

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

No. F.DE.15(137)/PSB/2021/ 2117-2121

Dated: 21/04/22

**Order**

WHEREAS, Himalaya International School, F-Block, Sector-9, Rohini, Delhi-110085 (School ID: 1413310) (hereinafter referred to as "the School"), run by the Rohini Shiksha & Sanskritik Sansthan Society (hereinafter referred to as the "Society"), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (hereinafter referred to as "DoE"), under the provisions of Delhi School Education Act & Rules, 1973 (hereinafter referred to as "DSEAR, 1973"). The School is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

AND WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the DSEAR, 1973 with the Directorate. Such statement is required to indicate estimated income of the school to be derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc. in terms of rule 177(1) of the DSEAR, 1973.

AND WHEREAS, as per section 18(5) of the DSEAR, 1973 read with sections 17(3), 24 (1) and rule 180 (3) of the above DSEAR, 1973, responsibility has been conferred upon to the DoE to examine the audited financial Statements, books of accounts and other records maintained by the school at least once in each financial year. Sections 18(5) and 24(1) and rule 180 (3) of DSEAR, 1973 have been reproduced as under:

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

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

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

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





AND WHEREAS, it was also directed by the Hon'ble Supreme Court, that the DoE in the aforesaid matter titled Modern School Vs. Union of India and Others in para's 27 and 28 in case of private unaided schools situated on the land allotted by DDA at concessional rates that:

"27....

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

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

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

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

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directing all the private unaided recognized schools, running on the land allotted by DDA/other land-owning agencies on concessional rates or otherwise, with the condition to seek prior approval of DoE for increase in fee, to submit their proposals, if any, for prior sanction, for increase in fee for the session 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of the DoE, the School submitted its proposal for enhancement of fee for the academic session 2019-20. Accordingly, this Order dispenses the proposal for enhancement of fee submitted by the school for the academic session 2019-20.

AND WHEREAS, in order to examine 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 2019-20, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 09.12.2019 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.





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

**A. Financial Observations**

1. Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses.*" The Accounting Standard has further defined the Plan Assets (the form of investments to be made against liability towards retirement benefits) as:
  - (a) Assets held by a long-term employee benefit fund; and
  - (b) Qualifying insurance policies.

Para 60 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states "*A defined benefit scheme is a scheme under which amounts to be paid as retirement benefits are determined usually by reference to employee's earnings and/or years of service. Examples of defined benefit schemes are pension and gratuity*". Defined benefit schemes should be accounted for as follows:

An appropriate charge to the income and expenditure account for the year should be made through a provision for the accruing liability. The accruing liability should be calculated according to actuarial valuation. However, if a school employs only a few staff, say less than twenty, it may calculate the accrued liability by reference to any other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year. Actuarial valuations should normally be conducted at least once in every three years. Where the actuarial valuations are not conducted annually, the actuary's report should specify the amounts to be charged to the income and expenditure account of each year during the inter-valuation period.

On review of the documents submitted by the school post personal hearing, it has been noted that school did not get the actuarial valuation report for its liability towards gratuity and leave encashment in accordance with the AS-15 and has recorded liability for retirement benefits in its books of accounts as per management estimate basis, while the number of the staffs employed by the school are more than 20 staff. As per audited financial statements of FY 2018-19, the school has provided provision for gratuity INR 20,23,857 as on 31.03.2019 but has not provided any provision for leave encashment liability. Although the school has provided provision for gratuity in its books of account but has not made any investment in plan assets in accordance with AS-15.

Since, no investment in plan assets has been made by the school hence, no amount has been considered while deriving the fund position of the school. The school is further directed to get actuarial valuation report for both the gratuity and leave encashment and record the same in its books of accounts and also invested an amount equivalent to the liability determined by the actuary in plan assets within 30 days from the date of issue of this order and submit the compliance report to the department. In view the above, the INR 6,00,000 budgeted by the school in its proposal has also not been considered while deriving the fund position of the school for FY 2019-20.

2. As per direction no. 2 included in the Public Notice dated 04.05.1997, "*it is the responsibility of the society who has established the school to raise such funds from their own sources or donations*





from the other associations because the immovable property of the school becomes the sole property of the society". Additionally, Hon'ble High Court of Delhi in its judgement dated 30.10.1998 in the case of Delhi Abibhavak Mahasangh concluded that "The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society." Also, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10.02.2005 issued by this Directorate states "Capital expenditure cannot constitute a component of the financial fee structure."

