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

1411
No. F.DE.15 ()/PSB/2023/ 5121-5125 **Dated:** 05/06/23

Order

WHEREAS, **Sneh International School, A-2 Block, New Rajdhani Enclave, Vikas Marg, Delhi-110092 (School Id: 1003247)** (hereinafter referred to as **"the School"**), run by the **VaishEducation Foundation** (hereinafter referred to as the "**Society**"), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (**hereinafter referred to as "DoE")**, under the provisions of Delhi School Education Act & Rules, 1973 (**hereinafter referred to as "DSEAR, 1973")**.The school is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

AND WHEREAS, the manager of every recognized school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the DSEAR, 1973 with the Directorate. Such statement is required to indicate estimated income of the school to be derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc. in terms of rule 177(1) of the DSEAR, 1973.

AND WHEREAS, as per section 18(5) of the DSEAR, 1973 read with sections 17(3), 24 (1) and rule 180 (3) of the above DSEAR, 1973, responsibility has been conferred upon to the DoE to examine the audited financial Statements, books of accounts and other records maintained by the school at least once in each financial year. Sections 18(5) and 24(1) and rule 180 (3) of DSEAR, 1973 have been reproduced as under:

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

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

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

Thus, the Director (Education) has the authority to examine the full statement of fees filled under section 17(3) of the DSEA,1973 and returns and documents submitted under section 18(5) of DSEA,1973 read with rule 180(1) of DSER,1973.

AND WHEREAS, besides the above, the Director (Education) is also required to examine and evaluate the fee increase proposal submitted by the private unaided recognized schools for some of the schools which have been allotted from Director (Education) before any increase in fee.

AND WHEREAS, the Hon'ble Supreme Court in the judgment dated 27.04.2004 held in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under sections 17(3), 18(4) read along with rules 172, 173, 175 and 177, the DoE has the authority to regulate the fee and other charges, with the objective of preventing profiteering and commercialization of education.

AND WHEREAS, it was also directed by the Hon'ble Supreme Court, that the DoE in the aforesaid matter titled Modern School Vs. Union of India and Others in paras 27 and 28 in case of private unaided schools situated on the land allotted by DDA at concessional rates that:

"27....(c) It shall be the duty of the Director of Education to ascertain whether terms of allotment of land by the Government to the schools have been complied with...
28. We are directing the Director of Education to look into the letters of allotment issued by the Government and ascertain whether they (terms and conditions of land allotment) have been complied with by the schools.......
.....If in a given case, Director finds non-compliance of above terms, the Director shall take appropriate steps in this regard."

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

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/4440-4412 dated 08.06.2022, directing all the private unaided recognized schools, running on the land allotted by DDA/other land-owning agencies on concessional rates or otherwise, with the condition to seek prior approval of DoE for increase in fee, to submit their proposals, if any, for prior sanction, for increase in fee for the academic session 2022-23.

AND WHEREAS, in pursuance to order dated 08.06.2022 of the DOE, the school submitted its proposal for increase of fee for the academic session 2022-23. Accordingly, this order dispenses the proposal for increase of fee submitted by the school for the academic session 2022-23.

AND WHEREAS, in order to examine the proposals submitted by the schools for fee increase for justifiability or not, the DoE has evaluated the fee increase proposals of the School carefully in accordance with the provisions of the DSEAR, 1973, and other Orders/ Circulars issued from time to time by the DoE.

AND WHEREAS, in the process of examination of fee increase proposal filed by the aforesaid School for the academic session 2022-23, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 21 March 2023 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. In the aforesaid personal hearing, compliance of Order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19 and Order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 were also discussed with the school and the school's submissions were taken on record.

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for the fee hike post personal hearing, the fee hike proposal was evaluated by DOE and the key suggestions noted for improvement by the school are hereunder:

A. Financial Suggestions for Improvement

1. 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:
   1. Assets held by a long-term employee benefit fund; and
   2. Qualifying insurance policies.

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

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

The school has got the actuarial valuation report for its liability towards gratuity and leave encashment and has recorded equivalent liability in its books of the accounts. As per the audited financial statements for the FY 2021-, the total liability towards retirement benefit was INR 2,26,38,577 against which the school has invested INR 84,86,006 with LIC.

Therefore, the amount deposited by the school in plan assets amounting to INR 84,86,006 have been considered while deriving the fund position of the school. As the school has not invested the whole amount in the plan assets, the amount of INR 85,00,000 proposed by the school for gratuity and leave encashment in the budget have been excluded from the total budgeted expenditure of the school. The school is hereby directed to invest an amount equivalent to its liability as determined by the actuary in 'plan-assets' as per AS-15.

