

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: 13/10/2017

ORDER

Whereas, the request of DAV Centenary Public School, Paschim Enclave, Rohtak Road, New 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/13/575-579 dated 06.03.2017 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 in thirty days.

And whereas, the Director (Education) had referred to the representation of DAV Centenary Public School, Paschim Enclave, Rohtak Road 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 DAV Centenary Public School on 19.05.2017 at 12.30PM 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 19.05.2017 at 12.30PM 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</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
		<p>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 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.</p>	
2.	<p>Payments in relation to Gratuity and Leave Encashment</p>	<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>

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
			<ul style="list-style-type: none"> - 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 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

S. No.	Common Observation	Clarification given by DAV CMC	Remarks
			school and calculations have accordingly been made. Reconciliation statement of 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.	The school is submitting its fee structure to DOE as stipulated in section 17(3) of the DSEAR, 1973 for each year intimating head of fee and the amount of fee to be collected from students during that year seeking approval of Director of Education for fees to be levied during that year. As stipulated in section 17(3), no school shall charge any fees in excess of fees submitted to the DOE. However, the school is charging more fees than fees mentioned in the statement filed to DOE. Following are the details of cases	School is collecting fee as per the fee structure filed with DOE.	It is not cleared why the school was not able to produce necessary documents to the CA firm at the time of inspection. School is not allowed to charge fee in excess of fee details submitted to DOE u/s 17(3) of DSEA & R, 1973. This tantamount to misrepresentation of facts by school.

where excess fees were charged.

Fee type	FY 2013-14		FY 2014-15		FY 2015-16	
	Submitted to DoE	Actual Fee Charged	Submitted to DoE	Actual Fee Charged	Submitted to DoE	Actual Fee Charged
Activity Charges - New Admission	Rs. 1,300 yearly	Rs. 2,200 yearly	Rs. 1,800 yearly	Rs. 2,500 yearly	-	-
Multimedia/ Smart Board Charges - Existing	-	-	-	Rs. 2,400 yearly	-	Rs. 2,600 yearly
Multimedia/ Smart Board Charges - New Admission	Rs. 1,800 yearly	Rs. 5,000 yearly	-	Rs. 6,000 yearly	-	Rs. 6,500 yearly
Assignment/ Misc. Charges - Existing	-	-	-	Rs. 2,500 yearly	-	Rs. 2,500 yearly
Assignment/ Misc. Charges - New Admission	Rs. 2,000 yearly	Rs. 2,500 yearly	-	Rs. 3,000 yearly	-	Rs. 3,000 yearly
Pupil Fund	-	Rs. 125 p.m.	-	Rs. 125 p.m.	-	-
Transportation Charges	-	Rs. 800-850 p.m.	-	Rs. 1100 p.m.	-	Rs. 1100 p.m.
Physical Education Fees (XI & XII)	-	Rs. 160 p.m.	-	-	-	-
Alumni (X & XII)	-	Rs. 200 p.m.	-	Rs. 200 p.m.	-	Rs. 300 p.m.
Alumni (XI)	-	-	-	Rs. 1000 p.m.	-	Rs. 1,200 p.m.
Insurance	-	Rs. 101 yearly	-	Rs. 125 p.m.	-	Rs. 125 p.m.

School should follow DoE instructions in this regard. DDE(District) shall verify the same and submit report to DDE(PSB) within 30 days of receipt of this order.

2. The school pays administrative expenses @4% of basic pay to the parent body DAV CMC to meet their expenses for maintaining provident fund, gratuity and leave encashment records of the employees. It is understood that these amounts are paid to DAV CMC as a prevailing practice amongst the schools under the management of DAV CMC. This is
- DAV CMC is collecting administrative charges from the schools under its management for providing administrative support and varied facilities viz.
- 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

<p>contravention of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 which restricts the transfer of funds from school fund to society or trust or any other institution.</p>	<p>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</p>	<p>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>
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		<p>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 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.</p>	
3.	<p>There is an unaccounted liability towards Delhi Development Authority (DDA) against land allotted to the school. The outstanding demand was amounting Rs.5,00,58,775 as at 01.11.2001 and school had so far repaid Rs. 3,12,85,313 as part</p>	<p>We understand that the cost of land is to be funded by society. Accordingly, the outstanding demand raised by</p>	<p>Accepted by school. School should recover the amount transferred to society on this head from society within 30 days from the date of issue</p>

	<p>payment. School has also budgeted Rs.5 crores for payment to DDA. As per school's comment, this liability is not likely to be less than Rs.9 crores. As per order dated 04.05.1997, land is not supposed to be funded by the school and it shall be responsibility of the Society, managing the school, to bear the cost of land. Accordingly, payment of Rs. 3,12,85,313 to DDA is to be treated as indirect transfer of funds to society. This is contravention of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 which restricts the transfer of funds from school fund to society or trust or any other institution.</p>	<p>DDA has not been considered as cash outflow in our fund position.</p>	<p>of this order. Compliance to be filed by the school.</p>
4.	<p>As per clause 18 of order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009, caution money collected from students shall be refunded to students at the time of his/ her leaving the school along with bank interest thereon irrespective of whether he/ she requests for a refund. Un - refunded amount of caution money which is due for payment to students is treated as liability and not as an income. Only security deposits, without any interest, is refunded to the students.</p>	<p>The school is not earning any interest on caution money received from students as such only principal amount is refunded. Unclaimed caution money will treated as income during current financial year.</p>	<p>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.</p>
5.	<p>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. However, the school does not maintain separate fund for these earmarked levies and all incomes and payments in respect thereof are routed through from Income and Expenditure Account only. In the absence of complete information, surplus or deficit, as the case may be, cannot be computed for Alumni Fund, Physical Education Fee, Science Fee, Home Science Fee/Activity charges and Computer Science Fee.</p>	<p>The school though not maintaining separate fund for earmarked levy and keeps a track of their utilisation. However, surplus in these levies are being used to meet short fall in tuition fees.</p>	<p>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. The school should strictly follow DOE instructions in this regard.</p>
6.	<p>The books of accounts of the school are</p>	<p>It is provided by</p>	<p>Improper response.</p>

	<p>showing unsecured loans during the period covered in inspection. The balance outstanding of the unsecured loan are Rs.2,65,60,625, Rs.2,57,71,081 and Rs.2,59,70,478 as at year ending on 31.03.2014, 31.03.2015 and 31.03.2016 respectively.</p>	<p>DAV CMC for land and building. This amount has not been shown as refundable in our fund position.</p>	<p>The school should follow proper accounting practice in this regard keeping in view the DSEA & R, 1973 provisions and should treat the same as capital contribution of the society and not as liability towards society. The same is to be corrected in next year's financial accounting.</p>
<p>7.</p>	<p>The school provides for Gratuity and Leave encashment expenses and amount is paid to DAV College Management Committee (DAV CMC), which in turn manages and maintains the fund for payment of gratuity and leave encashment to the school employees at the time of retirement.</p>	<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>As per DAV CMC submission, the Gratuity fund and Leave Encashment fund balance of the school as at 31.03.2016 are Rs.</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

		<p>1,38,86,778/- and Rs. 83,52,474/- respectively.</p>	<p>DAV CMC.</p> <p>Thus, school is hereby directed:</p> <ul style="list-style-type: none"> - 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 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>To add back the amount of interest, as</p>
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			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.
8.	As per clause 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, fixtures and equipment. However, development fund was utilised for building only. This is violation of clause 14 of the above mentioned order.	The school is maintaining depreciation reserve fund. Also, total development fund is credited as capital receipts and capital expenditure is met out of this fund.	School is not allowed to utilise development fee for purposes other than purpose mentioned in clause 14 of the order dated 11.02.2009. School shall not be allowed to charge development unless it comply with the directions of this Directorate.

Other discrepancies:

S. No.	Detail of discrepancy	Submissions of the school	Remarks
1.	The school has entered into contracts for hiring of buses with three parties and no tender was called by the school. The contracts were awarded by the school as same contractors were also hired by another school which is under same management. Also, school has renewed the contracts on yearly basis during the period covered under inspection. Procedure for calling of quotations is not followed by the school.	The school is calling quotations for all major contracts. The contract for transportation is renewed every year after keeping in mind existing fuel rates and other costs. Also, prices are cross checked from other schools.	School should follow proper internal control systems in relation to procurement of goods and services so as to ensuring that contracts are entered at reasonable prices only. Compliance shall be verified at the time of next fee increase proposal of the school, if any.
2.	Outstanding demand of TDS against school amounting Rs. 3,18,590 was verified from TRACES. The school has not paid its outstanding demand of TDS for various years. The details of outstanding are as follows:-	As regard pending demand of TDS for various years, it is because of quoting of wrong PAN. The school has filed the revised return which will resolve the issue to a large extent.	School is directed to comply with all applicable laws and pay its dues within the stipulated time. Compliance shall be verified at the time of next fee increase proposal of the school, if any.

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2014-15
1,510	21,790	55,040	59,080	42,520	1,36,450	2,200

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And whereas, after going through the representations dated 30.03.2017 and submissions made by the school during the hearing held on 19.05.2017 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. **6,26,89,103/-** as per the following details:-

Particulars	Amount (Rs.)
Cash and Bank balances as on 31.03.16 as per audited Financial Statements	1,37,59,851
Investment as on 31.03.16 as per audited Financial Statements	7,23,31,965
Add: Amount recoverable from DAV CMC against payment made for Land	3,12,85,313
Total	11,73,77,129
Less: Development Fund#	-
Less: Depreciation Reserve Fund	3,74,47,886
Available Funds	7,99,29,243
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)	10,64,96,771
Other income for 2015-16 as per financial statement	2,11,82,485
Estimated availability of funds for 2016-17	20,76,08,499
Less: Budget expenses for the session 2016-17 as submitted by school management*	14,49,19,396
Net Surplus**	6,26,89,103

#School has utilised development fee for purposes other than mentioned in clause 14 of the order dated 11.02.2009 and hence, not considered in the above calculations.

*The school has submitted its total expenses for FY 2016-17. The increase in establishment expenses for the year is around 26%. 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. School has also budgeted for purchase of land amounting to Rs. 5,00,00,000/-, repayment of loan taken from society amounting to Rs. 20,00,000. These expenses are not considered in above calculations as purchase of land is the sole responsibility of the society and the purpose of loan taken is not clear.

**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 utilising development fee in proper manner in accordance with clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11/02/2009 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 30.03.2017 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.

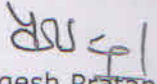
Accordingly, it is hereby conveyed that the representations for fee hike of DAV Centenary Public School, Paschim Enclave, Rohtak Road, New Delhi, has been rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEAR 1973 to comply with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

1. To comply with all the directions/ instructions as mentioned in this order.
2. 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.
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

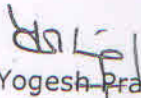
The Manager/HoS
DAV Centenary Public School,
Paschim Enclave,
Rohtak Road, New Delhi

No. F. DE-15/ACT-I/WPC-4109/PART/13/ 957

Dated: 13/10 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