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

No. F.DE.15 (642)/PSB/2023/ 9855-9859 **Dated:** 04/12/23

Order

WHEREAS, **Chinmaya Vidyalaya (School ID- 1720127) Vasant Vihar, New Delhi-110057,** (hereinafter referred to as **"the School"**),run by the **Delhi Chinmaya Sewa Trust** (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, 1973 **(hereinafter referred to as "DSEA, 1973")** and the Delhi School Education Rules, 1973 **(hereinafter referred to as "DSER, 1973").** The school is statutorily bound to comply with the provisions of the DSEA, 1973, DSER, 1973 and the RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

AND WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the DSEA, 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 DSER, 1973.

AND WHEREAS, as per section 18(5) of the DSEA, 1973 read with sections 17(3), 24 (1) and rule 180 (3) of the above DSEA, 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) of the DSEA, 1973 and the rule 180 (3) of DSER, 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.'*

AND WHEREAS, besides the above, 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 Nos. F.DE.-15(40)/PSB/2023/1964-1972 dated 01.03.2023 and F.DE.-15(40)/PSB/2023/2685-2692 dated 27.03.2023 for the academic session 2023-24, 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 **2023-24.**

AND WHEREAS, in pursuance to orders dated 01.03.2023 and 27.03.2023 of the DOE, the school submitted its proposal for fee increase for the academic session **2023-24.** Accordingly, the order dispenses the proposal for fee increase submitted by the school for the academic session **2023-24.**

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 2023-24, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on **15.09.2023** 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. During that hearing, the compliance of order no. F.DE. 15(1031)/PSB/2022/9619-9623 dated 28.11.2022 issued for the academic session 2022-23 was also discussed 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 Suggestion for Improvements**

1. Para 7.14 of AS-15 *"Employee Benefit"* issued by the Institute of Chartered Accountants of India(ICAI) states 'Plan Assets as:

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

   Further, the para 57 of the AS-15 states "an enterprises should determine the present value of defined benefit obligations and the fair value any plan assts 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 audited financial statements of FY 2022-23 it is revealed that the school has recorded total provision of INR 4,38,45,183 for gratuity and INR 1,65,24,228 for leave encashment as on 31.03.2023. further, based on documents submitted post hearing the school has invested INR 5,85,14,026 in the plan assets with LIC against the gratuity and leave encashment liabilities. Therefore, the amount deposited by the school of INR 5,85,14,026 in plan assets has been considered while deriving the fund position of the school with the direction to the school to invest the remaining amount in plan assets.

   Further, for FY 2023-24 the school has budgeted INR 53,07,536 and INR 30,38,119 for gratuity and leave encashment respectively. The funds availability of the school has been computed on the basis of actual amount invested with the LIC in terms of plan assets and thus, amounts budgeted for gratuity and leave encashment are not considered.

2. Clause 24 of DoE Order dated 11,02.2009 states *"Every recognized unaided school covered by the Act, shall maintain accounts on the principles applicable to a non-business organization/ not-for-profit organization as per Generally Accepted Accounting Principles (GAAP). Such schools shall prepare their financial statement consisting of a Balance Sheet, P&L Account and Receipt & Payment account every year."*

   Further, Appendix-III (Part-I-General instructions and accounting principles) of Guidance Note-21 states:

   i. *"The financial statement of the schools should be prepared on accrual basis.*
   ii. *a statement of all significant accounting policies adopted in the preparation and presentation of the balance sheet and income and expenditure account should be included in the School's Balance sheet... ...*
   iii. *accounting policies should be applied consistently from one financial year to the next. Any change in the accounting policies which has a material effect in the current period, or which is reasonably expected to have a material effect in later periods should be disclosed...."*

In Directorate's Order no. F.DE. 15(1031)/PSB/2022/9619-9623 dated 28.11.2022 issued for the academic session 2022-23, it was noted that the school had accrued arrears of annual charges and development fund for FY 2020-21 during FY 2021-22 as per the DoE Order No. F. No. DE.15 (114)/PSB/2021/2165-2174 dated 01.07.2021 and the Hon'ble High Court interim order dated 07.06.2021 in LPA 184/2021 and transferred the same to the General Fund of the school instead of routing through Income and Expenditure account of the school. The school was directed to maintain its books of account in accordance with GAAP from subsequent financial years and made necessary adjustment in its books of accounts accordingly. However, the School has not complied with the above direction and necessary adjustment is still pending.

