

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

No. F.DE.15 (86)/PSB/2020/ 409-13

Dated: 03.03.20

Order

WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the Delhi School Education Act, 1973 (hereinafter read as '**the Act**') with the Director. Such statement will indicate estimated income of the school derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc in terms of Rule 177(1) of the Delhi School Education Rules, 1973 (hereinafter read as '**the Rules**').

AND WHEREAS, as per section 18(5) of the Act read with section 17(3), 24 (1) of the Act and Rule 180 (3) of the DSEA & R, 1973, responsibility has been conferred upon the Director (Education) to examine the audited financial, account and other records maintained by the school at least once in each financial year. The Section 18(5) and Section 24(1) of the Act and Rule 180 (3) have been reproduced as under:

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

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

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

AND WHEREAS, besides the above, the Hon'ble Supreme Court in the judgment dated 27.04.2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under section 17(3), 18(4) read along with rule 172, 173, 175 and 177 of the Rules, Directorate of Education has the authority to regulate the fee and other charges to prevent the profiteering and commercialization of education.

AND WHEREAS, it was also directed by the Hon'ble Supreme Court to the Director of Education in the aforesaid matter titled Modern School Vs. Union of India and others in Para 27 and 28 in case of Private unaided Schools situated on the land allotted by DDA at concessional rates that:

"27....

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

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

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

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

AND WHEREAS, accordingly, this Directorate vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, are directed to submit the their proposals, if any, for prior sanction for increase in fee for the session 2018-19 and 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of this Directorate **Nirmal Bhartia school, Sector – 14, Dwarka, New Delhi- 110078, (School Id: 1821226)** had submitted the proposal for fee increase for the academic session 2018-2019. Accordingly, this order is dispensed off the proposal for enhancement of fee submitted by the school for the academic session **2018-2019**.

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of Chartered Accountants at HQ level who has evaluated the fee increase proposals of the school very carefully in accordance with the provisions of the DSEA, 1973, the DSER, 1973 and other orders/ circulars issued from time to time by this Directorate for fee regulation.

AND WHEREAS, in the process of examination of fee hike proposal filed by the aforesaid School for the academic session 2018-2019, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 21 November 2019 to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted. During the aforesaid hearing compliances against order no. FDE15(224) PSB/2019/1195-1199 dated 29.03.2019 issued for academic session 2017-18 were also discussed and school submissions were taken on record.

AND WHEREAS, the reply of the school, documents uploaded on the web portal for fee increase together with subsequent documents/ clarifications submitted by the school were thoroughly evaluated by the team of Chartered Accountants and the key findings noted are as under:

A. Financial Discrepancies

1. Section 2(m) of DSEA, 1973 stats **"manager"** in relation to a school, means the person, by whatever name called, who is entrusted, either on the date on which this Act comes

into force or, as the case may be, under a scheme of management made under section 5, with the management of the affairs of that school. Further, Rule 59 of DSEAR, 1973 states regarding appointment and qualification of Manager 59(2)(i), the educational and other qualifications of the manager and his duties and responsibilities; the position of the manager viz-a-viz the managing committee:

- a) no employee of an aided school (other than the head of school) shall be appointed as the manager, the head of school may be appointed the manager of a school, whether aided or unaided;
- b) appointment of the manager; the terms and conditions of his appointment; removal of the manager; filling up of casual vacancy in the office of the manager, duties and responsibilities of the manager;
- c) bills (including bills relating to the salaries and allowances of the teachers and non-teaching staff) shall be jointly signed by the manager and the head of the school; but where the head of the school is also the manager, such bills shall be signed jointly by the head of the school and another member of the managing committee specially authorised by that committee in this behalf;
- d) that the administration and academic work of the school shall be attended to by the head of school, and except where the head of school is the manager, the manager shall not interfere with the day-to-day administration and academic work of the school.
- e) manager shall not be at the same time the manager of any other school and a person shall not be at the same time the chairman of the managing committee and the manager,

Based on the above provisions the post of manager of the private unaided recognised school is honorary post and the same is filled through nomination/election as per the provisions of the Delhi School Education Act and Rules, 1973.

