

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

No. F.DE.15(1599)/PSB/2023/ 8927-8931

Dated: 18/10/23

ORDER

WHEREAS, **Ramjas School, Pusa Road, New Delhi - 110005, (School Id-2128124)** (hereinafter referred to as "**the School**"), run by the **Ramjas Foundation** (hereinafter referred to as the "**Society**"), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (hereinafter referred to as "**DoE**"), under the provisions of Delhi School Education Act & Rules, 1973 (hereinafter referred to as "**DSEAR, 1973**"). The school is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AND WHEREAS, in pursuance to order dated 08.06.2022 of the DOE, the school submitted its proposal for increase of fee for the academic session 2022-23. Accordingly, 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, the school was further asked to submit necessary documents and clarification on various issues noted.

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 8 of order dated 15.12.1999 and the clause 14 of Order No. F.DE./15 (56)/Act/2009/778 dated 11 Feb 2009 *"Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up-gradation and replacement of furniture, 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 the investment made out of this fund, will be kept in a separately maintained Development Fund Account."*

The aforesaid clause is also upheld by the Hon'ble Supreme Court in the matter of *Modern School vs. Union of India & ANR* (supra).

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school has utilised the development fee of INR 84,70,601 for incurring revenue

expenditure. The amount spent by the school out of development fee on revenue expenditure is not in accordance with the above-mentioned provisions as the development fee can only be utilised for purchase, up gradation and replacement of furniture, fixtures and equipment. Thus, it is clear that the development fund, being of nature of capital receipt can be utilised only for capital expenditure. The details of the utilisation of the development fee are given below:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Upgradation	38,81,435	-	9,27,066
Creation of Rain Water Harvesting System	13,61,520	-	-
Purchase of Children's Safety Equipment	99,415	-	-
Development Fee written off	8,900	-	-
Set up of MP Hall	-	20,42,523	1,49,742
Total	53,51,270	20,42,523	10,76,808

The school is directed not to utilise the development fee for expenses of revenue nature as it is in contravention of aforesaid clause 8 of order dated 15.12.1999, clause 14 of the order dated 11.02.2009 and the directions of Hon'ble Supreme Court.

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

Further, as per Para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India *"Where the fund is meant for meeting capital expenditure, upon incurrence of the expenditure, the relevant asset account is debited which is depreciated as per the recommendations contained in this Guidance Note. Thereafter, the concerned restricted fund account is treated as deferred income, to the extent of the cost of the asset, and is transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year."*

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school has disclosed fixed assets at WDV and the school has not prepared separate fixed assets schedule for assets purchased out of development fund account and assets purchased out of General Fund account. Also, the school has not created deferred income account by whatever name called in its books of accounts to the extent of cost of assets purchased out of development fund account and this account has not been written off in the proportion of depreciation charged to the income and expenditure account which is not in accordance with the above-mentioned provisions.

Therefore, the school is directed to ensure the compliance of Para 67 and Para 99 of Guidance Note 21 issued by ICAI and accordingly, the school should create deferred income account equivalent to the cost of assets purchased out of development fund and write off this deferred income account in the proportion of depreciation charged to the income and expenditure account in respect of such assets. Also, the school is directed to disclose all the fixed assets at gross value in its audited financial statements.

3. As per Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states *"Accounting for defined benefit plans is complex because actuarial*

assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses." Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:

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

Further, as per Para 57 of Accounting Standard 15- 'Employee Benefits' issued by the Institute of Chartered Accountants of India *"An enterprise should determine the present value of define 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."*

On review of the actuarial valuation report of Gratuity and Leave encashment submitted by the school, it is noted that the reports are of the date 29.12.2021. However, the school has not submitted actuarial valuation report as on 31.03.2022 due to which it cannot be ascertained that the school has created provisions for gratuity and leave encashment as per the actuarial valuation report of LIC as there are differences in the values as per the actuarial valuation report and amount of provision for gratuity and leave encashment in the financial statements. Also, the school has invested INR 3,60,52,819 in LIC Group Gratuity Scheme and INR 1,23,76,213 in LIC Group Leave Encashment scheme which has been considered in the funds available with the school.

Accordingly, the school is 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.

4. 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 Supreme Court in *Modern School vs. Union of India & ANR* (supra), a Circular dated 16.04.2016 has been issued reiterating as under:
 - I. It is reiterated that annual fee-hike is not mandatory.
 - II. 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.
 - III. If any school has collected fee in excess of that determined as per the procedure prescribed, the school shall refund/adjust the same against subsequent instalments of fee payable by students.

Also, Clause No. 17 of the Letter of Allotment of Land issued by DDA states that *"The school shall not increase the rates of tuition fee without prior sanction of the Directorate of Education, Delhi Admn. and shall follow provisions of Delhi School Education Act/ Rules, 1973 and other instructions issued from time to time."*

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, annual charges and development fee of all classes without obtaining prior approval of Directorate. The details of fee increase by the school in FY 2021-22 is given below:

Class VI to XII	FY 2019-20	FY 2020-21	FY 2021-22
Tuition Fee (p.m.)	5,400	5,400	5,900
Annual Charges (p.m.)	1,000	1,000	1,250
Development Fee (p.a.)	8,900	8,900	9,000

The fee increase by the school is not in accordance with the above-mentioned provisions. Accordingly, the school is directed to refund/ adjust the increased fee to the students charged during FY 2021-22 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.

B. Other Suggestions for Improvement

1. Clause 19 of Order No. F.DE./15(56)/Act/2009/778 dated 11 Feb 2009 States *"The tuition fee shall be so determined as to cover the standard cost of establishment including provisions for DA, bonus, etc., and all terminal, benefits as also the expenditure of revenue nature concerning the curricular activities."*

Further clause 21 of the aforesaid order states *"No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school."*

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

Para no. 22 of Order No. F.DE./15(56)/Act/2009/778 dated 11 Feb 2009 states *"Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged."*

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

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

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

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school charges earmarked levies in the name of activities fee and transport fee and the school has maintained fund-based accounting for transport fee only. Also, the school has generated surplus

in respect of activity fee 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. The details of surplus/deficit of earmarked levies during FY 2019-20 to 2021-22 are as under:

Particulars	Activity Fee
For the year 2019-20	
Fee Collected during the year (A)	1,39,01,500
Expenses during the year (B)	44,04,675
Difference for the year (A-B)	94,96,825
For the year 2020-21	
Fee Collected during the year (A)	-
Expenses during the year (B)	13,17,354
2) Difference for the year (A-B)	(13,17,354)
For the year 2021-22	
Fee Collected during the year (A)	-
Expenses during the year (B)	18,19,792
3) Difference for the year (A-B)	(18,19,792)

Based on the above-mentioned provisions, earmarked levies are to be collected only from the user students availing of 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 charging of unwarranted fee or charging of any other amount/fee under different heads other than prescribed and accumulation of surplus fund thereof prima-facie is considered as collection of capitation fee in other manner and form. Unintentional surplus, if any, generated from earmarked levies must be utilized or adjusted against earmarked fees collected from the users in the subsequent year.

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

- As per clause 103 on Related Party Disclosure, contained in Guidance Note 21 on 'Accounting by Schools', issued by the ICAI, there is a requirement that keeping in view the involvement of public funds, schools are required to disclose the transactions made in respect of related parties.

On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school has not disclosed related party transactions. The school should disclose related party transactions in its notes to accounts forming part of financial statements.

Therefore, the school is directed to disclose the related party transactions in compliance with Guidance Note 21 issued by ICAI.

- As per clause no. 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 11.02.2009 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 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."

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. Also, while computing the caution money payable to students on the basis of current students in the school with the permissible amount of caution of INR 500 per student, it is noted that the caution money payable to current students is less than the balance of caution money recognised in the audited financial statements. Accordingly, the school is directed to provide reconciliation of caution money payable to students for FY 2019-20 to 2021-22. Also, the school is directed to refund caution money alongwith interest to the students leaving the school. The compliance of the above shall be viewed at the time of evaluation of fee increase proposal of subsequent year.

Further, the balance of caution money of INR 8,95,000 as on 31.03.2022 has been considered while deriving the fund position of the school.

4. It was noted that the school was not complying with the DOE Order No.F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 and condition mentioned at S. No. 18 in the land allotment letter which provides for 25% reservation to children belonging to EWS category.

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Total No. of Students	1,109	1,086	1,058
No. of EWS Students	105	99	29
% of EWS students to total students	9.47%	9.12%	2.74%

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

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 17,38,20,194** out of which cash outflow in the FY 2022-23 is estimated to be **INR 9,63,53,140**. This results in net surplus of **INR 7,74,67,054** 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	90,18,375
Investments as on 31.03.22 as per Audited Financial Statements	14,40,87,420
Liquid Funds as on 31.03.2022	15,31,05,795
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	8,68,85,575
Add: Other Income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	75,78,535
Add: Additional Income of Annual Charges and Development Fund (Refer Note 4 Below)	34,89,600
Less: Arrears of Annual Charges and Development Charges of FY 2020-21 collected in FY 2021-22 (Refer Note 3 Below)	18,05,905
Total Available Funds for FY 2022-23	24,92,53,600
Less: FDR in the joint name of Secretary, CBSE and Manager of the school as on 31.03.2022 (Refer Note 1 below)	2,36,125
Less: FDR in the joint name of Dy Director Education and Manager of the school as on 31.03.2022 (Refer Note 1 below)	32,176
Less: Investment made with LIC against provision made for retirement benefits. (Refer Financial suggestion No. 3)	4,84,29,041
Less: Development Fee received during the FY 2022-23 (Refer Note 5 Below)	74,21,216
Less: Salary Reserve Fund Investment A/c (Refer Note 6 Below)	1,77,20,001
Less: Transport Fund Investment A/c (Refer Note 7 Below)	6,98,722
Less: Balance in EWS A/c	1,125
Less: Caution Money as on 31.03.2022 (Refer Other suggestion No. 3)	8,95,000
Net Available Funds for FY 2022-23 (A)	17,38,20,194
Less: Budgeted expenses for the session 2022-23 (Refer Note 8 below)	9,63,53,140
Total Estimated Expenditure for FY 2022-23 (B)	9,63,53,140
Net Surplus (A-B)	7,74,67,054

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

Particulars	Amount (in INR)	Remarks
FDR in the joint name of Dy. Director of Education and Manager of the school	32,176	Deducted while calculating available funds of the school.
FDR in the joint name of Secretary, CBSE and Manager of the school	2,36,125	Deducted while calculating available funds of the school.
Total	2,68,301	

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	18,05,905
Total	18,05,905

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 tuition fees at 100%, 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 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	6,52,54,500	6,52,54,500	As per reconciliation provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% in compliance of the Directorate's order dated 01.07.2021 and thus, difference amount of INR 34,89,600 has been considered.
Annual Charges	1,23,53,184	1,45,33,158	
Development Charges	74,21,216	87,30,842	
Total	8,50,28,900	8,85,18,500	

Note 5: The Supreme Court in the matter of Modern School held that development fees for supplementing the resources for purchase, upgradation and replacement of furniture and fixtures and equipment charged from students by the recognized unaided schools not exceeding 15% of the total annual tuition fee. Further, the Directorate's circular no. 1978 dated 16 Apr 2010 states "All schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase." Over a number of years, the school has accumulated development fund and has reflected the closing balance of INR 5,00,06,230 in its audited financial statements of FY 2021-22. Accordingly, the accumulated reserve of development fund created by the school by collecting development fee more than its requirement for purchase, upgradation and replacements of furniture and fixtures and equipment has been considered as free reserve available with the school for meeting the financial implication. However, development fund equivalent to amount collected in FY 2021-22 amounting to INR 74,21,216 from students has not been considered as fund available with school.

Note 6: The school has made salary reserve fund of INR 1,77,20,001 in its audited financial statements as on 31.03.2022. However, the school has not made corresponding investment in the joint name of Dy Director Education, Distt. and Manager, School equivalent to the salary reserve. Accordingly, the school is directed to create salary reserve equivalent to 4-months' salary and make investment in the joint name of Dy Director Education, Distt. And the Manager, School.

Note 7: Neither income nor expenditure has been considered in respect of transport fee. Also, Bank balance earmarked for transport fund has not been considered.

Note 8: All budgeted expenditure proposed by the school amounting to INR 9,76,03,140 has been considered while deriving the fund position of the school except depreciation of INR 12,50,000.

- 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, 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).

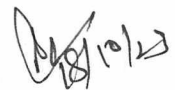
Accordingly, it is hereby conveyed that the proposal for fee hike of **Ramjas School, Pusa Road, New Delhi-110005, (School Id-2128124)** filed by the school in response to the Order No. F.DE.-15(40)/PSB/2019/4440-4412 dated 08.06.2022 for the academic session 2022-23, is rejected by the Director (Education) 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.



(Bimla Kumari)
Deputy Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To
The Manager/ HoS
Ramjas School,
Pusa Road, New Delhi-110005,
(School Id-2128124)

No. F.DE.15 (1599)/PSB/2023 / 8927-8931

Dated: 18/10/23

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 (Central) 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.



(Bimla Kumari)
Deputy Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi