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

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No. F.DE.15(265) / PSB / 2019 / 1375- 1379 Dated: 29|03|19

ORDER

WHEREAS, this Directorate vide its order No. DE.15 (318)/PSB/2016/19786 dated 17 Oct 2017 of Directorate of Education, Govt. of NCT of Delhi, has issued 'Guidelines for implementation of 7th Central Pay Commission's recommendations in private unaided recognized schools in Delhi' and required that private unaided schools, which are running on land allotted by DDA/other govt. agencies with the condition in their allotment letter to seek prior approval of Director (Education) before any fee increase, need to submit its online fee increase proposal for the academic session 2017-2018. Accordingly, vide circular no. 19849-19857 dated 23 Oct 2017 the fee increase proposals were invited from all aforesaid schools till 30 Nov 2017 and this date was further extended to 14 Dec 2017 vide Directorate's order No. DE.15 (318)/PSB/2016/20535 dated 20 Nov 2017 in compliance of directions of Hon'ble High Court of Delhi vide its order dated 14 Nov 2017 in CM No. 40939/2017 in WPC 10023/2017.

AND WHEREAS, attention is also invited towards order of Hon'ble High Court of Delhi dated 19 Jan 2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others where it has been directed by the Hon'ble Delhi High Court that the Director of Education has to ensure the compliance of term, if any, in the letter of allotment regarding the increase of the fee by all the recognized unaided schools which are allotted land by DDA.

AND WHEREAS, The Hon'ble High Court while issuing the aforesaid direction has observed that the issue regarding the liability of Private unaided Schools situated on the land allotted by DDA at concessional rates has been conclusively decided by the Hon'ble Supreme Court in the judgment dated 27 Apr 2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others wherein Hon'ble Supreme Court in Para 27 and 28 has held as under:-

"27....

(c) It shall be the duty of the Director of Education to ascertain whether terms of allotment of land by the Government to the schools have been complied with...

28. We are directing the Director of Education to look into the letters of allotment issued by the Government and ascertain whether they (terms and conditions of land allotment) have been complied with by the schools.......

.....If in a given case, Director finds non-compliance of above terms, the Director shall take appropriate steps in this regard."

AND WHEREAS, the Hon'ble Supreme Court in the above said Judgment also held that under section 17(3), 18(4) read along with rule 172, 173, 175 and 177 of Delhi School Education

Rules, 1973, Directorate of Education has the authority to regulate the fee and other charges to prevent commercialization of education.

AND WHEREAS in response to this directorate's circular dated 23 Oct 2017 referred to above, **Adarsh Vidya Bhawan (School ID-1002283), I.P. Extension** submitted its proposal for enhancement of fee for the academic session 2017-2018 in the prescribed format including the impact on account of implementation of recommendations of 7th CPC.

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

AND WHEREAS, necessary records and explanations were also called from the school through email. Further, school was also provided an opportunity of being heard on 26 July 2018 at 03:00 PM to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted. Additionally, a visit was made at the school by the Chartered Accountant evaluating the fee increase proposal submitted by the school on 16 Oct 2018 to gather and review information/data relevant for evaluation of the proposal.

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

A. Financial Discrepancies

1. As per direction no. 2 included in the Public Notice dated 4 May 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 Oct 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 Feb 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.

   The financial statements of the school for the FY 2014-2015, 2015-2016 and 2016-2017 revealed that the school has incurred expenditure on construction of building, tennis court, splash pool and toilets out of school funds and has capitalized expenditure totalling to INR 68,72,638 in the aforesaid financial years, which is not in accordance with the aforementioned provisions. Further, this capital expenditure was incurred on the building without complying the requirements prescribed in Rule 177 of DSER, 1973. Though the financial statements of the school reflect opening block of building, adjustment in the fund position of the school has been done to the extent of additions made in the past three financial years (based of financial statements obtained for evaluation of the fee increase proposal for FY 2017-2018).

Further, the school had capitalized building amounting to INR 58,88,079 by crediting the society's ledger account in its books of account during FY 2015-2016, which has not been included in the amount directed to be recovered from society above. The school is directed to reverse the accounting entry posted by removing the liability from the books of accounts of the school as the same is not payable to the society. Also, it was noted that the school had utilized development fund for construction of tennis court, splash pool and toilets, which is in contravention of Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009.

Accordingly, the amount of INR 68,72,638 incurred towards capital expenditure on building is hereby added to the fund position of the school (enclosed in the 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.

2. 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, as per Para 57 of Accounting Standard 15- 'Employee Benefits' issued by the Institute of Chartered Accountants of India "*An enterprise should determine the present value of define 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.*"

   As per order no. F.DE.-15/ACT-I/WPC-4109/PART/13/978 dated 13 Oct 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017, the school was directed to ensure that the provision for gratuity and leave encashment is based on actuarial valuation and the same is represented with equivalent investments.

   It was noted that the school has created provision for Gratuity and Leave encashment amounting to INR 1,71,83,985 and INR 1,23,92,367 respectively and reported the same in its financial statements for FY 2016-2017. Based on the information submitted by the school and taken on record, it was noted that while the school had obtained actuarial valuation of its liability towards gratuity as on 31 Mar 2017, it has not obtained the same for leave encashment and recorded the provision for leave encashment in its financial statements without actuarial valuation. Further, the school had accounted for provision against gratuity to the extent of INR 1,71,83,985 against valuation of INR 1,95,56,373 derived by the actuary.

Thus, the school is directed to get its liability towards staff leave encashment valued by an actuary and record the provision for Gratuity and leave encashment in its books of account equivalent to the amount of liability determined by the actuary.

It was further noted that the school has not made any investment in 'Plan asset' against liability for retirement benefits, as was directed in the aforementioned order. However, 20% of the liability (i.e. INR 39,11,275) derived by the actuary against gratuity has been considered while deriving the fund position of the school (enclosed in the later part of this order) with the direction to the school to deposit this amount in investments that qualify as 'plan-assets' as per Accounting Standard 15 within 30 days from the date of this order.

Further, the school should invest amounts in investments that qualify as plan assets as per Accounting Standard 15 for both gratuity and leave encashment over a period of next 5 years so as to bring the value of investments equivalent to the liability determined by the actuary.

3. Rule 107 - "Fixation of Pay" of the DSER, 1973 states "(1) *The initial pay of an employee, on the first appointment shall be fixed ordinarily at the minimum of the scale of pay. Provided that a higher initial pay, in the specified scale of pay may be given to a person by appointing authority ....*

   (2) The pay of an employee on promotion to higher grade or post shall be determined by the same rules as are applicable to the employee of government school."

   From the computation of salary in accordance with 7th CPC prepared by the school and placed on record, it was noted that gross salary of principal was computed as INR 2,78,248 for the month of July 2017, which appeared excessive in comparison to the salary paid to principals in government schools. The school explained that the principal is working for a long time with the school and received annual increments as per her experience and tenure of services. However, reconciliation of salary from her date of joining and subsequent increments was not provided by the school. In absence of detailed reconciliation, it could not be concluded whether excessive salary is being drawn by the principal of the school. Accordingly, the compliance of the above will be examined at the time of evaluation of proposal for enhancement of fee for subsequent academic session.

B. Other Discrepancies

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

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

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

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

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

Also, earmarked levies collected from students are a form of restricted funds, which, according to Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, are required to be credited to a separate fund account when the amount is received and reflected separately in the Balance Sheet.

Further, the aforementioned Guidance Note lays down the concept of fund based accounting for restricted funds, whereby upon 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 has been noted that the school charges earmarked levies in the form of Transport Fees, Activity Fee and Digital Learning charges from students. However, the school has not maintained separate fund accounts for these earmarked levies and the school has been incurring losses (deficit), which has been met from other fees/income. This was also mentioned in DOE's order No. F. DE-15/ACT-I/WPC-4109/PART/13/978 dated 13 October 2017. Details of calculation of surplus/deficit, based on breakup of expenditure provided by the school for FY 2016-2017 is given below:

Earmarked Fee	**Income (INR)**	**Expenses (INR)**	**(Deficit) (INR)**
	A	B	**C=A-B**
Activity Fee*	24,88,750	26,34,919	(1,46,169)
Digital Learning Fees	16,47,425	29,29,712	(12,82,287)
Transport Fee^	70,80,670	73,07,600	(2,26,930)

* The school collected this fee one-time at the time of admission from students.

^ Expense also includes depreciation on vehicles

On the basis of aforementioned orders, earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). The school is collecting one,time charges of INR 12,000 (under the aegis of 'Activity fee') from all students at the time of admission. The school explained that this fee has been collected for meeting expenditure incurred towards various activities of the school such as sports, art & craft, etc.

The school is hereby directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy. 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. The school is also directed not to include fee collected from all students as earmarked levies and stop collecting one-time fee from students at the time of admission with immediate effect.

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

   As per Para 67 of Guidance Note 21 on Accounting by School "*The financial statements should disclose, inter-alia the historical cost of Fixed Assets*"

   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.*"

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

   Order no. F. DE-15/ACT-I/WPC-4109/PART/13/978 dated 13 October 2017 issued to the school post evaluation of proposal for enhancement of fee for FY 2016-2017 noted that the school was not charging depreciation as per the rates prescribed by the guidance note. The school was directed to charge depreciation as per the rates prescribed in Appendix I of the guidance note citied above. From the financial statement of the school for FY 2016-2017, it was noted that the school was not charging depreciation as per the rates prescribed in the guidance note cited above.

Basis the presentation made in the audited financial statements for FY 2016-2017 submitted by the school, it was noted that the school was not crediting amount equivalent to depreciation on assets purchased out of development fund as income, which was not in compliance with the accounting treatment of restricted fund indicated in the guidance note citied above.

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

Accordingly, the school is instructed to make necessary rectification entries relating to development fund and depreciation reserve to comply with the accounting treatment indicated in the Guidance Note. Further, the school should report historic (purchase) cost of all assets on the face of the Balance Sheet (Assets side) together with corresponding depreciation reserve on the liabilities side of the Balance Sheet. Further, the school is directed to charge depreciation as per the rates prescribed by the guidance note citied above. This being a procedural/ disclosure related finding, the school is instructed to make necessary rectification entries relating to development fund and depreciation reserve to comply with the accounting treatment indicated in the Guidance Note.

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

   During the personal hearing, the school confirmed that it will update the FAR as per the recommendations of the Directorate in FY 2018-2019. Accordingly, the school is directed to update the FAR with relevant details mentioned above. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

4. Review of the fee structure for FY 2016-2017 submitted along with the proposal for fee by the school indicated that the school had filed incorrect details of tuition fee for FY 2016-2017. The details for the same are provided hereunder:

Class	Monthly fee for FY 2016-2017 reported in proposal (INR)	Actual monthly fee for FY 2016-2017 as per fee structure of school (INR)
KG	3,500	3,300
2^{nd} Class	3,385	3,190
4^{th} Class	3,190	3,000
11^{th} and 12^{th} (Science + Computer Science)	-	3,815
11^{th} and 12^{th} (Commerce + Computer Science)	-	3655

The school is instructed to be cautious while submitting details with the Directorate and ensure that the same is not repeated in subsequent proposals. The above being a disclosure related matter, no financial impact is warranted for deriving the fund position of the school.

After detailed examination of all the material on record and considering the clarification submitted by the school, it was finally evaluated/ concluded that:

i. The total funds available for the year 2017-2018 amounting to INR 9,54,66,386 out of which cash outflow in the year 2017-2018 is estimated to be INR 10,27,90,102. This results in net deficit of INR 73,23,716. The details are as follows:

Particulars	Amount (INR)
Cash and Bank Balance as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	10,03,012
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	1,84,54,601
Loan against FDR as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	(14,02,238)
Total Liquid Funds Available with the School as on 31 Mar 2017	**1,80,55,375**
Add: Estimated Fees and other incomes for FY 2017-2018 based on audited financial statements of FY 2016-2017 of the school [Refer Note 1]	8,19,12,842
Add: Recovery from Society of amount spent on Building during FY 2014-2015 and 2015-2016 [Refer Financial Finding No. 1]	68,72,638
Gross Estimated Available Funds for FY 2017-2018	**10,68,40,855**
Less: Development Fund balance as on 31 Mar 2017 (as per audited financial statement of FY 2016-2017)	74,63,194
Less: Retirement Benefits -Gratuity (20% of liability as per actuary report) [Refer Financial Finding No. 2]	39,11,275
Less: Depreciation Reserve [Refer Note 2]	-
Net Estimated Available Funds for FY 2017-2018	**9,54,66,386**
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 3]	8,43,17,564
Less: Arrears of salary as per 7^{th} CPC for Jan 2016 to Mar 2018 [Refer Note 3]	1,84,72,538
Estimated Deficit	**73,23,716**

Notes:

1. Fee and income as per audited financial statements of FY 2016-2017 along with interest on deposits made against depreciation reserve fund of INR 5,19,893 credited to depreciation reserve fund and not routed through the Income & Expenditure Account for FY 2016-2017 has been considered with the assumption that the amount of income during FY 2016-2017 will at least accrue during FY 2017-2018.

2. On evaluation of depreciation reserve, it was noted that the school had charged depreciation on fixed assets and had transferred the same to depreciation reserve on liabilities side of the Balance Sheet of the school. Also, the school is charging development fund from students for purchase, up-gradation and replacement of furniture, fixture and equipment. Though development fund balance as per audited financial statements of FY 2016-2017 has been adjusted for deriving the fund position of the school above, depreciation reserve (that is to be created equivalent to the depreciation charged in the revenue accounts as per clause 14 of Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009) is more of an accounting head for appropriate accounting treatment of depreciation in the books of account of the school in accordance with Guidance Note 21 issued by the Institute of Chartered Accountants of India. Thus, there is no financial impact of depreciation reserve on the fund position of the school. Accordingly, it is not considered in table above

3. Per the Budgeted Receipt and Payment Account for FY 2017-2018 submitted by the school along with proposal for fee increase, the school had estimated the total expenditure during FY 2017-2018 of INR 10,31,43,438 (including arrears of salary as per 7th CPC from Jan 2016 to Mar 2018 of INR 1,84,72,538), which in some instances was found to be unreasonable/ excessive. Based on the explanations and details provided by the school during personal hearing, some of the expenses heads as budgeted were considered, while other expense heads were restricted to 110% / 120% of the expense incurred during FY 2016-2017 giving consideration to general rise in cost/inflation and especially because FY 2017-2018 is the year of implementation of 7th CPC where additional financial burden of increase salary of staff is already there. The same were discussed during personal hearing with the school. Therefore, the following expenses have been adjusted while considering the budgeted expenses for FY 2017-2018:

Expense Heads	FY 2016-17	FY 2017-18	Amount Disallowed	Amount Allowed	Remarks
Salary-Teaching	4,30,01,448	4,73,00,000	42,98,552	4,30,01,448	The school has budgeted arrears of salary along with annual increase in salary, which reconciled with the computation submitted by the school and has been considered separately in the fund position table above. However, the school did not provide reasonable justification for additional increase in salary, hence the salary expense for FY 2016-2017 has been considered.
Salary-Non-Teaching	59,21,250	65,13,000	5,91,750	59,21,250	
Gratuity	44,47,793	7,00,000	7,00,000	-	Refer Financial Finding No. 2