Moreover, Rule 177 of DSER, 1973 states that "income derived by an unaided recognised school by way of fees shall be utilised in the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that savings, if any, from the fees collected by such school may be utilised by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognised school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run. And the aforesaid savings shall be arrived at after providing for the following, namely:

- a) Pension, gratuity and other specified retirement and other benefits admissible to the employees of the school;
- b) The needed expansion of the school or any expenditure of a developmental nature;
- c) The expansion of the school building or for the expansion or construction of any building or establishment of hostel or expansion of hostel accommodation;
- d) Co-curricular activities of the students;
- e) Reasonable reserve fund, not being less than ten percent, of such savings.

Accordingly, based on the aforementioned public notice and High Court judgement, the cost relating to land and construction of the school building has to be met by the society, being the property of the society and school funds i.e. fee collected from students is not to be utilised for the same.

From review of the audited financial statements, it has been noted that the school has utilized development fund of INR 1,64,01,000 (INR 21,01,000 in FY 2016-17, INR 70,00,000 in FY 2017-18 and INR 73,00,000 in FY 2018-19) for purchase of Land which is not in accordance with the above-mentioned provisions.

During the personal hearing, the school explained that the aforesaid land was bought by the society on 20.06.2015 (Measuring 20,638 Sq. Mtr. (approx. 5.101 Acres) situated in the revenue estate of village Kailash, Sector 28, Tehsil & District-Karnal, Haryana for INR 11,62,28,967 and some part the land cost is borne by the school.

Thus, the school funds (i.e. development fund) which has been utilised by the school of purchase of land amounting to INR 1,64,01,000 is recoverable from the society. Therefore, the same has been included in calculation of fund available with the school considering the same as fund available with the school. The school is further directed to recover the aforesaid amount from the society within 30 days from the date of issue of this order. Accordingly, the amount proposed by the school of INR 15,00,000 towards construction of building has not been considered while deriving the fund position of the school.



3. As per the Directorate's Order No. DE 15/Act/Duggal.com/203/99/23033/23980 dated 15.12.1999 states "*the management is restrained from transferring any amount from the recognized unaided school fund to society or trust or any other institution*". The Supreme Court also through its judgement on a review petition in 2009 restricted transfer of funds to the society.

From review of the audited financial statements and based on the reply submitted by the school post personal hearing, it has been noted that INR 15,00,000 was transferred by the school to society out of general fund as an advance for purchase of land which is not in accordance with abovementioned provisions. Therefore, it has been included in the calculation of fund available with the school with the direction to the school to recover this amount from the society within 30 days from the date of issue of this order.

4. 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's. 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*".

Further, as per para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states "Where the fund is meant for meeting capital expenditure upon incurrence of the expenditure the relevant asset account is debited which is depreciated as per the recommendations contained in this Guidance Note. Thereafter the concerned restricted fund account is treated as deferred income to the extent of the cost of the asset and is transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year." Further, Para 102 of the abovementioned Guidance Note states "*In respect of funds, schools should disclose the following in the schedules/notes to accounts:*

- a) *In respect of each major fund, opening balance, additions during the period, deductions/utilization during the period and balance at the end;*)
- b) *Assets, such as investments, and liabilities belonging to each fund separately*
- c) *Restrictions, if any, on the utilization of each fund balanced)*
- d) *Restrictions, if any, on the utilization of specific assets."*

On review of the audited financial statements for FY 2018-19, it has been noted that the school has not been depositing amounts collected as development fees/fund in a separate bank account and no interest was credited to development fund. Further, the school is not following correct accounting treatment with respect to the collection of development fund fee/funds due to which the closing balance and even the opening balance of the school is reflected negative. Further, the school has not been maintaining the development fund utilization account on purchase of the assets out the development fund. From review of the fund position of the school it can be inferred that the school neither reserve nor has an investment because this has already been utilized by the school on creation of capital assets without complying the provision of Rules 177 of DSER 1973 and clause 14 of the order date 11.02.2009.



## B. Other Observations

1. Rule 176 - '*Collections for specific purposes to be spent for that purpose*' of the DSER, 1973 states "*Income derived from collections for specific purposes shall be spent only for such purpose.*"

Sub-rule 3 of Rule 177 of DSER, 1973 states "*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.*"

Also, earmarked levies collected from students are form of restricted funds, which, according to Guidance Note -21 '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.

Additionally, the above-mentioned Guidance Note also lays down the concept of fund-based accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account ('Restricted Funds' column) and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account ('Restricted Funds' column).

On review of the audited financial statements of FY 2018-19, it has been observed that the school was collecting earmarked levies namely Smart Class charges, Activity Charges, IT charges and transport fee from the students but these fees were not charged on 'no profit no loss' basis because school has either earned surplus or incurred deficit from these earmarked levies. During the period under evaluation, school submitted that it has earned surplus on smart class and Transport fee and incurred deficit on Activity fee and IT charges. Further, school has not been following fund-based accounting for these earmarked levies therefore, the closing fund balance of respective earmarked levies cannot be determined. Accordingly, the school is directed to follow fund-based accounting for earmarked levies and adhere the abovementioned provisions and make necessary adjustments in the General Reserve balance.

Further, as per the Duggal Committee report, there are only four categories of fee that can be charged by a school. The first category of fee comprises of "registration fee and all One Time Charges" which is levied at the time of admission such as Admission and Caution Money. The second category of fee comprise of "Tuition Fee" which is to be fixed to cover the standard cost of the establishment and also to cover expenditure of revenue nature for the improvement of curricular facilities like Library, Laboratories, etc., and Science and Computer fee up to class X and examination fee. The third category of the fee should consist of "Annual Charges" to cover all expenditure not included in the second category and the fourth category should consist of all "Earmarked Levies" for the services rendered by the school and to be recovered only from the 'User' students. These charges are Transport Fee, Swimming Pool Charges, Horse Riding, Tennis, Midday Meals etc.





Based on the aforesaid provisions, earmarked are to be collected only from the user students availing the services. And if the services are extended to all the students of the school, a separate charge should not be levied by the school as it would get covered either from the Tuition Fee or from Annual Charges. Therefore, the school is directed to stop collecting separate charges in the name of the "Smart Class charges, Activity Charges, IT charges and transport fee".

2. As per Clause 18 of Order No. F.DE./15 (56)/Act/2009/778 dated 11.02.2009, no caution money/ security deposit of more than INR 500 per student shall be charged. The Caution Money thus collected shall be kept deposited in a schedule bank in the name of 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 request for a refund.

However, on review of audited financial statement for the FY 2017-18 and 2018-19 and the details submitted by the school post hearing, it has been noted that the school has been collecting caution fee ranging from INR 500-1000 per students which is more than prescribed limit. Further, as per the details provided by the school the total caution money balance is INR 3,56,800 as on 31.03.2019 while the audited financial statements for FY 2018-19 reflects caution money closing balance of INR 1,84,500 which means the school has not shown total collection towards caution money in its financial statements.

During the personal hearing the school explained, the school has been refunding only principal amount of caution money to the students at time of his/her leaving from the school which is in contravention of clause 18 of Order No. F.DE./15 (56)/Act/2009/778 dated 11/02/2009.

Therefore, the school is hereby directed to account for all its collection as it is a mandatory requirement under Rule 175 of the DSER, 1973, ensure the compliance of clause 18 of the order dated 11.02.2009 and to adjust/ refund the excess caution money collected from the students immediately and submit the compliance report within 30 days from the date of issue of this order.

3. During the personal hearing the school was asked to provide the copy of fixed assets register either in soft copy or hard copy. Which the school has not provided for verification. In the absence of the same, it cannot be ascertained whether the school has prepared fixed assets register or not and that too in the proper format. Therefore, the school is directed to prepare proper FAR, which should include necessary details such as asset description, date, supplier name, invoice number, serial number, location, purchase cost, other costs incurred, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place. The compliance with this direction would be verified at the time of evaluation of fee increase proposal of the school for subsequent financial year.
4. During the personal hearing the school was asked to provide the fee reconciliation statement for FY 2018-19. Such statement was compared with income booked under Income & Expenditure Account to reconcile the amount of each category of fee. On comparison it was noted that there is difference in Activity charges charged for Academic year 2018-19 as per statement of fees (INR 3,78,000) provided and as per Income & Expenditure Account (INR 3,52,380). However, explanation for such deviation has not been provided by the school. Therefore, the school is directed to provide detailed fee reconciliation for FY 2018-19 for each category of fee along with compliance report. This being a procedural observation, no financial impact is warranted in the fund position of the school.