2. As per direction no. 2 included in the Public Notice dated 04.05.1997, "it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society". Additionally, Hon'ble High Court of Delhi in its judgement dated 30.10.1998 in the case of Delhi Abibhavak Mahasangh concluded that "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Also, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10.02.2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

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

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

Accordingly, based on the aforementioned public notice and High Court judgement, the cost relating to land and construction of the school building has to be met by the society, being the property of the society and school funds i.e. fee collected from students is not to be utilised for the same.

The Directorate in its Order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19 and Order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20, directed to recover INR13,76,305 and INR 47,83,023 from the society towards the expenditure incurred for addition to the school building during the FY 2014-15 and 2015-16 respectively. The above expenditure was incurred by the school without complying with the above-mentioned provisions. However, the recovery under the aforesaid direction is still pending.

The school stated in its submission that the amount of that the expenditure is in the nature of renovation of building and is allowed as per Rule 177 of DSER, 1973. The school also submitted that it could not implement the recommendation of the 7th CPC due to shortage of funds and that it could not deposit the whole amount of liability of retirement benefit in the plan assets due to shortage of funds.

As the school was well aware about the implementation of the recommendation of 7th CPC and investment in plan assets for its statutory liability (gratuity and leave encashment). However, the school instead of paying salary to its staff in accordance with the recommendation of 7th CPC, preferred to incur expenditure of capital nature (which would otherwise be the responsibility of the society) and then submitted the fee hike proposal in the isolation to get the fee hike from the Director (Education) which indirectly translate the inclusion of capital expenditure in the fee structure of the school.

It is pertinent to note here that the school despite get the approval of fee increase in 2017-18 and 2019-20, the recommendations of 7th CPC are yet to be implemented. Therefore, the logic explained by the school for the utilization of the school fund is not in accordance with the Rule 177 of the DSER, 1973.Therefore, the aforesaid expenditure totalling to INR 61,59,328 has been included while deriving the fund position of the school and the school is directed to recover this amount from the society within 30 days from the date of issue of this order. The school is further directed not to incur any expenditure out of the school fund for construction of the building as it is the responsibility of the society as per the aforesaid provisions.

3. Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/883-1982 dated 10.02.2005 issued by this directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

The Directorate in its Order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19 and Order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 noted that from FY 2016-17 to FY 2018-19 the school incurred capital expenditure for purchase of buses for which school took a loan from D.R Dhingra Finance Limited and the repayment of which was started from 15.07.2015. The amount spent by the school out of school funds in repayment of such loan taken for purchase of buses is not in accordance with the above-mentioned provisions and Rule 177 of DSER, 1973.

It was also noted that the school incurred expenditure of INR 73,92,000 (Principal INR 53,60,000 plus Interest INR 20,32,000) towards repayment of the aforesaid loan till 31.03.2019. As the school was not maintaining fund-based accounting with respect to transport charges and thus not allowed to utilise schools' funds to provide services to the specific users which could have been used for payment of arrears of 7th CPC and investment in plan assets for gratuity and leave encashment. The surplus/deficit available for last 3 year has been taken into consideration and it was noted that school has generated surplus of INR 19,40,097 from the transport charges) and was adjusted from the above amount. Accordingly, the net amount of INR 54,51,903 (INR 73,92,000 minus INR 19,40,097) was recoverable from the society and has been included while deriving the fund position of the school. Further, the school was directed to recover the above amount and to ensure that capital assets are not procured from school funds unless savings are derived in accordance with Rule 177 of DSER, 1973. The school has not complied with the above directions.

Further, it is noted that the school has repaid principal amount of loan in FY 2019-20 and 2021-22 amounting INR 14,40,000 and INR 4,00,000 respectively which have been added to the funds available with school. The school is directed to recover INR 72,91,903 (INR 54,51,903 plus INR 14,40,000 plus INR 4,00,000) within 30 days from the date of this order.

4. Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/883-1982 dated 10.02.2005 issued by this directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

The Directorate in its Order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19, Order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 and Order No. F.DE.15(255)/PSB/2019/1455-1459 dated 29.03.2019 issued for FY 2017-18, noted that school had taken multiple loans for meeting capital requirements and other development work of the school. From FY 2014-15 to FY 2016-17, the school fund used for payment of these loans were determined as under:

Particulars	Term Loan from Corporation Bank	Loan against FDR	D. R. Dhingra Finance Company
Balance as on 31.03.2014	99,38,583	0	97,72,925
Balance as on 31.03.2015	56,57,899	18,08,746	74,17,139
Net Loan repaid during FY 2014-15	**42,80,684**	**0**	**23,55,786**
Balance as on 31.03.2015	56,57,899	18,08,746	74,17,139
Balance as on 31.03.2016	22,69,047	0	46,82,925
Net Loan repaid during FY 2015-16	**33,88,852**	**18,08,746**	**27,34,214**
Balance as on 31.03.2016	22,69,047	0	46,82,925
Balance as on 31.03.2017	0	0	0
Net Loan repaid during FY 2016-17	**22,69,047**	**0**	**46,82,925**
Net Loan repaid from FY 2014-15 to FY 2016-17	**99,38,583**	**18,08,746**	**97,72,925**
Total			**2,15,20,254**
Less: Amount already considered against additions to building **(Refer Financial Observations No.2)**			**61,59,328**
Balance amount recoverable from Society			**1,53,60,926**

It was noted in the audited financial statements for FY 2014-15, FY 2015-16 and FY 2016-17, that the school had paid interest on secured loans of INR 24,19,542, INR 23,12,169 and INR 10,93,720 respectively. Accordingly, the total payment of INR 1,53,60,926 (Total repayment of INR 2,15,20,254 after deducting amount of INR 61,59,328 for construction of building dealt separately in financial Observations no.1) and payment of interest on loan of INR 49,45,431 (Total interest from FY 2014-15 to FY 2016-17 of INR 58,25,431 after deducting interest on vehicle loan of INR 8,80,000 paid till 31.03.2017, dealt separately in Financial Observations No. 2) were directed to recover from the society. Review of the documents submitted by the school post personal hearing, it has been noted that the school has not complied with the above-mentioned directions and the aforesaid recovery is still pending.

Further, the school has also paid the interest on secured loan amounting to INR 51,77,252 during FY 2019-20 to 2021-22. Had the amount recoverable from the society as directed by the Directorate in their orders recovered, there would not be any burden on students in the form of interest. This interest is additional burden imposed on students as the school has to take overdraft facility to arrange the funds for their operations which should otherwise be brought in or recovered from the society. Accordingly, the interest paid on the overdraft facility and the bus loan have been added back as part of the funds available with the school.

Therefore, the school is hereby directed to comply with the above-mentioned directions and recover the above amounts of INR 1,53,60,926 for principal repayment, INR 49,45,431 for interest cost and interest of INR 51,77,252 from the society within 30 days from the date of issue of this order. Accordingly, this amount of INR 2,54,83,609 has been included in calculation of fund availability with the school and the school is directed to recover the aforesaid amount from society within 30 days from the date of this order.

5. As per 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, upgradation and replacement of furniture fixtures and equipment's. 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 and income generated from the investment made out of this fund will be kept in a separately maintained Development Fund Account*".

Further, as per 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 abovementioned 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/utilization 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 utilization of each fund balanced)*
d) *Restrictions, if any, on the utilization of specific assets.*"

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

And according to the Directorate of Education Order No F. DE.-15/Act-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016, In exercise of the powers confirmed by Clause (xviii) of Rule 50 and Rule 180 of the Delhi School Education Rules, 1973, the Director specified 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 Accountant of India, established under Chartered Accountant Act 1949 (38 of 1949) in Guidance Note on Accounting by the Schools (2005).

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."

Based on the presentation made in the audited financial statements, it has been noted that the school has transferred funds from general fund to depreciation reserve fund for which no explanation was provided by the school. Further, the school has not provided any reasonable justification for non-maintenance of the depreciation reserve fund, equivalent to the deprecation charged to revenue accounts.

Also, the school has reported the value of fixed assets purchased from development fund and general fund, on the face of the financial statements at gross value and the school is not charging any depreciation in the Income and Expenditure account. In addition to that, the school instead of maintaining development fund utilization account and treating it as deferred income as required by para 99 of the GN-21 cited above, has been transferring an amount equivalent to the cost of assets purchased out of development fund to general fund which results in overstatement of general fund.

Similar observation was noted in previous years' order of the Directorate in order No. 15/(708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19, order No. 15/(709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 and order No. F.DE.15(255)/PSB/2019/1455-1459 dated 29.03.2019 issued for FY 2017-18 wherein the school was instructed to maintain depreciation reserve fund equal to the depreciation charged in the revenue account if the school wish to collect development fee in future and to credit deferred income against the development fund utilised for purchase of assets. The school was also directed to provide basis of adjustment of development fund account by transferring INR 13,81,149 to "Vaish Education Foundation Account" for which school has not submitted any clarification.

Hence, the school is again directed to maintain depreciation reserve fund equivalent to depreciation charged in the revenue account and do not charge the development fee until it start complying with the aforesaid direction and submit the compliance status within 30 days from the date of issue of this order. Further, the school should present the fixed assets at historical cost in the financial statements for succeeding years and submit the documents clarifying transfer made to the Society.