Therefore, the school is again directed, to maintain its books of account in accordance with GAAP from subsequent financial years and made necessary adjustment in its books of accounts accordingly. The compliance with this direction shall be verified while evaluating the fee increase proposal of the subsequent year.

3. The Hon'ble High Court of Delhi dated 19.01.2016 in WPC no 4109/2013 in the matter of Justice for All vs. GNCT of Delhi and others indicated that every recognized private unaided school to whom land was allotted by DDA shall not increase the rate of fees without the prior sanction of Directorate of Education. Accordingly, the Directorate vide order No. F.DE.15(40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, to submit their proposals, if any, for approval from the Director of Education for the academic session 2018-19 and 2019-20. Moreover, as per the directions of the Supreme Court in Modern School vs. Union of India & ORs. (supra), a Circular dated 16.04.2010 has been issued which is 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 I76 and 177 of the Delhi School Education Rules, 1973.
c) If any school has collected fee in excess of that determined as per the procedure prescribed here-above, the school shall refund/adjust the same against subsequent installments of fee payable by students.

The Directorate in its Order No. F.DE-15(818)/PSB/2022/5294-5298dated 30.06.2022 issued for academic session 2019-20, noted that the school had increased their fee structure in academic session 2018-19 without seeking approval from the DoE. Accordingly, the school was directed to either refund the increased fee to the students or adjust the same against future dues from the students. However, the school has not complied with the above direction.

Further, based on the information submitted by the school on online portal while filing fee increase proposal for the FY 2017-18 to FY 2022-23, it is noted that the school collected increased Tuition Fee, development fee and annual charges during FY 2018-19, FY 2019-20, FY 2021-22 and FY 2021-22 from students of all classes (Nursery to XII) without prior approval of the Directorate, which is in contravention of aforementioned orders/conditions. The details of increase in tuition fee, development fee and annual charges are as follows:

Class	Tuition Fees 2017-18	2018-19	2019-20	2021-22	Development Fees 2017-18	2018-19	2019-20	2021-22
Nur to KG	3590	4542	4905	5407	538	593	736	811
I to III	3775	4775	5157	5684	566	623	774	853
IV	4275	5408	5840	6438	641	705	876	966
V to VI	4325	5471	5908	6513	648	714	886	977
VII to X	4885	6180	6674	7357	733	806	1001	1104
XI & XII Sci	5590	7072	7637	8418	838	923	1146	1263
XI & XII	4975	6293	6796	7491	745	821	1019	1124

Class	Annual Fees 2017-18	2018-19	2019-20	2021-22
Nur to KG	7872	8664	9360	11844
I to III	7872	8664	9360	11844
IV	7872	8664	9360	11844
V to VI	7872	8664	9360	11844
VII to X	7872	8664	9360	11844
XI & XII Sci	8472	9324	10070	12744
XI & XII	8472	9324	10070	12744

The school is required to submit details of actual fee increased under the head of Tuition fee, development fee and annual charges in the FY 2017-18 to FY 2021-22 and the amount of increased fee collected from the students during these years. The school shall compute the overall excess fee collected from the students and submit the same along with the copy of fee receipts for each class on sample basis for those years along with the compliance report. The amount of increased fee collected from the students in contravention of aforesaid orders/conditions shall be refunded or adjusted with the future fee of the students.

Therefore, the school is hereby directed to comply with the above-mentioned direction and submit the compliance report within 30 days from the date of the issue of the order. Non-compliance with the above direction shall be viewed seriously in accordance with the provisions of Section 24(4) of the DSEA, 1973 while evaluating the fee hike proposal for the subsequent academic session.

4. As per clause 10 of Form-II of Right of Children to Free and Compulsory Education Act 2009, the schools are required to maintain liquidity equivalent to 3 months' salary and this amount should be invested in the joint name of Dy. Director (Education) and manager of the school. Generally, it is done in the form of FDR in any scheduled bank.

   Also, the school has proposed a salary reserve of INR 2,64,22,825 in its budgeted expenditure for FY 2023-24. Therefore, in order to ensure the compliance of aforesaid provision, it would have been appropriate had the school invested or start investing in the Fixed deposits in the joint names of Deputy Director of Education (Distt.) and the Manager, the school earlier. Claiming full amount for 3 months' salary reserve in a single year may cause adverse financial effect or extra burden on the parents/students and thus, it would be rational to spread the financial impact of aforesaid compliance over the period of 14 years on the assumption that normally a student studies 14 years in the school.

