

958

80

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

No. F.DE.15(15) / PSB / 2019 / 1290-1294

Dated: 29.3.2019

**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 7<sup>th</sup> 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, **Gurusharan Convent (School ID-1617204), GH-9, Paschim Vihar, Delhi-87** 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 7<sup>th</sup> 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 29 June 2018 at 2 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. Additionally, a visit was made at the school by the Chartered Accountant evaluating the fee increase proposal submitted by the school on 18 Oct 2018 to gather and review information/data relevant for evaluation of the proposal.

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. Accounting Standard 15 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.

Order no. F. DE-15/ACT-I/WPC-4109/PART/13/881 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 created provision for Gratuity as required by the Payment of Gratuity Act, 1972 and had also not created provision for leave encashment in its books of account. The school was directed to make investment against retirement benefits with LIC (or any other agency) and record provision for retirement benefits in its books of account basis actuarial valuation.

It was noted that the school has not got its liability for retirement benefits valued by an actuary and was recording the provision for the same on an adhoc basis in its books of

account. During personal hearing, the school mentioned that it was making payments towards retirement benefits to staff on actual basis and does not have sufficient funds to make required investments in 'Plan Asset'. The school further submitted that it will ensure that provision for retirement benefits is accounted for in its books of account and financial statements from FY 2018-2019 onwards on the basis of actuarial valuation.

Accordingly, the school is directed to get its liability for retirement benefits valued by an actuary within 30 days from the date of this order and record the same as provision in its books of account. Further, in order to protect the statutory liability towards staff, the school is directed to start depositing amounts in investments that qualifies as 'plan-assets' in accordance with Accounting Standard 15 in subsequent years to ensure that the value of investments is equivalent to the liability for retirement benefits determined by the actuary.

In absence of actuarial valuation and investment against retirement benefits, no amount towards retirement benefits has been considered while deriving the fund position of the school (enclosed in the later part of this order).

#### 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 incurrance 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 Leap start & Smart class fee and transportation fee 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), which has been met from other fees/income. This was also mentioned in DOE's order No. F. DE-15/ACT-I/WPC-4109/PART/13/881 dated 4 September 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
Leap start fee*	37,57,930	30,60,701	6,97,229
Smart class fee*			
Transport Fee^	15,44,900	18,81,739	(3,36,839)

\* Though the school charges separate earmarked levies from students on these heads, however, the school is not maintaining separate details regarding income and expenditure incurred against the same.

^ Further, 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 explained that tuition fee collected from students is not sufficient to meet the establishment cost and annual charges are also not sufficient to meet other 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 (including 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



962

subsequent proposal for enhancement of fee ensuring that the proposed levies are calculated on no-profit no-loss basis.

2. Clause 14 of this 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."*

Order no. F. DE-15/ACT-I/WPC-4109/PART/13/881 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 utilized development fee as per Clause 14 of the above mentioned Directorate's order. The school was directed to ensure that the utilization of development fund is as per the directions of the Directorate.

Based on the information provided by the school, the school had incurred expenditures on purchase of school cab of INR 5,30,000 and Repair & Maintenance of INR 8,63,523 during FY 2016-2017 and utilised the development fund for the same, which was a non-compliance of the direction included in above order. During personal hearing, the school submitted that it was not able to meet its expenditures, hence was utilising the development fee for payment of other expenses.

Accordingly, the school is directed to follow DOE instructions in this regard and ensure that development fund is utilised only towards purchase, upgradation and replacement of furniture, fixture and equipment.

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."*

As per Para 67 of the aforementioned Guidance Note *"The financial statements should disclose, inter-alia, the historical cost of Fixed Assets"*.

Further, para 58(i) of the Guidance Note states *"A school should charge depreciation according to the written down value method at rates recommended in Appendix I to the Guidance Note."*

As per Order No. F.DE-15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16 April 2016 *"The Director hereby specify that the format of return and documents to be submitted by schools under rule 180 read with Appendix-II of the Delhi School Education Rules, 1973 shall be as per format specified by the Institute of Chartered Accountants of India, established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note on Accounting by Schools (2005) or as amended from time to time by this Institute."*

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 cited above.

