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

No. F.DE.15(781)/PSB/2022/ 4959-4963 Dated: 23/06/22

ORDER

WHEREAS, **Vidya Public School, Vidya Bhawan Bangla Sahib Road Opp Kali Mandir Connaught Place New Delhi-110001, (School ID-2026128)** (hereinafter referred to as "School"), run by the VIDYA EDUCATION SOCIETY RGD (hereinafter referred to as the "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 Directorate. Such statement is required to indicate estimated income of the school to be derived from fees, estimated current operational expenses towards 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 authorized 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/ other 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 2018-19 & 2019-20.

AND WHEREAS, in pursuance to Order dated 27.03.2019 of the DoE, the School submitted its proposal for enhancement of fee 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 examine the proposals submitted by the schools for fee increase for justifiability or not, the DoE 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 DSEAR, 1973, and other Orders/ Circulars issued from time to time by the DoE.

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 25.10.2019 to present its justifications/ clarifications on fee increase proposal including audited financial statements. Based on discussions, the School was further asked to submit necessary documents and clarification on various issues were noted.

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

A. Financial Observations

1. Para 57 of Accounting Standard 15 – 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.*" Further, according to para 7.14 of the Accounting Standard 15, "*Plan assets comprise:*

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

   (b) qualifying insurance policies."

   As per the documents submitted by the school and taken on record, the school has got its actuarial valuation for determining its liability towards gratuity and leave encashment of INR 45,19,676 and INR 3,55,490 as on 31 Mar 2019 vide actuarial valuation report dated 18 Mar 2019. On examination of the actuarial report, it was noted that the no. of employees mentioned in the actuarial valuation report were only 9 in respect of gratuity and only 1 in respect of leave encashment valuation, whereas per the staff statement of April 2019 submitted by the school, the school provided details of 50 employees. Thus, either the number of staff were incorrectly mentioned in the actuarial valuation report or the valuation done by the actuary towards gratuity and leave encashment was based on incomplete/incorrect data, which resulted in incorrect recording of provision towards gratuity and leave encashment by the school as on 31 Mar 2019.

   Thus, based on above, the actuarial valuation reports are liable to be rejected on account of incorrect assumptions/ data included in the same. Also, the school failed to make any investments to safeguard the staff retirement benefits in investments that qualify as "Plan Assets" in the form of group gratuity and group leave encashment policies of LIC or other insurer. Accordingly, retirement benefits have not been considered while deriving the fund position of the school (enclosed in the later part of this order).

   Also, based on above, the amount budgeted by the school towards gratuity and leave encashment for the FY 2019-2020 has not been considered as part of budgeted expenses in the fund position of the school (enclosed in the later part of this order).

   The school is directed to get comprehensive actuarial valuation of its retirement liability in relation to its entire staff strength as per the provisions of AS-15 and start making investments in plan-assets as per the provisions of AS -15 to ensure that the value of plan-assets becomes equal to the liability determined by the actuary in subsequent years.

2. During the personal hearing, it was explained that the school has not increased any fee. Incomes (fee collected from students) reported in the Income and Expenditure Account/ Receipt and Payment Account for FY 2018-2019 were recomputed to evaluate the accuracy of incomes reported based on the approved fee structure of the school and details of number of students enrolled (non-EWS) provided by the school. Basis the computation prepared, difference was noted in the fee collection reported by the school during FY 2018-2019 in its Income & Expenditure Account/ Receipt and Payment and amount of fee arrived/computed as per details provided by the school. Following difference was derived in 'Annual Charges' based on the computation done:

Financial Year	Income reported in Income & Expenditure Account (A)	Fee computed based on details of no. of students provided by the school (B)	Derived Difference (C)= (A-B)	Derived % Difference (D)=(C/B*100)
2018-2019	48,36,431	34,94,640	13,41,791	38%
2017-2018	52,45,620	35,06,370	17,39,250	50%

The above indicates that with 'Annual Charged' collected by the school were much higher compared with the approved fee structure or the school has clubbed any other fee/income along with Annual Charges while reporting in the Income and Expenditure Account. However, no reasonable explanation/justification for the difference above could be provided by the school in relation to the noted difference.

Accordingly, the school should perform a detailed reconciliation of the amount collected from students and income to be recognised based on the fee structure and number of students enrolled by the school. Further, the school should provide complete details of income reported under 'Annual Charges' in its Income and Expenditure Account for FY 2017-2018 and FY 2018-2019 along with its subsequent fee increase proposal. In absence of complete details, no adjustment could be made in the fund position of the school (enclosed is the later part of the order).

3. From the audited financial statements of the school for FY 2015-2016, it was noted that the school had recorded certain additional assets and liabilities on account of transfer from "First Step" during the FY 2015-2016. While it was highlighted in Directorate's order no. F.DE.15 (219)/PSB/2019/1180-1184 dated 29 Mar 2019 issued to the school in relation to its fee increase proposal for FY 2017-2018 that details regarding transfer from 'First Step' were not provided by the school. The school did not provide any details in relation to the additions made from "First Step" during the FY 2015-2016. Based on additions reported in the financial statements of FY 2015-2016, the following additional assets and liabilities were recorded by the school as transfer from "First Step":

Particulars	Assets (INR)	Liabilities (INR)
Fixed Assets	56,50,538	-
Cash and Bank	61,941	-
Capital Fund	-	28,39,243
General Fund	-	12,75,579
Development fund	-	10,877
Depreciation Reserve Fund	-	2,488
Total	**57,12,479**	**41,28,187**

Based on the figures compiled in the table above, a difference of INR 15,84,242 (INR 57,12,479 minus INR 41,28,187) has been noted between additions made to the assets side and liabilities side, which could not be reconciled from the financial statements. The school also failed to give a detailed note regarding additions/transfers made from "First Step" in its 'Notes to Accounts' annexed along with the financial statements for FY 2015-2016.

Since the school failed to provide any reconciliation or details in relation of the above, the same will be verified during the subsequent fee increase proposal submitted by the school. The school is also directed to submit the last audited financial statements of "First Step" and the same shall be verified during evaluation of the subsequent fee increase proposal submitted by the school.

B. Other Observations

1. As per Appendix II to Rule 180(1) of DSER, 1973, the school is required to submit final accounts i.e. receipts and payment account, income and expenditure account and balance sheet of the preceding year duly audited by a Chartered Accountant by 31st July.

   On review of the audited final accounts for FY 2018-2019, it was noted that though the receipt and payment account for the year 2018-2019 was duly signed by the auditor with reference thereon to the audit report of even date, but in its audit report, the auditor only gave his opinion on the true and fair view on:

   - The state of affairs in the case of the balance sheet as on 31 Mar 2019
   - Surplus/deficit of the accounting year in the case of Income and expenditure for the year 2018-2019

   Thus, the auditor did not give his opinion on the receipt and payment account. The school did not provide reasonable justification for auditor's non-inclusion of receipt and payment account in his audit opinion. Further, the auditor had signed the audit report and financial accounts for FY 2018-2019 on 26 Sep 2019. Thus, the school did not comply with the requirement of submission of audited final accounts in accordance with the timeline prescribed in Rule 180(1).

   Accordingly, the school is directed to ensure the financial statements as per the requirements of Rule 180(1) are appropriately prepared and submitted to the Directorate. The school is also directed to ensure that the audit opinion is issued by the auditor on the entire set of financial statements i.e. Balance Sheet, Income & Expenditure Account and Receipt & Payment Account.

