No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary it should be taken once and at the nominal rate of INR 500 per student in any case and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.*"

Further Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11 Feb 2009 states "*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.*"

The following were noted in DoE's order No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016:

- School had not refunded interest on caution money along with refund of caution money to exiting students and was instructed to include interest earned on caution money in the refund amount.
- School had not treated the un-claimed caution money as income in the next financial year after the expiry of 30 days from the date of communication sent to ex-students to collect caution money and was instructed to recognise unclaimed caution money as income after the expiry of 30 days.

As per the submission of the school, it will refund the un-claimed caution money collected from students in past during FY 2018-2019 and will record the income in respect of uncollected amount in accordance with order of Directorate. Thus, based on the submission by the school, the amount to be refunded to students as per audited financial statements of FY 2016-2017 have been considered while deriving the fund position of the school

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(enclosed in the later part of this order) with instructions to the school to ensure compliance to the orders and directions issued by the Directorate in this regard.

4. Observation relating to no formal process of bidding and obtaining quotations from prospective parties and awarding of contracts to the related parties were noted during FY 2015-2016 was noted in Order no. No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016 issued to the school post evaluation of the proposal for enhancement of fee for the academic year 2016-2017.

   The school did not provide any document relating to tendering process followed by it during FY 2016-2017. In its submission the school mentioned that it is following the procurement process laid down by society, however, no such policy/procedure was submitted by the school.

   The school is directed to implement proper internal control system in relation to procurement of goods and services so as to ensure that contracts are awarded on Arms' length and competitive prices only.

5. Observation relating to minor delay in depositing statutory dues was indicated in this directorate's Order no. No. F. DE-15/ACT-I/WPC-4109/PART/13/316-320 dated 27 December 2016 issued post evaluation of the proposal for enhancement of fee for the academic year 2016-2017. Similar instances of delays in depositing TDS (4 out of 12 months) were also noted during FY 2016-2017. The school mentioned that the delays were inadvertent and could not be avoided. School further mentioned that the same has been noted for future guidance and proper care would be taken for same.

   The school is directed to adhere to all statutory compliances including timely payment of statutory dues.

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 2017-18 amounting to INR 9,33,09,749 out of which cash outflow in the year 2017-18 is estimated to be INR 5,72,19,000. This results in net surplus of INR 3,60,90,749. 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)	1,19,53,086
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	2,64,90,359
Investment in Group Gratuity Scheme of LIC as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	1,90,40,831
Total Liquid Funds Available with the School as on 31 Mar 2017	**5,74,84,276**
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]	6,37,55,569

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Particulars	Amount (INR)
Add: Recovery of amount against canteen, book shop and uniform shop from the society [Refer Financial Finding No.1]	7,62,000
Gross Estimated Available Funds for FY 2017-2018	**12,20,01,846**
Less: FDRs jointly held with Director of Education and with CBSE as on 31 Mar 2017 (as per audited financial statements of FY 2016-2017)	26,36,636
Less: Development Fund [Refer Other Finding No.2]	-
Less: Retirement benefit (Invested in Group Gratuity Scheme) [Refer Financial Finding No. 2]	2,40,31,516
Less: Caution Money balance as on 31 Mar 2017 (as per audited financial statements of FY 2016-2017) [Refer Other Finding No. 3]	2,023,945
Net Estimated Available Funds for FY 2017-2018	**9,33,09,749**
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 2]	5,72,19,000
Estimated Surplus as on 31 Mar 2018	**3,60,90,749**

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. 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 as INR 5,72,19,000, which in some instances was found to be unreasonable/ excessive. Though the school did not appear for personal hearing to provide explanations regarding the expenses budgeted, the expenses heads as budgeted have been considered, as even after considering all expenses budgeted by the school, the financial position of the school reflected surplus funds.

In view of the above examination it is evident that the school does have sufficient funds for meeting 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.

As per the Directorate's Order No. DE 15/Act/Duggal.com/203/ 99/23033/23980 dated 15 Dec 1999, the management is restrained from transferring any amount from the recognized unaided school fund to society or trust or any other institution. However, the amount for maintenance of book shop and uniform shop has not been recorded by the school, instead the income has been collected by the society. Hence, the school is directed to recover the amount of income from canteen, book shop and uniform shop of INR 7.62 Lakhs from the society.

And whereas per point no. 22 of Order No. F.DE./15 (56)/Act/2009/778 dated 11 Feb 2009, user charges should be collected at 'no profit and no loss' basis and should be used only for

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the purpose for which these are collected. The school has continued to charge earmarked fee higher than the expenses incurred against science fees, geography fees, activity fees, computer fees, transport fees and physical education fees. The school has utilised the surplus earned for meeting the establishment expenses and revenue expenditure. Accordingly, the school is advised to maintain separate fund in respect of each earmarked levy charged from the students in accordance with the DSEA & R, 1973 and orders, circulars, etc. issued thereunder. Surpluses/deficit under each earmarked levy collected from the students should be adjusted for determining the earmarked levy to be charged in the academic session 2018-2019 and the school should not include fee collected from all students as earmarked levies.

And whereas per point no. 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 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 open separate bank account, do proper accounting of assets and development fund, 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 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 DSER 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 2017-2018 are sufficient. Accordingly, the fee increase proposal of the school may be rejected.

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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 sufficient funds for meeting the financial implications of 7th CPC salary and other 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 **Guru Nanak Public School (School ID: 1411212), Pushpanjali Enclave Pitam Pura Delhi-110034** 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 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 is issued with the prior approval of the Competent Authority.

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

To:
The Manager/ HoS
Guru Nanak Public School
School ID: 1411212
Pushpanjali Enclave Pitam Pura
Delhi-110034

No. F.DE.15(627)/PSB/2018/ 30547-30558 Dated: 14.12.2018

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
5. Guard file.

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