Also, the school enclosed separate fixed assets schedules with its audited financial statement for FY 2016-2017 for assets purchased against development fund and those purchased against general reserve with details of opening and closing gross block of assets and depreciation reserve. While gross block of the assets purchased from development fund along with depreciation reserve on the same was reported separately on the face of the Balance Sheet, fixed assets purchased from general funds were reported at written down value on the face of the Balance Sheet, which was also not in accordance with the disclosure requirements of the guidance note cited above.

Order no. F. DE-15/ACT-I/WPC-4109/PART/13/881 dated 4 September 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school was not charging depreciation as per the rates prescribed by the guidance note and the school was directed to charge depreciation as per the rates prescribed in Appendix I of the guidance note cited above. From the financial statement of the school for FY 2016-2017, it was noted that the school was not charging depreciation at the rates prescribed by the guidance note.

Accordingly, this being a procedural and disclosure relating 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 report historic (purchase) cost of all assets on the face of the Balance Sheet (Assets side) together with corresponding depreciation reserve on the liabilities side of the Balance Sheet. Also, the school is directed to charge depreciation as per the rates prescribed by the guidance note cited above.

4. The school has prepared a Fixed Asset register (FAR) that only captures asset name, date of purchase and amount. The school should also include details such as supplier name, invoice number, manufacturer's serial number, location, depreciation, identification number, etc. to facilitate identification of asset and documenting complete details of fixed assets at one place.

During the personal hearing, the school confirmed that it will update the FAR as per the recommendations of the Directorate in FY 2018-2019. Accordingly, the school is directed to update the 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.

5. Order no. F. DE-15/ACT-I/WPC-4109/PART/13/881 dated 4 September 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school was making payment of salary through bearer cheque in contravention of affiliation bye-laws of CBSE. The school was directed to follow affiliation and recognition norms as prescribed.

964

During personal hearing, it was submitted by the school that it has been following the process of paying salaries through NEFT/bank transfers, however, there are approx. 3 employees to whom payments are made through bearer cheque as these employee joined recently and they have no bank accounts till date. The school also submitted that they have issued strict instructions to the concerned employees to submit their bank account details or the salary for the subsequent months would be put on hold.

The school is directed to ensure that the salary and others payments to employees/ vendors/ contractors are made only through account payee cheques or bank transfers. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

6. Order no. F. DE-15/ACT-I/WPC-4109/PART/13/881 dated 4 September 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted the school was not following proper procurement process in relation to calling for quotations from vendor, approval process, gate inward control and payment. The school was directed to implement proper internal control system and maintain proper documentation.

On review of the documentation relating to sample of procurement processes carried out by the school during FY 2016-2017, it was noted that the school was not preparing any comparative statement for evaluating the quotations received from vendors and was not getting the same approved from the purchase committee. Further, it was noted that the school does not have a process of maintaining gate inward and outward register and stamping the invoice at entry gate.

Accordingly, the school is directed to follow proper procurement process and maintain proper documentation in relation to procurements and purchases done by the school. Compliance of the same shall be validated at the time of evaluation of subsequent fee increase proposal. 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 5,09,77,324 out of which cash outflow in the year 2017-2018 is estimated to be INR 4,73,27,423. This results in net surplus of INR 36,49,901. 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)	66,93,553
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	69,12,566
<b>Total Liquid Funds Available with the School as on 31 Mar 2017</b>	<b>1,36,06,119</b>
<b>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]</b>	<b>3,98,47,266</b>
<b>Gross Estimated Available Funds for FY 2017-2018</b>	<b>5,34,53,385</b>

Particulars	Amount (INR)
Less: FDR against specific funds (FDR with DoE and CBSE) (as per audited financial statements of FY 2016-2017)	18,07,066
Less: Development Fund balance as on 31 Mar 2017 (as per audited financial statements of FY 2016-2017)	1,60,495
Less: Caution Money balance as on 31 Mar 2017 (as per audited financial statements of FY 2017-2018)	5,08,500
<b>Net Estimated Available Funds for FY 2017-2018</b>	<b>5,09,77,324</b>
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 2]	3,83,82,435
Less: Arrears of salary as per 7 <sup>th</sup> CPC from Jan 2016 to Mar 2018 [Refer Note 2]	89,44,988
<b>Estimated Surplus</b>	<b>36,49,901</b>

