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

No. F.DE.15(451)/PSB/2022/2290-2294 **Dated: 27/04/22**

ORDER

WHEREAS, **Delhi International Public School, Pkt-B-5, Sector-3, Rohini, Delhi-110085 (School ID: 1413210),** (hereinafter referred to as **"the School"**), run by the **St. Kabir Educational Society** (hereinafter referred to as "**Society"**), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (**hereinafter referred to as "DoE"),** under the provisions of Delhi School Education Act & Rules, 1973 (**hereinafter referred to as "DSEAR, 1973"**). The School is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

AND 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 DSEAR, 1973 with the DoE. Such statement is required to indicate estimated income of the school to be derived from the fees, estimated operational expenses such as salaries and allowances payable to employees etc. in terms of rule 177(1) of the DSEAR, 1973.

AND WHEREAS, as per section 18(5) of the DSEAR, 1973 read with sections 17(3), 24 (1) and rule 180 (3) of the above DSEAR, 1973, responsibility has been conferred upon to the DoE to examine the audited financial Statements, books of accounts and other records maintained by the school at least once in each financial year. Sections 18(5) and 24(1) and rule 180 (3) of DSEAR, 1973 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 held in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under sections 17(3), 18(4) read along with rules 172, 173, 175 and 177, the DoE has the authority to regulate the fee and other charges, with the objective of preventing profiteering and commercialization of education.

AND WHEREAS, it was also directed by the Hon'ble Supreme Court, that the DoE in the aforesaid matter titled Modern School Vs. Union of India and Others in paras 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 DoE to ensure compliance of terms, if any, in the letter of allotment regarding the increase of the fee by recognized unaided schools to whom land has been allotted by DDA/ land owning agencies.

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directing all the private unaided recognized schools, running on the land allotted by DDA/other land-owning agencies on concessional rates or otherwise, with the condition to seek prior approval of DoE for increase in fee, to submit their proposals, if any, for prior sanction, for increase in fee for the session 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of the DOE, the **Delhi International Public School, Pkt-B-5, Sector-3, Rohini, Delhi-110085 (School ID: 1413210),** submitted the proposal for fee increase for the academic session **2019-20**. Accordingly, this order dispenses the proposal for enhancement of fee submitted by the 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 24.02.2020 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. During the aforesaid hearing, compliances against order no. F.DE.15(276)/PSB/2019/1485-1489 dated

04.04.2019 issued for academic session 2017-18 were also discussed and school submissions were taken on record.

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 observations noted are as under:

A. Financial Observations

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.*"

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.*

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.

As per the Directorate's Order no. F.DE.15(276)/PSB/2019/1485-1489 dated 04.04.2019 issued to the school post evaluation of proposal for enhancement of fee for FY 2017-18, the school was directed to recover amount from the society for utilisation made from school funds for construction of swimming pool in FY 2016-17 amounting to INR 1,78,99,746 in respect of capital expenditure which was not in compliance with the above-mentioned provisions. However, the school has not complied with the directions and no amount has been recovered yet.

From the representation submitted by the school against order issued dated 04.04.2019, were taken on record, the school submitted that *"school has taken unsecured loan (net) amounting to INR 2,05,50,000 for meeting out the expenditure for construction of swimming pool. While calculating the availability of funds, DOE has not considered the outstanding amount payable for unsecured loan"*. As per the school, no school funds have been utilised for construction of swimming pool and no school funds have been used for repayment of unsecured loan.

The audited financial statements of the school revealed that the school incurred the above expenditure for construction of swimming pool by taking loan from the Society and such loan was repaid partially during FY 2018-19. Before incurring such expenditure, the school was very much aware about the implementation of the recommendation of the 7th CPC and investment in plan assets for retirement benefits which is statutorily required. The school instead of paying salary to its staff in accordance with the recommendation of 7th CPC, preferred in incurring expenditure of capital nature, in the insolation to get the fee hike from the Director (Education) which was supposed to be incurred by the Society. Thus, the above contentions and arguments of the school are not correct, and the school should refrain itself from incurring expenditure on the construction of school building and land.

