142

142

142

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

No. F.DE.15(95)/PSB/2019/1448-1452 Dated: 7/2/2019

ORDER

WHEREAS, this Directorate vide its order No. DE.15 (318)/PSB/2016/19786 dated 17 Oct 2017 of Directorate of Education, Govt. of NCT of Delhi, has issued 'Guidelines for implementation of 7th Central Pay Commission's recommendations in private unaided recognized schools in Delhi' and equired 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 ated 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."

1643

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, **Prabhu Dayal Public school, (School ID-1309194), Shalimar Bagh, Delhi- 110088** submitted its proposal for enhancement of fee for the academic session 2017-2018 in the prescribed format including the impact on account of implementation of recommendations of 7th CPC with effect from 1 Jan 2016.

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

AND WHEREAS, necessary records and explanations were also called from the school through email. Further, school was also provided an opportunity of being heard on 6 June 2018 at 12:00 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.

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 FY 2016-2017 revealed that the school has incurred expenditure on construction of basket-ball court out of school funds and has capitalised expenditure incurred on the same totalling to INR 13,73,602 in the aforesaid financial years, which is not in accordance with the aforementioned provisions. Further, this capital expenditure was incurred without complying the requirements prescribed in Rule 177 of DSER, 1973. This amount of INR 13,73,602 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.

2. The Manager of the school is not entitled to any payment whatsoever from the school funds. However, from the records submitted by the school and taken on record, it was noted that the school has paid honorarium of INR 9,63,120 to the manager during FY 2016-2017.

   The school is directed to recover the amount of honorarium paid to the manager during FY 2016-2017 of INR 9,63,120 along with any honorarium paid in previous years from the manager/society within 30 days from the date of this order. Accordingly, this amount of INR 9,63,120 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. Further, the school is directed not to pay any remuneration/ honorarium/ allowance to the Manager.

3. Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses.*" Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:

   (a) Assets held by a long-term employee benefit fund; and
   (b) Qualifying insurance policies.

   The Directorate vide Order No. F.DE-15/ACT-I/WPC-4109/PART/13/809 dated 3 July 2017, issued to the school post evaluation of the proposal for enhancement of fee for FY 2016-2017, directed the school to make earmarked investments with LIC (or any other agency) towards gratuity. It was noted that the school has not obtained actuarial valuation regarding its liability towards retirement benefits (gratuity and leave encashment) of the staff and had not deposited any amount in investments that qualify as 'Plan Assets' as per Accounting Standard 15.

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

1645

Though the school has not obtained actuarial valuation of its liability towards retirement benefits, the liability against gratuity and leave encashment of INR 5,82,78,288 and INR 1,90,67,733 respectively reported in the audited financial statements of FY 2015-2016 have been considered while deriving the fund position of the school (enclosed in the later part of the order). Further, the amount budgeted by the school towards retirement benefits has not been considered in the budgeted expenses for FY 2017-2018 while deriving the fund position of the school (enclosed in the later part of the order)

B. Other Discrepancies

1. 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 Smart class fees, Computer fee and transport fee from students. However, the school has not maintain separate fund accounts for these earmarked levies and the school has been generating surplus from earmarked levies, which has been utilised for meeting other expenses of the school. Details of calculation of surplus, based on breakup of expenditure provided by the school for FY 2016-2017 is given below:

Earmarked Fee	Income (INR)	Expenses (INR)	Surplus (INR)
	A	B	C=A-B
Computer Fees (including smart class fee)*	36,94,950	36,72,999	21,951
Transport Fee^	90,35,520	82,29,892	8,05,628

* The school has not segregated income and expenses relating to smart class fee and reported the collections under this head along with Computer fee and did not provide separate breakup for expenses incurred against this earmarked levy.

^ The school did not include (and provide details of) salary of staff involved in the transport facility provided to students in the expense breakup submitted by it and has also not apportioned depreciation on vehicles used for transportation of students in the expenses stated in table above for creating fund for replacement of vehicles, which should have been done to ensure that the cost of vehicles is apportioned to the students using the transport facility during the life of the vehicles.

The school explained that tuition fee collected from students is not sufficient to meet the establishment cost. Thus, the surplus generated from earmarked levies has been applied towards meeting establishment cost on account of which fund balance of earmarked levies could not be separated from the total funds maintained by the school. Accordingly, total fees (including earmarked fee) have been included in the budgeted income and budgeted expenses (included those for earmarked purposes) have been considered while deriving the fund position of the school (enclosed in the later part of this order).

The school is hereby directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus, 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.

2. Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009 states *"Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up gradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account."*

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*

1647

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 on Accounting by Schools issued by the Institute of Chartered Accountants of India states "*A school should charge depreciation according to the written down value method at rates recommended in Appendix I to the Guidance Note.*"

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."

The Directorate vide Order No. F.DE-15/ACT-I/WPC-4109/PART/13/809 dated 3 July 2017, issued to the school post evaluation of the proposal for enhancement of fee for FY 2016-2017, noted that the school did not charge depreciation at the rates specified in Appendix I to the Guidance Note, which was a contravention of the directions issued by this Directorate.

From the financial statements of FY 2016-2017, it was noted that the school did not comply with the aforementioned directions and did not charge depreciation at the rates prescribed in the Guidance Note.

Further, it was noted that the school reported equal amount of gross block of fixed assets and depreciation reserve as on 1 Apr 2016, which indicates that the school had written-off the value of all fixed assets as on 31 Mar 2016. This reflects incorrect accounting and presentation of the value of fixed assets in financial statements of the school, as depreciation reserve can never be equal to the value of assets. Thus, the audited financial statements of the school could not be relied in relation to fixed assets reported in the same.

Also, from the audited financial statements of the school for FY 2016-2017, it was noted that the school reflected a deduction of INR 1,70,97,550 from development fund, however, the school did not provide details of utilization of development fund. Further, this amount could not be reconciled with the amount of additions to fixed assets reported in the fixed assets schedule annexed with the audited financial statements for FY 2016-2017.

Basis the presentation made in the audited financial statements for FY 2016-2017 submitted by the school, it was noted that the amount equivalent to the utilization of development fund was transferred to general fund instead of the accounting treatment as indicated in the guidance note cited above.

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 2016-2017 and has not prepared separate fixed assets schedules for assets purchased against development fund and those purchased against general/capital reserve.

The school is directed to follow DOE instruction regarding development fund and depreciation reserve and ensure that development fund is maintained in a separate bank account, utilised only towards purchase of furniture, fixture and equipment and depreciation reserve is maintained equivalent to the amount of depreciation charged in the revenue accounts. Further, the school is directed to charge depreciation at the rates recommended in Appendix I to the Guidance Note and rectify excessive depreciation reported in the financial statements and submit a detailed reconciliation of the depreciated value of assets to the Directorate within 30 days from the date of this order. Also, the school should prepare separate fixed assets schedule for assets purchased against development fund and other assets purchased against general reserve/ fund, which has to be annexed with the audited financial statements along with the requisite disclosures as per the guidance note.

3. Part IV of Appendix III - 'Instructions for preparing Income and Expenditure Account' of Guidance Note 21 issued by the Institute of Chartered Accountants of India specifies that "*Any item under which income or expense exceeds 1 per cent of the total fee receipts of the School or INR 5,000, whichever is higher, should be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure Account. These items, therefore, should not be shown under the head 'miscellaneous income' or 'miscellaneous expenses'.*"

   From the audited Income and Expenditure Account for the FY 2016-2017, it was noted that the school had not segregated all the incomes which exceeded 1% of the total fee receipts as a separate and distinct item as 'computer fees' together with 'smart class fee' was reported under the head 'Fee from students for activities'.

   The school is directed to ensure that all subsequent financial statements are prepared in accordance with Guidance Note 21.

4. Direction no. 3 of the public notice dated 4 May 1997 published in the Times of India states "*No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate of INR 500 per student in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.*"

   Further, Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11 Feb 2009 states "*No caution money/security deposit of more than five hundred rupees per student shall be*

1649

charged. The caution money, thus collected shall be kept deposited in a scheduled bank in the name of the concerned school and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund."

School had not refunded interest on caution money along with refund of caution money to exiting students and was instructed to include interest earned on caution money in the refund amount under DoE's order No. F. DE-15/ACT-I/WPC-4109/PART/13/809 dated 3 July 2017.

During personal hearing, the school mentioned that the school has stopped collecting caution money from FY 2018-2019. Further, the school mentioned that it has calculated INR 18 Lakhs as the caution money refundable to ex-students, which may be recorded as income by the school. Therefore, amount to be refunded to students after adjusting the income to be recorded by the school towards unclaimed caution money, as declared by the school, has been considered while deriving the fund position of the school (enclosed in the later part of this order).

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 19,53,29,804 out of which cash outflow in the year 2017-2018 is estimated to be INR 16,53,74,315. This results in net surplus of INR 2,99,55,489. The details are as follows:

Particulars	Amount (INR)
Cash and Bank Balance as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	1,55,25,601
Investments (Fixed Deposits) as on 31 March 2017 (as per audited financial statements of FY 2016-2017)	11,01,47,637
Total Liquid Funds Available with the School as on 31 Mar 2017	**12,56,73,238**
<u>Add</u>: Estimated Fees and other incomes for FY 2017-2018 based on audited financial statements of FY 2016-2017 of the school [Refer Note 1]	15,48,10,828
<u>Add</u>: Recovery from Society against construction of basketball court during FY 2016-2017 [Refer Finding no 1]	13,73,602
<u>Add</u>: Recovery from Manager/ Society against payment of honorarium to the Manager of the School during FY 2016-2017 [Refer Finding no 2]	9,63,120
Gross Estimated Available Funds for FY 2017-2018	**28,28,20,788**
<u>Less</u>: Caution Money balance (net of balance to be taken as income during FY 2017-2018) [Refer Other Finding no. 4]	13,39,750
<u>Less</u>: Development fund as on 31 Mar 2017 (as per audited financial statements of FY 2016-2017)	88,05,213

Particulars	Amount (INR)
Less: Provision for Retirement Benefits – Gratuity [Refer Financial Finding No. 3]	5,82,78,288
Less: Provision for Retirement Benefits – Leave Encashment [Refer Financial Finding No. 3]	1,90,67,733
Net Estimated Available Funds for FY 2017-2018	**19,53,29,804**
Less: Budgeted Expenses for FY 2017-2018 [Refer Note 2]	16,53,74,315
Estimated Surplus as on 31 Mar 2018	**2,99,55,489**

Notes:

1. Fee and income as per audited financial statements of FY 2016-2017 has been considered with the assumption that the amount of income during FY 2016-2017 will at least accrue during FY 2017-2018.

2. 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 18,40,00,000, 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 expense heads as budgeted were considered even though certain expenditures were increased substantially by the school as compared to FY 2016-2017. However, during review of budgeted expenses, discrepancies were noted in some of the expense heads, which were adjusted from the budgeted expenses. 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:

Particulars	FY 2016-2017	FY 2017-2018	Amount allowed	Amount Disallowed	Remarks
Retirement Benefits	2,32,34,644	1,30,00,000	-	1,30,00,000	Refer Financial Finding No. 3
Repair and Maintenance	32,22,019	77,00,000	45,74,315	31,25,685	Reasonable explanation or supporting documents not provided by the school for such percent increase. Thus, expenditure restricted to 110% of that incurred during FY 2016-2017.
Depreciation	21,95,422	25,00,000	-	25,00,000	Depreciation, being non-cash item having no impact on the fund position of the school, has not been considered.
Total	**2,86,52,085**	**2,32,00,000**	**45,74,315**	**1,86,25,685**	

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

165)

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

Whereas per direction no. 2 of Public Notice dated 4 May 1997, it is the responsibility of the society who has established the school to raise funds from their own sources or donations from the other associations for construction of building because the immovable property of the school becomes the sole property of the society. Further, Hon'ble High Court of Delhi in its judgement dated 30 Oct 1998 in the case of Delhi Abibhavak Mahasangh concluded that tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society. Thus, the construction of basketball court should not be met out of the fee collected from students and is required to be recovered from the society.

Whereas per point no. 22 of Order No. F.DE./15 (56)/Act/2009/778 dated 11 Feb 2009, user charges should be collected at 'no profit and no loss' basis and should be used only for the purpose for which these are collected. The school has continued to charge earmarked fee higher than the expenses incurred against computer and science fee whereas the expenses incurred are more than transport charges collected from students. The school has utilised the surplus earned for meeting the establishment expenses and deficit on transport charges. Accordingly, the school is advised to maintain separate fund in respect of each earmarked levy charged from the students in accordance with the DSEA & R, 1973 and orders, circulars, etc. issued thereunder. Surpluses/deficit under each earmarked levy collected from the students should be adjusted for determining the earmarked levy to be charged in the academic session 2018-2019.

Whereas per clause no. 14 of Order No. F.DE./15(56)/ACT/2009/778 dated 11 Feb 2009, Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up-gradation and replacement of furniture, fixture and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a depreciation reserve fund, equivalent to the deprecation charged in the revenue accounts and the collection under this head along with income generated from the investment made out of this fund, will be kept in a separately maintained development fund account. The school is directed to comply with the directions with regard to proper accounting and presentation of Development Fund in the School's financial statements and utilisation of development fund only towards purchase of furniture, fixtures and equipment.

And whereas Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses." Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:

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

(b) qualifying insurance policies.

The school is directed to ensure compliance with Accounting Standard 15 including measurement of its liability towards retirement benefits of the staff by a qualified actuary and making the investment against the liability so determined in the mode specified under the said Accounting Standard.

And whereas, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial irregularities that were identified (appropriate financial impact of which has been taken on the fund position of the school) and certain procedural findings which were also noted (appropriate instructions against which have been given in this order), the funds available with the school for implementation of recommendations of 7th CPC and to carry out its operations for the academic session 2017-18 are sufficient. Accordingly, the fee increase proposal of the school may be rejected.

And whereas, recommendations of the team of Chartered Accountants along with relevant materials were put before Director of Education for consideration and who after considering all material on record has found that the school has sufficient funds for meeting the financial implications of 7th CPC salary and other expenses for the financial year 2017-2018. Therefore, Director (Education) rejects the proposal submitted by the school for enhancement of fee for the academic session 2017-2018.

Accordingly, it is hereby conveyed that the proposal for enhancement of fee for session 2017-2018 of **Prabhu Dayal Public School, (School ID-1309194), Shalimar Bagh, Delhi- 110088** has been rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEA, 1973 to comply with the following directions:

1653

1. Not to increase any fee/charges during FY 2017-2018. In case, the school has already charged increased fee during FY 2017-2018, the school should make necessary adjustments from future fee/refund the amount of excess fee collected, if any, as per the convenience of the parents.

2. To communicate with the parents through its website, notice board and circular about rejection of fee increase proposal of the school by the Directorate of Education.

3. To rectify the financial and other irregularities/violations as listed above and submit the compliance report within 30 days from the date of this order to D.D.E.(PSB).

4. To ensure that the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings in accordance with the principles laid down by Hon'ble Supreme Court of Delhi in its Judgment of Modern School vs Union of India. Therefore, school not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA, 1973.

5. To utilise the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

6. The Compliance Report detailing rectification of the above listed deficiencies/ violations must also be attached with the proposal for enhancement of fee of subsequent academic session, as may be submitted by the school. Compliance of all the directions mentioned above will be examined before evaluation of proposal for enhancement of fee for subsequent academic session.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of 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

1654

To:
The Manager/ HoS
Prabhu Dayal Public School
School ID- 1309194
Shalimar Bagh, Delhi-110088

No. F.DE.15(95)/PSB/2019/1448-1452 Dated: 7/2/2019

Copy to:

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

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