**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 of INR 7,15,05,299 (including arrears for 7<sup>th</sup> CPC of INR 3,08,07,670), which in some instances was found to be unreasonable/ excessive. Based on the explanations and details provided by the school during personal hearing, while most of the expense heads as budgeted were considered, adjustments were made to certain expense. 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	Amount Disallowed	Amount allowed	Remarks
Salary teaching staff	2,00,81,300	2,17,54,800	5,22,794	2,12,32,006	This amount has been considered based on the details provided by the school regarding actual salary expense for FY 2017-2018.
Salary- other teaching staff	22,81,171	29,40,000	(2,12,265)	31,52,265	
Salary arrears 7th CPC	-	3,08,07,670	2,18,62,682	89,44,988	Computation prepared and submitted by the school for arrears of salary indicated that the school had budgeted excessive salary arrears. Accordingly, salary arrears have been restricted to 40% of the salary expense reported in the audited financial

966

Expense Heads	FY 2016-17	FY 2017-18	Amount Disallowed	Amount allowed	Remarks
					statements of the school for FY 2016-2017, as the approximate impact of 7 <sup>th</sup> CPC would be around this percentage.
Repair & Maintenance-Building	-	10,00,000	10,00,000	-	No explanation/ justification was provided the school for this new head of expense. Thus, the has not been considered.
Gratuity	48,89,980	8,00,000	8,00,000	-	Refer Financial Finding No.1
Capital Assets from Development Fund	14,03,335	30,25,000	2,04,665	28,20,335	Refer # below.
<b>Total</b>	<b>2,86,55,786</b>	<b>6,03,27,470</b>	<b>2,41,77,876</b>	<b>3,61,49,594</b>	

#School budgeted purchase of capital assets totalling to INR 30.25 lakhs against development fund, however, total income against development fee in FY 2016-2017 was INR 28,20,335, which has been assumed to the income for FY 2017-2018 as per Note 1 above. Since, opening balance of development fund has been considered separately in the fund position of the school, the amount budgeted more than the amount of development fee has been disallowed, as capital expenditure cannot constitute component of the fee structure. Further, the capital expenditure budgeted by the school also appeared excessive in view of the expenditure trend of previous years.

In view of the above examination, it is evident that the school have 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.

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:



967

- (a) assets held by a long-term employee benefit fund; and
- (b) qualifying insurance policies.

The school is directed to get its liability for retirement benefits valued by an actuary within 30 days from the date of this order and record the same as provision in its books of account. Further, the school is directed to invest the amount against the liability for retirement benefits determined by the actuary in investments that qualifies as 'plan-assets' in accordance with Accounting Standard 15 in subsequent years.

And whereas per clause 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 the purpose for which these are collected. Accordingly, the school is directed 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.

Whereas per clause 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 directed ensure that development fund is utilised only towards purchase, upgradation and replacement of furniture, fixture and equipment.

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 7<sup>th</sup> 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 has sufficient funds for meeting the financial implications of 7<sup>th</sup> 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 Gurusharan Convent (School ID-1617204), GH-9, Paschim Vihar, Delhi-87 has

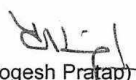
368

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. 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. Not to collect same fee from students after they are promoted to higher class as the existing fee structure for that class will be applicable.
3. To communicate with the parents through its website, notice board and circular about approval of fee increase proposal of the school by the Directorate of Education.
4. 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).
5. 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.
6. 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.

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

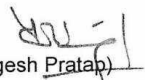
To:  
The Manager/ HoS  
Gurusharan Convent  
School ID- 1617204  
Paschim Vihar, Delhi-110087

No. F.DE.15(215) / PSB / 2019 / 1290 - 1294

968  
Dated: 29.3.2019

**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