5. As per Order No. F.DE-15/ACT-I/WPC-4109/PART/13/7905-7913 dated 16 Apr 2016, *"The Director hereby specify that the format of the return and documents to be submitted by schools under rule 180 read with Appendix –II of Delhi School Education Rules, 1973 shall be as per format specified by the Institute of Chartered Accountants of India, established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note on Accounting by Schools (2005) or as amended from time to time by this Institute."*

As per Appendix II to Rule 180(1) of DSER, 1973, the school is required to submit final accounts i.e. receipt and payment account, income and expenditure account and balance sheet along with notes to accounts of the preceding year duly audited by a Chartered Accountant by 31<sup>st</sup> July.

Further, the auditor had signed the audit report and financial accounts of FY 2016-2017, FY 2017-2018 and FY 2018-2019 on 16 Aug 2017, 6 Aug 2018 and 03 Sep 2019 respectively. Thus, the school did not comply with the requirement of submission of audited final accounts in accordance with the timeline prescribed in Rule 180(1).

The school is hereby directed to ensure that Receipt and Payment Account as per the prescribed format annexed with the aforementioned order of the Directorate must be prepared for each financial year, which must be audited as part of the annual final accounts and should be submitted to the Directorate as part of complete set of audited financial statements within the prescribed timeline.

6. Para 58(i) of the Guidance Note states *"A school should charge depreciation according to the written down value method at rates recommended in Appendix I to the Guidance Note."*

From the financial statements of FY 2016-17 to FY 2018-19, it was noted that the school did not charge depreciation at the rates specified in Appendix I to the Guidance Note.

The school is directed to adopt the depreciation rates as prescribed by the Guidance Note. The above being a procedural observation, no financial impact is warranted for deriving the fund position of the school.

**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 2019-20 amounting to INR 4,99,97,962 out of which cash outflow in the FY 2019-20 is estimated to be INR 4,21,42,766. This results in net surplus amounting to INR 78,55,196 for FY 2019-20 after all payments. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.19 as per Audited Financial Statement	53,29,752
Investments as on 31.03.19 as per Audited Financial Statements	24,14,594
<b>Liquid Funds as on 31.03.19</b>	<b>77,44,345</b>
Add: Additions to Land in contravention of Clause 2 of Public notice dated May 4th, 1997 (Refer financial observations no. 2)	1,64,01,000
Add: Advance given to society for payment of Land (Refer financial observations no.3)	15,00,000



Particulars	Amount (in INR)
Add: Fees for FY 2018-19 as per Audited Financial Statements (Refer Note 1)	2,47,37,923
Add: Other income for FY 2018-19 as per audited Financial Statements (Refer Note 1)	7,13,787
<b>Total Available funds for FY 2019-20</b>	<b>5,10,97,055</b>
Less: FDR with Dy. DOE (Refer Note 2)	6,09,192
Less: FDR with Director, MCD (Refer Note 2)	3,05,401
Less: Provision for retirement benefits (Refer financial observations no.1)	-
Less: Caution money as on 31.03.2019 as per audited financial statements	1,84,500
<b>Net Available funds for FY 2019-20</b>	<b>4,99,97,962</b>
Less: Impact of 7th CPC from 01.01.16 to 31.03.19 as per detail submitted by the school (refer Note 4)	1,02,95,653
Less: Budgeted expenses for the session 2019-20 (after making adjustment) (Refer Note 3)	3,18,47,113
<b>Estimated Surplus</b>	<b>78,55,196</b>

**Note 1:** Income as per audited financial statements for FY 2018-19 has been taken as income for FY 2019-20 with the assumption that the income accrued in FY 2018-19 will at least accrue to the school in FY 2019-20.

**Note 2:** Fixed deposit made in name of DY. Director of Education & Manager of school amounting to INR 6,09,192 and on the name of Director, MCD amounting to INR 3,05,401 has been excluded from the calculation of fund position of the school.

**Note 3:** All budgeted expenditure proposed by the school has been considered in the above table (including impact of salaries payable as per 7<sup>th</sup> CPC) except the following:

Particulars	Amount Disallowed	Remarks
Honorarium to management for meetings	12,00,000	Not allowed to be paid out of school fund as per section 18 (4) of DSEA, 1971.
Legal & Professional charges	13,33,345	Reasonable explanation or supporting documents not provided by the school for such increase in expenditure. Thus, expenditure is restricted to 110% of that incurred in FY 2018-19.
Gratuity	6,00,000	Refer Financial Observations No.1
Construction of building	15,00,000	Refer Financial Observations No.2
<b>Total</b>	<b>35,93,345</b>	