Accordingly, total capital expenditure of INR 1,78,99,746 incurred by the school for construction of swimming pool is hereby added to the fund position of the school considering the same as funds is available with the school with the direction to recover such 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.*"

Also, 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 the audited financial statements for the FY 2016-17 to FY 2018-19 and the documents submitted post personal hearing, it has been noted that school took two term loans from the HDFC bank for meeting capital requirements and other development work of the school. The repayment and interest cost of the aforesaid loan was paid by the school out of the school's fund which is in contravention of above-mentioned provisions and Rule 177 of DSER, 1973. Details of loans and repayment made by the school till 31.03.2019 are as follows:

Particulars	Term Loan_4279575	Term Loan_82940
Loan Amount (a)	93,27,308	2,00,00,000
Loan repayment starting date	07-03-2017	07-10-2017
Principal amount outstanding as on 31.03.19 (b)	65,59,095	1,40,22,890
Principal repayment till 31.03.19 (c) = (a-b)	27,68,213	59,77,110
Total Instalment paid till 31.03.19 (d)	42,76,800	82,66,113
Interest paid till 31.03.19 e=(d-c)	15,08,587	22,89,003

From the above table, it can be seen that the school has paid INR 1,25,42,913 (Principal repayment of INR 87,45,323 plus Interest on loan of INR 37,97,590) out of the school's funds which is contravention of Rule 177 of DSER, 1973. Accordingly, the total amount of INR 1,25,42,913 is hereby added to the fund position of the school considering the same as funds is available with the school with the direction to recover such capital expenditure incurred from the society within 30 days from the date of issue of this order.

Further, the school is directed to ensure that capital assets are not procured from school funds unless there is savings as per Rule 177 of DSER, 1973 and no school's funds should be used for repayment of the above loan. In view of the above, the interest expenses and capital expenditure on building budgeted by the school for academic session 2019-20 has also not been considered as the budgeted expenditure of the school.

3. The Directorate in its order no. F.DE.15(276)/PSB/2019/1485-1489 dated 04.04.2019 issued post evaluation of the proposal for enhancement of fee for FY 2017-18, observed that the school had taken unsecured loans and secured loans from various parties for meeting capital expenditure and day to day expenditure of the school. The school had paid INR 19,59,92,334 towards principal repayment and INR 35,70,402 towards interest. It was also noted that INR 10,59,73,251was receivable from the society at the beginning of the FY 2014-15. The school had received this amount from the society and utilised the same for repayment of the above-mentioned loans and interest thereon. Since, this receivable was part of the school funds therefore, the amount received and utilised by the school in repayment of the loans and interest thereon were recoverable from the society.

The documents submitted by the school post personal hearing were taken on records, as per the record submitted by the school, it was noted that initially society had taken loans for the construction of the building and said loan was transferred to the school accounts and the repayment of the loan and interest thereon was routed through the school accounts. The school further, explained that it had received INR 17,28,38,958 from the society leaving the closing balance of INR 7,22,81,662 (payable to society) as on 31.03.2017. Basis the above finding, the school in FY 2017-18 has transferred INR 7,24,81,662 to capital fund by debiting to amount payable towards the society. The school further, explained that whatever amount payable to the society on account of construction of the school has now been treated as contribution received from the society towards construction of the school's building. Review of the audited financial statements of the FY 2018-19, revealed that the school has reported capital contribution INR 9,49,81,662 (INR 7,22,81,662 opening balance + INR 2,25,00,00 received in FY 2018-19) and has reported that no amount payable to the Society. Therefore, the aforesaid direction to recover INR 10,59,73,251 as per the order dated 04.04.2019 has been reduced to INR 1,09,91,589 (INR 10,59,73,251 minus INR 9,49,81,662 contribution received from the society). Accordingly, INR 1,09,91,589 is still recoverable from the society and therefore, it has been included in the calculation of fund position of the school with the direction to the school to receive this amount from the society within 30 days from the date of issue of this order.

4. 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.

Further, Para 60 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states "*A defined benefit scheme is a scheme under which amounts to be paid as retirement benefits are determined usually by reference to employee's earnings and/or years of service*".

An appropriate charge to the income and expenditure account for a year should be made through a provision for the accruing liability. The accruing liability should be calculated according to actuarial valuation. However, if a school employs only a few persons, say less than twenty, it may calculate the accrued liability by reference to any other rational method. The ensuing amount of provision for liability should then be invested in "*plan assets*" as per AS-15 issued by ICAI.

On review of the documents submitted by the school post personal hearing, it was noted that the school has got the actuarial valuation of its liability towards gratuity and leave encashment and has reported the same in its audited financial statements. As per the financial statements of FY 2018-19, the total liability for gratuity was INR 12,78,232 and INR 6,87,397 for leave encashment. However, school has not invested any amount in plan assets against these liabilities.

Since, the school has not invested any amount in plan assets, the provision for retirement benefits has not been considered while deriving the fund position. The school is directed to invest equivalent investments in plan assets corresponding to the provision for retirement benefits within 30 days from the date of issue of this order and submit the compliance within 30 days from the date of issue of this order.

5. As per the order dated 19.01.2016 issued by the Hon'ble High Court of Delhi, every recognized unaided schools to whom land was allotted by DDA shall not increase the rate of fees without the prior sanction of Director, Education. Further, as per the directions of Supreme Court in ***Modern School vs. Union of India & Ors.*** (supra), a Circular dated 16.04.2010 has been issued reiterating as under:

   a) It is reiterated that annual fee-hike is not mandatory.
   b) School shall not introduce any new head of account or collect any fee thereof other than those permitted. Fee/funds collected from the parents/students shall be utilized strictly in accordance with rules 176 and 177 of the Delhi School Education Rules, 1973.
   c) If any school has collected fee in excess of that determined as per procedure prescribed, the school shall refund/adjust the same against subsequent instalments of fee payable by students.

Also, Clause no. 17 of Letter of Allotment of Land issued by DDA states that *"The school shall not increase the rates of tuition fee without prior sanction of the Directorate of Education, Delhi Admn. and shall follow provisions of Delhi School Education Act/ Rules, 1973 and other instructions issued from time to time."*

Further, as per order no. F.DE.15(276)/PSB/2019/1485-1489 dated 04.04.2019 issued to the school post evaluation of proposal for enhancement of fee for FY 2017-18, the fee increase proposal was rejected by the DoE with the direction that in case the school has increased the fee, the same need to be refunded/adjusted. From the record submitted by the school, it was noted that the school had increased its fees during the FY 2017-18 without obtaining prior approval from the DoE. During the personal hearing the school was asked to provide the details of increased fee collected from the students. But the school has not provided these details. In the absence of necessary information, no impact has been given while deriving the fund position of the school. Therefore, the school is hereby directed to calculate the amount so collected from the students and refund/ adjust the same against the future fee payable by the students and submit the compliance for this within 30 days from the date of issue of this order.

B. Other Observations

1. Rules 176 of 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).

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 fee, ID card charges, Smart interactive solution fee, Watch & Ward charges, Orientation fees and Refreshment charges from students. However, the school has not maintained separate fund accounts for these earmarked levies and the school has been incurring losses (deficit) from these earmarked levies 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:

(Figures in INR)

Particulars	**Fee Collected**	**Expenses**	**Surplus/ deficit**
Smart Interactive solution fee	46,37,250	48,42,356	-2,05,106
Orientation Fee*	17,47,500	18,96,603	-1,49,103
Transport Charges^	28,64,100	47,13,803	-18,49,703
ID Card	3,51,000	4,19,890	-68,890
Watch & ward charges	22,78,080	30,55,760	-7,77,680
Refreshment Charges	1,53,57,000	1,56,98,310	-3,41,310

*Orientation fee has been discontinued from FY 2018-19 as per Directorate's Order No. F.DE.15(276)/PSB/2019/1485-1489 dated 04.04.2019.

^ Transport charges collected up to FY 2016-17 only.

From the above table, the 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). From the record submitted by the school, it was noted the school has been collecting Smart interactive solution fee from all the students which loses the character of earmarked levies. Therefore, the school is directed to stop the collection in the name of such fee with immediate effect.

Also, as per fee receipts submitted by the school for our review, it has been noted that school has charged Mid-day meal charges and ID card charges from the students which are not part of fee structure of the school. Such fee has not made part of fee proposal for approval of Directorate of Education. Therefore, the school is directed to charge such fees only after prior approval of the Directorate.

Since, the school is not following fund base accounting in accordance with the provision cited above. The total fee (including earmarked fee) has been included in income and expenditure and have been considered in calculation of fund availability with the school and school is directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies has to be utilised 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 structure for earmarked levies during the 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.

2. As per Order No. F.DE.15(276)/PSB/2019/1485-1489 dated 04.04.2019 issued to the school post evaluation of proposal for enhancement of fee for FY 2017-18, it was noted that school was not complying with the DOE Order No.F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 and condition mentioned in the land allotment letter which provides for 25% reservation to children belonging to EWS category.

   On review of documents submitted by the school after personal hearing, it has been noted EWS to total strength ratio of 22.5% and details of EWS students and total students for FY 2018-19 were as follows:

Particulars	**FY 2018-19**
Total strength	842
EWS students	190
% EWS to Total strength	**22.5%**

   Therefore, the school is once again directed to comply with the directions of the Directorate related to land allotment condition of minimum 25% reservation to EWS category students as the same shall be verified at the time of evaluation of proposal for fee enhancement for subsequent financial year.

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 FY 2019-20 amounting to INR **9,37,96,492** out of which cash outflow for the FY 2019-20 is estimated to be INR **10,11,10,805.** This results in estimated deficit of INR **73,14,313** for FY 2019-20 after all payments. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.19 as per Audited Financial Statement	21,79,655
Investments in fixed deposits as on 31.03.19 as per Audited Financial Statements	3,32,426
Bank overdraft balances as on 31.03.19 as per Audited Financial Statements	(2,53,23,555)
Liquid fund as on 31.03.19	**(2,28,11,474)**
Add: Recovery from the society for construction of swimming pool **(Refer Financial Observations No. 1)**	1,78,99,746
Add: Recovery from the society towards utilisation of school fund for repayment of term loans **(Refer Financial Observations No. 2)**	1,25,42,913
Add: Amount recoverable from the society for school funds utilised for payment of principal amount of loan and interest cost thereon during FY 2014-15 to FY 2016-17 **(Refer Financial Observations No. 3)**	1,09,91,589
Add: Fees for FY 2018-19 as per Audited Financial Statements **(Refer Note 1 below)**	7,54,95,375
Add: Other income for FY 2018-19 as per audited Financial Statements **(Refer Note 1 below)**	2,19,683
Total available funds for FY 2019-20	**9,43,37,832**
Less: FDR on joint name with DOE (as per school's submission)	3,32,426
Less: Development Fund Balance as on 31.03.2019	2,08,914
Less: Investment made with LIC against provision made for retirement benefits **(Refer Financial Observations No. 4)**	-
Estimated Available Funds for FY 2019-20	**9,37,96,492**
Less: Budgeted expenses for the session 2019-20 **(Refer Note 2 below)**	10,11,10,805
Estimated Deficit	**73,14,313**

Note 1: Income as per audited financial statements of FY 2018-19 has been considered assuming that the income received by the school during the FY 2018-19 will at least accrue to the school in FY 2019-20 except INR 4,65,602 towards income from writing off of creditors and INR 48,93,948 on account of deferred income.

Note 2: All budgeted expenditure proposed by the school has been considered in the above table except the following:

Particulars	Amount Disallowed	Remarks
Salary and Wages	32,56,667	The school did not submit the bifurcation of salary break up and retirement benefit. Therefore, INR 32,56,667 has been disallowed.
Newspaper Expenses	62,890	

Particulars	Amount Disallowed	Remarks
Smart Class solution Expenses	70,016	Reasonable explanation or supporting documents not provided by the school for such increase in expenditure. Thus, these expenditures are restricted to 110% of the actual expenses incurred in FY 2018-19 considering the rise in inflation.
Interest Expenses	29,99,652	As the school does not have saving under Rule 177 of DSER, 1973, therefore, these expenditures have not been considered in the budgeted expenditure of the school.
Auditorium Phase-1	35,00,000	
New Computer Lab Phase-1	12,50,000	
Total	**111,39,255**	

ii. The School do not have sufficient funds to carry on its operation for the academic session 2019-20 on the existing fee structure. In this regard, Directorate of Education has already issued directions to the Schools vide order dated 16.04.2010 that,

"All schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase."

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial and other findings, that funds are not 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 accepted.

AND WHEREAS, it is also noticed that school has incurred INR 1,78,99,746 for construction of swimming pool and INR 1,25,42,913 for repayment of term loan and INR 1,09,91,589 for repayment of loans obtained for construction of building which is contravention of clause 2 of public notice dated 04.05.1997 read with Rule 177. Thus, the school is directed to recover INR 4,14,34,248 from the society. The amount of above receipt along with copy of bank statement showing the receipt of above-mentioned amount should be submitted with DoE, in compliance of the same within 30 days from the date of issuance of this order. Non-compliance of this shall be taken up as per DSEA&R, 1973

AND WHEREAS, the recommendations 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 funds are not available with the school for meeting financial implication for the academic session 2019-20. Further, it is relevant to mention that Covid-19 pandemic had a widespread impact on the entire society as well as on general economy. Further, charging of any arrears on account of fee for several months from the parents is not advisable not only because of additional sudden burden fall upon the parents/students but also as per the past experience, the benefit of such collected arrears are not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee during the implementation of the 6th CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 10% to be effective from 1st July 2022.

AND WHEREAS, the act of the school of charging unwarranted fee or any other amount/fee under head other than the prescribed head of fee and accumulation of surplus fund thereof tantamount to profiteering and commercialization of education as well as charging of capitation fee in other form.

AND WHEREAS, the school is directed, henceforth to take necessary corrective steps on the financial and other observations noted during the above evaluation process and submit the compliance report within 30 days from the date of this order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the fee hike proposal for academic session 2019-20 of **Delhi International Public School, Pkt-B-5, Sector-3, Rohini, Delhi - 110085 (School ID: 1413210)** is accepted by the Director (Education) and school is allowed to increase the fee by 10% from 01 July 2022.

Further, the management of said school is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. To increase the fee only by the prescribed percentage from the specified date.

2. To ensure payment of salary is made in accordance with the provision of Section 10(1) of the DSEA, 1973. Further, the scarcity of funds cannot be the reason for non-payment of salary and other benefits admissible to the teachers/ staffs in accordance with section 10 (1) of the DSEA, 1973. Therefore, the Society running the school must ensure payment to teachers/staffs accordingly.

3. To utilize 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 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
Delhi International Public School (School ID: 1413210)
Pkt-B-5, Sector-3, Rohini,
Delhi-110085

No. F.DE.15(451)/PSB/2022/2290-2294 Dated: 27/04/22

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 (North West-B) to ensure the compliance of the above order by the school management.
4. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
5. Guard file.

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