

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

1493  
No. F.DE.15 @/PSB/2023/ 6502-6506

Dated: 19/07/23

Order

WHEREAS, Apeejay School, J-Block, Gurudwara Road, Saket, New Delhi - 110017 (School Id: 1923297) (hereinafter referred to as "the School"), run by the Apeejay Education Society (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 09<sup>th</sup> 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/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 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. Clause 14 of Order No. F.DE./15(56)/Act/2009/778 dated 11.02.2009 and Clause 7 of Order No.DE 15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 state "Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up gradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from investment made out of this fund, will be kept in a separately maintained Development Fund Account”.

The Directorate in its Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, directed the school to comply with clause 14 of the order dated 11.02.2009 for utilization of development fee on purchase, up gradation and replacement of furniture, fixtures and equipments. As mentioned in the above orders, the school utilized development fee for addition to ‘Miscellaneous assets’ such as badminton court, basketball court, cricket pitch, playground, etc., and it was not in accordance with the order dated 11.02.2009 and most of the expenditures capitalized under ‘Miscellaneous Assets’ were of the nature of

civil works and construction works and related to the building. Accordingly, these expenditures were part of the building and the school funds should not be utilized for addition to the school building.

Similar observation was also noted in Directorate's order no. F.DE. 15/(203)/PSB/2019/1125-1129 dated 25.03.2019 for FY 2017-18 wherein it was observed that the school utilized development fee for purchase of Library books, vehicles and miscellaneous assets. In the aforesaid order, the school was directed to make the necessary adjustment in the development fund account and General Fund account which is still pending for compliance by the school. However, on review of audited financial statements for FY 2019-20 to 2021-22, it is noted that no adjustments in the development fund account and general fund account were made.

Accordingly, the school is again directed to ensure compliance with clause 14 of the order dated 11.02.2009 as the development fee can only be utilized for purchase, up gradation and replacement of furniture, fixtures and equipment and to make necessary adjustment in the development fund account and General Fund account and submit compliance report to the Department within 30 days from the date of issue of the order.

Further, in the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, it was noted that the amount of development fund balance appearing on the liability side of the balance sheet did not match with the balance appearing in bank account and fixed deposit. Same observation is also noted in the financial statements for FY 2019-20 to 2020-21 and the details are tabulated as below:

Particulars#	Development Fund	Bank Balance	Accrued Interest
As on 31.03.2016	2,86,36,732	8,55,576	-
As on 31.03.2017	4,29,42,905	17,64,244	30,27,740
As on 31.03.2018	4,34,46,346	42,54,681	1,13,44,988
As on 31.03.2019	4,65,00,606	14,23,489	33,42,088*
As on 31.03.2020	5,99,19,329	9,55,604	33,45,031*
As on 31.03.2021	5,71,66,959	6,006	37,36,331*
As on 31.03.2022	7,35,70,302	1,47,558	39,08,061*

\*Amount deposited with Delhi High Court.

Moreover, in the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, it was noted that the collection of development fee in a financial year were more than the capital expenditure incurred during that year. And the amount of unutilised development fee is not appearing in the bank account of the school due to which it could be viewed as misappropriation of development fund. The same observation is also noted in the audited financial statements for FY 2019-20 to 2021-22. The details of development fee collected and capital expenditure incurred for FY 2014-15 to 2021-22 is as follows:

Particulars	Development Fee received	Capital Expenditure against Development Fee	Difference
FY 2014-15	85,43,931	14,70,214	70,73,717
FY 2015-16	97,70,878	41,56,876	56,14,002
FY 2016-17	1,10,31,120	48,49,169	61,81,951
FY 2017-18	1,10,21,580	1,05,18,139	5,03,441
FY 2018-19	1,09,39,006	78,84,746	30,54,260
FY 2019-20	1,44,65,052	10,46,329	1,34,18,723
FY 2020-21	2,47,602	29,99,972	-27,52,370
FY 2021-22	1,70,66,472	6,63,129	1,64,03,343
<b>Total</b>	<b>8,30,85,641</b>	<b>3,35,88,574</b>	<b>4,94,97,067</b>

As were directed in the previous orders for session 2018-19 and 2019-20, the school is again directed to provide the complete details of the differences between the development fund balance and the sum of bank balance and balance of FDR together with interest accrued thereon. In case the school fails to provide enough information and explanation, it shall be presumed that the development funds have been misappropriated by the school and the same will be treated as the available funds with the school with the direction to recover the same from the society.

