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/ 957 Dated: 13/11/2017

ORDER

Whereas, the request of Kulachi Hansraj Model School, Ashok Vihar, Delhi-110052 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/13/497-501 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 Kulachi Hansraj Model School 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 Kulachi Hansraj Model School on 18.05.2017 at 10.30AM 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 10.30AM 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.	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.	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 services and salaries and other statutory payments of staff are being met from these charges collected	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.

No.	Common Observation	Clarification given by DAV CMC	Remarks
		from schools is nominal considering the 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.	
2.	Payments in relation to Gratuity and Leave Encashment	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.	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. It may be noted that: - 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. Thus, school is hereby directed: - To have actuary valuation of its gratuity and leave encashment liabilities; - To disclose its liabilities on account of gratuity and leave encashment along with the corresponding

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
			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. - 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.
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 interest received /receivable should be attached with next year's fee hike proposal.

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
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 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	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
		Education. 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.	

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:-

<table>
<tr><th>S. No.</th><th>Detail of discrepancy</th><th>Submissions of the school</th><th>Remarks</th></tr>
<tr><td>1.</td><td>The school has given advances to the trust/ organizations under the same management and others with/ without interest. This is contravention of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999. Details of the amount advanced as at March 31, 2016 are as follows:-
<table>
<tr><th>Name of Organization</th><th>Amount (Rs)</th></tr>
<tr><td>DAV CMC for Capital Fund Reserve</td><td>6,74,40,014</td></tr>
<tr><td>Current a/c with DAV CMC - Payable</td><td>1,32,93,682</td></tr>
<tr><td>TDS (Claimed by DAV CMC)</td><td>49,88,569</td></tr>
<tr><td>DAV Centenary School, Rani Bagh</td><td>13,53,035</td></tr>
<tr><td>Manovikas Kendra</td><td>11,39,947</td></tr>
<tr><td>Hansvatika Boarding School</td><td>24,478</td></tr>
<tr><td>Heritage Function</td><td>12,73,023</td></tr>
<tr><td>Total</td><td>9,01,66,248</td></tr>
</table>
That beside loans and advances</td><td>School in order to secure their money, deposit the amount 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. This amount is kept to cover contingent fund equal to four months salaries.

The balance in current account with DAV CMC of Rs. 1.32 crores is running account. It is a credit balance payable to DAV CMC as on</td><td>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.</td></tr>
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<tr>
<td></td>
<td>given to the society or trust or institutions under the same management, the school has given grants in aid to other institutions. Details of grants paid during the period under review are as follows:

<table>
<tr><th>Name of Organization</th><th>Financial Year</th><th>Amount</th></tr>
<tr><td>Adult Education & Bal Saksharta Kendra</td><td>2013-14</td><td>1,29,525</td></tr>
<tr><td>Kulachi Manovikas Kendra (Cap ital Grant transferred from Capital Fund)</td><td>2014-15</td><td>3,03,869</td></tr>
<tr><td>Kulachi Manovikas Kendra</td><td>2014-15</td><td>15,01,828</td></tr>
<tr><td>Kulachi Manovikas Kendra</td><td>2015-16</td><td>18,58,344</td></tr>
<tr><td>Total</td><td></td><td>37,93,566</td></tr>
</table>
</td>
<td>31.3.2016.

TDS of Rs. 49.89 lacs pertains to TDS deducted on interest earned by school from its fixed deposit from bank on time to time. It will be refunded by DAV society as and when it is refunded by income tax department.

Advances lying DAV Centenary School, Manovikas Kendra and Heritage Function represents amount advanced for meeting requirement of funds for expenses during infancy period and shall be recovered in FY 2017-18.

Amount given to Hansvatika Boarding School has been recovered in 2016-17.

The school engages itself into various social programmes to further the cause of society in general. The school participation towards the social cause is permissible under Rule 177 of DSEA & R, 1973.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Development Fund collected by the school has not been completely treated as capital receipt during FY 2013-14 and 2014-15; balance amount of development fund after the transfer to reserve equivalent to additions in capital assets, was treated as revenue receipts. Rs. 3,40,75,983 was treated as revenue receipts in FY 2013-14 and FY 2014-15. Moreover the amount of development fund collected is not maintained in a</td>
<td>Development fee received in 2013-13 and 2014-15 was treated as revenue income to meet its establishment cost and administrative expenses. This treatment of development stands corrected in 2015-16 but the school has not created separate reserve fund/ investments because</td>
<td>As per clause 14 of the order dated 11.02.2009, school is not allowed to treat development fee as revenue receipt. 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</td>
</tr>
</table>

	separate bank account. This is contravention of Clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009.	the school was in deficit and had no funds for investments.	with clause 14 of the order dated 11.02.2009. School is not to charge development fee unless it comply with directions of this Directorate.
3.	That the school has been estimating liabilities for leave encashment and gratuity @ 3% and 5% respectively of basic pay and DA and deposits the same with DAV College Management Committee instead of providing the same on the basis of Actuarial Valuation and depositing the same with notified funds / LIC.	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. As per DAV CMC submission, the Gratuity fund and Leave Encashment fund balance of the school as at 31.03.2016 are Rs. 87,56,470/- and Rs. 2,09,36,915/- respectively.	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. It may be noted that: - 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. Thus, school is hereby directed: - To have actuary valuation of its gratuity and leave encashment liabilities; - To disclose its liabilities on account of gratuity and leave

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			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. 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.
4.	The school has not considered the interest income on the Capital Fund lying with DAV CMC before proposing for fee hike and the expected interest income from deposit with DAV CMC is Rs. 54 lakhs per year. This may be considered as	The interest earned on deposits with DAV CMC is accounted as income for each year and is part of available funds.	School should account for the interest earned while determining its fee structure. The same must be explained after proper reconciliation and certified by auditors, at the time of next fee

	contravention of Clause 2 of Order No. 1978 dated 16.04.2010.		increase proposal of the school.
5.	The school is collecting earmarked levies such as transport charges, computer charges, science charges, etc. and is making profit from such levies. But the school has neither maintained separate books of account nor separate bank account for earmarked funds collected from the students and has not utilised the fee in accordance with Rule 176 and 177 of DSEA & R 1973. This is also a contravention of Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009.	Though separate bank accounts are not maintained separate ledger accounts are being maintained to keep record of amount collected and spent against transport fee, computer fee and science fee etc.	As per clause 22 of the order dated 11.02.2009, school is to charge earmarked levies on 'no profit no loss' basis and the same are to be utilised for the purposes for which these were collected. Further, school maintain proper books of accounts depicting clearly the amount collected, amount utilised and balance amount. The school should follow DOE instructions in this regard.
6.	That a balance of Rs. 12,51,31,023 is available in Boys Fund (Pupil Fund) as per the Balance Sheet as at 31st March, 2016 and it appears that the school is under/short utilizing the Pupil Fund which is against Rule 176 & 177 of DSEA & R 1973.	This balance is already considered in consolidated Balance sheet while working the financial position of the school.	The school should follow DoE instructions in this regard.

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks.
1.	That the school has submitted proposal for fee increase pertaining to academic session of 2016-17 online with DoE on 21st August 2016 along with the budget estimates. But the school has collected increased fee from the student till June 2016 in contravention to Order No. F.DE-15/Act/WPC-4109/part/13/7914-7923 dated 16/05/2016 which specifically states that the fee hike was not to be implemented without prior sanction of DoE and in case the proposal was submitted prior to the date of DoE order and fee hike was already collected.	As per Hon'ble High Court the revised fee was stopped in July, 2016.	School should follow DoE instructions in this regard and is directed to refund/ adjust the excess amount collected from the students.
2.	The school has started accepting fee as per pre-revised schedule of 2015-16 and	The school has submitted to DOE its	School should follow DoE instructions in this

	parents have been informed through SMS and Website that revised fee deposited from April to June 2016 will be adjusted or refunded after the approval of fee hike from DoE and the same has been informed to DoE. This indicates that the school has not adjusted the increased fee collected from the students from April to June 2016 which is again a violation of Order No. F.DE-15/Act/WPC4109/part/13/7914-7923 dated 16/05/2016.	proposal for fee hike and pending that the fee hike collected from April to June, 2016 was not refunded or adjusted so far.	regard and is directed to refund/ adjust the excess amount collected from the students.
3.	The school has not refunded interest on security deposit to the students along with caution money refund and the school has not maintained bank balance to cover the outstanding liability of the caution money. 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. Instead the school has transferred ad-hoc amounts to income out of caution money in the past. This is contravention of Clause 18 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009. The school has maintained an average bank balance of around Rs. 3-4 lakhs for caution money against the liability of Rs. 30.76 lakhs against it.	Caution money is not kept in separate bank account and is not earning any interest and hence, only principal amount was refunded. The caution money outstanding belongs to the students on roll and no amount is transferrable to income.	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.
4.	There is no formal PTA existing in the School. However, one parent nominee and one teacher nominee are part of LMC for determining the fees and other funds.	As per the requirements of DOE, nominees of parents and teachers are part of LMC and there is no violation.	The school should follow DOE instructions in this regard.
5.	The school is charging 'Student Welfare Fund' of Rs. 10,000 from the newly admitted students to the school. This is contravention of Section 2 (b) of RTE Act, 2009 along with Section 17of DSEA & R 1973. The school has collected Rs. 76,31,440 during FY 2015-16 on account of 'Student Welfare Fund' and the budgeted/ proposed collection for FY 2016-17 is Rs. 80,00,000 against this. These collections may be categorized as	School is 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	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

	one time donation at the time of admission.	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.	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.

And whereas, after going through the representations dated 20.02.2017 and submissions made by the school during the hearing held on 18.05.2017 as well as financial statements/budget of the school available with this Directorate, it emerges that:-

The school is having net surplus of Rs. **2,22,20,782**/- as per the following details:-

Particulars	**Amount (Rs.)**
Cash and Bank balances as on 31.03.16 as per audited Financial Statements	3,03,25,013
Investment as on 31.03.16 as per audited Financial Statements	7,29,36,595
Add: Amount with DAV CMC (Reserve fund, TDS recoverable, Other advances recoverable)	7,62,19,066
Total	17,94,80,674
Less: Amount payable to DAV CMC	1,32,93,682
Less: Development Fund*	-
Less: Depreciation Reserve Fund	11,60,42,696
Available Funds	5,01,44,296
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)	39,96,07,430
Other income for 2015-16 as per financial statement	62,16,622
Estimated availability of funds for 2016-17	45,59,68,348
Less: Budget expenses for the session 2016-17 as submitted by school management#	43,37,47,566
Net Surplus	**2,22,20,782**

*School is not utilising development fund for purposes mentioned in clause 14 of the order dated 11.02.2009. Also, school has submitted that it had not earmarked any amount against development fund created. Thus, development fund balance is not considered in above calculations.

#The school has submitted its total expenses for FY 2016-17. There are no details of miscellaneous expenditure proposed by the school and the increase in this head of expenditure for the year is around 24%. It found to be unreasonable increase and

accordingly, the same is not considered in above calculations and only 10% increase is considered.
School has also proposed capital expenditure against building construction amounting to Rs. 1,00,00,000/-, purchase of vehicles amounting to Rs. 40,00,000, development of playfield amounting to Rs. 50,00,000/- and other expenditure amounting to Rs. 1,75,00,000. It was upheld in Modern School judgment read with Rule 177 of DSEA & R, 1973, that capital expenditure on building cannot form part of financial fee structure of the school and can be met out of the savings of the school and accordingly, the same is not considered. School should purchase vehicles out of the accumulated surplus generated out of transport fee and therefore, the same are not considered in above calculations. Also, capital expenditure budgeted as 'Other Expenditure' are not considered in above calculations as detailing of the same is not available.

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 in proper manner and 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 along with 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 funds to meet the financial implications for the financial year 2016-17 and the representation dated 16.03.2017 and subsequent submissions made 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 Kulachi Hansraj Model School, Ashok Vihar, Delhi-110052, 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.

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

To

The Manager/HoS
Kulachi Hansraj Model School,
Ashok Vihar, Delhi-110052.

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 956

Dated: 13/ 11/2017

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.

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