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GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DIRECTORATE OF EDUCATION
(PRIVATE SCHOOL BRANCH)
OLD SECRETARIAT, DELHI-110054

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No. F.DE.15(315)/PSB/2019/ 1605-09 Dated: 05.4.19

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, **Doon Public School (School ID-1617185), Paschim Vihar, New Delhi-110051** 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.

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 19 July 2018 at 3 PM 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. 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.*" It was noted from the financial statements of the school for FY 2016-2017 that the school had incurred capital expenditure on purchase of car of INR 22,42,708. Further, the school had taken a loan from bank for purchase of this car and incurred financial/interest expenses of INR 84,218 on the loan during FY 2016-2017 with the closing balance of loan outstanding as on 31 March 2017 of INR 17,16,633.

   This capital expenditure on car was incurred by the school without complying the requirements prescribed in Rule 177 of DSER, 1973. Thus, the net amount paid by the school out of school funds on purchase of car of INR 6,10,293 (i.e. INR 22,42,708 plus INR 84,218 minus INR 17,16,633) 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 directed not to pay the remaining balance of loan or interest on the same from the school funds.

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*

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amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date." Further, according to para 7.14 of the Accounting Standard 15, "*Plan assets comprise:*

(a) assets held by a long-term employee benefit fund; and

(b) qualifying insurance policies."

Also, Directorate's Order no. F.DE-15/Act-I/WPC-4109/Part/13/891 dated 4 September 2017 issued to the school post evaluation of fee hike proposal for FY 2016-2017 directed the school to obtain an actuarial valuation of its gratuity and leave encashment liabilities.

While the school has obtained actuarial valuation report regarding its liability towards retirement benefits (gratuity only) as on 31 Mar 2017, the provision towards gratuity created by the school in its financial statements for FY 2016-2017 was not in agreement with the actuarial valuation report. Thus, the school has not obtained actuarial valuation of its liability towards leave encashment and has reflected incorrect liability towards gratuity in its financial statements. On review of the audited financial statements for FY 2016-2017, it was noted that the school had recorded liability of INR 2,88,76,994 towards gratuity for the FY 2016-2017, however, total liability towards gratuity as per the actuarial valuation report was INR 2,69,44,612, which resulted in excess recording of liability by INR 19,32,382.

During personal hearing, the school agreed to reverse the excess liability of INR 19,32,382 during FY 2017-2018 and ensure that the provision is created equivalent to liability determined in the actuarial valuation report.

The school has not deposited any amount in investments that qualify as plan-assets as per Accounting Standard 15. Thus, while the school has obtained actuarial valuation report, it has not deposited any amount in plan-assets. Since FY 2017-2018 is the year of implementation of recommendations of 7th CPC, 10% of the amount of liability determined by the actuary has been considered while deriving the fund position of the school (enclosed in the later part of this order) with direction to the school to deposit at least 10% of the amount of liability arrived by the actuary in investments that qualify as plan assets as per Accounting Standard 15 within 30 days from the date of this order to protect statutory liabilities and to deposit the remaining amount in subsequent years. Further, the school should obtain actuarial valuation towards its liability for leave encashment and create investments in the form of plan-assets for the same.

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*

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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 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, Sports fee, B.T/Comp/FS/PE Fees, Math Lab fees, Mid day charges, Lexile Framework, SC/DD/DL, Smart Card Surveillance, Air conditioning, 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 other expenses of the school or has been incurring losses (deficit) that has been met from other fees/income, which was also mentioned in Directorate's order no. F. DE-15/ACT-I/WPC-4109/PART/13/891 dated 4 September 2017 issued to the school post evaluation of the fee increase proposal for FY 2016-2017. Details of calculation of surplus/deficit, based on breakup of expenditure provided by the school for FY 2016-2017 is given below:

Earmarked Fee	**Income (INR)**	**Expenses (INR)**	**(Deficit)/Surplus (INR)**
	A	**B**	**C=A-B**
Transport Fee^	82,98,700	69,58,192	13,40,508

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Earmarked Fee	Income (INR)	Expenses (INR)	(Deficit)/Surplus (INR)
	A	B	C=A-B
Sports Fees	27,12,592	19,57,827	7,54,765
B.T/Comp/FS/PE Fees	12,09,800	84,120	11,25,680
Math Lab Fees	14,40,020	24,32,337	(9,92,317)
Mid day meal Charges	9,95,120	18,15,121	(8,20,001)
Lexile Framework	8,62,352	9,16,800	(54,448)
SC/DD/DL	77,64,614	10,23,251	67,41,363
Smart Card Surveillance	32,79,876	0*	32,79,876
Air conditioning	3,53,550	0*	3,53,550
Medical care Charges	19,77,600	0*	19,77,600

^ 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.