6. Hon'ble High Court of Delhi in its judgement dated 30.10.1998 in the case of Delhi Abibhavak Mahasangh concluded that "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Further, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10.02.2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

Also, Directorate of Education, in its Order No. DE.15/Act/Duggal.Com/ 203/99/23033-23980 dated 15.12.1999, indicated the heads of fee/ fund that recognised private unaided school can collect from the students/ parents, which include:

- Registration Fee
- Admission Fee
- Caution Money
- Tuition Fee
- Annual Charges
- Earmarked Levies
- Development Fee

The aforementioned order was also upheld by the Hon'ble Supreme Court in the case of Modern School vs Union of India & Others. Further, 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 02.05.2016 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,*"

Similar observation was noted in previous years' order of the Directorate in order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19, order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 and order No. F.DE.15(255)/PSB/2019/1455-1459 dated 29.03.2019 issued for FY 2017-18 wherein the school was instructed to not charge "Activity charges" which is a capitation fee from next academic session. However, the school is continuously charging the same from the students.

It has been noted that the school's fee structure includes 'Activity charges' which is being collected from the students at the time of admission. The school collect this one-time fee of INR 30,000 from each student at the time of admission. However, the school has not provided any details of purpose for which this one-time charge is being collected. Further, this one-time collection is nothing but in the nature of capitation fee which is not in compliance with the above-mentioned provisions.

Therefore, the school is directed to not charge such capitation fee from the students and collect only the prescribed heads of fee in accordance with the provisions cited above.

B. Other Suggestions for Improvement

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.*"

   Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009 states that *Earmarked levies shall be charged from the user student only. Earmarked levies for the services rendered shall be charged in respect of facilities involving expenditure beyond the expenditure on the earmarked levies already being charged for the purpose. They will be calculated and collected on 'no profit no loss' basis and spent only for the purpose for which they are being charged. All transactions relating to the earmarked levies shall be an integral part of the school accounts*

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

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

   Further, the aforementioned Guidance Note lays down the concept of fund base accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account ('Restricted Funds' column) and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account ('Restricted Funds' column).

   From the information provided by the school and taken on record, it was noted that the school charges earmarked levies in the form of Transport fee, Activity, smart class & IT fees, Magazine fee and Mid-day meal fee from students. However, the school has not maintained 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, or has been incurring losses (deficit), which has been met from other fees/income. Below table shows the position of surplus/ deficit for fee collected in the name of earmarked levies:

Particulars	Transport fee (in INR)	Activity, Smart Class and IT Charges (in INR)
For the year 2021-22		
Fee Collected during the year (A)	17,700	1,03,26,291
Expenses during the year (B)	7,30,095	31,59,630
Difference for the year (A-B)	**-7,12,395**	**71,66,661**

The earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee(expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee).From the record submitted by the school, it was noted the school has been collecting Activity, Smart class and I.T fee from all the students which loses the character of earmarked levies.

Similar observation was noted in previous years' order of the Directorate in order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19, order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 and order No. F.DE.15(255)/PSB/2019/1455-1459 dated 29.03.2019 issued for FY 2017-18 wherein the school was instructed to stop the collection in the name of such fee with immediate effect.

Moreover, since the school is not following fund base accounting in accordance with the provision cited above, total fee (including earmarked fee) have been included in income and expenditure and have been considered in calculation of fund availability with the school and school is directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies has to be utilised or adjusted against earmarked fees collected from the users in the subsequent year. Further, the school should evaluate costs incurred against each earmarked levy and propose the revised structure for earmarked levies during the subsequent proposal for enhancement of fee ensuring that the proposed levies are calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

2. In previous years' order of the Directorate, order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19, order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 and order No. F.DE.15(255)/PSB/2019/1455-1459 dated 29.03.2019 issued for FY 2017-18 it was noted that:

- Fixed assets register for each financial year was prepared separately. In the fixed assets register for FY 2013-14, opening balance of the fixed assets were not mentioned and only fixed assets purchased during the year were recorded.
- In the fixed assets register for FY 2014-15, 2015-16 and 2016-17, only quantitative details were carried forward.
- On sample basis, fixed assets register for FY 2015-16 were reviewed against the invoices for purchase of fixed assets for the year. In some cases, value of purchase as per fixed assets register and value as per fixed assets schedule are not tallying for each of the assets reviewed.
- The fixed assets register was not maintained properly and complete details of assets such as units, value and location, etc., are not mentioned in the register. School submitted that the register was not updated.
- Also, no physical verification of the fixed assets was carried out during the period of evaluation.

On review of submission made after personal hearing, it has been noted that school has not submitted fixed asset register for verification. The school should prepare a FAR, which should include details such as asset description, purchase date, supplier name, invoice number, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.

Hence, the school is directed to comply with the above-mentioned directions by preparing the FAR with relevant details mentioned above according to the process for periodic physical verification of assets and document the results of physical verification of assets as the same shall be verified at the time of evaluation of fee hike proposal for subsequent year.

3. On review of submission of documents made post personal hearing, it has been noted that the school had no process in relation to calling of quotations from vendor, approval process, gate inward control and payment, only oral communication is done with the prospective suppliers and no documentation was done for the same. The school was not preparing any comparative statement for evaluating the quotations received from vendors and was not getting the same approved from the purchase committee. Also, the school does not have a process of maintaining gate inward and outward register and stamping the invoice at entry gate.