Accordingly, the school is directed to create and deposit in fixed deposit of INR 18,87,345 (i.e., 1/14 of INR 2,64,22,825) in the joint names of Deputy Director of Education (Distt.) and the Manager, the school within 30 days from the date of issue of the order. The impact of the same has been considered while calculating the fund availability of the school.

B. Other Suggestion for Improvements

1. As per clause 3 of the public notice dated 04.05.1997 published in the Times of India states "*No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate of 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)/Act12009/778 dated 11.02.2009 states "*No caution money/security deposit of more than five hundred rupees per student shall be charged. The caution money, thus collected shall be kept deposited in a scheduled bank in the name of the concerned School and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund.*"

   However, on review of audited financial statement for the FY 2022-23, it has been noted that the school has written back caution money liability and considered the same as their income for the year and thus, no impact is required to be considered in the calculation of fund availability of the school.

2. From a review of documents submitted by the school post personal hearing, the following has been noted with respect to the Fixed Asset Register (FAR) maintained by the school:

   - No tagging of the assets has been done in Fixed Assets Register (FAR) and location is not identified due to which assets could not be physically verified,
   - Depreciation for the individual assets is not recorded in the FAR, only cost of the assets is available in the FAR and WDV of the assets is not available.
   - Invoice number, manufacturer's serial number and location of the asset is not mentioned in the fixed assets register.

   Therefore, the School is hereby directed to prepare a FAR, which should include details such as asset description, purchase date, supplier name, invoice number, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place. The school is further directed to comply with the directions for preparing FAR with relevant details mentioned above according to the process for periodic physical verification of assets and documenting the results of physical verification of assets. The same shall be verified at the time of evaluation of the fee hike proposal for subsequent years. This being a procedural finding, no financial impact is warranted on the fund position of the school

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

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

- All Certificates with effect from 1stFeb 2019
- GST and Income Tax Audit with effect from 1stApr 2019
- All Audit and Assurance Functions with effect from 1stJul 2019

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

Further, ICAI issued an announcement on 4 June 2019 for the attention of its Members with the requirement of mentioning UDIN while signing the Audit Reports effective from 1 Jul 2019, which stated "With a view to bring uniformity in the manner of signing audit reports by the members Of ICAI, it has been decided to require the members of ICAI to also mention the UDIN immediately after the ICAI's membership number while signing audit reports. This requirement will be in addition to other requirements relating to the auditor's signature prescribed in the relevant law or regulation and the Standards on Auditing. Standard on Auditing (SA) 700 (Revised) — 'Forming an Opinion and Reporting on Financial Statements' notified by the Institute of Chartered Accountants of India include formats for issuing audit opinions on the financial statements by practicing Chartered Accountants.

Also, para 47 of SA 700 states "The auditor's report shall be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements, including evidence that:

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

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

In Directorate's Order no. F.DE. 15(1031)/PSB/2022/9619-9623 dated 28.11.2022 issued for the academic session 2022-23, it was noted that the financial statements from FY 2019-20 to FY 2021-22 submitted by the School didn't contain the following documents:

1. Audit report not in a format as per SA-700 issued by ICAI.
2. Auditor comment on Balance sheet and Income and Expenditure account but no comment was mentioned related to Receipt and Payment account.

The school was asked to provide the audit reports as per SA-700 along with the UDIN on it. However, the School fails to submit the audit reports in accordance with SA-700 issued by ICAI.

The financial statements for FY 2022-23 submitted by the School still didn't contain the following document:

- Auditor comment on Balance sheet and Income and Expenditure account but no comment was mentioned related to Receipt and Payment account.

Further, it has been noted that the receipt and payment account of the school was prepared on accrual basis. Thus, the receipt and payment accounts submitted by the school is not correctly reflected actual cash inflow and outflow for the period. Therefore, the school is hereby directed to prepare its receipt and payment accounts based on the actual cash movement. Also, school has not presented the previous years' amounts in the Receipts and Payment account and thus, is directed to ensure that Receipts and Payment Account is prepared in proper format and previous years' amounts must be shown.

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

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

i. The total funds available with the school for FY 2023-24 amounting to INR **14,57,10,465** out of which estimated expenditures (i.e., outflow) for the FY 2023-24 is to be INR **15,67,71,063.** This results in net deficit amounting to INR **1,10,60,598** for the FY 2023-24 after making all payments. The details are as follows:

Particulars	**Amount (in INR)**
Cash and Bank balances as on 31.03.23 as per Audited Financial Statements	3,44,64,167
Investments as on 31.03.23 as per Audited Financial Statements	6,19,78,460
Liquid Funds as on 31.03.2023	**9,64,42,627**
Add: Fees for FY 2022-23 as per Audited Financial Statements (Refer Note no. 1 below)	10,56,85,805
Add: Other Income for FY 2022-23 as per Audited Financial Statements (Refer Note no. 1 below)	53,98,698
Total Available Funds for FY 2023-24	**20,75,27,130**
Less: FDR restricted for scholarship as on 31.03.2023 (Refer Note no. 2 below)	25,50,000
Less: FDR in the joint name of Manager and CBSE/DOE (Refer Note no.2 Below)	7,52,639
Less: Development Fund as on 31.03.2023 as per Audited Financial statements of FY 2022-23	-
Less: Caution Money as on 31.03.2023 (Refer Other Suggestion for Improvement No. 1)	-
Less: Gratuity and leave encashment LIC as per Audited Financial statements of FY 2022-23 (Refer Financial Suggestion for Improvement No. 1)	5,85,14,026
Net Available Funds for FY 2023-24 (A)	**14,57,10,465**
Less: Budgeted expenses for the session 2023-24 (Refer Note no.4 Below)	**14,02,71,063**
Less: Salary Arrears of 7th CPC (Refer Note no.5 Below)	**1,65,00,000**
Total Estimated Expenditure for FY 2023-24 (B)	**15,67,71,063**
Net Deficit (A-B)	**1,10,60,598**

Note 1: All the fee and other income as per financial statements for the FY 2022-23 has been considered with the assumption that the amount received in FY 2022-23 will at least accrue during FY 2023-24.

Note 2: The detail of fixed deposit held by the school as per the audited financial statements of FY 2022-23 is provided below:

Particulars	Amount (in INR)	Remarks
FDR for DOE/ CBSE	7,52,639	FDR in the joint name of School, DoE and CBSE hence, the same has been deducted while calculating the fund position of the school.
FDR for scholarship	25,50,000	Specified fixed deposit
Other Investment	5,86,75,821	Refer Financial Suggestion No. 1
Total	**6,19,78,460**	

Note 3: As per the Duggal Committee report, there are four categories of fees that can be charged by a private unaided school. The first category of fee comprised *of "Registration fee and all one Time Charges'* levied at the time of admissions such as admission and caution money. The second category of fee comprises *'Tuition Fee'* which is to be fixed to cover the standard cost of the establishment and to cover the expenditure of revenue nature for the improvement of curricular facilities like library, laboratories, science, and computer fee up to class X and examination fee. The third category of the fee should consist of *'Annual Charges'* to cover all expenditure not included in the second category and the fourth category consist of all *'Earmarked Levies'* for the services rendered by the school and be recovered only from the 'User' students. These charges are transport fee, swimming pool charges, Horse riding, tennis, midday meals etc. This recommendation has been considered by the Directorate while issuing order No. DE.15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and order No. F.DE. /15(56)/Act/2009/778 dated I 1.02.2009.

The purpose of each head of the fee has been defined and it is nowhere defined the usage of development fee of any other head of fee for investments against depreciation reserve fund.

Further, Clause 7 of order No. DE.15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and clause 14 of the order no F.DE./15(56)/Act/2009/778 dated 11.02.2009, *"development fee, not exceeding J5% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixture 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."* Thus, the above direction provides for:

- Not to charge development fee for more than 15% of tuition fee.
- Development fee will be used for purchase, upgradation and replacement of furniture, fixtures, and equipment.
- Development fee will be treated as capital receipts.
- Depreciation reserve fund is to be maintained.

Thus, the creation of the depreciation reserve fund is a pre-condition for charging of development fee, as per above provisions and the decision of Hon'ble Supreme court in the case of Modem School Vs

Union of India & INR: 2004(5) SCC 583. Even the Clause 7 of the above direction does not require to maintain any investments against depreciation reserve fund. Also, as per para 99 of Guidance Note-21 'Accounting by School' 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.*"

Accordingly, the depreciation reserve (that is to be created equivalent to the depreciation charged in the revenue account) is mere of an accounting head for the appropriate accounting treatment of depreciation in the books of account of the school in accordance with Guidance Note -21 issued by the Institute of Chartered Accountants of India. Thus, there is no financial impact of depreciation reserve on the fund position of the school. Accordingly, the depreciation reserve fund of INR 4,79,11,232 as reported by the school in the financial statements for the FY 2022-23 has not been considered while deriving the fund position of the school.

Note 4: All budgeted expenditure of the school as per the school submission has been considered amounting INR 35,82,54,910 except the following:

Heads	Budgeted expenditure in FY 2023-24	Amount Disallowed	Remarks
Retirement benefits	8,345,655	8,345,655	Refer financial suggestion for improvement no. 1
Capital expenditure against development fee	36,605,379	24,453,059	As per Hon'ble SC in the matter of Modern School vs Union of India & Ors. (2004) capital expenditure cannot form part of fee structure. Therefore, budgeted capital expenditure is considered up to the amount of development fund fee collectible for the year.
Salaries and Wages	105,691,299	9,978,089	Restricted to 130% of expenditure incurred in FY 2022-23
Depreciation	9,358,830	9,358,830	Depreciation being non-cash expenditure, has not been considered in the calculation of funds availability position of the school.
Transportation charges	19,681,597	19,681,597	Neither Income nor expense has been considered on the assumption that earmarked levies are collected on no profit no loss basis
Activity Expenses	4,050,829	4,050,829	
Smart class Expenses	1,920,994	1,920,994	
Portal Charges	1,587,600	1,587,600	
Salary arrear 7th CPC	95,500,000	95,500,000	Refer note no. 5
Amount due to LIC against Leave encashment and gratuity	18,571,714	18,571,714	Refer Financial Suggestion for Improvement No. 1
Salary reserve (3 months' salary)	26,422,825	24,535,480	Refer financial suggestion for improvement no. 4
Total	**327,736,722**	**217,983,847**	

Note 5: 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.

The school was allowed 7th CPC salary arrears of INR 7,90,00,000 up to 31st March 2022 in Directorate's order No. F.DE. 15(818)/PSB/2022/5294-5298 dated 30.06.2022 issued for the academic session 2019-20 and order No. F.DE. 15(1031)/PSB/2022/9619-9623 dated 28.11.2022 issued for the academic session 2022-23. The school has submitted in the budget for the year 2023-24, the impact of 7th CPC arrears would be INR 9,55,00,000. As stated above, the school has been allowed 7th CPC arrears in each previous orders issued by the directorate and it would not be appropriate if whole amount of arrears is allowed to the school again. Based on facts produced before and the considering the financial implication on parents and the teachers' salaries, the balance amount of salary arrears under 7th CPC amounting INR 1,65,00,000 have been dealt in the order. The school is also directed to ensure to disclose its full liability for 7th CPC arrears in the audited financial statements and no impact of salary arrears will be allowed unless the same is disclosed/presented as liability of the school in the financial statements duly audited by the independent auditor.

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 2023-24. 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 utilizing 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 utilized 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 2023-24 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 2023-24.

AND WHEREAS, while evaluating the fee hike proposal, department considers that how much liquid funds would require the school for a particular session considering the budgeted expenditures for smooth operation without compromising with the quality of education. Thus, while deriving the fund position of the school all legitimate expenditures revenue as well as capital in accordance with the provisions DESAR, 1973 and pronouncement of Courts judgment have been considered. Therefore, balance of the other current assets other and current liabilities has not been considered. Because it is clear that the current assets, loans and advances and current liabilities are cyclic in nature and the same have already been considered in the form of budgeted income and expenditure of the school in the earlier years. Thus, current assets, loans and advances and current liabilities will always reflect in the financial statements at the end of the financial year.

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 2023-24. 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 11% to be effective from 01.10.2023.**

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 thus, school should ensure to charge fee only under the prescribed heads and utilized the fees collected for the defined purposes in accordance with the provisions of the DSEA, 1973 and the DSER, 1973.

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 **Chinmaya Vidyalaya (School ID- 1720127) Vasant Vihar, New Delhi-110057,** filed by the school in response to the order Nos. F.DE.-15(40)/PSB/2023/1964-1972 dated 01.03.2023and F.DE.-15(40)/PSB/2023/2685-2692 dated 27.03.2023for the academic session 2023-24, is accepted by the Director (Education) with the above conclusion and suggestions and the school is allowed to increase the fee **by 11% for session 2023-24 to be effective from 01.10.2023.**

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

1. To increase the fee only by the prescribed percentage from the specified date i.e., 01.10.2023.

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 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.

04/12/23

(BIMLA KUMARI)
Dy. Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To
The Manager/HoS
Chinmaya Vidyalaya (School ID- 1720127)
Vasant Vihar, New Delhi-110057
No. F.DE.15 (1642)/PSB/2023/ 9855-9859

Dated : 04/12/23

Copy to:

1. P.S. to Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. DDE (South West A) to 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.

04/12/23

(BIMLA KUMARI)
Dy. Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi