

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

No. F.DE.15(1568) / PSB / 2023 / 8243-8247

Dated: 25/09/23

ORDER

WHEREAS, Indira Ideal Sr. Sec. School, C-3, Plot No. 8, Janak Puri, New Delhi-110058 (School Id-1618240) (hereinafter referred to as "the School"), run by the Indira Adarsh Shiksha Samiti (Regd) (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, the 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 12th May 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. F.DE.

15/ (603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and Order No. F.DE.15/ (605)/ PSB/2022/3676-3680 dated 26.05.2022 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. As per clause no. 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 30.10.1998 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 Feb 2005 issued by this Directorate states *"Capital expenditure cannot constitute a component of the financial fee structure."*

Accordingly, based on the aforementioned public notice and Hon'ble 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 vide order no. F.DE.15(262)/PSB/2019/1600-1604 dated 05.04.2019 issued for FY 2017-18 noted that school had incurred capital expenditure totalling to INR 12,47,250 which was not in accordance with the aforementioned provisions and the school was directed to recover this amount from the society. Similar directions were also given in the order No. F.DE. 15/(603)/PSB/ 2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and order No. F.DE.15/(605)/PSB/ 2022/3676-3680 dated 26.05.2022 issued for FY 2019-20. However, no amount is recovered from the society.

The school in its compliance report has submitted that the amount is mainly spent on renovation and maintenance of building like maintenance of school toilets, playgrounds, classrooms, etc. Further, the Directorate's order noted that as per audited Financial Statements aforesaid expenditure are of capital expenditure and the auditor of the school has issued an unqualified report on these Financial Statements. Accordingly, INR 12,47,250 has been again added to the funds position of the school with the direction to the school to recover this amount from the society within 30 days from the date of issue of the order failing which necessary action shall be taken against the school in accordance with provision of section 24(4) of DSEA, 1973.

2. The Directorate vide order No. F.DE-15(262)/PSB/2019/1600-1604 dated 05.04.2019 issued for FY 2017-18 read with order No. F.DE-15/Act-I/WPC-4109/Part/13/885 dated 04.09.2017 and order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and order No. F.DE.15/(605)/ PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20 noted that the school runs nursery and KG classes at the premises owned by the Manager of the school and the

school was directed to recover the amount of rent paid to Manager from FY 2013-14 to FY 2018-19 amounting INR 53,26,342 and not to operate the school at the residence of Manager.

The school in its compliance report has mentioned that the additional area which was being used for running the nursery classes owned by the manager of the school has been vacated w.e.f. 30.11.2021 and is not being used by the school authorities anymore. This has been considered and taken on record. However, the school had paid rent for FY 2019-20 and 2020-21 to the manager. Accordingly, INR 77,33,542 (INR 53,26,342 as directed in previous order plus INR 12,03,600 for FY 2019-20 and 2020-21 each) has been added to the funds position of the school with the direction to the school to recover this amount from the society within 30 days from the date of issue of the order failing which necessary action shall be initiated against the school under section 24(4) of DSEA, 1973.

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

The Directorate vide order No. F.DE-15(262)/PSB/2019/1600-1604 dated 05.04.2019 issued for FY 2017-18 read with order No. F.DE-15/Act-I/WPC-4109/Part/13/885 dated 04.09.2017 noted that the school had spent their funds on purchase of vehicles of INR 15,73,960, mobile phones/ ipads of INR 1,52,000 and mobile connection charges of INR 1,56,855 and the school was directed to recover the above amounts from the society. However, no amount was recovered from the society.

Also, it was noted that the school did not segregate the amount of expenses incurred on the mobile connections provided to drivers for FY 2016-17, which has been derived at the average amount spent during FY 2013-14 to FY 2015-16 as INR 52,285 (INR 1,56,855/3). However, the school in its compliance report has not submitted the above details and mentioned that all telephone numbers are not necessarily be in the public domain and now the buses are not in use so most of the above telephone numbers have been discontinued.

Therefore, INR 19,35,100 (INR 15,73,960 plus INR 1,52,000 plus INR 1,56,855 plus INR 52,285) has been added to the fund position of the school with the direction to the school to recover the amount from the society within 30 days from the date of issue of the order.

4. As per Directorate's Order No. F.DE-15/ WPC-4109/ Part/13/7914-7923 dated 16.04.2016 regarding fee increase proposals for FY 2016-17 "*In case, the schools have already charged any increased fee prior to issue of the order, the same shall be liable to be adjusted by the schools in terms of the sanction of the Director of Education on the proposal*".

The Directorate vide order No. F.DE-15(262)/PSB/2019/1600-1604 dated 05.04.2019 issued for FY 2017-18 read with order No. F.DE-15/Act-I/WPC-4109/Part/13/885 dated 04.09.2017 noted that the school had increased tuition fees by 10% and annual charges ranging from 6% to 10% in FY 2016-17 without prior approval of the Directorate and the school was directed to refund/ adjust increased fee against future fee. Further, the above orders noted that the school had merged the examination fee and activity fees collected from students (from class Nursery to Class V) with

annual charges in FY 2016-17. Also. The above orders directed the school to refund/ adjust INR 18,07,713 towards increased tuition fee and INR 7,15,500 towards increased annual charges.

The Directorate vide order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and order No. F.DE.15/(605)/ PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20 noted that the school had increased tuition fee by 10% and 5% (approx.) and annual charges by 7-34% and 9-11% (approx.) without taking approval from Directorate in FY 2017-18 and FY 2018-19. In the absence of relevant details, the impact of increased tuition fee and annual charges has not been taken.

On review of fee structure of the school for FY 2019-20 to 2021-22, it is noted that the school has increase tuition fee of class V and VI students from INR 2,555 to INR 2,875. However, the details of increased tuition fee cannot be ascertained.

Accordingly, while deriving the fund position of the school the impact of increased tuition fee and annual charges amounting to INR 18,07,713 and INR 7,15,500 have been adjusted and the school is directed to immediately adjust/refund these amounts and submit the evidence of the same to the Directorate within 30 days from the date of issue of the order and not to increase any fee of any class without prior approval of the Directorate.

5. The Directorate vide order No. F.DE-15(262)/PSB/2019/1600-1604 dated 05.04.2019 issued for FY 2017-18, order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and order No. F.DE.15/(605)/ PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20 noted that the school had incurred certain expenses on the payment of salaries to the relatives engaged/employed in the school which is not as per the provisions of DSEA & R, 1973 and the recruitment rules. Also, the Directorate's Orders directed the school to recover INR 23,03,748 from the society as salary paid to Pradeep Kumar Kulshrestha (Brother of the Manager of the school) till 31.03.2019. However, the recovery is still pending.

The school in its compliance report has submitted that Mr. Pradeep Kumar Kulshrestha opted for voluntary retirement w.e.f. 31.03.2019.

Accordingly, INR 23,03,748 has been again added to the fund position of the school with the direction to the school to recover this amount from the Society within 30 days from the date of the order.

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

The Directorate Order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and Order No. F.DE.15/(605)/ PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20 directed the school to make provision for gratuity and leave encashment as per the actuarial valuation report and invest an amount equivalent to its liability as determined by the actuary in 'plan-assets' as per AS-15.

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school has not made provision for gratuity and leave encashment as per the actuarial valuation report submitted by the school for FY 2021-22. The details are provided below:

Particulars	Value determined by the Actuary	Provision in Books of Accounts	Investment made in LIC
Gratuity	3,43,66,292	1,69,99,189	1,58,85,399
Leave Encashment	1,17,05,311	70,78,237	46,45,801
Total	4,60,71,603	2,40,77,426	2,05,31,200

Accordingly, the school is directed to provide for retirement benefits in its books of accounts as per the actuarial valuation report and invest the amount in the plan assets with LIC (or other agency) as determined in actuary valuation report for gratuity and leave encashment and ensure that the amount deposited in plan assets is equivalent to the provision for gratuity and leave encashment.

B. Other Suggestions for Improvement

1. As per Rule 176 of the DSER, 1973 *"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 the Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, are required to be credited to a separate fund account when the amount is received and reflected separately in the Balance Sheet.

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

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school charges earmarked levies in the form of Transport Fee, Activity Fee and IT Fee. 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. Details of surplus/ deficit for FY 2019-20 to 2021-22 is given below:

Particulars	Transport Fees	Technology Fee	Science Fee	Computer Fee
For the year 2019-20				
Fee Collected during the year (A)	19,15,200	12,99,375	2,53,580	2,77,875
Expenses during the year (B)	20,65,763	11,80,447	-	-
Difference for the year (A-B)	-1,50,563	1,18,928	2,53,580	2,77,875
For the year 2020-21				
Fee Collected during the year (A)	-	-	-	-
Expenses during the year (B)	4,000	5,09,283	-	-
Difference for the year (A-B)	-4,000	-5,09,283	-	-
For the year 2021-22				
Fee Collected during the year (A)	-	-	2,40,300	3,07,015
Expenses during the year (B)	-	5,75,308	-	-
Difference for the year (A-B)	-	-5,75,308	2,40,300	3,07,015

Similar observations were also noted in Directorate's Order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and Order No. F.DE.15/(605)/PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20.

Based on aforementioned, earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). The fee charged from all students loses its character of earmarked levy, being a non-user-based fees. Accordingly, charging earmarked levies in the name of IT Fee and Activity Fee from all the students loses its character of earmarked levy. Thus, the school is directed not to charge IT Fee and Activity Fee as earmarked fee with immediate effect and should incur the expenses relating to these from tuition fee and/or annual charges.

The school is again 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 must be utilized or adjusted against earmarked fees collected from the users in the subsequent year. Further, the school should evaluate costs incurred against each earmarked levy and propose the revised fee structure for earmarked levies during subsequent proposal for enhancement of fee ensuring that the proposed levies are calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

2. As per clause 3 of the public notice dated 04.05.1997 published in the Times of India "*No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate of INR. 500 per student in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.*"

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

Further, Clause 3 and 4 of Order No. DE/15/150/Act/2010/4854-69 dated 9 Sep 2010 stated "In case of those ex-students who have not been refunded the caution money/ security deposit, the schools shall inform them (students) at their last shown address in writing to collect the said amount within thirty-days. After the expiry of thirty days, the un-refunded Caution money belonging to the ex-students shall be reflected as income for the next financial year & it shall not be shown as liability. Further, this amount shall also be taken into account while projecting fee structure for ensuing academic year."

Directorate's Order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and Order No. F.DE.15/(605)/PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20, directed the school to refund the caution money together with interest earned from bank account or fixed deposits to students at the time of leaving the school.

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school is not refunding interest along with caution money to students at the time of them leaving the school. Accordingly, the school is directed to ensure compliance of clauses 3 and 4 of the order dated 09.09.2010 and clause 18 of the order dated 11.02.2009.

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 Academic session 2022-23 amounting to **INR 7,67,94,240** out of which cash outflow in the Academic session 2022-23 is estimated to be **INR 6,85,55,979**. This results in a surplus of **INR 82,38,261**. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.22 as per Audited Financial Statements	4,06,561
Investments as on 31.03.22 as per Audited Financial Statements	2,73,53,150
Less: Bank Overdraft as on 31.03.2022 as per Audited Financial Statement	(27,98,580)
Liquid Funds as on 31.03.2022	2,49,61,131
Add: Recovery from the society against capital expenditure on school building (Refer Financial Suggestion No. 1)	12,47,250
Add: Recovery from the society against rent to Manager (Refer Financial Suggestion No. 2)	77,33,542
Add: Recovery from the society against expenditures of vehicles, mobile phone and mobile connection charges (Refer Financial Suggestion No. 3)	19,35,100
Add: Recovery towards amount spent on salary of relatives (Refer Financial Suggestion No. 5)	23,03,748
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	5,47,51,222
Add: Other Income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	16,40,163
Add: Additional Income of Annual Charges and Development Fund (Refer Note 3 Below)	10,50,977
Add: Additional Fees due to increase in fee @13% from 01.07.2022 (Refer Note 4 Below)	54,37,183
Less: Arrears of Annual Charges and Development Charges of FY 2020-21 collected in FY 2021-22	-
Total Available Funds for FY 2022-23	10,10,60,316
Less: FDR in the joint name of Dy. Director and Manager of the school (Refer Note 1 Below)	3,49,305
Less: FDR in the joint name of CBSE and Manager of the school (Refer Note 1 Below)	2,96,026
Less: Caution Money (Refer Other Suggestion No. 2)	5,66,333
Less: Investment with LIC against provision made for retirement benefits (Refer Financial Suggestion No. 6)	2,05,31,200
Less: Amount refundable/adjustable for annual charge received in excess from students for FY 2016-17 (Refer Financial Suggestion No. 4)	7,15,500
Less: Amount refundable/adjustable for tuition fee received in excess from students for FY 2016-17 (Refer Financial Suggestion No. 4)	18,07,713
Net Available Funds for FY 2022-23 (A)	7,67,94,240
Less: Budgeted expenses for the session 2022-23 (Refer Note 5 Below)	6,69,25,863
Less: Salary Arrears of 7th CPC (Refer Note 6 Below)	16,30,116
Total Estimated Expenditure for FY 2022-23 (B)	6,85,55,979
Net Surplus (A-B)	82,38,261

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
Fixed Deposit in the joint name of Dy Director Education and Manager of the school	3,49,305	Deducted while calculating available funds of the school.
Fixed Deposit in the joint name of Secretary, CBSE and Manager of the school	2,96,026	Deducted while calculating available funds of the school.
Total	6,45,331	

Note 2: All the fee except development fee and 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. Development Fee has been considered on the basis of audited financial statements for FY 2019-20 as the school has not collected development fee during FY 2020-21 and 2021-22.

Note 3: 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 tuition fees and 85% of annual charges and development fees in its audited financial statements of FY 2021-22. Therefore, the income collected by the school during the FY 2021-22 with respect to annual charges and development charges have been grossed up to make comparative income with the FY 2022-23. The detailed calculation has been provided below:



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	4,84,25,458	4,84,25,458	As per details provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% and thus, difference amount of INR 10,50,977 has been considered.
Annual Charges	59,55,539	70,06,516	
Development Charges	3,34,000	3,34,000	
Total	5,47,14,997	5,57,65,974	

Note 4: The school was allowed to increase fee 5% vide Order No. F.DE. 15/(603)/PSB/2022/3577-3581 dated 25.05.2022 issued for FY 2018-19 and 8% vide Order No. F.DE.15/(605)/PSB/2022/3676-3680 dated 26.05.2022 issued for FY 2019-20 from 1st July, 2022. The school has submitted that it has increased the fee @13% 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 Estimated Fee	Increased fee (with fee increase @13% for 9 months)
Tuition fees	4,84,25,458	0	4,84,25,458	5,31,46,940
Annual Charges	59,55,539	10,50,977	70,06,516	76,89,652
Development Fee	3,34,000	0	3,34,000	3,66,565
Total	5,47,14,997	10,50,977	5,57,65,974	6,12,03,157
Impact of fee increase				54,37,183

Note 5: All budgeted expenditure proposed by the school amounting to INR 7,73,64,298 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
Gratuity & Leave encashment	45,00,000	45,00,000	Refer Financial Suggestion No. 6
Digital board and computer expenses	25,00,000	25,00,000	The school has proposed new head of expenditure for which the school has not submitted any justification, therefore the same has not been considered

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Distribution of books and uniform to EWS	12,00,000	12,00,000	Neither Income nor expense has been considered while deriving the fund position of the school
Lab Expenses	1,00,000	1,00,000	
Science and technology Expenses	5,50,000	5,50,000	
Capital Expenditure	19,55,000	15,88,435	Restricted to development fee expected to be received in FY 2022-23
Total	1,08,05,000	1,04,38,435	

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.

As per school's reply during hearing, the school has submitted that the school has implemented 7th CPC recommendations w.e.f. 01.04.2018. Also, the school has provided for salary arrears payable of INR 16,30,116 in its audited financial statements for FY 2021-22 which has been considered while evaluating the funds availability position of the school.

- ii. In view of the above examination, it is evident that the school 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 the order) that the sufficient funds are available with the school to carry out its operations for the academic session 2022-23.

AND WHEREAS, the fee proposal of the school 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 sufficient funds are available with the school for meeting financial implication for the academic session 2022-23.

AND WHEREAS, it is noticed that the school has incurred INR 1,32,19,640 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 the 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, the act of the school of charging unwarranted fee 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 the order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the proposal for fee hike of **Indira Ideal Sr. Sec. School, C-3, Plot No. 8, Janak Puri, New Delhi-110058, (School Id-1618240)** 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 **rejected by the Director (Education)** with the above conclusion and suggestions.

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

1. Not to increase any fee/charges during FY 2022-23. In case, the school has already charged increased fee during FY 2022-23, the School should make necessary adjustments from future fee/refund the amount of excess fee collected, if any, as per the convenience of the parents.
2. To 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 the 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.



(Jai Parkash)

Deputy Director of Education
(Private School Branch)

Directorate of Education, GNCT of Delhi

To
The Manager/ HoS
Indira Ideal Sr. Sec. School,
C-3, Plot No. 8, Janak Puri,
New Delhi-110058, (School Id-1618240)

No. F.DE.15 (1568)/PSB/2023 / 8243 - 8247

Dated: 25/09/23

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 (West-B) 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.



(Jai Parkash)

Deputy Director of Education
(Private School Branch)

Directorate of Education, GNCT of Delhi