* Details of expenses incurred against earmarked levies collected from students was not provided by the school

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 sports fee, smart card surveillance and medical care charges 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 sports fee, smart card surveillance and medical care charges, the school should not charge such fee as earmarked fee with immediate effect and should incur the expenses relating to these from tuition fee and annual charges, as applicable collected from the students. The school explained that annual charges collected from students are not sufficient to meet revenue expenses of the school. Thus, the surplus generated from earmarked levies has been applied towards meeting establishment cost/revenue expenditure on account of which fund balance of earmarked levies could not separate 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).

The school is hereby 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/deficit, 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 should evaluate costs incurred against each earmarked levy and propose the revised fee structure for earmarked levies during subsequent proposal for enhancement of fee ensuring that the proposed levies are calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

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2. Clause 14 of DOE's Order No. F.DE. /15 (56)/ Act/2009/778 dated 11 Feb 2009 states "*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. 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.*" Further, Para 102 of the aforementioned Guidance Note states "*In respect of funds, schools should disclose the following in the schedules/notes to accounts:*

   (a) In respect of each major fund, opening balance, additions during the period, deductions/utilisation during the period and balance at the end;
   (b) Assets, such as investments, and liabilities belonging to each fund separately;
   (c) Restrictions, if any, on the utilisation of each fund balance;
   (d) Restrictions, if any, on the utilisation of specific assets."

   As per para 67 of the Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, "*The financial statements should disclose, inter alia, the historical cost of fixed assets.*"

   Further, Directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/891 dated 4 September 2017 issued to the school post evaluation of the fee increase proposal noted that the school has not maintained depreciation reserve equivalent to the depreciation charged in the revenue accounts and has utilised development fund for purposes other than purchase, upgradation and replacement of furniture, fixtures and equipment.

   Basis the presentation made in the audited financial statements of the school for FY 2016-2017, it was noted that the school had reported 'nil' balance of development fund as on 31 Mar 2017 and had not included any schedule reflecting movement of development fund i.e. opening balance, received during the year, utilised during the year, interest accrued and closing balance. The school submitted ledger accounts in relation to receipt and utilisation of development fund for FY 2017-2018. Based on the transactions recorded in the ledger accounts, it was noted that development fund was also utilised for payment of salaries and repair & maintenance expenses along with purchase of furniture, fixture and equipment. Regarding the amount of development fund utilised for meeting salary expenses, the school

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transferred INR 67,52,761 to Income & Expenditure Account and reported the same as revenue income. This above presentation and accounting practice is not in accordance with directions given by Directorate in this regard.

Also, the school adjusted the cost of assets/items purchased from development fund without capitalising the assets and did not reflect additions to fixed assets in its audited financial statements. This was not in accordance with accounting treatment indicated in the Guidance Note cited above. Accordingly, fixed assets have been grossly misstated in the audited financial statements of the school without inclusion of the assets purchased from development fund. Since, the school has not capitalised fixed assets purchased from development fund, corresponding depreciation on such assets has not been charged by the school. However, school has reported depreciation reserve equivalent to the amount of accumulated depreciation on fixed assets (other than those purchased from development fund).

The school is required to pass necessary rectification entries relating to development fund, fixed assets and depreciation reserve to comply with requirements if clause 14 mentioned above and accounting treatment indicated in the Guidance Note. Further, the school should present the fixed assets purchased from development fund at historic cost in its financial statements to ensure that its financial statements give a true and fair view of all assets and liabilities of the school. The school is further directed not to collect development fee from students till the time it ensure compliance with the above directions.