Thus, the manager of the school cannot be treated as employee of the school as he/she functions on behalf of the managing committee and cannot be paid salary as per the provisions of the DSEAR, 1973. Accordingly, the manager of the school is not entitled to any payment whatsoever from the school funds.

The record submitted by the school were taken on record and from the examination of the same, it has been noted that the school has paid Rs. 15,000 per quarter to the Manager as 'Travelling Expenses' for visiting to school and Rs. 30,000 per quarter towards consultancy charges during the period from 1 April 2017 to 30 September 2017. Thus, the school has paid total amount of Rs. 90,000 to the manager towards traveling expense and consultancy charges. During personal hearing the school explained that the manager has left the school with effect from October 2017 since then principal is acting as manager of the school. Based on the above-mentioned provisions payment made to the manager is not allowed.

The similar observation was also noted in DoE order no. FDE15(224) PSB/2019/1195-99 dated 29.03.2019 issued for academic session 2017-18 wherein the school was directed to recover Rs. 1,80,000 on account of travelling expenses and consultancy charges paid to the manager during the FY 2016-2017 and submit the compliance report within 30 days from the issue of this order. However, the school explained that

these sums were paid to the Manager for providing consultancy services provided to the school and reimbursement of his commutation expenses for visiting to the school that is why school has not recovered any amount towards this direction. Therefore, this amount has also been included in the calculation of available fund of the school. And the school is once again directed to recover Rs. 2,70,000 from the society/manager and submit the compliance report within 30 days from the issue this order. Failure to comply with direction shall be dealt strictly in accordance with section 24(4) of DSEA, 1973.

2. Para 57 of Accounting Standard 15, "Employee Benefits" issued by the Institute of Chartered Accountants of India, *"An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date."*

And para 7.14 of the Accounting Standard 15 – 'Employee Benefits' issued by the Institute of Chartered Accountants of India, "Plan assets comprise:

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

Further as per AS-15 'Employee Benefit' issued by ICAI. "An entity should determine the present value of defined benefit obligations and their fair value of any plan asset so that the amounts recognised in the financial statement do not differ materially from the amounts that would be determine at the balance sheet date.

Form review of audited financial statements of FY 2018-19, it has been noted that during year the school has provided provisions for gratuity and leave encashment amounting to Rs.23,87,429 and Rs. 4,20,410 respectively. Based on the document submitted by the school and taken on record, it has been noted actuarial valuation reports towards gratuity and leave encashment indicated actuarial liability as on 31.03.2019 of Rs. 80,02,011 and Rs. 30,48,085 respectively against which equivalent provisions has been created in the financial statements of FY 2018-19.

During the personal hearing the explained that it has made an investment in plan assets as per AS-15 issued by The Institute of Chartered Accountants with LIC for liability towards gratuity. Accordingly, based on investment proof submitted by the school, amount equivalent to the investment made by the school in plan assets i.e. Rs. 35,88,670 has been considered in the calculation of the available fund of the school and the amount of provision budgeted by the school for FY 2018-19 has not been considered.

Further, the school is directed to deposit equivalent amount as determined by the actuary in respect of gratuity (difference between provision and amount deposited) and leave encashment and submit the compliance report.

3. Clause 14 of Order No. F.DE. /15(56)/Act/2009/778 dated 11 Feb 2009 and Clause 7 of Order No. DE 15/Act/Duggal.com/203/99/23033-23980 dated 15 Dec 1999 stated "Development fee, not exceeding 15% of the total annual tuition fee may be charged for

supplementing the resources for purchase, up gradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account" The above was also upheld by the Supreme Court in the matter of Modern School vs Union of India & Ors through its judgement dated 27.04.2004. Further, Fee/Funds collected from the parents /students shall be utilized strictly in accordance with rules 176 and 177 of the DSER – 1973.

However, on review of audited financial statements for the FY 2018-19, it has been noted that the school has utilised development fund for purchase of bus amounting to Rs.12,82,600, which is not in with the abovementioned provisions. As the development fund can only be utilised for supplementing the resources for purchase, upgradation and replacement of furniture fixtures and equipment amount utilised for purchase of bus has not been considered as expenditure while deriving the fund position of the school for FY 2018-19.

Further, an analysis of the development fee collected and utilised from FY 2015-16 to 2018-19 indicates that the school has been collecting development fee more than its requirement. Over the period of four years, the school has generated surplus of Rs. 51,97,115 from development fee. This analysis indicates that the school is generating more funds than the actual requirements for purchase/ upgradation of furniture fixtures and equipment etc. and thereby the school is accumulating surplus under this head. Therefore, the school is directed to determine the actual requirement of development fee to be collected from the students from the subsequent financial year and do not indulge in any kind of commercialisation of education. The details of development fee collected, and corresponding expenditure incurred by the school, as per the financial statements of the school, is as under:

(Figures in Rs.)

Particulars	2015-16	2016-17	2017-18	2018-19
Development fee collected during the year	66,16,251	79,67,080	96,47,949	95,88,682
Expenditure against development fee	39,43,670	59,20,420	60,96,495	1,26,62,262^
Surplus /(deficit) generated of development fee during the year	26,72,581	20,46,660	35,51,454	-30,73,580

^This includes transfer of an amount Rs. 49,00,000 to general fund (as unsecured loan) to meet the deficit in payment of staff salaries for the month of March 2019 and also to meet other expenses. However, the school has not provided any details as how much fund was utilised for payment of salary and how much was utilised for meeting other expenses.

Though the school has shown the utilisation of development fund as unsecured loan given to 'Recognised Unaided School fund' for payment of salaries and other expenses

but this utilisation of development fee is usage of excess development fee collected by the school over the years for payment of salaries. Accordingly, while deriving the fund position of the school for 2018-19, development fund used for payment of salaries amounting Rs. 49,00,000 cannot be considered.

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

From review of audited financial statements of the FY 2017-18 and 2018-19, it has been noted that the aforesaid provision has not been followed by the school as the school is not creating any deferred income equivalent to the amount of restricted fund used for capital expenditure and also, the aforesaid deferred income has not been transferred to the credit of the income and expenditure account in proportion to the depreciation charged during the year. On purchase of assets out of the development fund, the first accounting entry passed by the school as debit fixed assets account and credit the bank account and then by passing second accounting entry as debit development fund account and credit the fixed assets account. Thus, by virtue of adopting this accounting treatment, value of the assets purchased out the development fund became zero and hence not getting reflected on the face of the financial statements. And therefore, the value of fixed assets on the face of the balance sheet is under reported in FY 2017-18 by Rs. 96,24,246 and in FY 2018-19 Rs. 1,82,97,231 by the school.

The similar observations were also noted in order no. FDE15(224) PSB/2019/1195-99 dated 29.03.2019 issued for academic session 2017-18 and school was directed to rectify the presentation of fixed assets and development fund and to make necessary adjustments for rectifying the aforesaid discrepancy in accordance with GN 21. Therefore, the school is once again directed to comply with the aforesaid directions.

B. Other Discrepancies

1. As per para 67 of the Guidance Note on 'Accounting by Schools' issued by Institute of Chartered Accountants of India, "The financial statements should disclose, inter alia, the historical cost of fixed assets." Further, Notes to Part II of Appendix III to the aforementioned Guidance Note states "Under each head, the original cost, the additions thereto and deductions therefrom during the year, depreciation written off or provided during the year, and the total depreciation written off or provided up to the end of the year should be stated."

However, on review of audited financial statements for FY 2017-18 and 2018-19 it has been noted that the school has created depreciation reserve fund through the amount of depreciation charged on the assets and has prepared fixed asset schedule on written down value basis. Thus, school is directed to rectify the presentation of fixed assets and depreciation reserve fund in accordance with aforesaid guidelines of GN 21.

2. As per clause 19 of Order No. F.DE./15(56)/Act/2009/778 dated 11.02.2009 "*The tuition fee shall be so determined as to cover the standard cost of establishment including provisions for DA, bonus, etc., and all terminal, benefits as also the expenditure of revenue nature concerning the curricular activities*" and as per clause 21 of the aforesaid order "*No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school.*" Also, as per clause 22 of the aforesaid order "*Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged.*"

Further, as per Rule 176 of DSER, 1973 "*Income derived from collections for specific purposes shall be spent only for such purpose*" and as per Sub-rule 3 of Rule 177 of DSER, 1973 "*Funds collected for specific purposes, like sports, co-curricular activities, subscriptions for excursions or subscriptions for magazines, and annual charges, by whatever name called, shall be spent solely for the exclusive benefit of the students of the concerned school and shall not be included in the savings referred to in sub-rule (2).*" Further, Sub-rule 4 of the said rule states "*The collections referred to in sub-rule (3) shall be administered in the same manner as the monies standing to the credit of the Pupils Fund as administered.*"

As per Section 17(3) of Delhi School Education Act, 1973 "*the manager of every recognised school shall, before the commencement of each academic session, file with the Director a full statement of the fees to be levied by such school during the ensuing academic session, and except with the prior approval of the Director, no such school shall charge, during that academic session, any fee in excess of the fee specified by its manager in the said statement.*"

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

Based on the aforementioned provisions, earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). The school is charging Computer Fees and Insurance from the students of all classes. Thus, the fee charged from all students loses its character of earmarked levy, being a non-user charge.

The similar observations were also noted in order no. FDE15(224) PSB/2019/1195-99 dated 29.03.2019 issued for academic session 2017-18, according to this order the school was directed not to charge these earmarked fees with immediate effect as this would either covered from tuition fee or annual charges, as applicable. The reply submitted by the school, taken on record, as per school the computer fee and insurance

charges are part of tuition fee or annual charges with effect from the FY 2018-19. However, on review of the audited financial statements of the financial statements of the FY 2018-19, it has been noted that the school is continuously charging these earmarked levies from all the student and as per audited financial statements of the school for FY 2018-19, the school has collected computer fee of Rs. 25,56,307 and Insurance Fee of Rs. 2,17,605. Therefore, the school is once again directed to stop charging computer fee and insurance charges with immediate effect and submit the compliance report within 30 days from the date issue of this order.

3. As per Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11 Feb 2009 *"No caution money/security deposit of more than five hundred rupees per student shall be charged. The caution money thus collected shall be kept deposited in a scheduled bank in the name of the concerned school and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund"*

And as per point no. 3 of the public notice dated 4 May 1997 published in the Times of India states "No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate of Rs. 500 per student in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate."

Further, as per clause 3 and 4 of Order no. DE/15/150/Act/2010/4854-69 dated 09.09 2010 *"In case of those ex-students who have not been refunded the Caution Money/Security Deposit, the schools shall inform them (students) at their last shown address in writing to collect the said amount within thirty days. After the expiry of thirty days, the un-refunded Caution Money belonging to the ex-students shall be reflected as income for the next financial-year & it shall not be shown as liability. Further, this income shall also be taken into account while projecting fee structure for ensuing Academic year."*

During the personal hearing and as per reply submitted taken on record, the school has explained that from the FY 2019-20 it has stopped collection of caution money and the amount of unclaimed caution money of Rs. 2,12,750 has already been included as income of the school in the audited financial statements of FY 2018-19 and the balance of Caution money of Rs. 3,94,000 has been considered in the calculation of the fund position of the school.

