6

75

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

No. F.DE.15(30)/PSB/2019/ 944-948 Dated: 23/01/2019

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 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

76

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, **Air Force Bal Bharti School (School ID-1924138), Lodhi Road, New Delhi-110003** submitted its proposal for enhancement of fee for the academic session 2017-2018 in the prescribed format including the impact on account of implementation of recommendations of 7th CPC with effect from 1 Jan 2016.

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of Chartered Accountants at HQ level who has evaluated the fee increase proposals of the school very carefully in accordance with the provisions of the DSEA, 1973, the DSER, 1973 and other orders/ circulars issued from time to time by this Directorate for fee regulation.

AND WHEREAS, necessary records and explanations were also called from the school through email. Further, school was also provided an opportunity of being heard on 27 June 2018 at 11:00 AM to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted.

AND WHEREAS, the reply of the school, documents uploaded on the web portal for fee increase and subsequent documents submitted by the school were thoroughly evaluated by the team of Chartered Accountants and key findings noted are as under:

A. Financial Discrepancies

1. 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, according to para 7.14 of the Accounting Standard 15 *"Plan assets comprise:*

   i. *assets held by a long-term employee benefit fund; and*
   ii. *qualifying insurance policies."*

   The Directorate vide Order No. F.DE-15/ACT-I/WPC-4109/PART/13/808 dated 3 July 2017, issued to the school post evaluation of the proposal for enhancement of fee for FY 2016-2017, directed the school to make earmarked investments with LIC (or any other agency) towards gratuity. It was noted that the school has not obtained actuarial valuation regarding its liability towards retirement benefits (gratuity and leave encashment) of the staff and had not deposited any amount in investments that qualify as 'Plan Assets' as per Accounting Standard 15.

   During personal hearing, school mentioned that it has earmarked fixed deposit with bank for meeting its liability towards gratuity.

The school is directed to obtain actuarial valuation of its liability towards gratuity and leave encashment within 30 days from the date of this order and report the same in its financial statements as provision for gratuity and leave encashment. The school is also directed to invest an amount equivalent to the amount of liability as determined by the actuary in the investments that qualify as 'Plan Assets' as per Accounting Standard 15 within 60 days from the date of this order.

While the school has maintained an amount of INR 7.8 crores in FDRs against gratuity, however, as actuarial valuation of the liability towards the same is not available, the amount of gratuity considered during last year of INR 6.25 cores has been adjusted towards retirement benefits while deriving the fund position of the school (enclosed in the later part of the order).

2. Rule 173 – 'School Fund how to be maintained' of DSER, 1973 states *"(1) Every School Fund shall be kept deposited in a nationalised bank or a scheduled bank or any post office in the name of the school.*

   (2) Such part of the School Fund as may be approved by the Administrator, or any officer authorised by him in this behalf, may be kept in the form the Government securities.

   (3) The Administrator may allow such part of the School Fund as he may specify in the case of each school, (depending upon the size and needs of the school) to be kept as cash in hand.

   (4) Every Recognised Unaided School Fund shall be kept deposited in a nationalised bank or scheduled bank or in a post office in the name of the school, and such part of the said Fund as may be specified by the Administrator or any officer authorised by him in this behalf shall be kept in the form of Government securities and as cash in hand respectively."

   Audited financial statements of the school for FY 2014-2015, FY 2015-2016 and FY 2016-2017 reflected that the school has withdrawn funds from the fixed deposits with banks and has continually advanced funds to Indian Air Force Benevolent Associaton (IAFBA) over these years. The audited financial statements for FY 2016-2017 reflected that the school has created multiple deposits without any interest with IAFBA totalling to INR 27,40,00,000 as on 31 Mar 2017. Thus, it has resulted in loss of interest income for the school on the amount of deposits made with IAFBA.

   Also, these deposits with IAFBA are not in compliance with Rule 173. Accordingly, the school is hereby directed to withdraw the deposits made with IAFBA and deposit the same in the specified mode of interest bearing investments prescribed in the above rule within 30 days from the date of this order.

3. The School was directed through the Directorate's order No. F.DE-15/ACT-I/WPC-4109/PART/13/808 dated 3 July 2017 issued to the school post evaluation of the proposal for enhancement of fee for FY 2016-2017 to create 3 months' salary reserve in accordance with the provisions of the Right to Education Act, 2009. Accordingly, the school was

78

directed to create and submit fixed deposit in the joint names of Deputy Director of Education and the Manager of the School equivalent to the amount of 3 months salary within 90 days of reciept of the aforementioned order.

However, the school has not created and submitted fixed deposit in the joint name as directed in the aforementioned order. Thus, the school is directed again to create a fixed deposit with a bank in the joint names of Deputy Director of Education and the Manager of the School equivalent to the amount of 3 months salary, which is derived as INR 3,26,50,000 from the budgeted salary indicated by the school in its Budget Estimate for FY 2017-2018 and submit the same within 30 days from the date of this order.

Accordingly, the amount of INR 3,26,50,000 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 4 of Rule 177 of DSER, 1973 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.

   From the information provided by the school and taken on record, it was noted that the school charges earmarked levies in the form of Transport Fees, Computer Fees, Girls Hostel Charges and Diary/I-card charges from students. It was noted that the school has maintained fund accounts for these earmarked levies. However, it was noted that net negative balance of transport fund as on 31 Mar 2017 was transferred to General Reserve and the fund balance of Diary/I-card charges was reflected under Current Liabilities, which is incorrect reporting of the fund balance in the financial statements. Basis the the audited financial statements of FY 2016-2017, the following fund balances were reported:

Earmarked Fee	Opening Fund Balance	Receipt during year (INR)	Expenses during year (INR)	Closing Balance as on 31 Mar 2017 (INR)
	(A)	(B)	(C)	(D)=(A+B-C)
Girls Hostel Charges	1,14,098	9,17,325	9,34,428	96,995
Computer Fee	17,76,667	63,37,300	51,69,163	29,44,804
Diary/I-card Charges	2,40,875	2,59,425	2,51,452	2,48,848
Transport Fee^	13,21,664	56,98,300	70,73,975	(54,010)
Total	**34,53,303**	**1,32,12,350**	**1,34,29,018**	**32,36,635**

^ Negative fund balance of transport fee was transferred to general reserve.

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 Computer Fee and Diary/I-Card 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 the Computer Fee and Diary/I-Card Charges and details provided by the school in relation to expenses incurred against the same, the school should not charge such fee as earmarked fee and should incur the expenses relating to these from tuition fee and/or annual charges, as applicable collected from the students.

The school is hereby directed to ensure that the fund accounts for each earmarked levy are properly maintained and reported in the financial statements. 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 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.

Based on the fact that the school has maintained separate fund account for earmarked levies, the fund balance of earmarked levies of INR 32,36,635 has been considered while deriving the fund position of the school (enclosed in the later part of the order).

2. As per para 67 of the Guidance Note on 'Accounting by Schools' issued by Institute of Chartered Accountants of India, *"The financial statements should disclose, inter alia, the historical cost of fixed assets."* Further, Notes to Part II of Appendix III to the aforementioned Guidance Note states *"Under each head, the original cost, the additions thereto and deductions therefrom during the year, depreciation written off or provided*

80

during the year, and the total depreciation written off or provided up to the end of the year should be stated."

From the audited financial statements of the school for FY 2016-2017, it was noted that while the school was creating depreciation reserve by transferring the amount of depreciation charged on the assets to the depreciation reserve account, the school prepared fixed asset schedule on the basis of written down value basis. Further, the school had not disclosed complete details of assets in accordance of heads specified in the Guidance Note instead it had used heads such as 'Assets Out of Dev Fund', 'Assets out of Dep Fund', 'Other Assets' for reporting assets in the fixed assets schedule annexed to the financial statements. Also, the fixed asset schedule enclosed with the audited financial statements of the school for FY 2016-2017 did not disclose opening gross block of the asset, closing gross block of the asset, opening balance of depreciation reserve and closing balance of depreciation reserve.

The school subsequently submitted detailed fixed assets schedule, but it did not reconcile with the figures of fixed assets mentioned in the audited financial statements.

The school is hereby directed to report historic cost of assets and depreciation reserve for each head of fixed assets as prescribed in the Guidance Note on Accounting by Schools in the fixed asset schedule (segregated for assets purchased out of general reserve and those purchased against development fund) annexed to the financial statements. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

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

   Basis the presentation made in the audited financial statements for FY 2016-2017 submitted by the school, it was noted that the school transferred an amount equivalent to the purchase cost of the assets/expenditure incurred from development fund and depreciation reserve to "Project out of different funds" and did not treat the same as deferred income. Thus, the school did not follow the accounting treatment as indicated in the guidance note cited above.

   This being a procedural finding, the school is instructed to make necessary rectification entries relating to development fund to comply with the accounting treatment indicated in the Guidance Note.

4. Clause 14 of this Directorate'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." It was noted that the school has used development fund for renovation of toilets for INR 3,66,781 during FY 2016-2017, which was a non-compliance of the directions included in above order.

The school is directed to ensure that the development fund is utilized only towards purchase, upgradation and replacement of furniture, fixture and equipment. Any other capital expenditure should be met out of savings computed in accordance with Rule 177 of DSER, 1973. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

5. From the fee structure for the FY 2016-2017 provided by the school, it was noted that the school has filed incorrect details of annual charges in the fee hike proposal submitted with the Directorate wherein it was mentioned as INR 3,150 per annum in place of INR 3,090 per annum. During personal hearing, the school explained that this was human error.

   The school is advised to be cautious while filing details with the Directorate going forward.

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 38,76,86,389 out of which cash outflow in the year 2017-2018 is estimated to be INR 20,58,22,519. This results in net surplus of INR 18,18,63,870. 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)	1,35,67,898
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	33,22,52,234
Total Liquid Funds Available with the School as on 31 Mar 2017	**34,58,20,132**
<u>Add</u>: Estimated Fees and other incomes for FY 2017-2018 based on audited financial statements of FY 2016-2017 of the school [Refer Note 1]	16,52,24,661
Gross Estimated Available Funds for FY 2017-2018	**51,10,44,793**
<u>Less</u>: Development Fund [Refer Note 2]	1,13,98,025
<u>Less</u>: Depreciation Reserve Fund [Refer Note 3]	-
<u>Less</u>: Caution Money (Net of transfer to income in FY 2017-2018) [Refer Note 4]	-
<u>Less</u>: Staff Retirement benefits [Refer Financial Finding No. 1]	6,25,07,503
<u>Less</u>: Adjustment/Refund during FY 2017-2018 of increased fee collected in FY 2016-2017 [Refer Note 5]	1,35,66,240
<u>Less</u>: Fund balance of Earmarked levies as on 31 Mar 2017 (as per audited financial statements of FY 2016-2017)	32,36,635
<u>Less</u>: Salary Reserve [Financial Finding No. 3]	3,26,50,000
Net Estimated Available Funds for FY 2017-2018	**38,76,86,389**

32

Particulars	Amount (INR)
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 6]	16,66,12,637
Less: Arrears of salary as per 7th CPC since January 16 (as per separate computation provided by the school) [Refer Note 6]	3,92,09,882
Estimated Surplus as on 31 Mar 2018	**18,18,63,870**

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. However, income and expenses in relation to development fund and earmarked levies have not been included in figures above, being fund based accounting followed by the school.

2. The Supreme Court in the matter of Modern School held that development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipment can by charged from students by the recognized unaided schools not exceeding 15% of the total annual tuition fee. Further, the Directorate's 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.*" Over a number of years, the school has accumulated development fund and has reflected the closing balance of INR 4,48,94,296 in its audited financial statements of FY 2016-2017. Accordingly, the accumulated reserve of development fund created by the school by collecting development fee more than its requirement for purchase, upgradation and replacements of furniture and fixtures and equipment has been considered as free reserve available with the school for meeting the financial implication of 7th CPC to be implemented by the school. However, development fund equivalent to amount collected in one year (FY 2016-2017) from students has been considered for deriving the fund position of the school, which is considered sufficient basis the spending pattern of the school in past.

3. On evaluation of depreciation reserve, it was noted that the school had charged depreciation on fixed assets and had transferred the same to depreciation reserve on liabilities side of the Balance Sheet of the school. Also, the school is charging development fund from students for purchase, up-gradation and replacement of furniture, fixture and equipment. Though development fund maintained by the school has been adjusted for deriving the fund position of the school as per Note 2 above, depreciation reserve (that is to be created equivalent to the depreciation charged in the revenue accounts as per clause 14 of Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009) is more of an accounting head for appropriate accounting treatment of depreciation in the books of account of the school in accordance with Guidance Note 21 issued by the Institute of Chartered Accountants of India. Thus, there is no financial impact of depreciation reserve on the fund position of the school. Accordingly, it is not considered in table above.

4. During the personal hearing, the school mentioned that the school stopped charging caution money with effect from April 2000 and that the amount of caution money reported in Balance Sheet as on 31 March 2017 relates to students who have already left the school. Accordingly, the unclaimed caution money of INR 14,92,930 (as per audited financial statements of FY 2016-2017), which has been considered as income by the school in its budget estimate for the FY 2017-2018, has not been adjusted while deriving the fund position of the school.

5. The school had collected increased fee in FY 2016-2017 by 10% without prior approval of the Directorate, which was in contravention of DoE's Order no. F.DE-15/PSB(PMU)/Fee Hike/2017-2018/14073-082 dated 7 April 2017 that stated "*Schools are strictly directed not to increase*

any fee until the sanction is conveyed to their proposal by Director of Education." Based on the information provided by the school, the school collected INR 1,35,66,240 on account of increased fee during FY 2016-2017. The school explained that after receiving Directorate's order No. F.DE-15/ACT-I/WPC-4109/PART/13/808 dated 3 July 2017, the school adjusted the increased fee against fee collected in FY 2017-2018. Thus, this amount has been considered while deriving the fund position of the school. Also, the school is strictly directed not to collect increased fee from students in future without prior approval of the Directorate.

6. Per the Budget Estimate 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 16,66,12,637 (excluding arrears of 7th CPC amounting to INR 3,92,09,882 that are considered separately and expenses in relation to development fund & earmarked levies that have not been considered along with income, being fund based accounting done for earmarked levies). The budgeted expenses in some instances were found to be unreasonable/ excessive. Based on the explanations and details provided by the school during personal hearing, all the expense heads as budgeted were considered even though certain expenditures were increased substantially by the school as compared to FY 2016-2017, as even after considering the increased expenses, the fund position reflected surplus.

In view of the above examination, it is evident that the school has sufficient funds for meeting all the budgeted expenditure for the financial year 2017-2018.

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

Whereas Rule 173 of DSER, 1973 requires that School Fund shall be kept deposited in a nationalised bank or a scheduled bank or any post office in the name of the school. Thus, the amount deposited by the school with IAFBA has to be converted into deposits with nationalised bank or a scheduled bank or any post office in compliance with the aforementioned rule.

And whereas per clause 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. The school is advised to properly maintain separate funds 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 whereas per clause 14 of Order No. F.DE./15(56)/ACT/2009/778 dated 11 Feb 2009, Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up-gradation and replacement of furniture, fixture and equipment. Development Fee, if required to be charged, shall be treated as capital receipt

84

and shall be collected only if the school is maintaining a depreciation reserve fund, equivalent to the deprecation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained development fund account. The school is advised to comply with the directions with regard to proper accounting & presentation of Development Fund in the School's financial statements and utilisation of development fund only towards purchase of furniture, fixtures and equipment.

And whereas Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and 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 2017-18 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 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 **Air Force Bal Bharti School (School ID-1924138), Lodhi Road, New Delhi-110003** has been rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEA, 1973 to comply with the following directions:

1. Not to increase any fee/charges during FY 2017-2018. 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.

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

To:
The Manager/ HoS
Air Force Bal Bharti School
School ID 1924138
Lodhi Road, Delhi-110003

86

No. F.DE.15(30)/PSB/2019/944-948 Dated: 23/01/2019

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