On account of above, no amount towards development fund has been considered while deriving the fund position of the school (enclosed in the later part of this order).

3. *As per the provisions of Rule 107- 'Fixation of Pay' of DSER, 1973, "(1) The initial pay of an employee, on the first appointment shall be fixed ordinarily at the minimum of the scale of pay. Provided that a higher initial pay, in the specified scale of pay, may be given to a person by a appointing authority....*
(2) The pay of an employee on promotion to higher grade or post shall be determined by the same rules as are applicable to the employee of government school."

From the computation of salary in accordance with 7th CPC prepared by the school and placed on record, it was noted that gross salary of Vice Principal was computed as INR 2,01,793 (without details of grade pay) for the month of March 2018, which appeared excessive in comparison to the salary paid to comparable staff in government schools. The school explained that the vice principal was working for a long time with the school and received annual increments as per their experience and tenure of services. However, reconciliation of salary from his date of joining and subsequent increments was not provided by the school. In absence of detailed reconciliation, it could not be concluded whether excessive salary is being drawn by the vice principal of the school. Accordingly, the compliance of the above will be examined at the time of evaluation of proposal for enhancement of fee for subsequent academic session.

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4. Directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/891 dated 4 September 2017 issued to school post evaluation of the proposal for enhancement of fee for the academic year 2016-2017 noted that the school is not following proper procedures for procurement for entering into new contracts.

   The school submitted procurement related documents with respect to only one contract and did not provide sufficient documentation in relation to procurement processes followed for all the major contracts entered by the school. Thus, the school should enhance its procurement process and ensure that competitive bids/quotations are invited for procurement of goods and services by the school to ensure that contracts are awarded at arm's length and competitive prices. Compliance to the above will be examined at the time of evaluation of proposal for enhancement of fee for subsequent academic session.

5. Directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/891 dated 4 September 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school had not prepared Fixed Assets Register (FAR)'.

   During the personal hearing, the school mentioned that it will prepare FAR in proper format from FY 2018-2019 onwards. The school is directed to prepare FAR with relevant details such as supplier name, invoice number, purchase date, manufacturer's serial number, quantity, purchase cost, other costs, location, asset identification number, depreciation, etc. to facilitate identification of asset and documenting complete details of assets at one place. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

6. Directorate's order No. F. DE-15/ACT-I/WPC-4109/PART/13/891 dated 4 September 2017 issued to school post evaluation of the proposal for enhancement of fee for the academic year 2016-2017 noted that the school has not deducted ESIC on payments made towards contractor's fee and casual workers.

   The school did not submit any documents to substantiate compliance in relation to the above mentioned observation included in order issued to the school. The school is directed to ensure compliance with all the statutory provisions as applicable to it. Compliance of the same shall be validated during evaluation of subsequent fee increase proposal as may be submitted by the school.

7. The school was asked to submit a reconciliation of income from students (i.e. fee collected) recognised as income in its Income and Expenditure Account and the amount of income that the school should have received on the basis of approved fee structure and no. of students enrolled with the school, which was not submitted by the school for validation of the completeness and accuracy of income reported.

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The school should perform a detailed reconciliation of the amount collected/income from students and the income that should have been recognised based on the fee structure and number of students enrolled by the school. Compliance of the above will be examined at the time of evaluation of proposal for enhancement of fee for subsequent academic session.

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 11,66,53,269 out of which cash outflow in the year 2017-18 is estimated to be INR 13,21,41,060. This results in net deficit of INR 1,54,87,792. 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)	30,00,180
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	11,86,430
Total Liquid Funds Available with the School as on 31 Mar 2017	**41,86,610**
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 and 2]	11,25,87,718
Add: Net fee arrears for FY 2016-2017 on account of fee increase approved by DoE vide order dated 4 Sep 2017 collected in FY 2017-2018 [Refer Note 2]	31,97,039
Add: Recovery from society against car purchased during FY 2016-2017 (net of loan outstanding as on 31 Mar 2017) and interest on vehicle loan [Refer Financial Finding No. 1]	6,10,293
Gross Estimated Available Funds for FY 2017-2018	**1,20,581,660**
Less: FDR submitted with DoE and CBSE (as per audited financial statements of FY 2016-2017)	11,86,430
Less: Caution Money (as per audited financial statements of FY 2016-2017)	47,500
Less: Retirement benefits – Gratuity [Refer Financial Finding No. 2]	26,94,461
Less: Development Fund [Refer Other Finding No. 2]	-
Net Estimated Available Funds for FY 2017-2018	**11,66,53,269**
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 3]	12,17,41,019
Less: Arrears of salary as per 7th CPC for the period Jan 2016 to March 2017 (as included by the school in its Budgeted Receipt and Payment Account for FY 2017-2018)	1,04,00,041
Estimated Deficit	**1,54,87,792**

