

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

No. F.DE.15 (158)/PSB/2021/ 2988-92

Dated: 16/08/21

Order

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

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

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

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

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

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

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

"27...



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

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

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

AND WHEREAS, the Hon'ble High Court of Delhi vide its judgement dated 19.01.2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others has reiterated the aforesaid directions of the Hon'ble Supreme Court and has directed the Director of Education to ensure the compliance of term, if any, in the letter of allotment regarding the increase of the fee by all the recognized unaided schools which are allotted land by DDA/ land owing agencies.

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

AND WHEREAS, in pursuance to order dated 27.03.2019 of this Directorate **Bal Bharati Public School (School ID – 1821227), Sector-12 Dwarka, New Delhi-110075** had submitted the proposal for fee increase for the academic session **2019-20**. Accordingly, this order is dispensed off the proposal for enhancement of fee submitted by the said school for the academic session **2019-20**.

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

AND WHEREAS, in the process of examination of fee hike proposal filed by the aforesaid School for the academic session 2019-20, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 08.01.2020 to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted.

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



A. Financial Discrepancies

- I. As per Section 13 of Right to Education Act, 2009, the school should not charge capitation fee from the students at the time of admission. Further, the Supreme Court in its Judgement dated 2 May, 2016 in the matter of Modern Dental College And Research Centre Vs. State of Madhya Pradesh [Medical Council of India] held that education is a noble profession. "Every demand of capitation fee by educational institutions is unethical & illegal. It emphasised that the commercialization and exploitation is not permissible in the education sector and institutions must run on 'no-profit-no-loss' basis".

Hon'ble Supreme Court categorically held that "Though education is now treated as an 'occupation' and, thus, has become a fundamental right guaranteed under Article 19(1) (g) of the Constitution, at the same time shackles are put in so far as this particular occupation is concerned, which is termed as noble. Therefore, profiteering and commercialization are not permitted, and no capitation fee can be charged. The admission of students has to be on merit and not at the whims and fancies of the educational institutions,"

However, it has been noted that at the time of admission the school has been collecting one-time charges namely 'Activity Fee for Orientation Programme' and 'Activity Fee for Skill and Development' amounting Rs. 8,000 and Rs. 9,000 respectively which is in contravention of aforesaid provision. Accordingly, the school is directed to immediately stop collecting one-time charges from students at the time of admission.

- II. As per the order dated 19.01.2016 issued by the Hon'ble High Court of Delhi, every recognized private unaided school to whom land was allotted by DDA shall not increase the rate of fees without the prior sanction of Directorate of Education. Further, the Directorate vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, are directed to submit their proposals, if any, for prior sanction for increase in fee for the session 2018-19 and 2019-20.

Moreover, as per the directions of Supreme Court in **Modern School vs. Union of India & Ors.** (supra), a Circular dated 16.04.2010 has been issued reiterating as under:

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

On review of audited financial statements for FY 2018-19 it has been noted that the school has increased the tuition fee, annual charges, development fee and activity fee. Post hearing school has submitted that it has filed fee structure under section 17(3) of DSEA, 1973 for FY 2018-19 with the Directorate of Education on 23.03.2018 after approval of the same in the meeting of School Management Committee held on 16.03.2019. The school has waited for approval of Directorate of Education. Further, in the matter of WPC no. 4374/2018 titled 'Action Committee for unaided Recognized School Vs DoE and Others', the Hon'ble High Court of Delhi has held that no prior approval of DoE is required to increase the fee. Accordingly, based on judgement of Hon'ble High Court of Delhi, the Management Committee in its meeting held on 25.03.2019 reconsidered its decision of fee structure for FY 2018-19 and has decided to collect arrears from parents of all fee paying students.