The fact that school has been procuring services from D.R Dhingra Finance Limited and Sneh tourist corporation both being headed by the Chairperson of the Sneh International School. Therefore, he will be the related party of the school, accordingly the school should disclose all the transactions with respect to related party after following the due procurement process.

Similar observation was also noted in the previous years' order of the Directorate, order No. 15/(708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19, order No. 15/(709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 and order No. F.DE.15(255)/PSB/2019/1455-1459 dated 29.03.2019 issued for FY 2017-18 wherein the school was directed to follow proper procurement process and maintain documentation in relation to procurements and purchases done by the school. However, the school has not complied with the above directions and has not disclosed the transactions with the related parties in the notes to accounts as well as in the auditors' report in form 10B and the annexures thereof. Compliance of the above shall be verified at the time of evaluation of proposal for fee enhancement for subsequent year.

4. Direction no. 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 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 11.02.2009 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.*"

On review of financial statements for FY 2021-22, it has been noted that school has not been refunding the caution money to all the leaving students rather the refund was made only to those students who makes an application for refund of caution money. School has also not refunded interest along with caution money to exiting students. Further, the school has not provided the calculation for amount of unclaimed caution money payable to the ex-students.

Therefore, the school is directed to ensure compliance with the aforementioned directions including refund of caution money along with interest to exiting students and treat un-claimed caution money as income after the expiry of 30 days from the date of communication with ex-students to collect the same. Further, the balance of caution money outstanding INR 8,03,795 as on 31.03.2022 has been considered while deriving the fund position of the school.

5. It was noted that school was not complying with the DOE Order No.F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 and condition mentioned at S. No. 18 in the land allotment letter which provides for 25% reservation to children belonging to EWS category. As per school, the details of EWS students and total number of students are as follows:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Total Students	1766	1819	1816
EWS Students	300	311	326
% of EWS students	17%	17%	18%

As per table above, it can be noted that the school still has not been complying with the directions of the Directorate and conditions of land allotment letter. Therefore, the concerned DDE (District) is requested to look into this matter and ensure compliance with the above directions.

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

On account of number of complaints received by the Institute of Chartered Accountants of India (ICAI) regarding signatures of Chartered Accountants (CAs) are being forged by non-CAs and corresponding observations by ICAI that financial documents/certificates attested by third person misrepresenting themselves as Chartered Accountants (CA) are misleading the Authorities and Stakeholders, ICAI, at its 379th Council Meeting, made generation of Unique Document Identification Number (UDIN) mandatory for every signature of Full time Practicing Chartered Accountants in phased manner for the following services:

1. All Certificates with effect from 1 Feb 2019
2. GST and Income Tax Audit with effect from 1 Apr 2019
3. All Audit and Assurance Functions with effect from 1 Jul 2019

Therefore, generation of UDIN has been made mandatory for all audit and assurance functions like documents and reports certified/ issued by practicing Chartered Accountants from 1 Jul 2019. The UDIN System has been developed by ICAI to facilitate its members for verification and certification of the documents and for securing documents and authenticity thereof by Regulators.

Further, ICAI issued an announcement on 4 Jun 2019 for the attention of its Members with the requirement of mentioning UDIN while signing the Audit Reports effective from 1 Jul 2019, which stated "With a view to bring uniformity in the manner of signing audit reports by the members of ICAI, it has been decided to require the members of ICAI to also mention the UDIN immediately after the ICAI's membership number while signing audit reports. This requirement will be in addition to other requirements relating to the auditor's signature prescribed in the relevant law or regulation and the Standards on Auditing."

In the previous years' order of the Directorate, order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19 and order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 it was noted that though the financial statements for FY 2016-2017 to FY 2018-2019 submitted by the school were signed by the Chartered Auditor with reference to its Auditor's Report of even date, the audit report of the Chartered Accountant was not enclosed along with any of the financial statements (3 years) submitted by the school. Also, in respect of the financial statements of the school dated 11 Sep 2019, it could not be verified if the Chartered Accountant had generated UDIN for the same as mandated by ICAI. Also, UDIN was not mentioned on the financial statements for FY 2018-2019 submitted by the school. Therefore, authenticity of the audit and that of the financial statements submitted by the school could not be verified. Further, the school has not complied with the statutory requirement of submission of audited final accounts and had submitted unauthentic final accounts, these financial statements were taken on record by the Directorate and considered for evaluation of the fee increase proposal of the school for the academic session 2018-2019 assuming the same as unaudited/provisional financial statements.