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.

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2. The school was allowed by DoE to increase its fee by 5% vide Order No. F.DE-15/ACT-I/WPC-4109/PART/13/891 dated 4 Sep 2017. However, the school had not included net arrears for FY 2016-2017 collected in FY 2017-2018 in the budget statement for 2017-2018, which has been derived based on the percent increase approved. This has been added to the available funds, as this would be additional collection by the school not included in the income of FY 2016-2017 (as per audited financial statements).

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 14,03,58,635 (including arrears of salary as per 7th CPC for the period January 2016 to March 2017 of INR 1,04,00,041), which in some instances was found to be unreasonable/ excessive. Based on the explanations and details provided by the school during personal hearing, some of the expenses heads as budgeted were considered, while other expense heads were restricted to 110% of the 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. Therefore, certain expenses in excess of 10% and expenditure under new heads have not been considered in the evaluation of fee increase proposal. The same were discussed during personal hearing with the school.

Particulars	FY 2016-2017	FY 2017-2018	Amount allowed	Amount Disallowed	Remarks
Gratuity provisions	2,88,76,994	11,39,106	-	11,39,106	Refer Financial Finding No. 2
Gratuity Paid	19,32,382	19,32,382	-	19,32,382	
In respect of vehicles owned by the School	67,05,106	81,58,897	73,75,616	7,83,281	Reasonable justification/ explanation was not provided by the school for such increase in expense as compared with that incurred in FY 2016-2017. Accordingly, the expense has been restricted to 110% of the expense incurred during FY 2016-2017.
E S I	1,95,966	2,81,563	2,15,563	66,000	
Smart Card expenses	10,23,251	30,41,028	11,25,576	19,15,452	
Resource Person Exp	-	5,90,667	-	5,90,667	Reasonable justification/ explanation was not provided by the school for this new head of expense included in the budget. Thus, the same has not been considered.
Depreciation	16,81,131	17,90,686	-	17,90,686	Depreciation, being non-cash expense, does not require cash outflow. Thus, the same has not been considered.
Total	**4,04,14,830**	**16,93,43,29**	**87,16,755**	**82,17,574**	

ii. It seems that the school may not be able to meet its budgeted expenses from the existing fee structure and accordingly, it should utilise its existing funds/reserves and other

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resources. In this regard, Directorate of Education has already issued directions to the schools vide circular no. 1978 dated 16 Apr 2010 that,

"*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.*"

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 though 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 noted (appropriate instructions against which have been given in this order), the fee increase proposal of the school may be accepted.

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 it appropriate to allow increase in tuition fee by 15% with effect from April 2019.

Accordingly, it is hereby conveyed that the proposal of enhancement of fee of **Doon Public School (School ID-1617185), Paschim Vihar, New Delhi-110051** has been accepted by the Director of Education with effect from April 2019 and the school is hereby allowed to increase tuition fee by 15%. Further, the management of said school is hereby directed under section 24(3) of DSEA, 1973 to comply with the following directions:

1. To increase the tuition fees only by the prescribed percentage from the specified date.
2. To rectify the financial and other irregularities as listed above and submit the compliance report within 30 days from the date of this order to D.D.E.(PSB).
3. To ensure implementation of recommendations of 7th CPC in accordance with Directorate's order dated 25 Aug 2017.
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.

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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
Doon Public School
School ID-1617185
Paschim Vihar, New Delhi-110051

No. F.DE.15(315)/PSB/2019/ 1605-09 Dated: 05.4.19

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