**Note 4:** The Directorate vide Order No. DE.15 (318)/PDB/2016/18117, dated 25.08.2017, the Managing Committee of all the private unaided recognized schools were directed to implement the Central Civil Revised Pay Rules 2016 in respect of the regular employees of the corresponding status in their schools with effect from 01.01.2016 as adopted by the Government of NCT of Delhi vide its circulars No. 30-3(17)/(12)/VII Pay Comm./Coord./2016/110006-11016 dated 19.08.2016 and No. 30-3(17)/(12)/VII Pay Comm./Coord./2016/12659-12689 dated 14.10.2016. Further, vide



order No. F.DE.15/ (318)/PSB/2019/11925-30 dated 09.10.2019, the managing committee of all Private Unaided Schools once again directed to implement the recommendation of 7<sup>th</sup> CPC with effect 01.01.2016 within 15 days from the date of issue of aforesaid order.

Further, section 10 of DSEA states "*the scales of pay and allowances, medical facilities, mention, gratuity, provident fund and other prescribed benefits of the employees of recognized private school shall not be less than those of the employees of the corresponding status in school run by the appropriate authority*". Therefore, employees of all the private unaided recognized schools are entitled to get the revised pay commission. This legal position has been settled by the Hon'ble High Court long back at the in the matter of WPC 160/2017; titled as Lata Rana Versus DAV Public School & Ors vide order dated 06.09.2018 for implementation of sixth pay commission recommendations.

As per the minutes of management committee of school dated 29.03.2019 the School Management has not yet implemented the recommendations of 7<sup>th</sup> CPC with effect from 01.01.2016 on the ground of insufficient funds with the school.

Accordingly, the impact of 7<sup>th</sup> CPC salary arrears which is still pending for payment for the period from 01.01.16 to 31.03.19 and for FY 2019-20 has been considered while deriving the fund position of the school with the direction to the school to implement, the recommendations of 7<sup>th</sup> CPC in full within 30 days from the date of issue of this order. A strict action against the school would be initiated u/s 24(3) of DSEA, 1973 for non-compliance with the direction cited above.

- ii. The School has 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 observations, that the sufficient funds are available with the school to carry out its operations for the academic session 2019-20. Accordingly, the fee increase proposal of the school may be rejected.

AND WHEREAS, the act of the school of charging unwarranted fee or any other amount/fee under head other than the prescribed head of fee and accumulation of surplus fund thereof tantamount to profiteering and commercialization of education as well as charging of capitation fee in other form.

AND 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 has sufficient funds for meeting financial implication for the academic session 2018-19. Therefore, Director





(Education) has rejected the proposal submitted by the school to increase the fee for the academic session 2019-20.

AND WHEREAS, it is also noticed that the School has incurred INR 1,79,01,000 on land which in contravention of clause 2 of public notice dated 04.05.1997 and Rule 177 of DSER, 1973. Therefore, the school is directed to recover INR 1,79,01,000 from the society. The amount of receipts along with copy of bank statements showing receipt of above mentioned amount should be submitted with DoE, in compliance of the same, within 30 days from the date of the issue of this order. Non-compliance of this shall be taken up as per DSEA&R, 1973.

AND WHEREAS, the school is directed, henceforth to take necessary corrective steps on the financial and other observations noted during the above evaluation process and submit the compliance report within 30 days from the date of this order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the proposal of fee increase for academic session 2019-20 of **Himalaya International School, F-Block, Sector-9, Rohini, Delhi-110085 (School Id: 1413310)** is rejected by the Director (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 any fee in pursuance to the proposal submitted by school on any account for the academic session 2019-20 and if the fee is already increased and charged for the academic session 2019-20, the same shall be refunded to the parents or adjusted in the fee of subsequent months.
2. To ensure payment of salary is made in accordance with the provision of Section 10(1) of the DSEA, 1973. Further, the scarcity of funds cannot be the reason for non-payment of salary and other benefits admissible to the teachers/ staffs in accordance with section 10 (1) of the DSEA, 1973. Therefore, the Society running the school must ensure payment to teachers/ staffs accordingly.
3. To utilize the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of section 24(4) of Delhi School Education Act, 1973 and Delhi School Education Rules, 1973.





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



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

To,  
The Manager/ HoS  
Himalaya International School (School ID: 1413310)  
F-Block, Sector-9, Rohini,  
Delhi-110085

No. F.DE.15 (437 )/PSB/2022/2117-2121

Dated: 21/04/22

**Copy to:**

1. P.S. to Principal Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. DDE (North West-B) to ensure the compliance of the above order by the school management.
4. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
5. Guard file.



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