The school was directed to confirm from the auditor whether UDIN was generated in respect of the audit opinion issued by the auditor on the financial statements of the school for FY 2018-2019. If it was generated, the same should be mentioned by the school in its compliance report. In case, UDIN was not generated by the auditor, the school is directed to seek explanation from the auditor for not complying with the requirements notified by ICAI and get the said audit report and financial statements verified from the Institute of Chartered Accountants of India for its authenticity and validity.

The school was further directed to ensure that the audit opinions are issued on its final accounts by practicing Chartered Accountant and the same comply with the requirements enunciated by their regulatory body i.e. The Institute of Chartered Accountants of India.

Standard on Auditing (SA) 700 (Revised) – 'Forming an Opinion and Reporting on Financial Statements' notified by the Institute of Chartered Accountants of India include formats for issuing audit opinions on the financial statements by practicing Chartered Accountants.

Also, para 47 of SA 700 states "*The auditor's report shall be dated not earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements, including evidence that:*

i. *All the statements that comprise the financial statements, including the related notes, have been prepared; and*

ii. *Those with the recognized authority have asserted that they have taken responsibility for those financial statements.*"

However, the audited financial statements submitted by the school FY 2019-20, FY 2020-2 & FY 2021-22 did not include the following information:

- Independent Auditors Report duly signed by the Chartered Accountant.
- Receipt and Payment Account

The school is further directed to ensure that the audit opinions issued on the final accounts by the practicing Chartered Accountant comply with the requirements enunciated by their regulatory body i.e. The Institute of Chartered Accountants of India including compliance with SA 700 and generation of UDIN.

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 2022-23 amounting to INR **15,59,75,366** out of which cash outflow in the FY 2022-23 is estimated to be INR **15,87,47,637.** This results in deficit of INR **27,72,271** for FY 2022-23 after all payments. The details are as follows:

Particulars	**Amount (in INR)**
Cash and Bank balances as on 31.03.22 as per Audited Financial Statements	64,74,712
Bank overdraft as on 31.03.2022 as per Audited Financial Statements	-1,78,95,339
Investments as on 31.03.22 as per Audited Financial Statements **(Refer Note 1 Below)**	1,13,61,327
Liquid Funds as on 31.03.2022	**-59,300**
Add: Recovery from the society for additions to building **(Refer Financial Observations No. 2)**	61,59,328
Add: Recovery from the society towards amount spent on purchase of buses out of school funds and interest on secured loan **(Refer Financial Observations No. 3)**	72,91,903
Add: Repayment of term loan along with interest taken for meeting capital requirements and other development work **(Refer Financial Observations No.4)**	2,54,83,609
Add: Fees for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 & 3 Below)**	11,61,96,575
Add: Other income for FY 2021-22 as per Audited Financial Statements **(Refer Note 3 Below)**	8,89,179
Add: Additional income of annual charges and development fund **(Refer Note No. 2 Below)**	44,03,802
Add: Additional fees due to increase in fee@10%from 01.07.2022 **(Refer Note No. 4 Below)**	89,99,923
Total Available Funds for FY 2022-23	**16,93,65,019**
Less: Gratuity and Leave encashment deposited with LIC as per audited financial statements for FY 2021-22 **(Refer Financial Suggestion No. 1)**	84,86,006
Less: Development fund balance as on 31.03.2022	13,17,274
Less: Caution Money as on 31.03.2022 **(Refer Financial Suggestion No. 4)**	8,03,795
Less: FDR in the name of Manager & CBSE as on 31.03.2022 **(Refer Note 1 Below)**	1,13,683
Less: FDR in the name of Manager and DOE as on 31.03.2022 **(Refer Note 1 Below)**	25,85,387
Less: ATL fund's bank balance as on 31.03.2022	83,508

Particulars	Amount (in INR)
Net Available Funds for FY 2022-23 - (A)	**15,59,75,366**
Less: Budgeted expenses for the session 2022-23 **(Refer Note 5 Below)**	16,57,36,845
Less: Salary arrears of 7th CPC **(Refer Note 6 Below)**	-
Total Estimated Expenditure for FY 2022-23 - (B)	**16,57,36,845**
Net Deficit (A-B)	**97,61,479**

Note 1: The detail of fixed deposit held by the school as per the audited financial statements for the FY 2021-22 is provided below:

Particulars	Amount (in INR)	Remarks
FDR in the joint name of CBSE & School	1,13,683	Deducted while calculating available funds of the school.
FDR in the name of Manager and DoE	25,85,387	Deducted while calculating available funds of the school.
Other FDRs	1,76,251	Not deducted
Investments with LIC for gratuity	60,89,600	Deducted while calculating available funds of the school.
Investments with LIC for leave encashment	23,96,406	Deducted while calculating available funds of the school.
Total	**1,13,61,327**	

Note 2: The Department vide its Order No.F.No.PS/DE/2020/55 dated 18.04.2020 and Order No.F.No.PS/DE/2020/3224-3231 dated 28.08.2020 had issued guidelines regarding the chargeability of fees during the pandemic COVID 2019. The department in both the above-mentioned orders directed to the management of all the private schools not to collect any fee except the tuition fee irrespective of the fact whether running on the private land or government land allotted by DDA/other land-owning agencies and not to increase any fee in FY 2020-21 till further direction.