2. Rule 177 of DSER, 1973 provides "Income derived by an unaided recognized school by way of fees shall be utilized 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 utilized 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 recognized school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run

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

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

As per clause 2 of 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."

Further, as per Clause no. 9 of Letter of Allotment of Land issued by Delhi Development Authority to the Society running the school states, "The Society shall complete the construction of School building on the land within a period of two years from the date of handing over possession of land."

Clause no. 12 of the aforesaid letter states, "The Apeejay Education Society shall provide fencing and boundary wall immediately to prevent the encroachment."

Accordingly, based on the aforementioned provisions and the condition mentioned in the allotment letter, the cost relating to land and construction of the school building has to be met by the society, being the property of the society and school funds i.e., fee collected from students is not to be utilized for the same.

The Directorate's in its Order No. F.DE. 15(203)/PSB/2019/1125-1129 dated 25.03.2019 issued for FY 2017-18, directed the school to recover INR 12,71,080 from the society against the amount spent by the school for addition to the building in FY 2016-17. Similar direction was also given vide Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, wherein the school was directed to recover INR 51,60,683 which was incurred by the school for construction of Badminton court, Basketball court, Golf ground, Mini Tennis Ground etc in FY 2017-18. However, the recovery of the total amount spent by the school on the building and play ground in FY 2016-17 and 2017-18 are still pending.

Accordingly, the school is directed to recover INR 64,31,763 (INR 12,71,080 as directed in order dated 25.03.2019 plus INR 51,60,683 as directed in order dated 16.12.2021) from the society within 30 days from the date of issue of the order.



Further, in the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, the school was directed to submit details and clarification regarding matching the cost of land amounting to INR 1,10,22,372 and of building amounting to INR 2,47,18,027 appearing in the assets side of the financial statements with the corresponding capital contribution from the society. However, the school has not complied with the above direction.

Accordingly, the school is again directed to ensure the compliance of the aforesaid direction and submit detailed clarification with the supporting documents within 30 days from the date of issue of the order otherwise the total amount of INR 3,57,40,399 (INR 1,10,22,372 towards the cost of land and INR 2,47,18,027 towards the cost of building) will be treated as funds available with the school.

3. Rule 177 of DSER, 1973 states "Income derived by an unaided recognized school by way of fees shall be utilized 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 utilized 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 recognized school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run

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

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

Further, 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.*"

Accordingly, based on the above-mentioned provisions, the cost relating to land and building has to be met by the society being the property of the society and should be met out of the school funds.

It has been noted that the school incurred huge expenditures on repair and maintenance of Building. During FY 2019-20 to 2021-22, the school has booked expenditure of INR 1,04,32,543 in the name of Repairs and maintenance of Building and Garden & Ground.

On review of the ledger accounts and the supporting documents submitted by the school with respect to repair and maintenance expenses it is noted that the actual nature of these expenses were civil work and construction, etc. Below are the details of the expenditure incurred by the school on repair and maintenance:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	Total
Civil Work for Boundary Wall	5,46,740	41,00,694	15,38,470	61,85,904
Civil & Interiors, Plumbing and Electrical Works	-	23,30,186	13,99,474	37,29,660
Construction of MS Gate	-	-	5,16,979	5,16,979
<b>Total</b>	<b>5,46,740</b>	<b>64,30,880</b>	<b>34,54,923</b>	<b>1,04,32,543</b>

On further review of the ledger account of Repair and Maintenance of Building submitted by the school, it was noted that the school spent INR 1,04,32,543 towards civil work which appears to be of capital nature while the school has reported the same as revenue expenditure in its income and expenditure account.

The school has incurred capital expenditure in relation to building in contravention of aforesaid provisions. Thus, INR 1,04,32,543 has been added to the fund availability position of the school with direction to the school to recover the aforesaid amount from the society within 30 days from the date of issue of the order. Also, the school management is hereby directed to ensure correct reporting of the revenue expenditure and capital expenditure in its financial statements.

4. As per Para 99 of Guidance Note-21 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."

Para 102 of the aforementioned Guidance Note-21 also states "In respect of funds, schools should disclose the following in the schedules/notes to accounts:

- (a) In respect of each major fund, opening balance, additions during the period, deductions/utilisation during the period and balance at the end.
- (b) Assets, such as investments, and liabilities belonging to each fund separately.
- (c) Restrictions, if any, on the utilisation of each fund balance.
- (d) Restrictions, if any, on the utilisation of specific assets."

Also, para 67 of the aforementioned Guidance Note states "The financial statements should disclose, inter alia, the historical cost of fixed assets."

The Directorate in its Order No. F.DE. 15/(312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/(311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, directed the school to follow the accounting treatment specified under Guidance Note-21 issued by ICAI.

However, on review of the audited financial statements of the school of FY 2019-20 to 2021-22, the school has not disclosed on the face of the balance sheet "Fund utilized against assets", which should be equal to the cost of all assets purchased out of the development fund and this account should be written off in the proportion of depreciation charge to income and expenditure account which the school has not been following.

Therefore, the school is again directed to follow the accounting treatment specified in para 99 of the Guidance Note-21 issued by the ICAI.

5. As per section 18(4) of DSEA, 1973 states. "(a) Income derived by unaided schools by way of fees shall be utilized only for such educational purposes as may be prescribed; and (b) Charges and payments realised and all other contributions, endowments and gifts received by the school shall be utilised only for the specific purpose for which they were realised or received".

Further, the fees/ funds collected from the parents / students shall be utilised strictly in accordance with Rules 176 and 177 of the DSER-1973.

In the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, it was noted that expenditure was incurred on purchase of premium mobile phones, laptops, I-Pads, and TV, etc., for the use of the staff which appears to be of personal expenditure. Despite the direction of the

department for filing the purpose and necessity for such expenditure the school has not submitted any compliance report.

During FY 2017-18 to 2021-22, the school has purchased 22 Mobile Phones, 4 Apple IPAD, 8 Laptops, 2 Apple Phones and 2 LED TV ranging from INR 11,000 to INR 1,68,150. Even these costly items cannot be gifted to the employees of the school as it is not allowed in terms of Recruitment Rules and the provisions of DSEA & R, 1973. During this period the school has spent INR 37,43,830 which found to be unreasonable and unlawful.

Accordingly, the total amount of INR 37,43,830 spent by the school cannot be considered as expenditure for educational purposes in terms of Section 18(4) of DSEA, 1973 and accordingly, it has been considered in the calculation of fund availability of the school with the direction to the school to recover the aforesaid amount from the society within 30 days from the date of issue of the order.

6. Clause 22 of Order No. F.DE /15(56)/ Act/2009/778 dated 1.02.2009 state "Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged."

Clause 6 of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 state "Earmarked levies shall be charged from the user student only."

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

Also, earmarked levies collected from students are a form of restricted funds, which, according to Guidance Note-21 "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, Guidance Note-21 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 and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account.

The Directorate in its Order No. F.DE. 15 (203)/PSB/2019/1125-1129 dated 25.03.2019 issued for FY 2017-18, Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, directed the school to follow fund-based accounting and to charge earmarked levies on 'no profit no loss' basis only as mentioned in Guidance Note 21 issued by ICAI.

On review of audited financial statements for FY 2019-20 to 2021-22, it has been noted that the school charges earmarked levies in the name of Transport Fee, Science Fee, Computer Fee, Home Science Fee and Activity Fee on 'no profit no loss' basis and has not followed fund-based accounting as also directed in the previous orders. Also, the school has not passed necessary adjustment entries in the General Fund account.

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

The Directorate in its Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, directed the school not to charge Activity Fee, Science Fee and Computer Fee as these fees are not in accordance with aforesaid recommendations.

However, on review of records submitted by the school, it is noted that the school has not stopped the collection of Activity Fee, Science Fee and Computer Fee separately charged from the students upto class X. The earmarked levies are to be collected only from the user students availing the services, and if any service/facility has been extended to all the students of the school, a separate charge cannot be levied towards this service by the school as the same would get covered either from tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee).

Accordingly, the school is again directed not to charge Activity Fee, Science Fee and Computer Fee as earmarked fee with immediate effect and should incur the expenses relating to these either from tuition fee or from annual charges.

Further, the school is directed to follow fund-based accounting and to evaluate costs incurred against each earmarked levy and propose the revised fee structure for earmarked levies in the subsequent fee increase proposal by 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.

7. As per AS-15 'Employee Benefit' issued by ICAI. "An entity should determine the present value of defined benefit obligations and their fair value of any plan asset so that the amounts recognised in the financial statement do not differ materially from the amounts that would be determine at the balance sheet date".

Further, according to para 7.14 of the Accounting Standard 15 – 'Employee Benefits' issued by the Institute of Chartered Accountants of India, "Plan assets comprise:

- a) assets held by a long-term employee benefit fund; and
- b) qualifying insurance policies."

The Directorate in its Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, directed the school to make provision for gratuity and leave encashment in accordance with the actuarial valuation report and to make equivalent investments against plan assets in terms of AS-15 Employee Benefits issued by ICAI.

On review of the financial statements of the school for FY 2019-20 to 2021-22, the school has still not created provision for gratuity and leave encashment as per the actuarial valuation report despite the direction given to school in the previous order issued for FY 2018-19 and 2019-20. According to the actuarial valuation report, the Gratuity liability is INR 3,12,88,801 and Leave Encashment liability is INR 96,40,976 as on 31.03.2022 whereas the school has made provision for gratuity and leave encashment amounting to INR 1,75,81,659 only in its audited financial statement for FY 2021-22. Thus, the school is again directed to disclose its liabilities for retirement benefits (gratuity and leave encashment) according to the actuarial valuation report and to invest an amount equivalent to the liability of retirement benefit that qualify as 'Plan Assets' within 30 days from the date of the order.

Further, as per LIC Statement, the school has invested INR 1,68,36,698 but this investment was made in the name of The Trustees of Apeejay Education Society and not in the name of the school. This observation was also mentioned in the previous orders dated 16.12.2021 and the school was directed to get the name change on the LIC statement. However, the school has yet to comply with this direction. The aforesaid investments have been considered in the funds calculation of the school.

Further, it has been noted that school has presented payment of INR 66,00,000 towards 'LIC MF Liquid Fund' in the Receipts and Payments Account for FY 2019-20 but has not reported the same in the Balance Sheet. No financial impact has been given for this payment while delivering the fund position of



the school. Similar observation was also noted in the Directorate's order dated 16.12.2021 wherein the school presented INR 2,62,00,000 towards "LIC MF Liquid Fund" in the Receipts and Payments Account for FY 2018-19 without disclosing in the Balance Sheet. Accordingly, the school is directed to present its financial statements in proper manner showing both liabilities and investments related to gratuity and leave encashment.

8. As per Clause no. 6 of Letter of Allotment of Land issued by Delhi Development Authority to the Society running the school states that "The society shall not increase the rates of tuition fee without the prior sanction/ approval of the Department of Education"

As per the order dated 19.01.2016 issued by the Hon'ble High Court of Delhi, every recognized unaided school to whom land was allotted by DDA shall not increase the rate of fees without the prior sanction of Director, Education. Further, as per the directions of Hon'ble Supreme Court in the matter of Modern School vs. Union of India & Ors. (supra), a Circular dated 16.04.2010 has been issued reiterating as under:

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

In continuation of order dated 19.01.2016 issued by the Hon'ble High Court of Delhi, the Directorate of Education has issued order No. F. DE-15/ACT-I/WPC-4109/Part/13/791 4- 7923 dated 16.04.2016 with the direction that, "Now, therefore, all the HoS/ Manager of Private Unaided Recognized Schools, allotted land by the land owning agencies on the condition of seeking prior sanction of Director of Education for increase in fee, are directed to submit their proposals, if any, for prior sanction of the Director of Education for increase in fee/tuition fee for the academic session, online through website of the Directorate and upload returns and documents mentioned therein..."

"...In case no proposal is submitted by the School in terms of the order, the School shall not increase the tuition fee/ fee and any increased fee already charged shall be refunded/ adjusted by such schools".

Moreover, for the determination of fee for entry-level classes including nursery, the Directorate vide order dated 11.02.2009 and 16.04.2010 has issued detailed guidelines to be followed for the determination of fees under various heads and it has been emphasized that the rate of tuition fee shall be determined so as to cover the standard cost of the establishment including provisions for DA, bonus etc. and all terminal benefits, and also the expenditure of revenue nature concerning curricular activities. The school is being run by society on "no profit no loss" basis, and in the guise of autonomy, the school cannot adopt unfair practices while determining the fee structure. The fee should be commensurate with the expenditure incurred by a school for providing educational facilities in a particular class or earmarked levies should be commensurate with the specific facilities or services provided to a particular student. The provision regarding the determination of fees and increase in fees under the provisions of DSEA & R, 1973, circulars and notifications issued thereunder in this regard are equally applicable to all classes including entry-level classes.

The Directorate in its Order F.DE. 15(203)/PSB/2019/1125-1129 dated 25.03.2019 issued for FY 2017-18, has directed the school not to increase the fee without prior approval and to refund/ adjust the excess fee collected from the students.

In view of the above, the school has not submitted any justification or explanation regarding this observation. Accordingly, the school is again directed to ensure the above compliance and submit the report within 30 days of the issue of the order.

9. The posts of Education Advisor cum HRD Officer, Sr Education Research — Fellow, Assistant Manager — Computer, Administrative Manager, Graphic Designer, Site Engineer, etc., are not prescribed under the

Recruitment Rules and under the provisions of DSEA & R, 1973. However, on review of staff statements submitted by the school, it has been noted that the various posts have been created and filled by the school and paying them significant sums of remuneration and allowances. Based on details submitted by the school, the summary of personnel and their respective remuneration are as under:

S. No.	Staff Name	Designation	Date of Joining	Gross Salary (as per previous order)	FY 2019-20 to 2020-21	Gross Salary (as per March 2022 salary statement)	FY 2021-22	Total Salary
1	Mr. V.S. Garg	Education Advisor cum HRD Officer	01.07.1997	2,72,518	65,40,432	97,325	11,67,900	77,08,332
2	Mr. Mithilesh Kumar Singh	Sr Education Research Fellow	20.04.2005	2,44,629	58,71,096	1,88,565	22,62,780	81,33,876
3	Mr. Anindya Dutta Choudhary	Assistant Manager - Computer	01.01.2008	95,722	22,97,328	90,499	10,85,988	33,83,316
4	Mr. Bharat Bhushan Sharma	Administrative Manager	01.12.2009	1,10,250	26,46,000	98,762	11,85,144	38,31,144
5	Mr. Kumar Vaibhav	Graphic Designer	01.09.2011	59,500	14,28,000	74,753	8,97,036	23,25,036
6	Mr. Ramesh Chandra	Site Engineer	06.04.2016	48,500	11,64,000	72,132	8,65,584	20,29,584
7	Mr. Sunil Kumar	Senior Executive	17.10.2016	50,000	12,00,000	60,000	7,20,000	19,20,000
8	Mr. Binod Kumar Singh	Assistant Manager - Computer	11.04.2016	-	-	-	-	-
9	Mr. Rohit Kumar Saxena	Executive Events	NA	25,000	6,00,000	35,000	4,20,000	10,20,000
10	Mr. Himanshu Soni	Deputy Manager	NA	78,000	18,72,000	64,602	7,75,224	26,47,224
11	Ms. Swati Sharma	Front Office Executive	NA	-	-	30,000	3,60,000	3,60,000
12	Ms. Anushree Roy	Advisor - Education	NA	-	-	1,60,000	19,20,000	19,20,000
13	Ms. Aarti Bhatt	Secretary Cum Office Coordinator	NA	-	-	34,000	4,08,000	4,08,000
14	Mr. Shubham Nayyar	Assistant Manager - Admin	NA	-	-	45,000	5,40,000	5,40,000
15	Mr. Deepak Gupta	Executive Software	NA	-	-	40,000	4,80,000	4,80,000
16	Ms. Divya Mishra	Assistant Manager	NA	-	-	54,000	6,48,000	6,48,000
17	Mr. Nikhilesh Maitra	Sr. Manager - Admin	NA	-	-	41,407	4,96,884	4,96,884
18	Mr. Nilesh Mishra	Assistant Manager	NA	-	-	50,000	6,00,000	6,00,000
19	Ms. Anita Paul	Manager	NA	-	-	43,988	5,27,856	5,27,856
20	Ms. Anupriya	Assistant	NA	-	-	50,000	6,00,000	6,00,000

S. No.	Staff Name	Designation	Date of Joining	Gross Salary (as per previous order)	FY 2019-20 to 2020-21	Gross Salary (as per March 2022 salary statement)	FY 2021-22	Total Salary
	Chowdhury	Manger						
21	Mr. Deepak Kumar Bhalla	Deputy Manager	NA	-	-	86,100	10,33,200	10,33,200
	<b>Total</b>				<b>2,36,18,856</b>		<b>1,37,35,656</b>	<b>4,06,12,452</b>

\*The school has not submitted the month-wise details of actual payments made to aforesaid personnel and taking gross salary for FY 2019-20 and 2020-21 as per the previous order and for FY 2021-22, taking gross salary as per march 2022 salary statement, salaries for FY 2019-20 to 2021-22 have been computed.

Similar observation was also noted in the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20, wherein INR 2,47,47,656 was added to the funds availability position of the school towards the payments made to the person appointed on the posts creates in contravention of Recruitment Rules.

Further as per Rule 104 of DSER, 1973, "the minimum and maximum of age of the limit for recruitment to a recognised private school, whether aided or not, shall be the limits specified by the Administrator for appointment to corresponding posts in Government schools" and as per Rule 110 (1) of DSER, 1973, "Except where an existing employee is entitled to have a higher age of retirement, every employee of recognised private school, whether aided or not, shall hold office until he attains age of 60 years. However, in the Directorate's orders dated 16.12.2021, this observation was noted that Mr. V.S. Garg and Mr. Bharat Bhushan Sharma had attained the age of 60 years and their appointment were not in accordance with the Recruitment Rules and the provisions of DSER, 1973. However, the school has not complied with the directions given to them. Accordingly, the remuneration paid by the school during FY 2019-20 to 2021-22 amounting to INR 4,06,12,452 plus INR 2,47,47,656 (as directed to recover in order date 16.12.2021) has been considered in the calculation of funds availability of the school with a direction to recover the same within 30 days from the date of issue of the order.

10. 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.

On review of documents submitted by the school, it is noted that the school is making reimbursement of expenses like house rent, Electricity/ water expenses, medical expenses, telephone expenses, conveyance expenses, driver salary, vehicle maintenance expenses to the school staff during FY 2019-20 to 2021-22. These payments neither prescribed nor allowed in the provisions of DSEA&R, 1973 and in the recruitment rules, etc. The school has paid INR 64,06,375 during FY 2019-20 to 2021-22 to following staff towards various reimbursement of expenses:

Nature of Expense	Staff Name	FY 2019-20	FY 2020-21	FY 2021-22	Total
House Rent	Mr. V.S. Garg	10,38,180	10,38,180	10,38,180	31,14,540
Electricity/ Water Expenses	Mr. V.S. Garg	1,09,725	1,37,463	1,34,002	3,81,190
Medical Expenses	Mr. V.S. Garg	15,000	10,927	-	25,927
	Mr. Bharat Bhushan	41,844	40,131	41,884	1,23,859
Telephone Expenses	Mr. V.S. Garg	24,600	23,921	22,700	71,221

Nature of Expense	Staff Name	FY 2019-20	FY 2020-21	FY 2021-22	Total
	Mr. Bharat Bhushan	16,662	15,211	15,097	46,970
	Mr. A.D. Choudhary	12,000	12,000	12,000	36,000
Conveyance Expenses	Mr. V.S. Garg	2,42,400	2,27,587	2,43,113	7,13,100
	Mr. A.D. Choudhary	54,000	45,000	49,500	1,48,500
	Mr. Kumar Vaibhav	96,000	96,000	88,000	2,80,000
	Ms. Anita Paul	-	-	2,63,161	2,63,161
	Dr. Sujeet Eric Masih	-	-	1,76,774	1,76,774
Driver Salary	Mr. V.S. Garg	1,98,000	1,48,616	2,00,033	5,46,649
	Mr. Mithilesh Kr. Singh	-	-	1,62,000	1,62,000
Vehicle Maintenance Expenses	Mr. V.S. Garg	24,000	23,484	20,000	67,484
	Mr. Mithilesh Kr. Singh	-	-	1,44,000	1,44,000
EMI of Car Loan	Dr. Sujeet Eric Masih	-	-	1,05,000	1,05,000
	<b>Total</b>	<b>18,72,411</b>	<b>18,18,520</b>	<b>27,15,444</b>	<b>64,06,375</b>

Accordingly, INR 64,06,375 has been added to the funds availability position of the school with the direction to recover this amount from the society within 30 days from the date of issue of the order.

**B. Other Suggestions for Improvement**

1. Clause 3 of the public notice dated 04.05.1997 published in the Times of India states "No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate of 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."

Further, Clause 3 and 4 of Order no. DE/15/150/Act/2010/4854-69 dated 09.09.2010 states "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 income shall also be considered while projecting fee structure for ensuing Academic year."

On review of audited Financial Statements of the school, it has been noted that the school is refunding the caution money to the student at the time of his/ her leaving without interest thereon. Also, the school





has not reflected un-refunded caution money belonging to ex- students as income in the next financial year after the expiry of thirty days from the date of communication with the students to collect their caution money and not taken this into account while projecting fee structure for ensuring academic year.

Similar observation was also noted in the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20.

Therefore, the school is again directed to ensure compliance of clause 18 of order dated 11.02.2009 and clause 3 and 4 of order dated 09.09.2010. However, caution money of INR 10,88,568 as on 31.03.2022 has been considered while deriving the fund position of the school.

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

- i. The total funds available for the FY 2022-23 amounting to INR 19,29,54,305 out of which cash outflow in the FY 2022-23 is estimated to be INR 19,72,88,726. This results in deficit of INR 43,34,422 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	83,16,011
Investments as on 31.03.22 as per Audited Financial Statements	43,62,477
Investment with LIC against provision made for retirement benefit (Refer Financial Suggestion 6)	1,68,36,698
<b>Liquid Funds as on 31.03.2022</b>	<b>2,95,15,186</b>
<u>Add:</u> Recovery from society of additions made in building and expenditure incurred for civil work related to playground (Refer Financial Suggestion 2)	64,31,763
<u>Add:</u> Recovery from society of expenditure of capital nature incurred by the school (Refer Financial Suggestion 3)	1,04,32,543
<u>Add:</u> Recovery from society against remuneration paid to persons appointed in contravention of Recruitment Rules (Refer Financial Suggestion 9)	6,53,60,108
<u>Add:</u> Recovery from society for amount incurred by the school on premium phones, laptops and TV sets (Refer Financial Suggestion 5)	37,43,830
<u>Add:</u> Recovery from society against reimbursement of expenses to staff (Refer Financial Suggestion 10)	64,06,375
<u>Add:</u> Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	9,58,79,580
<u>Add:</u> Other Income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	16,33,950
<u>Add:</u> Additional Income of Annual Charges and Development Fund (Refer Note 4 Below)	59,23,007
<u>Less:</u> Arrears of Annual Charges and Development Charges of FY 2020-21 collected in FY 2021-22 (Refer Note 3 Below)	1,39,92,355
<b>Total Available Funds for FY 2022-23</b>	<b>21,13,33,986</b>
<u>Less:</u> FDR in the name of Manager & DOE as on 31.03.2022 (Refer Note 1 Below)	4,54,416
<u>Less:</u> Investment with LIC against provision made for retirement benefit (Refer Financial Suggestion 6)	1,68,36,698
<u>Less:</u> Caution Money as on 31.03.2022 (Refer Other Suggestion 1)	10,88,568
<b>Net Available Funds for FY 2022-23 (A)</b>	<b>19,29,54,305</b>
<u>Less:</u> Budgeted expenses for the session 2022-23 (Refer Note 5 and 6 Below)	19,72,88,726
<b>Total Estimated Expenditure for FY 2022-23 (B)</b>	<b>19,72,88,726</b>
<b>Net Deficit (A-B)</b>	<b>43,34,422</b>

**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 name of Manager and DoE	4,54,416	Deducted while calculating available funds of the school.
<b>Total</b>	<b>4,54,416</b>	

**Note 2:** All the 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.

**Note 3:** The Arrears of Annual Charges and Development Charges of FY 2020-21 collected in FY 2021-22 as per the school's submission are as under:

Fee heads	Arrears of FY 2020-21 collected in FY 2021-22
Annual Charges	47,69,911
Development Fee	92,22,444
<b>Total</b>	<b>1,39,92,355</b>

**Note 4:** 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:



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	6,98,52,837	7,36,69,680	As per reconciliation provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at 85% and thus, difference amount of INR 59,23,007 has been considered.
Annual Charges	40,90,902	48,12,826	
Development Charges	78,44,028	92,28,268	
<b>Total</b>	<b>8,17,87,767</b>	<b>8,77,10,774</b>	

**Note 5:** All budgeted expenditure proposed by the school amounting to INR 27,74,78,689 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 Arrears (01.01.2016-31.03.2020)	2,76,24,050	1,93,35,167	Salary arrears of INR 1,93,35,167 for the period 01.01.2016-31.03.2019 already allowed in the previous order dated 16.12.2021
Transportation Expenses	78,07,616	78,07,616	Neither Income nor expense has been considered on the assumption that earmarked levies are collected on no profit no loss basis
Activity Expenses	1,04,87,756	1,04,87,756	
Communication Expenses	10,53,237	3,52,391	Restricted to 110% of the Expenditure incurred in FY 2021-22
Scholarship	4,45,574	3,91,949	
Depreciation	72,55,842	72,55,842	Being non-cash expenditure, hence has not been considered.
Interest on Loan	19,59,242	19,59,242	Being these expenditure are in contravention of Rule 177 of DSER, 1973
Vehicles	21,00,000	21,00,000	
Building	3,05,00,000	3,05,00,000	Being capitalisation of building is in contravention of Caluse 2 of Public Notice and Rule 177 of DSER, 1973 hence these have been disallowed.
<b>Total</b>	<b>8,92,33,317</b>	<b>8,01,89,963</b>	

**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, it was held that the school has not implemented 7<sup>th</sup> CPC recommendations. Further, salary arrears amounting to INR 1,93,35,167 has already been allowed in the Directorate's Order No. F.DE. 15/ (312)/PSB/2021/5290-5293 dated 16.12.2021 issued for FY 2018-19 and Order No. F.DE. 15/ (311)/ PSB/2021/5286-5289 dated 16.12.2021 issued for FY 2019-20. Also, salary arrears for the period 01.04.2019 to 31.03.2023 proposed in the budget for FY 2022-23 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 does not have adequate funds for meeting all the operational expenditure for the academic session 2022-23. 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&R, 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 not available with the school to carry out its operations for the academic session 2022-23.

AND WHEREAS, it is noticed that the school has incurred INR 9,23,74,619 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, 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 6th CPC.

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 not available with the school for meeting financial implication for the academic session 2022-23. 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 5% to be effective from 01 April 2023.

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, 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 the order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the proposal for fee hike of **Apeejay School, J-Block, Gurudwara Road, Saket, New Delhi - 110017 (School Id: 1923297)** 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 5% 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 by 5% 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*  
(Nandini Maharaj)  
Additional Director of Education  
(Private School Branch)  
Directorate of Education, GNCT of Delhi

To  
The Manager/ HoS  
Apeejay School,  
J-Block, Gurudwara Road, Saket,  
New Delhi - 110017 (School Id: 1923297)

1493  
No. F.DE.15 (40)/PSB/2023/6502-6506

Dated: 19/07/23

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