2. Clause 19 of Order No. F.DE./15(56)/Act/2009/778 dated 11 Feb 2009 states "*The tuition fee shall be so determined as to cover the standard cost of establishment including provisions for DA, bonus, etc., and all terminal, benefits as also the expenditure of revenue nature concerning the curricular activities.*"

   Further clause 21 of the aforesaid order states "*No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school.*"

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

   Para no. 22 of Order No. F.DE./15(56)/ Act/2009/778 dated 11 Feb 2009 states "*Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged.*"

   Sub-rule 3 of Rule 177 of DSER, 1973 states "*Funds collected for specific purposes, like sports, co-curricular activities, subscriptions for excursions or subscriptions for magazines, and annual charges, by whatever name called, shall be spent solely for the exclusive benefit of the students of* *the concerned school and shall not be included in the savings referred to in sub-rule (2).*" Further, Sub-rule 4 of the said rule states "*The collections referred to in sub-rule (3) shall be administered in the same manner as the monies standing to the credit of the Pupils Fund as administered.*"

Also, the Hon'ble Supreme Court through its 2004 judgement in the case of Modern School Vs Union of India and Others directed all recognised unaided schools of Delhi to maintain the accounts on the principles of accounting applicable to non-business organizations/not-for-profit organizations. Earmarked levies collected from students are a form of restricted funds, since these can be utilised only for the purposes for which these have been collected, and according to Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, the financial statements should reflect income, expenses, assets and liabilities in respect of such funds separately.

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 Fees and Smart Class fees from students. During FY 2015-2016, though the school created a separate fund for transport fee, but it made certain adjustments by way of transfers from general fund to the transport fund, the reason for which seem to be deficit in the transport fund account.

It was further noted that the school failed to disclose transport fees in the Income and Expenditure Account rather it was presented directly as a designated fund maintained by the school as Transport Fund on the liability side of the Balance Sheet. While this is revenue receipt collected by school from the students, it did not route the incomes and expenses in relation to transport facility through Income and Expenditure Account. Based on the financial statements for FY 2018-2019, the following were the incomes and expenses against earmarked levies:

Earmarked Fee	Income (INR)	Expenses (INR)	Surplus/(Deficit) (INR)
	A	B	C=A-B
Transport Fee	46,43,400	46,41,061	2,339
Smart Class Fees	13,82,850	15,51,414	(1,68,564)

Based on the aforementioned, 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 smart class fees 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 smart class fees and details provided by the school in relation to expenses incurred against the same, the school should not charge such fee as earmarked fee with immediate effect and should incur the expenses relating to these from tuition fee and/or annual charges, as applicable collected from the students.

The school has utilised other fee/income for meeting the deficit from transport facility in previous years instead of carrying forward the negative fund balance and adjustment in subsequent year. Since the school has been making transfer from the general reserve to the fund account, total fees (including earmarked fee) have been included in the budgeted income and budgeted expenses (included those for earmarked purposes) while deriving the fund position of the school (enclosed in the later part of this order).

The school is 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 is directed to evaluate costs against each earmarked levy and propose the fee structure for earmarked levies during subsequent proposal for enhancement of fee ensuring that the proposed levies have been calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

3. Clause 14 of the 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."*

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

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

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

   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.*" Further, Para 102 of the aforementioned Guidance Note states "*In respect of funds, schools should disclose the following in the schedules/notes to accounts:*

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

Based on the ruling of the Hon'ble Supreme Court in the matter of Modern School Vs Union of India & Others, Directorate issued directions to the school in relation to development fund and depreciation reserve under clause 14 of Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009, which is cited above.

The school has charged depreciation in its Income and Expenditure Account during FY 2016-2017 to FY 2018-2019; however, the school is not maintaining Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts, which is not in compliance with Clause 14 of the Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009.

It was also noted that the school is reporting Fixed Assets at written down value both on the face of the Balance Sheet and in the fixed assets schedule annexed to the financial statements, which is not in accordance with the disclosure requirements of the guidance note citied above. Further, the school does not charge depreciation at the rates specified in Appendix I to the Guidance Note.

Further, it was noted that the school transferred an amount equivalent to the purchase cost of the assets from development fund to general fund instead of creating Development Fund utilised Account.

Also, the school has enclosed a consolidated fixed assets schedule giving details of all assets carried over by the school in its audited financial statement for FY 2018-2019 and has not prepared separate fixed assets schedules for assets purchased against development fund and those purchased against general reserve and thus, has not made the disclosures required as per the guidance note cited above.

The school is instructed to make necessary rectification entries relating to development fund utilised account and depreciation reserve to comply with the accounting treatment indicated in the Guidance Note. Further, the school should prepare separate fixed assets schedule for assets purchased against development fund and other assets purchased against general reserve/ fund, which must be annexed with the audited financial statements along with the requisite disclosures as per the guidance note.

Also, the school is directed to disclose all fixed asset at gross value on the face of Balance Sheet on the assets side and accumulated depreciation as depreciation reserve on the liability side of the Balance Sheet with complete break up of opening gross block of assets, additions, deletions, closing gross block of fixed assets, opening depreciation reserve, depreciation during the year, adjustment (if any), closing balance of depreciation reserve and net (WDV) opening and closing block of fixed assets. Also, the school is instructed to adopt the depreciation rates as prescribed by the Guidance Note.

4. Review of the proposal for enhancement of fee for FY 2019-2020 submitted by the school indicated that the school did not include/disclose transport fee collected by it from students in its proposal for fee hike submitted for FY 2019-2020.

   The school is directed to disclose/report all fees including earmarked levies collected from students in its fee increase proposal. Also, the school should be cautious while submitting details to the Directorate and ensure that such omissions are not repeated.

5. As per the land allotment letter issued by the Delhi Development Authority to the Society in respect of the land allotted for the school, it shall ensure that percentage of freeship from the tuition fees, as laid down under rules by the Delhi Admn. from time to time, is strictly complied. The school

shall ensure admission to the students belonging to weaker sections to the extent of 25% and grant freeship to them.

From the breakup of students provided by the school, it had admitted students under Economically Weaker Section (EWS) Category as under:

Particulars	FY 2017-2018	FY 2018-2019
Total No. of Students	1001	1011
No. of EWS Students	211	232
% of EWS students to total students	21%	23%

While the school in its response mentioned that it takes admission under EWS category on the basis of list of admissions provided by the Directorate, it has not complied with the requirements of land allotment and should thus take comprehensive measures (including enhancement of EWS seats) to abide by the conditions of the land allotment letter issued by the Delhi Development Authority.

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 2019-2020 amounting to INR 3,62,81,377 out of which cash outflow in the year 2019-2020 is estimated to be INR 4,27,65,382. This results in net deficit of INR 64,84,005. The details are as follows:

Particulars	Amount (INR)
Cash and Bank Balance as on 31 Mar 2019 (as per audited financial statements of FY 2018-2019)	15,99,502
Investments (Fixed Deposits) as on 31 Mar 2019 (as per audited financial statements of FY 2018-2019)	6,57,070
Total Liquid Funds Available with the School as on 31 Mar 2019	**22,56,572**
Add: Estimated Fees and other incomes for FY 2019-2020 (based on income reported in audited financial statements of FY 2018-2019) [Refer Note 1]	3,46,97,562
Gross Estimated Available Funds for FY 2019-2020	**3,69,54,114**
Less: FDR against specific funds (with DoE) (as per audited financial statements of FY 2018-2019)	6,57,070
Less: Staff Retirement benefits [Refer Financial Observation No. 1]	-
Less: Development Fund balance as on 31 Mar 2019 (as per audited financial statements of FY 2018-2019)	15,667
Net Estimated Available Funds for FY 2019-2020	**3,62,81,377**
Less: Budgeted Expenses for FY 2019-2020 [Refer Note 2]	4,27,65,382
Estimated Deficit	**64,84,005**

Notes:

1. Fees and incomes based on those reported in financial statements of FY 2018-2019 have been considered with the assumption that the amount of income during FY 2018-2019 will at least accrue during FY 2019-2020.

2. Per the Budget Estimate for FY 2019-2020 submitted by the school along with proposal for fee increase, the school had estimated the total expenditure during FY 2019-2020 of INR 4,82,20,000, which in some instances was found to be unreasonable/ excessive. Based on the explanations and details provided by the school during personal hearing, most of the expenses heads as budgeted were considered. Further, during review of budgeted expenses, certain Observations were noted in expenses budgeted by the school, which were adjusted from the budgeted expenses. Therefore, the following expenses have been adjusted while considering the budgeted expenses for FY 2019-2020:

Expense Heads	Actuals FY 2018-2019	Budget FY 2019-2020	Amount Allowed	Amount Disallowed	Remarks
Leave Encashment	33,017	8,00,000	-	8,00,000	Refer Financial Observation No. 1
Gratuity Expense	6,27,587				
Printing & Stationery Expenses	5,31,147	8,00,000	5,84,262	2,15,738	Reasonable explanation/ justification not provided by the school for such high increase in expenses. Thus, expenditure restricted to 110% of that incurred during FY 2018-2019.
Examination Expenses	3,00,957	6,00,000	3,31,053	2,68,947	
Electricity & Water Expenses	6,75,530	10,00,000	7,43,083	2,56,917	
School Maintenance	15,14,861	35,00,000	16,66,347	18,33,653	
Office Maintenance	3,41,962	7,00,000	3,76,158	3,23,842	
Computer running & maintenance	1,82,064	3,50,000	2,00,270	1,49,730	
Function Expenses	5,33,306	6,50,000	5,86,637	63,363	
Legal & Professional Expenses	2,54,005	3,50,000	2,79,406	70,595	
Promotional/ Educational Expenses	4,10,353	5,00,000	4,51,388	48,612	
Bank Charges and Interest	46,849	1,00,000	51,534	48,466	
Smart Class Expenses	15,51,414	19,20,000	17,06,555	2,13,445	
Staff Vehicle	-	7,50,000	-	7,50,000	Vehicle cannot be purchased from development fund. Also, the school has not

Expense Heads	Actuals FY 2018-2019	Budget FY 2019-2020	Amount Allowed	Amount Disallowed	Remarks
					complied with Rule 177. Thus, the same has not been considered.
Capital Expenditure (from out of development fund)	44,60,017	42,00,000	37,88,689	4,11,311	Capital expenditure to the extent development fee collected has been considered as the development fund balance has been separately adjusted above.
Total	**1,14,63,069**	**1,62,20,000**	**1,07,65,382**	**54,54,619**	

In view of the above examination, it is evident that the school does not have adequate funds for meeting all the expenses for the financial year 2019-2020.

ii. In view of the above examination, it is evident that the school does not has adequate funds for meeting all the operational expense for the financial year 2019-20. In this regard, 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."

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 observations that were identified (appropriate financial impact 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), that the sufficient funds are not available with the 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 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 is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6th CPC. Further, it has to be seen that after Covid, which has affected the society at large, financial sudden burden to some extent may be avoided. 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 15% to be effective from 01 July 2022.

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 funds are not available with the school for meeting financial implication for the academic session 2019-20.

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 proposal of fee increase for academic session 2019-20 of **VIDYA PUBLIC SCHOOL, (School ID-2026128), vidya Bhawan Bangla Sahib Road Opp Kali Mandir Connaught Place New Delhi-110001,** is accepted by the Director of Education and the school is hereby allowed to increase the tuition fee by 15% to be effective from 1 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
Vidya Public School (School ID: 2026128)
Vidya Bhawan Bangla Sahib Road
Opp Kali Mandir CP, New Delhi-01
No. F.DE.15(781)/PSB/2022 / 4959-4963 Dated: 23/06/22

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 (New Delhi) 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