The department in pursuance of the order dated 31.05.2021 in WPC 7526/2020 of Single Bench of the Hon'ble High Court of Delhi and interim order dated 07.06.2021 in LPA 184/2021 of the Division Bench of Hon'ble High Court of Delhi and to prevent the profiteering and commercialization, again directed to the management of all the petitioners private unaided recognized schools through its Order No. F. No. DE.15 (114) /PSB /2021 /2165-2174 dated 01.07.2021:

(i) *"to collect annual school fee (only all permitted heads of fees) from their students as fixed under the DSEAR,1973 for the academic year 2020-21, but by providing deduction of 15% on that amount in lieu of* ***unutilized facilities*** *by the students during the relevant period of academic year 2020-21".* And if the school has collected the fee in excess to the direction issued by the Hon'ble Court, the same shall be refunded to the parents or adjusted in the subsequent month of fee or refund to the parents.

(ii) The amount so payable by the concerned students be paid in six equal monthly instalments w.e.f. 10.06.2021.

From review of the audited financial statements for the FY 2021-22 and based on the further information provided by the school post personal hearing, it has been noted that the school has reported 100% of the tuition fees and annual charges and development fees at 85% in its audited financial statements of FY 2021-22. Therefore, the income collected by the school during the FY 2021-22 with respect to tuition fee, annual charges and development fees has been grossed up to make comparative income with the FY 2022-23. The detailed calculation has been provided below:

Table A

Particulars	Income as per Audited Income & Expenditure Account for the FY 2021-22	Income Considered while deriving the fund position for the FY 2022-23	Remarks
Tuition fee	8,03,14,011	8,03,14,011	As per reconciliation provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% in compliance of the Directorate's order dated 01.07.2021 and thus, difference amount of INR 44,03,802 has been considered.
Annual Charges	1,89,97,500	2,23,50,000	
Development Charges	59,57,376	70,08,678	
Activity, smart class and IT charges	1,03,26,291	1,03,26,291	
Total	**11,55,95,178**	**11,99,98,980**	

Note 3: All the other income as per audited financial statements for the FY 2021-22 has been considered with the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23.

Note 4: The school was allowed to increase fee 10% vide order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20 from 1st July, 2022. School has submitted that it has increased the fee @15% from 1st July 2022. Accordingly, additional income on account of fee increase will also accrue to the school in FY 2022-23 and thus, following amount has been considered as funds available with the school:

Fee heads	Actual receipt in FY 2021-22	Grossed up	Total Expected fee	Increased fee (with fee increase @15% for 9 months)
Tuition fees	8,03,14,011	-	8,03,14,011	8,63,37,561
Annual Charges	1,89,97,500	33,52,500	2,23,50,000	2,40,26,250
Development fees	59,57,376	10,51,302	70,08,678	75,34,329
Activity, smart class and IT charges	1,03,26,291	-	1,03,26,291	1,11,00,763
Total	**11,55,95,178**	**44,03,802**	**11,99,98,980**	**12,89,98,903**
Impact of fee increase				**89,99,923**

Note 5: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except the following:

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Salary - Teaching staff	13,50,00,000	1,99,96,729.00	Restricted to 130% of expenditure incurred in FY 2021-22.
Function expenses	60,00,000	53,76,775.00	Restricted to 110% of expenditure incurred in FY 2021-22.
Educational Expenses	45,00,000	17,48,546.00	
School Maintenance, Ground and gardening	1,05,00,000	39,27,494.50	
Security Charges	35,00,000	16,49,255.50	
Smart class & I T Expenses	90,00,000	55,73,032.50	

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Capital expenditure allowed to the extent of Dev fund available	-	1,00,91,322.00	The proposed budget of INR 1,71,00,000 against development fee has been restricted to the extent of development fee received during FY 2021-22 only as the school failed to provide any justification for such huge capital expenditure during hearing.
Transport expenses	-	1,64,50,000.00	Neither Income nor expense has been considered on the assumption that earmarked levies are collected on no profit no loss basis
Total	**16,85,00,000**	**6,48,13,155**	

Note 6: In accordance with Section 10(1) of Delhi School Education Act 1973, scales of pay and allowance, medical facilities, pension gratuity, provident fund, and other prescribed benefits of the employees of a recognized private school shall not be less than those of the employees of the corresponding status in schools run by the appropriate authority.

Further, Directorate of Education has adopted the Central Civil Serviced (Revised Pay) Rules, 2016 vide Circular No 30-3(17)/(12)/VII pay Comm./2016/11006-11016 dated 19.08.2016 and No. 30-3 (17)/(12)/VII pay Comm./Coord./2016/12659-12689 dated 14.10.2016 for employees of Government Schools.