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Expense Heads	FY 2016-17	FY 2017-18	Amount Disallowed	Amount Allowed	Remarks
Group Photograph	-	1,80,000	1,80,000	-	This is a new head of expenditure budgeted by the school towards which no details of expense incurred/ reasonable explanation was provided by the school. Thus, the same has not been considered.
Awards to meritorious	2,17,033	4,00,000	1,61,264	2,38,736	No reasonable justification/ explanation was provided for such increase in the expense as compared with expense incurred for same items during FY 2016-2017. Thus, the budgeted amount for FY 2017-2018 has been considered with 10% increase on expense incurred during FY 2016-2017.
Function Expenses	15,18,281	18,00,000	1,29,891	16,70,109	
Security Service expenses	11,46,730	16,00,000	2,23,924	13,76,076	The school budgeted increase in the housekeeping staff by 19% as compared with expense incurred during FY 2016-2017 on account of change in minimum wages. Thus, basis the same, expense on this head has also been considered with 20% increase on expense incurred during FY 2016-2017.
Operation of Pool	15,49,932	16,75,000	1,25,068	15,49,932	Basis details submitted by the school, it was noted that the school has hired 9 people (coach, lifeguard, etc.) from an outsourced agency on contractual basis

Expense Heads	FY 2016-17	FY 2017-18	Amount Disallowed	Amount Allowed	Remarks
					for training, operation and maintenance of swimming pool, which appeared to be on higher side. The school is directed to ensure that optimum number of manpower is deployed. Accordingly, the expenditure incurred during FY 2016-2017 has been considered.
Transport Expenses	60,57,113	-	(60,57,113)	60,57,113	The school had not included the income and expenditure on transport in the budget statement for FY 2017-2018. Hence, both the income and expenditure as per audited financial statements for FY 2016-2017 have been considered.
Total	**6,38,59,580**	**6,01,68,000**	**3,53,336**	**5,98,14,664**	

ii. It seems that the school may not be able to meet its budgeted expenses from the existing fee structure and accordingly, it should utilise its existing funds/reserves and other resources. In this regard, Directorate of Education has already issued directions to the schools vide circular no. 1978 dated 16 Apr 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 though certain financial irregularities exist (appropriate financial impact of which has been taken on the fund position of the school) and certain procedural findings noted (appropriate instructions against which have been given in this order), the fee increase proposal of the school may be accepted.

And whereas, recommendations of the team of Chartered Accountants along with relevant materials were put before Director of Education for consideration and who after considering all material on record has found it appropriate to allow increase in tuition fee by 15% with effect from April 2019.

Accordingly, it is hereby conveyed that the proposal of enhancement of fee of **Adarsh Vidya Bhawan (School ID-1002283), I.P. Extension** has been accepted by the Director of Education with effect from April 2019 and the school is hereby allowed to increase tuition fee by 15%. Further, the management of said school is hereby directed under section 24(3) of DSEA, 1973 to comply with the following directions:

1. To increase the tuition fees only by the prescribed percentage from the specified date.
2. To rectify the financial and other irregularities as listed above and submit the compliance report within 30 days from the date of this order to D.D.E.(PSB).
3. To ensure implementation of recommendations of 7th CPC in accordance with Directorate's order dated 25 Aug 2017.
4. To ensure that the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings in accordance with the principles laid down by Hon'ble Supreme Court of Delhi in its Judgment of Modern School vs Union of India. Therefore, school not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA, 1973.
5. To utilise the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of section 24(4) of Delhi School Education Act, 1973 and Delhi School Education Rules, 1973.

This order is issued with the prior approval of the Competent Authority.

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

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To:
The Manager/ HoS
Adarsh Vidya Bhawan
School ID 1002283
I.P. Extension, Delhi-110092

No. F.DE.15(265) / PSB / 2019 / 1375-1379

Dated: 29/03/19

Copy to:

1. P.S. to Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. P.A. to Spl. Director of Education (Private School Branch), Directorate of Education, GNCT of Delhi.
4. DDE concerned
5. Guard file.

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