

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

No. F. DE-15/ACT-I/WPC-4109/PART/13/912-918

Dated: 28/9/2017

ORDER

Whereas, the request of DL DAV Model School, Shalimar Bagh, Delhi for increase in fee for the academic session 2016-17 was rejected by Director (Education) vide order No.F.DE.15/Act-1/WPC-4109/PART/13/482-486 dated 20.02.2017 with the specific direction to rectify the deficiencies as illustrated in the said order and submit compliance report to Dy. Director of Education concerned within thirty days.

And whereas, the Director (Education) had referred to the representation of DL DAV Model School, Shalimar Bagh, Delhi against the fee hike rejection order of this Directorate and had decided to give an opportunity to the school to be heard in person.

And whereas, a committee was constituted to hear the case of the school in detail with a view to assist the Director of Education to dispose of the representation.

And whereas, in this connection, an opportunity of being heard was provided to the Manager/HoS of DL DAV Model School (Shalimar Bagh) on 18.05.2017 at 04.30PM at Conference Hall, Ludlow Castle School Sports Complex, Civil Lines, Delhi-110054.

And whereas, the submissions of the schools were heard by the above said committee on 18.05.2017 at 04.30PM and during the hearing, the issues raised in the representation of the school were discussed at length.

And whereas, after examining the proposals of Fee Hike submitted by DAV Schools, it was observed that all DAV schools are run under the aegis of DAV College Management Committee (DAVCMC) which runs a number of schools and colleges in all over India and are following the same accounting and financial procedure across all schools, and these common accounting and financial procedures has led to issues such as making contribution to a pool account maintained by DAV CMC for payment of Leave Encashment and Gratuity, maintenance of three separate bank accounts, payment of Administrative Charges to DAV CMC, collecting Rs. 10,000 as building fund from students, deposit of extra funds of schools to DAVCMC, etc. The above procedures are not in consonance with the provisions of DSEA&R, 1973.

And whereas, in order to understand the procedure being followed as well as to seek clarification/justification on these issues, apart from hearing to the respective schools, as mentioned above, the Management of DAV CMC and Director (DAV CMC) alongwith their Account functionaries were called twice to discuss these issues and to obtain necessary clarifications. In this regard, point-wise clarification has been provided by DAV CMC which is as under:

Table 1: Common Observations

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
1.	<p>The school has been paying a sum equal to 4% of the total basic pay of staff of the school to DAVCMC. As per Order no. DE. 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 the management is restrained from transferring any amount from the Recognized Unaided School Fund to society or trust or any other institution.</p>	<p>DAV CMC is collecting administrative charges from the schools under its management for providing administrative support and varied facilities viz. financial audit of schools through audit and accounts section, academic audit, training of Principals, teachers and other staff of the schools through centre for academic Excellence, construction and property management by estate department, legal and taxation services, providing services relating to provident fund, gratuity, leave encashment and EDLI etc. In addition, DAV CMC is nominating local management committee, selection committee and building subcommittee for smooth functioning of the schools. DAV CMC is also organizing science, maths and ICT Olympiads and having a separate education board for our schools for classes up to VIIIth Standard. The entire administrative control is being dealt at DAV CMC level. All orders relating to postings, transfers, sanctions of purchases, circulars, notifications etc. are issued from DAV CMC, New Delhi. The DAV CMC has full fledged department for assessment and evaluation of schools, their principals and staff and based on feedback, necessary steps are being taken by DAV CMC for their improvement. We are also providing legal assistance to various schools for any legal disputes. DAV CMC has engaged staff for the above</p>	<p>Though practice followed by DAV Schools is not in consonance with DSEA&R, 1973. Keeping in view submission/ justification given by DAV CMC as well as keeping in view the managerial structure of DAV CMC to have a check and balances as well as economy in expenditure, the submissions of DAV CMC are taken on record.</p>

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
2.	Payments in relation to Gratuity and Leave Encashment	<p>The gratuity and leave encashment benefits of all staff of DAV Schools are administrated/ controlled at Head office through common pool fund. All investments of contributions made by the schools are made by Head office in specified government securities and the payment of claims at the time of retirement and leaving the services are settled by head office. Separate school-wise ledger accounts are being maintained at DAV CMC showing liabilities for gratuity and leave encashment. There is no default of delay in settlement of claims.</p>	<p>During the course of hearing, DAV CMC was asked to submit the details of gratuity and leave encashment liabilities of the school as at 31st March, 2016 as per its books of accounts. Accordingly, the DAV CMC has submitted duly certified ledger account of Gratuity and Leave Encashment for each school.</p> <p>It may be noted that:</p> <ul style="list-style-type: none"> - There is no actuary valuation of gratuity and leave encashment liabilities of the school. - Liabilities and corresponding investments against gratuity and leave encashment are not reflected in the books of accounts of the school. Also, benefit of interest earned on these investments is not passed on to individual school by DAV CMC. <p>Thus, school is hereby directed:</p> <ul style="list-style-type: none"> - To have actuary valuation of its gratuity and leave encashment liabilities;

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
			<p>- To disclose its liabilities on account of gratuity and leave encashment along with the corresponding amount of investments against that in its financial statements from the financial year 2017-18. Also, wherever the existing provisions for these liabilities are in excess of the liabilities determined by the actuary, the excess amount so provided shall be transferred to general reserve fund of the school. In case, the amount currently provided is lesser than amount determined by the actuary, school shall provide the balance amount in a reasonable and prudent manner ensuring that burden of same is spread over the years and not charged in a single year.</p> <p>- To add back the amount of interest, as was earned on gratuity and leave encashment fund by DAV CMC over the years, duly certified by the statutory auditor of the school, in the corresponding investment accounts of the school.</p>
3	Reserve Fund/ Loan with DAVCMC	Some of the schools in order to secure their money deposit with DAV CMC as reserve fund. DAV CMC is paying interest on these deposits @ 8% per annum which is higher than bank FD rates. Out of this reserve fund, loans etc. to the needy schools are arranged and they pay interest on these loans and advances.	As per Order no. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 the management is restrained from transferring any amount from the Recognized Unaided School Fund to society or trust or any other institution. Thus, the school is hereby directed strictly to ensure that exact amount of interest is received from the society. This fund is obviously available to the school and calculations have accordingly been made. Reconciliation statement of

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S. No.	Common Observation	Clarification given by DAV CMC	Remarks
			interest received /receivable should be attached with next year's fee hike proposal.
4	One time fees collection of Rs. 10,000/-	Some of the schools are charging one time fees of Rs.10,000/- at the time of admission for various student development activities over the period of their stay in the schools which normally is 12 to 14 years. As discussed in the meeting held on 03.07.2017, the collection under this head is being treated as fees to be utilized for meeting establishment and administrative cost.	School is not allowed to charge one time fees at the time of admission for development activity of students. Charging of one-time fees at the time of admission tantamount to capitation fee which is prohibited under section 13 of the Right of Children To Free and Compulsory Education Act, 2009. The school is hereby directed not to charge any such fee from the students in future and to adjust the fee already collected against the monthly fee due. The alleged purposes for which fee is collected seems to be under earmarked levies which ought to be collected on actual basis.
5	Operation of Bank Account in the name of DAVCMC	As per the financial scheme each school maintains three bank accounts viz. School Account and Pupil Fund Account, both being operated by Head of the School and Manager and the third being DAV CMC account which is operated by office bearers of the Managing Committee. The third account has been maintained with a view of exercise financial control over the schools. The schools are required to transfer all fees collections and other revenues to this account and the expenditure of the school is recouped from this account after they are approved by DAV CMC. All schools have to submit expenditure statements alongwith documentary evidences to Head Office who after examining these allow	Accepted, in view of 'Scheme of Management' of the school, as approved by the DoE at the time of granting of recognition to the school, school is allowed to maintain a bank account in the name of 'DAV College Management Committee'. The said bank account can be operated by the office bearers of the DAV College Management Committee.

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
		<p>the expenses to be withdrawn from this account. The schools have to justify the expenditure vis.a.vis. budgets which are submitted by the schools before the start of the financial year. This scheme of management has been approved by Directorate of Education.</p> <p>At times schools are unable to deposit the cheques sent by DAV CMC in time due to postal delay or shortage of funds and as per the accounting practices such cheques have to be shown as cheques in hand at the close of financial year with corresponding credit to DAV CMC. This is only a book entry and these cheques are subsequently cleared from the fee income transferred by the schools to this bank account.</p>	

The above clarifications of DAV CMC are taken on record.

The submissions made by the school are analyzed in light of above discussion with DAV CMC on common observations and in accordance with the provisions of Delhi School Education Act and Rules, 1973 and directions are issued there-under:-

Table -2: Financial discrepancies:-

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	As per point no. 14 of Order No. F.DE./15(56)/ACT/2009/778 dated 11.02.2009, 'Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, 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 reserved fund, equivalent to the deprecation charged in the revenue accounts and the collection under this head along with and income generated	The development fee collected during FY 2015-16 was Rs. 93 Lakhs and Rs. 31.66 lakhs were spent towards capital expenditure. As such, no surplus was left with the school for treating as capital receipt to be transferred to development funds.	As per clause 14 of the order dated 11.02.2009, school is not allowed to treat development fee as revenue receipt and to maintain depreciation reserve fund. School is directed to do proper accounting of the development fee collected and separate fund account should be maintained and the same should be utilised for the stipulated purposes in accordance

	<p>from the investment made out of this fund, will be kept in a separately maintained development fund account.' During the period under review, the school has received Development fee of Rs. 28,81,090 , Rs. 31,74,245 and Rs. 33,93,355 in FY 2013-14, FY 2014-15 and FY 2015-16 respectively. With regard to above, following observations were made :</p> <ul style="list-style-type: none"> i. Development fund is treated as revenue receipt and is utilised to meet the general expenditure. ii. The school is not maintaining any Depreciation Reserve Fund iii. Development fund is treated as revenue receipt 		<p>with clause 14 of the order dated 11.02.2009. School is not charge development fee unless it comply with the directions of this Directorate.</p>												
2.	<p>The school has taken loan of Rs 40 lakhs from the parent society i.e. DAV CMC for the purpose of Purchase of Land as mentioned in the 'Extract from the proceedings of a meeting of the DAV CMC, New Delhi held on 27.10.2002'. This may be considered as violation of Clause 2 of Public Notice dated 04.05.1997 which states that 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.</p>	<p>DAV CMC has provided funds of Rs. 40 Lakhs during 2002-03 which are not being repaid and is shown as liability in books. As such there is no impact on financial position of the school.</p>	<p>Improper response. The school should follow proper accounting practice in this regard keeping in the view the DSEA & R, 1973 provisions and should treat the same as capital contribution of the society and not as liability towards society.</p>												
3.	<p>With respect to the above finding, details of the loan outstanding and interest provided during the period under review are as follow:</p> <table border="1" data-bbox="289 1384 781 1532"> <thead> <tr> <th>Particulars</th> <th>2015-16</th> <th>2014-15</th> <th>2013-14</th> </tr> </thead> <tbody> <tr> <td>Loan Taken From DAV CMC (Outstanding Balance)</td> <td>1,43,43,469</td> <td>1,31,58,146</td> <td>1,20,72,611</td> </tr> <tr> <td>Interest provided on Loan from DAV CMC</td> <td>11,84,323</td> <td>10,86,535</td> <td>9,96,821</td> </tr> </tbody> </table> <p>During the period under review, the school has not paid any amount against this loan, however, interest is provided in income and expenditure. The transaction is in contravention to Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 which restrains the management from transferring any amount from school funds to the society.</p>	Particulars	2015-16	2014-15	2013-14	Loan Taken From DAV CMC (Outstanding Balance)	1,43,43,469	1,31,58,146	1,20,72,611	Interest provided on Loan from DAV CMC	11,84,323	10,86,535	9,96,821	<p>No amount of loan and interest have been repaid by school and interest is just a notional entry.</p>	<p>Improper response. The school should follow proper accounting practice in this regard keeping in the view the DSEA & R, 1973 provisions and should treat the same as capital contribution of the society and not as liability towards society. Thus interest provided for should be added back to general reserve.</p>
Particulars	2015-16	2014-15	2013-14												
Loan Taken From DAV CMC (Outstanding Balance)	1,43,43,469	1,31,58,146	1,20,72,611												
Interest provided on Loan from DAV CMC	11,84,323	10,86,535	9,96,821												
4.	<p>The school has treated certain expenditures of Capital nature as revenue expenses during the period under review.</p>	<p>No additions to the building have been made and</p>	<p>The school has not submitted any document to substantiate its claim.</p>												

	The expenditure incurred on renovation of building has been treated as revenue expenses instead of treating this as Capital expenditure. The school has incurred Rs. 19.08 lakh, 25.87 lakh and Rs. 14.11 lakh during FY 2013-14, 2014-15 and 2015-16 respectively and charged the same to Income & Expenditure account on account of renovation expenses.	expenditure is purely of recurring nature in the form of replacing tiles, whitewash, sanitary fittings, etc. In any case the treatment of this expenditure as revenue or capital has same bearing on the fund position of the school.	School is directed to follow ICAI pronouncements in relation to classification of expenditures as revenue or capital expenditure. Compliance shall be verified at the time of next fee increase proposal of the school, if any.
5.	As per clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, user charges should be collected on no-profit and no loss basis and should be used only for the purpose for which these are collected. Transport charges collected by the school are collected in excess of the expenses incurred and no separate funds for this charge has been maintained. The school has earned surplus of Rs. 40,69,147 during the period under review from transport charges.	Any surplus from these user charges are retained in the form of FDR for future use.	As per clause 22 of the order dated 11.02.2009, school is to charge earmarked levies on 'no profit no loss' basis. The school should follow DOE instructions in this regard.

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	The school is not submitting complete set of financial statements to with DoE. The school is preparing two sets of financials namely "Main Fund" and "Boys Fund". Financial statements pertaining to "Main Fund" are submitted to DoE only along with the fee structure which pertains to "Main Fund". Whereas the "Boys Fund" Financial Statements and Fee structure pertaining to collection under this head is not submitted with DoE. This may be considered as contravention of Clause 25 of Order No. F.DE. /15(56) /Act / 2009 /778 dated 11/02/2009 along with Section 17(3) Delhi School Education Act 1973.	The school has submitted complete fee structure including those pertaining to boys funds online on 20.08.2016.	The school has assured to comply with the DOE directions. School should submit complete set of financial statements while submitting its documents for fee increase.
2.	The school has not complied with Order No. F.DE-15/ACT-I/WPC4109/Part/13/ 7914 -7923 dated 15-07-	The school has already refunded or adjusted the increased fee collected upto	The school has not submitted any document to substantiate its claim.

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	2016. The school has charged the increased fee from the students in FY 2016-17 till July 2016 and no refund/ adjustments of the excess fee collected by the school has been done as required by the above mentioned order. The school has collected increases fee of Rs. 7,53,900 from the students.	July, 2016.	The compliance shall be verified at the time of next fee increase proposal of the school, if any.
3.	The school does not have any defined system of physical verification of assets. Fixed Asset Register maintained by the school were not updated periodically.	The school is maintaining the fixed assets register and the same was duly updated. It was shown to CA firm at the time of inspection.	School should implement proper internal control system so as to ensuring proper safeguarding of fixed assets of the school and the said system should include periodic physical verification of fixed assets.
4.	The school has not refunded interest on Caution Money to the students along with Caution Money refund. Moreover, 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 and has also not taken this into account while projecting fee structure for ensuing academic year. This is contravention of Clause 18 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009. Caution Money of Rs. 4,34,500 pertains to the students who have left the school.	The school is not earning any interest on caution money hence only principal amount was refunded. Unclaimed caution money shall be transferred to income during the current financial year.	The school has assured to comply the DOE directions. As per clause 18 of the order dated 11.02.2009, school should maintain separate bank account for the caution money collected and interest earned on the same, if any, is to be credited to the caution money account. School should follow DoE instructions in this regard. Compliance shall be verified at the time of next fee increase proposal of the school, if any.
5.	The school has not entered into any major contract during the period under inspection but the school is not following any standard procurement process for the selection of vendors and award of contract.	Though the school has not awarded any contract during 2015-16, it is following standard procurement process for the selection of vendors.	School should follow proper internal control systems in relation to procurement of goods and services.
6.	Review of the financial statements of the school has revealed that the school has undertaken transaction with the society/ trust DAV CMC along with related parties during the period under review. Balance outstanding as payable or receivable along with transactions identified from the Financial statements of the	a) The school is purchasing books from DAV publication division and the amount outstanding is towards cost of books purchased. b) Loan taken from DAV CMC in the past has not repaid and the interest provided on it is also not	School should follow proper internal control systems in relation to procurement of goods and services ensuring that transactions with related parties are entered at Arms' Length prices.

school are as follow:

Particulars	2015-16	2014-15	2013-14
Account payable to DAV Publication Division	2,87,028	3,93,511	3,82,840
Advance to DAV Publication Division	3,12,028	78	3,85,091
Purchases of Books from Publication Division	4,13,771	4,23,087	3,23,867
Loan Taken From DAV CMC (Outstanding Balance)	1,43,43,469	1,31,58,146	1,20,72,611
Interest provided on Loan from DAV CMC	11,84,323	10,86,535	9,96,821
Current Account (Payable) Balance to DAV CMC -	---	14,18,132	1,13,552

School is required to provide a detailed clarification in regard to the transactions with DAV CMC.

paid ever.
c) The school is maintaining current account of DAV CMC where all the transactions of the school, both debit and credit are transferred.

As per the financial scheme each school maintains three bank accounts viz. School Account and Pupil Fund Account, both being operated by Head of the School and Manager and the third being DAV CMC account which is operated by office bearers of the Managing Committee. The third account has been maintained with a view of exercise financial control over the schools. The schools are required to transfer all fees collections and other revenues to this account and the expenditure of the school is recouped from this account after they are approved by DAV CMC. All schools have to submit expenditure statements alongwith documentary evidences to Head Office who after examining these allow the expenses to be withdrawn from this account. The schools have to justify the expenditure vis-à-vis budgets which are submitted by the schools before the start of the financial year. This scheme of management has been approved by Directorate of Education.

Accepted by school.

Accepted, in view of 'Scheme of Management' of the school, as approved by the DoE at the time of granting of recognition to the school, school is allowed to maintain a bank account in the name of 'DAV College Management Committee'. The said bank account can be operated by the office bearers of the DAV College Management Committee.

7. The school is paying admin charges calculated as 4% of Basic Pay to society viz. DAV CMC. It is understood as a standard practice adopted by all the schools under the management of DAV CMC. However

DAV CMC is collecting administrative charges from the schools under its management for providing administrative support and varied facilities viz. financial

Though practice followed by DAV Schools is not in consonance with DSEA&R, 1973. Keeping in view submission/ justification given by DAV CMC as well

the same is in violation of the provision of DSEAR 1973 as school cannot transfer funds to society.

audit of schools through audit and accounts section, academic audit, training of Principals, teachers and other staff of the schools through centre for academic Excellence, construction and property management by estate department, legal and taxation services, providing services relating to provident fund, gratuity, leave encashment and EDLI etc. In addition, DAV CMC is nominating local management committee, selection committee and building subcommittee for smooth functioning of the schools. DAV CMC is also organizing science, maths and ICT Olympiads and having a separate education board for our schools for classes up to VIIIth Standard. The entire administrative control is being dealt at DAV CMC level. All orders relating to postings, transfers, sanctions of purchases, circulars, notifications etc. are issued from DAV CMC, New Delhi. The DAV CMC has full fledged department for assessment and evaluation of schools, their principals and staff and based on feedback, necessary steps are being taken by DAV CMC for their improvement. We are also providing legal assistance to various schools for any legal disputes. DAV CMC has engaged staff for the above services and salaries and other statutory payments of staff are being met from these charges collected from schools is nominal considering the

as keeping in view the managerial structure of DAV CMC to have a check and balances as well as economy in expenditure, the submissions of DAV CMC are taken on record.

	nature and quantum of services being provided by the DAV CMC. The schools contribute 4% of the Basic Pay of their staff as administrative Charges. The schools are not required to incur any cost for these services which leads to a huge saving as an institution and helps us bring uniformity across the institution.
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And whereas, after going through the representations dated 22.04.2017 and submissions made by the school during the hearing held on 17.05.2017 as well as financial statements/budget of the school available with this Directorate, it emerges that:-

The school is having a surplus fund of Rs. **3,84,60,957/-** as per the following details:-

Particulars	Amount(Rs)
Cash and Bank balances as on 31.03.16 as per audited Financial Statements	88,50,639
Investment as on 31.03.16 as per audited Financial Statements	2,72,04,632
Total	3,60,55,271
Less: Development Fund and Depreciation Reserve Fund#	-
Available Funds	3,60,55,271
Fees for 2015-16 as per financial statement (We have assumed that the amount received in 2015-16 will at least accrue in 2016-17)	3,75,57,915
Other income for 2015-16 as per financial statement	39,02,862
Estimated availability of funds for 2016-17	7,75,16,048
Less: Budget expenses for the session 2016-17 as submitted by school management	3,90,55,091
Net Surplus**	3,84,60,957

Development was utilised for purposes other than mentioned in clause 14 of the order dated 11.02.2009 and school is not maintaining depreciation reserve fund. Hence, development fund is not considered in above calculations. In the balance sheet of the school for FY 2015-16, depreciation reserve fund is Nil.

*The school has submitted its total expenses for FY 2016-17. The increase in establishment expenses for the year is around 22%. It found to be unreasonable increase and accordingly, the same is not considered in above calculations and only 10% increase in establishment expenditures is considered. Further, school has also budgeted for Vehicles which amounts Rs. 22,00,000/-. This expenditure is not considered in the above calculation as the same cannot be charged from each student and the school should purchase the vehicles out of the accumulated surplus generated from transport fee.

**Since sufficient surplus is available with the school, the school is hereby directed to maintain the liquidity in the form of investment for 03 month salary and this investment

should be in the joint name of Dy. Director (Education) and Manager of the School as per the condition of recognition letter and clause 10 of form 2 of Right of Children to free and compulsory education Act, 2009.

And whereas, in view of the above examination, it is evident that the school is having sufficient surplus funds even after meeting all the budgeted expenditure for the financial year 2016-17.

And whereas, as per clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, user charges should be collected on no profit and no loss basis and should be used only for the purpose for which these are collected. Accordingly, the school is advised to maintain separate fund in respect of each earmarked levies charged from students in accordance with the DSEA & R, 1973 and orders, circulars, etc., issued there under. If there are large surpluses under any earmarked levy collected from the students, the same shall be considered or adjusted for determining the earmarked levy to be charged in the next academic session.

And whereas, as per clause No. 14 of Order No. F.DE./ 15(56)/ACT/2009/778 dated 11.02.2009, 'Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up-gradation 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 reserved fund, equivalent to the deprecation 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.' Accordingly, school is advised to maintain separate development fund and utilized the same strictly in accordance with the DSEA & R, 1973 and orders, circulars, etc., issued there under.

And whereas, it is evident that the school is not maintaining development fund account and depreciation reserve fund in proper manner in accordance with clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009. The school has followed unsustainable financial practices and using development fund for non permissible items. Hence, development fee already charged @15% has in reality been used for other purposes, and in effect already tantamount to a hike on tuition fee. School must not charge development fee unless it comply with instructions of this Directorate in this regard.

And whereas; these recommendations alongwith relevant materials were put before Director of Education for consideration and who after considering all the material on the record has found that the school is having sufficient surplus funds to meet the financial implications for the financial year 2016-17 and the representation dated 22.04.2017 and subsequent submissions made thereafter in this regard find no merit in respect of sanction for increase in fee and hereby rejected on the basis of above mentioned observations.

Accordingly, it is hereby conveyed that the representations for fee hike of DAV Public School, R.B. Enclave, Paschim Vihar, New Delhi-110063, has been rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. Not to increase fee for the session 2016-17. If, in case, increased fee has already been charged from the parents, the same shall be refunded/ adjusted.
2. To comply with all the directions/ instructions as mentioned in this order.
3. In the light of Judgment of Modern School vs Union of India, the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings. Therefore it is to be ensured not to include capital expenditure as a component of fee structure to be submitted by the school under section 17(3) of DSEA&R, 1973.
4. The fee should be utilised as per letter and spirit of Rule 177 of the DSEA & R, 1973 and the judgement of the Hon'ble Supreme Court in the case of Modern School Vs Union of India (2004).

Non compliance of the order shall be viewed seriously.

This issues with the prior approval of the Competent Authority.

(Signature)

(Yogesh Pratap)
Deputy Director of Education
Private School Branch
Directorate of Education

To

The Manager/HoS
DAV Public School, R.B. Enclave,
Paschim Vihar, New Delhi-110063

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 513-921

Dated: 26/9/2017

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. P.A. to Addl. Director of Education (Private School Branch), Directorate of Education, GNCT of Delhi.
4. DDE concerned
5. Guard file.

(Signature)

(Yogesh Pratap)
Deputy Director of Education-1
Private School Branch
Directorate of Education