4. With reference to CBSE Affiliation Bye Laws point 5.4 "There must be 1.5 teachers per section, excluding the Principal, Physical Education and Counsellor, to teach various subjects.

As per school submission there are 11 subject teachers which have been excluded in computation teacher – section ratio. Information relating to teaching staff, students enrolled, and sections were obtained from the school, which is tabulated below:

Particulars	Number
No. of Section (all classes) [A]	27

Teaching staff during FY 2018-2019 [B]	61
No. of teachers as prescribed by CBSE (No. of sections X 1.5) [C=A*1.5]	40.5
Derived overstaffing at school (basis CBSE norms) [D=B-C]	20.5
Derived Teacher-Section Ratio [E=B/A]	2.26

The above calculations indicate that the school has teacher-section ratio of 2.26 which is more than the ratio prescribed by CBSE. Therefore, the school management is required look into the matter and try to establish an equilibrium, without compromising the standard of education, between the standard prescribed by the CBSE and the existing teacher-section ratio.

5. As per the provisions of Rule 107 - 'Fixation of Pay' of DSER, 1973, "(1) *The initial pay of an employee, on the first appointment shall be fixed ordinarily at the minimum of the scale of pay. Provided that a higher initial pay, in the specified scale of pay, may be given to a person by a appointing authority....*

(2) The pay of an employee on promotion to higher grade or post shall be determined by the same rules as are applicable to the employee of government school."

The documents submitted by the school were taken on record, on the basis of document submitted by the school it has been noted that the gross salaries and grade pay of certain staff of the school were more than the salaries and grade pay as applicable to comparable staff in government schools. Salary and grade pay of the noted staff are detailed below:

Designation	Grade Pay of staff under 6 th CPC (INR)	Gross Salary of staff as per 7 th CPC for March 2018 (INR)
Principal	12,000*	4.35 lakhs per month
Head of the Junior School (Teaching staff)	4,800	1.72 lakhs per month
Head of the Senior School (Teaching staff)	5,400	1.50 lakhs per month

* The school indicated the grade pay of INR 12,000 for Principal in the staff statement as on 21 Dec 2015, while as per Pay Commission, there is no grade pay beyond Rs. 10,000.

Similar observation was noted in Directorate's order No. FDE15(224) PSB/2019/1195-99 dated 29.03.2019 issued for academic session 2017-18 and school was directed to prepare a reconciliation of computed salary (along with grade pay) with the salary on the date of joining of the principal and subsequent increments awarded to her. However, school has not provided the reconciliation statement and claimed that it had paid salaries in accordance with provisions of DSEA & R, 1973.

However, the compliance of the aforesaid direction will be examined at the time of evaluation of proposal for enhancement of fee for subsequent academic session. Further, in case school wish to pay salaries to its selected employees more than those of the employees of the corresponding status in school run by the appropriate authority,

then the same should be borne by the society only and should not be burdened on the students.

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

- i. The total funds available for the FY 2018-19 amounting to Rs. **10,47,55,472** out of which cash outflow in the FY 2018-19 is estimated to be Rs. **12,74,71,416**. This results in deficit amounting to Rs. **2,27,15,944** for FY 2018-19 after all payments. The details of fund position are as follows:

Particulars	Amount (in Rs.)
Cash and Bank balances as on 31.03.18 as per audited Financial Statements for FY 2017-18	69,55,159
Investments as on 31.03.18 as per audited Financial Statements for FY 2017-18	10,00,000
Add: Recovery of amount paid to Manager (as per Observation 1 of financial discrepancies)	2,70,000
Less: FDR in the joint name of Secretary, CBSE and Manager, School (as per school's submission)	1,18,461
Less: FDR in the joint name of Dy Director (Dist.) and Manager, School (as per school's submission)	6,34,316
Less: Caution Money Liability (as per Observation no 3 of Other Discrepancies)	3,94,000
Less: Staff retirement benefits- Gratuity (as per Observation 2 of financial discrepancies)	35,88,670
Less: Development Fund (as per Observation 3 of financial discrepancies)	33,70,695
Available Fund	1,19,017
Fees for FY 2018-19 (as per audited Financial Statements.)	9,95,69,297
Other income for FY 2018-19 (as per audited Financial Statements)	50,67,158
Total Available Funds for FY 2018-19	10,47,55,472
Total cash outflow (Revenue Expenditure + Capital Expenditure - Depreciation) (Refer Note 1 to 3)	10,48,67,006
Less: 7th CPC arrears (as per audited financial statements for FY 2018-19)	2,26,04,410
Estimated Deficit	2,27,15,944

Note 1: The school has provided provision for gratuity and leave encashment amounting to Rs. 23,87,429 and Rs. 4,20,210 respectively for the FY 2018-19. Which has not been considered in the above calculation because the school has not deposited equivalent fund as determined by the actuary. This has already been discussed in observation 2 of financial discrepancies.

Note 2: The school has provided Rs. 18,26,825 towards salary reserve during the FY 2018-19 Which has not been considered in the above calculation because the school has not made the investment equal amount in the joint name of Dy. Director (Dist.) and

Manager, School in accordance with provisions of DSEA & R, 1973 and thus, this appropriation has not been considered.

Note 3: As per audited financial statements for FY 2018-19, the school has incurred capital expenditure for purchase bus for Rs. 12,82,600 out of the development fund in contravention of clause 14 of order dated 11.02.2009 (discussed at Observation 2 of financial discrepancies) thus, the same has not been considered in above calculation.

- ii. The school do not have sufficient funds to carry on the operation of the school for the academic session 2019-20 on the existing fees structure. In this regard, Directorate of Education has already issued directions to the Schools vide order dated 16.04.2010 that,

"All Schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase."

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial and other discrepancies and also, funds are not available with the school to carry out its operations for the academic session 2018-19, the fee increase proposal of the school may be accepted.

AND WHEREAS, recommendation of the team of Chartered Accountants along with relevant materials were put before the Director of Education for consideration and who after considering all the material on the record, and after considering the provisions of section 17 (3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that the school do not have sufficient funds for meeting financial implication for the academic session 2018-19. Therefore, Director (Education) has accepted the proposal submitted by the school to increase the fee by 10% from April 1, 2020.

Accordingly, it is hereby conveyed that the proposal of fee increase **Nirmal Bhartia school, Sector – 14, Dwarka, New Delhi- 110078, (School Id: 1821226)** is hereby accepted by the Director of Education and the school is hereby allowed to increase the fee by 10% from April 1, 2020.


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

1. To increase the fee only by the prescribed percentage from the specified date.
2. To rectify all the financial and other discrepancies as listed above and submit the compliance report within 30 days from the date of this order to the D.D.E (PSB).
3. To ensure payment of salary as per recommendation of 7th CPC.

4. To ensure that the salaries and allowances shall come out from the fees whereas capital expenditure will be a charge on the savings in accordance with the principles laid down by Hon'ble Supreme Court of Delhi in its Judgment of Modern School vs Union of India and others. Therefore, School not to include capital expenditure as a component of fee structure to be submitted by the School under section 17(3) of DSEA, 1973.
5. To utilize the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with the provision of section 24(4) of DSEA, 1973 and DSER, 1973.

This order is issued with the prior approval of the Competent Authority.

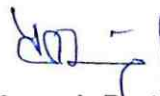

(Yogesh Pratap)
Deputy Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To
The Manager/ HoS
Nirmal Bhartia school, Sector – 14, Dwarka,
New Delhi- 110078, (School Id: 1821226)
No. F.DE.15 (86)/PSB/2020 / 409-13

Dated: 03.3.20

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
(Private School Branch)
Directorate of Education, GNCT of Delhi