Further, in exercise of the powers conferred under clause (xviii) of Rule 50 of the Delhi School Education Rules, 1973, vide Competent Authority order No DE.15 (318)/PDB/2016/18117, dated 25.08.2017, the managing committees of all Private unaided Recognized Schools have already been directed to implement central Civil Services (Revised Pay) Rule, 2016 in respect of the regular employees of the corresponding status with effect from 01.01.2016 (for the purpose of pay fixation and arrears). Further, guidelines/detailed instructions for implementation of *7th* CPC recommendations in Private Un-aided Recognized Schools of Delhi has been issued vide DOE order dated 17.10.2017.

Further in the previous years' order of the Directorate, order No. 15/ (708)/PSB/2022/4320-4324 dated 07.06.2022 issued for FY 2018-19 and order No. 15/ (709)/PSB/2022/4345-4349 dated 07.06.2022 issued for FY 2019-20, school was directed to implement the recommendations of 7th CPC and arrears was allowed to the school at that time. As per school's reply during hearing, the school has implemented the recommendations of 7th CPC partially from 01.07.2019. Moreover, the school has not provided any liability towards 7th CPC arrears in the audited financial statements for FY 2021-22 and thus, no amount for arrears can be considered in the above calculations. Thus, the school is again directed to implement the recommendations of 7th CPC in full within 30 days from the date of issue of this order. A strict action against the school would be initiated u/s 24(3) of DSEA, 1973 for non-compliance with the direction cited above.

ii. In view of the above examination, it is evident that the school does not have adequate funds to carry on its operation for the academic session 2022-23 on the existing fee structure. In this regard, Directorate of Education has already issued directions to the schools vide order dated 16.04.2010 that,

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

AND WHEREAS, in the light of the provisions of DSEA, 1973,DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, the proposal of the school for the session 2022-23 have been evaluated and certain financial suggestions have been identified (appropriate financial impact has been taken on the fund position of the school) and certain procedural suggestions which were also noted (appropriate instruction against which have been given in this order) that the sufficient funds are not available with the school to carry out its operations for the academic session 2022-23. Accordingly, the fee increase proposal of the school is accepted.

AND WHEREAS, it is noticed that the school has incurred INR 3,89,34,840 in contravention of Rule 177 and other provisions of DSEAR, 1973 and other orders issued by the departments from time to time. Therefore, the school is directed to recover the aforesaid amount from society/ management. The receipts along with copy of bank statements showing receipt of the above-mentioned amount should be submitted with DoE, in compliance of the same, within 30 days from the date of issue of this order. Non-compliance with this direction shall be viewed seriously as per the provision of DSEA&R, 1973 without providing any further opportunity of being heard.

AND WHEREAS, considering the financial situation and existing deficiencies and keeping in view that salary and other employee's benefits can be paid to the teachers and staff smoothly, the fee hike is allowed to the school with the suggestions for improvement. Further, school is hereby directed that the additional income received on account of increase fee should be utilized at first instance only for payment of salary and salary arrears and submit the compliance report within 30 days from the date of issue of the order.

AND WHEREAS, it is relevant to mention charging of any arrears on account of fee for several months from the parents is not advisable, not only because of the additional sudden burden fall upon the parents/students but also as per the past experience, the benefit of such collected arrears is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6^{th} CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 8% to be effective from 01 April 2023.

AND WHEREAS, the fee proposal of the school alongwith relevant materials were put before the Director of Education for consideration and who after considering all the material on the record, and after considering the provisions of section 17 (3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that funds are not available with the school for meeting financial implication for the academic session 2022-23.Hence, for smooth payment of salaries and other employee's benefit, the fee hike is required to the school.

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

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

Accordingly, it is hereby conveyed that the proposal for fee hike of **Sneh International School, A-2 Block, New Rajdhani Enclave, Vikas Marg, Delhi-110092 (School Id: 1003247)** filed by the school in response to the Order No. F.DE.-15(40)/PSB/2019/4440-4412 dated 08.06.2022 for the academic session 2022-23, is accepted by the Director (Education) with the above conclusion and suggestions and the school is allowed to increase the fee by 8% for session 2022-23 to be effective from 01.04.2023.

Further, the management of said School is hereby directed under section 24(3) of DSEA&R 1973 to comply with the following directions:

1. To increase the fee only by the prescribed percentage from the specified date i.e. 01.04.2023.

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

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

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

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

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To
The Manager/ HoS
Sneh International School,
A-2 Block, New Rajdhani Enclave,
Vikas Marg, Delhi-110092 (School Id: 1003247)

1411
No. F.DE.15 (A)/PSB/2023/5121-5125 Dated: 05/06/23

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

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi