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

No. F.DE.15(196)/PSB/2021/3371-75 Dated: 09/09/21

ORDER

WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the Delhi School Education Act, 1973 (hereinafter read as '***the Act***') with the Director. Such statement will indicate estimated income of the school derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc in terms of Rule 177(1) of the Delhi School Education Rules, 1973 (hereinafter read as '***the Rules***').

AND WHEREAS, as per section 18(5) of the Act read with section 17(3), 24 (1) of the Act and Rule 180 (3) of the DSEA & R, 1973, responsibility has been conferred upon the Director (Education) to examine the audited financial, account and other records maintained by the school at least once in each financial year. The Section 18(5) and Section 24(1) of the Act and Rule 180 (3) have been reproduced as under:

Section 18(5): *'the managing committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed'*

Section 24(1): *'every recognised school shall be inspected at least once in each financial year in such manner as may be prescribed'*

Rule 180 (3): *'the account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and also by officers authorised by the Comptroller and Auditor-General of India.'*

AND WHEREAS, besides the above, the Hon'ble Supreme Court in the judgment dated 27.04.2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under section 17(3), 18(4) read along with rule 172, 173, 175 and 177 of the Rules, Directorate of Education has the authority to regulate the fee and other charges to prevent the profiteering and commercialization of education.

AND WHEREAS, it was also directed by the Hon'ble Supreme Court to the Director of Education in the aforesaid matter titled Modern School Vs. Union of India and others in Para 27 and 28 in case of Private unaided Schools situated on the land allotted by DDA at concessional rates that:

"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 High Court of Delhi vide its judgement dated 19.01.2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others has reiterated the aforesaid directions of the Hon'ble Supreme Court and has directed the Director of Education 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/ land owing agencies.

AND WHEREAS, accordingly, this Directorate vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, are directed to submit the their proposals, if any, for prior sanction for increase in fee for the session 2018-19 and 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of this Directorate, **Jesus Mary Joseph School (School ID-1617221), G-17, Site-10, Paschim Vihar, Delhi-110063** had submitted the proposal for fee increase for the academic session 2019-20. Accordingly, this order is dispensed off the proposal for enhancement of fee submitted by the said school for the academic session **2019-20**.

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, in the process of examination of fee hike proposal filed by the aforesaid School for the academic session 2019-20, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 18.12.2019 to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted.

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

A. Financial Discrepancies

1. As per direction no. 2 included in the Public Notice dated 04.05.1997, "*it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society*". Additionally, Hon'ble High Court of Delhi in its judgement dated 30.10.1998 in the case of Delhi Abibhavak Mahasangh concluded that "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Also, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10.02.2005

issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

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

From review of audited financial statements for FY 2016-17, FY 2017-18 and FY 2018-19, it has been noted that school has incurred expenditure on renovation & construction of building out of school funds amounting to Rs. 95,04,461 (Rs. 69,19,741 for FY 2016-17, Rs. 43,893 for FY 2017-18 and Rs. 25,40,827 for FY 2018-19), which is not in accordance with the aforementioned provisions. The expenditure incurred on renovation and construction were in the nature of capital expenditure on the building and these capital expenditures were incurred by the school without complying the requirements prescribed in Rule 177 of DSER, 1973.

Accordingly, the total amount of Rs. **95,04,461** incurred by the school towards renovation & construction of building is hereby added to the fund position of the school(enclosed in 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 issue of this order.

2. Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/883-1982 dated 10.02.2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"
Moreover, Rule 177 of DSER, 1973 states that "*income derived by an unaided recognised school by way of fees shall be utilised in the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that savings, if any, from the fees collected by such school may be utilised by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognised school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run. And the aforesaid savings shall be arrived at after providing for the following, namely:*

   - *(a) Pension, gratuity and other specified retirement and other benefits admissible to the employees of the school;*
   - *(b) The needed expansion of the school or any expenditure of a developmental nature;*
   - *(c) The expansion of the school building or for the expansion or construction of any building or establishment of hostel or expansion of hostel accommodation;*
   - *(d) Co-curricular activities of the students;*
   - *(e) Reasonable reserve fund, not being less than ten percent, of such savings.*

On review of financial statements for FY 2016-17, FY 2017-18 and FY 2018-19, it has been noted that the school had incurred capital expenditure on purchase of Vehicle amounting to Rs. 17,99,102 in FY 2018-19 out of School Funds. The amount spent by the school for purchase of such vehicle is in contravention of rule 177 of DSER, 1973 considering the fact that school first purchased vehicles and then submitted the proposal for increase of fee which will be recovered from the students of the School. This would translate the activity as constituting capital expenditure as component of the fee structure of school.

Accordingly, purchase of new Vehicle of Rs. **17,99,102** is hereby added to the fund position of the school (enclosed in 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. Also, the school is directed to ensure that capital assets are not procured from school funds unless savings are derived in accordance with Rule 177.

3. Para 49 of Accounting Standard 15 'Employee Benefits' issued by The Institute of Chartered Accountants of India states "Accounting for defined benefit plan 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, para 57 states "An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date". Also, para 7 of 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.

   From review of audited Financial Statements for FY 2018-19 and as per submission made by school at the time of personal hearing, it has been noted that school has not made provision for gratuity and leave encashment liability in its financial statements for FY 2018-19.

   School submitted that it has made investments in fixed deposits for Gratuity and leave encashment liability. However, such investments do not qualify as 'plan assets' as defined under Accounting Standard 15 issued by Institute of Chartered Accountants of India.

   Since, the has neither provided provision in the audited Financial Statements nor invested fund in the plan assets in accordance with provision of AS-15 issued by ICAI. No adjustment has been made while deriving the fund position of the school. Further, the school is directed to get actuarial valuation through a qualified actuary for its liability for gratuity and leave encashment and invest the funds which qualify as plan assets (i.e. with the LIC or any other agency) as per AS-15 and submit the compliance report with 30 days from the date of issue of this order.

4. Recruitment Rules prescribed under DSEA, 1973 for various posts in the school, but does not include any position for Manager/ Director, which has been hired by the school as one of its staff. Accordingly, the appointment of the staff beyond the prescribed position is in contravention of the prescribed rules. Section 2 (m) of DSEA, 1973 states that Manager/Directior in relation to a school, means the person, by whatever name called who is entrusted, either on the date on which this Act comes into force, or as the case may be, under a scheme of management made under section 5, with the management of the affairs of that school.

   Based on the above provisions, the manager of the school cannot be treated as an employee of the school and is not entitled salary as per the provisions of the DSEAR, 1973. Accordingly, the Manager of the school is not entitled to any payment whatsoever from the school funds.

   Form the record submitted by the school post personal hearing it has been noted that the school has appointed Sr. Annese Madan as Manager of the School w.e.f. 01.07.2017 and has been paying a consolidated salary of Rs. 35,000 per month in the form of honorarium.

Accordingly, the amount paid to manager in the form of Honorarium with effect from 01.07.2017 to 31.03.2019 totalling to Rs. 7,35,000 in not in accordance with the abovementioned provision. So, the amount paid to the manager has been considered while deriving the fund position of the school with the direction to the school to recover this amount from the manager/ society within 30 days from the date of issue of this order.

B. Other Discrepancies

1. Clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009 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*".

Further, 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.*"
Furthermore, Para 102 of the abovementioned 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/utilization 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 utilization of each fund balanced)
d) Restrictions, if any, on the utilization of specific assets."

And 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.*"

On review of financial statements for FY 2016-17, FY 2017-18 and FY 2018-19 and documents submitted by the School, it has been noted that school has neither treated development fee as capital receipt nor maintained depreciation reserve fund as required by clause 14 of the above-mentioned order.

Also, School has not treated development fund utilization fund as deferred income to the extent of the cost of the asset purchased and transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year.

Further, School in its financial statements has reflected fixed assets at Written down value rather than presenting it at book value as per para 67 of guidance note mentioned above.

Furthermore, the schedule of development fund account as reflected in financial statements and utilisation of funds as per receipt & payment account does not match with the amount of fixed assets purchased during the year as shown in the schedule of fixed assets. School has not provided any details or clarification regarding accounting treatment and presentation for development fund. Thus, it can be concluded that the utilisation of development fund and its presentation in the financial statements is not in accordance with provisions of orders and guidance note mentioned above.

Since, the school is in non-compliance of clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009. Therefore, the school is directed not to charge development fee until it complies all the condition laid down in clause 14 of the order dated 11.02.2009 and accounting treatment prescribed in guidance note-21 issued by ICAI.

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

   Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009 states that *Earmarked levies shall be charged from the user student only. Earmarked levies for the services rendered shall be charged in respect of facilities involving expenditure beyond the expenditure on the earmarked levies already being charged for the purpose. They will be calculated and collected on 'no profit no loss' basis and spent only for the purpose for which they are being charged. All transactions relating to the earmarked levies shall be an integral part of the school accounts*

   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).

   On review of Financial statements and documents submitted at the time of personal hearing, it has been noted that the school charges earmarked levies in the form of Smart Class 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. Details of calculation of surplus/deficit, based on breakup of expenditure provided by the school for FY 2016-17, FY 2017-18 and FY 2018-19 are given below:

(Amount in Rs.)

Particulars	Smart Class
For the year 2016-17	
Fee Collected during the year (A)	22,88,700
Expenses during the year (B)	16,68,811
1) Difference for the year (A-B)	**6,19,889**
For the year 2017-18	
Fee Collected during the year (A)	24,72,800
Expenses during the year (B)	25,05,565
2) Difference for the year (A-B)	**-32,765**
For the year 2018-19	
Fee Collected during the year (A)	28,04,100
Expenses during the year (B)	35,15,781
3) Difference for the year (A-B)	**-7,11,681**
Total (1+2+3)	**-1,24,557**

During personal hearing, the school explained that annual charges collected from students are not sufficient to meet the revenue expenses of the school. Thus, the surplus generated from earmarked levies has been applied towards meeting other revenue expenses of the school on account of which fund balance of earmarked levies could not be separated from the total funds maintained by the school. Accordingly, total fees (including earmarked fee) have been included in the budgeted income and budgeted expenses (included those for earmarked purposes) have been considered while deriving the fund position of the school.

Further, 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.

3. On review of submission of documents made against proposal for enhancement of fee for FY 2019-20, it has been noted that school has not submitted Fixed Asset Register (FAR) with its submission. An ideal Fixed asset register should not only captures asset name, date and quantity but should also include details such as supplier name, invoice number, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.

   Hence, the school is directed to submit FAR maintained by the school and update the FAR with relevant details mentioned above (if not done already) according to the process for periodic physical verification of assets and document the results of physical verification of assets. This being a procedural finding, no financial impact is warranted in the fund position of the school.

4. Para 58(i) of the Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India 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 notes to Appendix I- 'Rates of depreciation' of Guidance note, "*The rates contained in this Appendix should be viewed as the minimum rates and, therefore, a school should not charge depreciation at rates lower than those specified in this Appendix in relation to assets purchased after the date of the applicability of the Guidance Note. However, if on the basis of a bona fide technological evaluation, higher rates of depreciation are justified, the same may be provided with proper disclosures by way of a note forming part of accounts*"

From review of financial statements for FY 2017-18 and FY 2018-19, it has been noted that school has followed rates of depreciation as per Income tax Act, 1961 and not as per Appendix-I of guidance note-21 issued by ICAI. As per guidance note, rate higher than what is mentioned in Appendix-I of guidance note can be charged by the school subject to bona fide technological evaluation but school has charged rate of depreciation less than mentioned in guidance note.

Hence, school is reiterated to follow rates of depreciation as mentioned in Appendix-I of Guidance note. This being a procedural finding, no financial impact is warranted in the fund position of the school.

5. On review of submission of documents made against proposal for enhancement of fee for FY 2019-20, it has been noted that School has no process in relation to calling of quotations from vendor, approval process, gate inward control and payment and no documentation is produced for the same. As the school is not preparing any comparative statement for evaluating the quotations received from major vendors such as Ranjit P. John (Architect), Sashi Bushan Dwibedy (Construction contractor) etc. and no approval of purchase committee has been provided.

Accordingly, the school is directed to follow proper procurement process and submit 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 Academic session 2019-20 amounting to Rs. **8,82,29,188** out of which cash outflow is estimated to be Rs. **4,95,42,281**. This results in estimated surplus of Rs. **3,86,86,907**. The details are as follows:

Particulars	**Amount (in Rs.)**
Cash and Bank balances as on 31.03.19 as per Audited Financial Statement	38,07,401
Investments as on 31.03.19 as per Audited Financial Statements	1,96,72,222
Liquid funds as on 31.03.19	**2,34,79,623**

Particulars	Amount (in Rs.)
Add: Recovery from the society for amount spent on construction of building in contravention of Rule 177 of DSER, 1973 **(Refer observation no 1 of financial findings)**	95,04,461
Add: Recovery from the society for amount spent on purchase of Vehicle in contravention of Rule 177 of DSER, 1973 **(Refer observation no 2 of financial findings)**	17,99,102
Add: Recovery of Salary paid to the Manager of the School **(Refer observation no 4 of Financial Findings)**	7,35,000
Add: Fees for FY 2018-19 as per Audited Financial Statements **(Refer Note 1)**	5,18,73,200
Add: Other income for FY 2018-19 as per audited Financial Statements **(Refer Note 1)**	14,02,381
Available funds for FY 2019-20	**8,87,93,767**
Less: Retirement benefits **(Refer observation no 3 of Financial Findings)**	**-**
Less: FDR Earmarked with DOE	5,64,579
Net Available funds for FY 2019-20	**8,82,29,188**
Less: Budgeted expenses for the session 2019-20 (after making adjustment) **(Refer Note 2)**	**4,95,42,281**
Net Surplus	**3,86,86,907**

Note 1: Income as per audited financial statements of FY 2018-19 has been considered on the assumption that fee received in FY 2018-19 will at least accrue in FY 2019-20.

Note 2: While deriving the fund position, expenditure has been considered from the Provisional financial statements for FY 2019-20 as submitted by the school during evaluation of fee proposal except the following expenditure mentioned in the table which appears to be excessive and the school has not provided any justification for such unusual increase. However, these expenditures have been restricted to 110% of the expense incurred during FY 2018-19:

(Amount in Rs.)

Particulars	As per audited FS for FY 2018-19	As per Provisional FS for FY 2019-20	Allowed	Disallowed	Remarks
Gratuity for teaching and non- teaching staff	0	29,23,400	0	29,23,400	Expenditure budgeted towards Gratuity and leave encashment has been disallowed as the school has not invested any amount in plan assets in accordance with AS-15 issued by ICAI.
Earned Leave for teaching and non-teaching staff	0	14,99,341	0	14,99,341	
Printing & Stationery	4,75,651	6,00,000	5,23,216	76,784	Reasonable justification/ explanation has not been provided by the school for such unusual increase in
Electricity & Water charges	6,03,670	10,00,000	6,64,037	3,35,963	

Particulars	As per audited FS for FY 2018-19	As per Provisional FS for FY 2019-20	Allowed	Disallowed	Remarks
Travelling & Conveyance	1,68,528	2,50,000	1,85,381	64,619	expense as compared to FY 2018-19. Accordingly, the amount proposed has been restricted to 110% of the expenses incurred during FY 2018-19.
Cleanliness & Hygiene	25,055	50,000	27,561	22,440	
Consultancy & Professional Charges	2,20,000	4,10,000	2,42,000	1,68,000	
Building Repair & Maintenance	7,73,655	20,00,000	8,51,021	11,48,980	
Other Repair & Maintenance	4,84,119	10,10,000	5,32,531	4,77,469	
Computer Smart Class Expenses	21,49,123	25,00,000	23,64,035	1,35,965	
Building (Work in progress)	25,40,827	15,00,000	0	15,00,000	Capital expenditure in contravention of rule 177 of DSER, 1973.
Total	**74,40,628**	**1,37,42,741**	**53,89,781**	**39,30,219**	

ii. The directions issued by the Directorate of Education vide circular no. 1978 dated 16.04. 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 2019-20 on the basis of existing fees structure and after considering existing funds/reserves.

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 and other irregularities, that the sufficient funds are available with the school to carry out its operations for the academic session 2019-20. Accordingly, the fee increase proposal of the school may be rejected.

AND WHEREAS, as per direction no. 2 included in the Public Notice dated 04.05.1997, "*it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society*". Accordingly, expenditure incurred by the school Rs. 95,04,461 on renovation of building is recoverable from the society within 30 days from the date of issue of this order. Also, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/883-1982 dated 10.02.2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*" It has been noted that the school had incurred capital expenditure on purchase of Vehicle amounting to Rs. 17,99,102 in FY 2018-19 out of School Funds which is recoverable from the society within 30 days from the date of this order. Moreover, school is also directed to recover amount paid to Manager as Honorarium amounting Rs. 7,35,000 as the same was being paid in contravention of provisions of DSEA & R, 1973. The amount of receipts along with copy of bank statements showing receipt of above-mentioned amount should be submitted with DoE, in compliance of the same, within 30 days from the date of issuance of the order. Non-compliance of this shall be taken up as per DSEA&R, 1973.

AND WHEREAS, recommendation of the team of Chartered Accountants along with relevant materials were put before the Director of Education for consideration and who after considering all the material on the record, and after considering the provisions of section 17(3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that the school has sufficient funds for meeting financial implication for the academic session 2019-20. Therefore, Director (Education) has rejected the proposal submitted by the school to increase the fee for the academic session 2019-20.

Accordingly, it is hereby conveyed that the proposal for enhancement of fee for session 2019-20 of **Jesus Mary Joseph School (School ID-1617221),G-17, Site-10, Paschim Vihar, Delhi-110063** 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 in pursuance to the proposal submitted by school on any account for the academic session 2019-20 and if the fee is already increased and charged for the academic session 2019-20, the same shall be refunded to the parents or adjusted in the fee of subsequent months.

2. To communicate 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 all the financial and other irregularities/violations as listed above and submit the compliance report within 30 days to the 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 India 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. In case of submission of any proposal for increase in fee for the next academic session, the compliance of the above listed financial and other irregularities/violations will also be attached.

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 is issued with the prior approval of the Competent Authority.

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

To
The Manager/ HoS
Jesus Mary Joseph School (School ID-1617221)
G-17, Site-10, Paschim Vihar, Delhi-110063

No. F.DE.15(196)/PSB/2021 / 3371-75

Dated: 09/09/21

Copy to:

1. P.S. to Principal Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. DDE concerned ensure the compliance of the above order by the school management.
4. Guard file.

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