On review of audited financial statements of the school for FY 2018-19 it has been noted that the school has recognised its increased fee as income for the year and booked arrears of fee to be recovered from parent of the fee paying students. As per Income and Expenditure account for FY 2018-19, following arrear income has been accounted:

S. No.	Particulars	Amount in Rs.
1.	Tuition fee arrears	1,32,88,410
2.	Annual Charges arrears	21,60,000
3.	Activity fee arrears	6,48,000
4.	Development fee arrears	21,46,440
	Total	1,82,42,850

Thus, school has increased the aforesaid fee in contravention of aforesaid order dated 19.01.2016 of Hon'ble High Court of Delhi. Moreover, it is pertinent to note the Directorate has filed an appeal against judgement delivered in the matter of WPC no. 4374/2018 titled 'Action Committee for unaided Recognized School Vs DoE and Others', to the Double Bench of Hon'ble High Court of Delhi. The matter is still sub-judice and therefore, school cannot increase the fee in the garb of decision of Hon'ble High Court while the same court in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others has passed an order that recognized private unaided school to whom land was allotted by DDA shall not increase the rate of fees without the prior sanction of Directorate of Education.

Moreover, the Directorate vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, are directed to submit their proposals, if any, for prior sanction for increase in fee for the session 2018-19 and 2019-20. However, school has not submitted its proposal for fee increase in FY 2018-19 and has increased the fee without approval of the Directorate.

School is directed not to recover increased fee from the students and in case the increased fee has already been collected, the same needs to be refunded or adjusted

in the future fee chargeable from the students. Accordingly, in the calculation of fund availability no impact of aforesaid arrears income has been considered.

- III. As per clause 2 of the Public Notice dated 04.05.1997, "it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society". Additionally, Hon'ble High Court of Delhi in its judgement dated 30 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 10.02.02005 issued by this Directorate states "Capital expenditure cannot constitute a component of the financial fee structure."

Also, as per Rule 177 of DSER, 1973 "Income derived by an unaided recognised school by way of fees shall be utilised in the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that, savings, if any, from the fees collected by such school may be utilised by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognised school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run.

Further, the aforesaid savings shall be arrived at after providing for the following, namely:

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

Accordingly, based on the above-mentioned 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 utilized for the same. Moreover, school fee can only be utilized for meeting pay, allowances and other benefits admissible to the employees of the school and not for capital expenditure of building.

However, on review of audited Financial Statements for FY 2016-17 to 2017-18 it has been noted that school has incurred capital expenditure for Building, Multipurpose hall and Multipurpose stage. The details of expenditure incurred is as follows:

(Amount in Rs.)

S. No.	Particulars	FY 2016-17	FY 2017-18	Total
1	Building	52,84,098	8,76,079	61,60,177



S. No.	Particulars	FY 2016-17	FY 2017-18	Total
2	Multipurpose Hall	33,90,431	80,82,608	1,14,73,039
3	Multipurpose Stage	13,18,967	-	13,18,967
	Total			1,89,52,183

The aforesaid amount incurred by the school is not as per the provisions of clause 2 of public notice dated 04.05.1997, High Court judgement and Rule 177 of DSER, 1973.

In view of the above, additions made to Building, Multipurpose hall and Multipurpose stage totaling to Rs. 1,89,52,183 from FY 2016-17 to 2017-18 have been included in the calculation of available fund of the school with the direction to the school to recover the aforesaid amount from the society within 30 days from the date of issue of this order and submit the compliance report for the same. Non-compliance with the above direction will be viewed seriously in accordance with the provision of Section 24(4) of the DSEA, 1973 and while evaluating the fee increase proposal of the school for the subsequent academic session.

- IV. As per the Duggal Committee report, there are four categories of fee that can be charged by a school. The first category of fee comprised of "registration fee and all One Time Charges" levied at the time of admission such as admission and caution money. The second category of fee comprise of "Tuition Fee" which is to be fixed to cover the standard cost of the establishment and also to cover expenditure of revenue nature for the improvement of curricular facilities like library, laboratories, science and computer fee up to class X and examination fee. The third category of the fee should consist of "Annual Charges" to cover all expenditure not included in the second category and the fourth category should consist of all "Earmarked Levies" for the services rendered by the school and to be recovered only from the 'User' students. These charges are transport fee, swimming pool charges, Horse riding, tennis, midday meals etc.

The aforesaid recommendations have been considered by the Directorate while issuing order No. DE.15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009. Moreover, the Hon'ble SC in the matter of Modern School Vs Union of India and Others (2004) has upheld the order dated 15.12.1999 and states that,

"27. In additions to directions given by the Director of Education vide Order No. DE.15/Act/ Duggal.Com/203/99/23989-24938 dated 15.12.1999, we give further directions as mentioned hereinbelow:"

Based on aforesaid recommendations, earmarked levies are to be collected only from the user students availing the service/facility and 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).

On review of audited financial statements for FY 2016-17 to 2018-19, it has been noted that the school collects fee in the name of Tuition fee, Development fee, Annual charges,

Activity fee, Computer aided learning fee and Miscellaneous charges from the students of all classes. However, in view of aforesaid recommendation order a school cannot charge fee in the name of Activity fee, Computer aided learning fee and Miscellaneous charges from all the students. Moreover, the fee if charged from all students it loses the character of earmarked levy, being a non-user based fees. Thus, the school is directed not to charge Activity fee, Computer aided learning fee and Miscellaneous charges as earmarked fee with immediate effect and should incur the expenses relating to these from tuition fee and annual charges, as applicable collected from the students.

- V. As per Clause 7 of Order No. DE 15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and Clause 14 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009, "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, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account."

On review of the audited Financial Statements for FY 2016-17, 2017-18 and 2018-19, it has been noted that the development fee has been utilized for the purpose of Library books, Software and Multipurpose hall in contravention of aforesaid orders. The details of misutilization of development fund are as under:

(Amount in Rs.)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	Total
1	Library Books	3,60,992	3,28,882	1,95,132	8,85,006
2	Multipurpose Hall	-	40,34,403	-	40,34,403
3	Software	7,80,150	2,39,840	2,51,340	12,71,330
	Total				61,90,739

The development fund can only be utilized for purchase, up gradation and replacement of furniture, fixtures and equipment. Therefore, school is directed not to utilize development fund for Library books, Software and Multipurpose hall and make necessary rectification entries in the development fund account.

- VI. As per Section 2 (m) of DSEA, 1973 states that "Manager" in relation to a school, means the person, by whatever name called who is entrusted, either on the date on which this Act comes into force, or as the case may be, under a scheme of management made under section 5, with the management of the affairs of that school.

Based on the above provisions, the manager of the school cannot be allowed as employee of the school and cannot be paid salary or any payment as per the provisions of the DSEA & R, 1973. Accordingly, the Manager of the school is not entitled to any payment whatsoever from the school funds. During personal hearing it has been submitted by the school that it has been paying Rs. 1,30,000 per month to the manager. Also, Rs. 18,000 per month are being paid as reimbursement for car maintenance and actual telephone bill. The total amount paid in last three years amounts to Rs. 53,28,000.

The aforesaid payments are being made in contravention of aforesaid legal provision as the post of manager is an honorary post. Therefore, the remuneration paid to manager has been disallowed and is recoverable from the society. Accordingly, this amount has been included in the calculation of fund availability of the school with the direction to the school to recover this amount within 30 days from the date of this order.

VII. As per Rule 177 of DSER, 1973 "Income derived by an unaided recognised school by way of fees shall be utilised in the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that, savings, if any, from the fees collected by such school may be utilised by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognised school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run. The aforesaid savings shall be arrived at after providing for the following, namely:

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

As per clause 8 of order No. DE.15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and clause 23 of order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 read with Judgment of Hon'ble Supreme Court of India in the matter of Action Committee, Unaided Private School & Ors Vs Directorate of Education, Delhi & Ors in Review Petition (C) No. 1368 of 2004 in Civil Appeal No. 2700 of 2001 that,

"No amount whatsoever shall be transferred from the recognized unaided school fund of a school to the society or the trust or any other institution except under the management of same society or trust"

On review of audited Financial Statements for FY 2016-17 it has been noted that the school has diverted its fund terming it as 'Grant in aid' amounting Rs. 2,30,00,000 and Rs. 20,00,000 to BBPS, Ludhiana and BBPS, Manesar respectively in contravention of aforesaid legal provisions and court pronouncements. It has also been noted that school has used its contingency reserve for diversion of funds to other school. The school has not ensured the compliance of Rule 177 of DSER, 1973 which require that before assisting any other school or institution under the same management, interests of school's staff need to be protected and to ensure to pay salaries in accordance with section 10 of DSEA, 1973 and for providing for pension, gratuity and other retirement benefits etc. However, school has failed to do that and in fact, salaries arrears as per 7th



CPC has been provided in FY 2018-19 only and Rs. 4,90,50,000 are payable to staff of the school as on 31.03.2019.

Since school funds have been diverted to other schools in contravention of aforesaid provisions and court pronouncements, school is directed to recover Rs. 2,50,00,000 from the society of the school or from the transferee schools within 30 days from the date of issue of this order and this amount has been included in the calculation of fund availability of the school.

- VIII. As per Para 99 of Guidance note on "Accounting by school" issued by the Institute of Chartered Accountants of India (ICAI), relating to restricted fund, "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".

On review of audited Financial Statements for FY 2016-17, 2017-18 and 2018-19, it has been noted that school is not following aforesaid para 99 of Guidance Note -21 and thus, not transferring any amount from the deferred income account to the credit of income and expenditure account. The Income and expenditure account has been prepared in the columnar form for each fund maintained by the school. The depreciation on fixed assets purchased out of development fund has been charged in the Development fund column in the Income and Expenditure Account and at year end, this amount is transferred from the Income and Expenditure appropriation account to the Development fund account which results into deduction from Development fund. Thereafter, an amount equivalent to the depreciation charged on fixed assets purchased out of development fund is transferred from the Assets purchase fund to Development fund which results to addition in Development fund. This treatment of accounting though provides the correct year-end balance of General fund, Development fund and Assets purchase fund but is not in accordance with accounting presentation suggested by GN-21 in para 99. Thus, school is directed to comply with the provisions of Guidance Note - 21.

- IX. As per Para 49 of Accounting Standard 15 'Employee Benefits' issued by The Institute of Chartered Accountants of India "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, para 57 states "An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date". Also, para 7 of the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:

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



On review of audited Financial Statements of FY 2018-19 and the documents or records submitted by school post personal hearing, it has been noted that School has got Actuarial Valuation of its liabilities towards retirement benefits (i.e. gratuity and leave encashment) and has created provisions in the books of accounts. But the provisions are not made in accordance with the report of actuary. Also, investments shown in the books of accounts are not matching with the amounts provided for gratuity and leave encashment. The details of liabilities as determined by the actuary, the amount of provisions and the investment made against these provisions are as follows:

(Amount in Rs.)

Particular	Value determined by the Actuary	Provision in Books of Accounts	Investment made in LIC
Gratuity	2,59,32,868	3,60,51,551	3,87,52,802
Leave Encashment	1,28,19,933	1,53,84,217	
Total	3,87,52,801	5,14,35,768	3,87,52,802

Accordingly, fund value of investment as on 31.03.2019 made by the school in plan assets within the meaning of AS-15 has been considered in the calculation of fund availability of the school. Further, school is directed to clarify the difference between provision for gratuity and leave encashment as per books of accounts and as per report of actuary within 30 days from the date of issue of this order and submit the compliance report. Moreover, school has also budgeted for gratuity and leave encashment for FY 2019-20 amounting Rs. 22,24,579 and Rs. 15,56,534 respectively and while deriving the fund position for session 2019-20 the same has been considered.

B. Other Discrepancies

- I. As per clause 3 of the public notice dated 04.05.1997 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 Rs. 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, as per clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11.02.2009 states *"No caution money/security deposit of more than five hundred rupees per student shall be 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."*

However, on review of audited financial statement for the FY 2016-17, 2017-18 and 2018-19, it has been observed that the school is being refunding only the principal amount of caution money without any interest thereon to the students, which is a contravention of clause 18 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009. Therefore, school is directed to ensure refund the caution money along with interest thereon.

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

- i. The total funds available for the FY 2019-20 amounting to Rs. **27,09,42,240** out of which cash outflow in the FY 2019-20 is estimated to be Rs. **23,2903,824**. This results in net balance of Surplus amounting to Rs. **3,80,38,416** for FY 2019-20 after all payments. The details are as follows:

Particulars	Amount in Rs.
Cash and Bank balances as on 31.03.19 as per Audited Financial Statement	1,34,46,494
Investments (Fixed Deposits) as on 31.03.19 as per Audited Financial Statements	11,94,88,414
Liquid funds as on 31.03.2019	13,29,34,908
Add: Amount recoverable from Society against Building Construction (as per observation III of Financial Discrepancies)	1,89,52,183
Add: Amount recoverable from Society against amount paid to Manager (as per observation VI of Financial Discrepancies)	53,28,000
Add: Amount recoverable from Society against amount paid to Other schools (as per observation VII of Financial Discrepancies)	2,50,00,000
Add: Fees for FY 2018-19 as per Audited Financial Statements (we have assumed that the amount received in FY 2018-19 will at least accrue in FY 2019-20)	16,79,48,814
Add: Other income for FY 2018-19 as per audited Financial Statements (we have assumed that the amount received in FY 2018-19 will at least accrue in FY 2019-20)	1,27,81,875
Availability of fund for FY 2019-20	36,29,45,780
Less: Amount of arrears of Income (as per Observation II of Financial Discrepancies)	1,82,42,850
Less: Amount deposited with LIC against gratuity and leave encashment liabilities (as per Observation IX of Financial Discrepancies)	3,87,52,802
Less: Development Fund as on 31.03.2019	3,39,29,888
Less: Caution Money as on 31.03.2019	10,78,000
Net Availability of fund for FY 2019-20	27,09,42,240
Less: Total cash outflow (Revenue Expenditure + Capital Expenditure - Depreciation)	18,38,53,824
Less: Provision for 7th CPC (from 01.01.2016 to 31.03.2019) (refer note 1 below)	4,90,50,000
Estimated Surplus	3,80,38,416

Note 1: As per audited Financial Statements for FY 2018-19, the school has not paid arrears of salaries as per 7th CPC and therefore, same has been considered in above calculations.

- ii. The School has sufficient funds to carry on the operation of the School for the academic session 2019-20 on the existing fees structure. In this regard, Directorate of Education has already issued directions to the Schools vide order dated 16.04.2010 that,

"All Schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence

of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase."

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial and other irregularities, that the sufficient funds are available with the school to carry out its operations for the academic session 2019-20. Accordingly, the fee increase proposal of the school may be rejected.

AND WHEREAS, the school has incurred capital expenditure for Building, Multipurpose hall and Multipurpose stage amounting Rs. 1,89,52,183 in contravention of clause 2 of public notice dated 04.05.1997 and Rule 177 of DSER, 1973. School funds amounting Rs. 2,50,00,000 have been diverted in contravention of clause 8 of order dated 15.12.1999, clause 23 of order dated 11.02.2009 and Rule 177 of DSER, 1973. Also, remuneration amounting 53,28,000 has been paid to the Manager over the period of three years in contravention of provisions of DSEA & R, 1973. Accordingly, school is directed to recover aforesaid amounts within 30 days from the date of issue of this order.

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

Accordingly, it is hereby conveyed that the proposal of fee increase of **Bal Bharati Public School (School ID – 1821227), Sector-12 Dwarka, New Delhi-110075** is rejected by the Director of Education. Further, the management of said School is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. Not to increase any fee in pursuance to the proposal submitted by school on any account for the academic session 2019-20 and if the fee is already increased and charged for the academic session 2019-20, the same shall be refunded to the parents or adjusted in the fee of subsequent months.
2. To communicate the parents through its website, notice board and circular about rejection of fee increase proposal of the school by the Directorate of Education.
3. To rectify all the financial and other irregularities/violations as listed above and submit the compliance report within 30 days to the D.D.E (PSB).
4. To ensure that the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings in accordance with the principles laid down by Hon'ble Supreme Court of India in its Judgment of Modern School vs Union of India.

Therefore, school not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA, 1973.

5. To utilise the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.
6. In case of submission of any proposal for increase in fee for the next academic session, the compliance of the above listed financial and other irregularities/violations will also be attached.

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

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



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

To
The Manager/ HoS
Bal Bharati Public School (School ID – 1821227),
Sector-12 Dwarka, New Delhi-110075

No. F.DE.15 (158)/PSB/2021/2988-92

Dated: 16/08/21

Copy to:

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



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