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

No. F.DE.15 (247)/PSB/2023/1500 - 1504 Dated: 14/02/23

Order

WHEREAS, **Bhai Parmanand Vidya Mandir (School ID- 1001166) Surya Niketan, New Delhi-110092,** (hereinafter referred to as **"the School"**), run by the **Bhai Parmanand Smarak Samiti** (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 paras 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/2019/4440-4412 dated 08.06.2022, 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 academic session 2022-23.

AND WHEREAS, in pursuance to order dated 08.06.2022 of the DOE, the school submitted its proposal for fee increase for the academic session **2022-23**. Accordingly, this order dispenses the proposal for fee increase submitted by the school for the academic session **2022-23**.

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 increase proposal filed by the aforesaid School for the academic session 2022-23, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 12th December 2022 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 that hearing, the compliance of order no. F.DE.15(257)/PSB/2019/1410-1414 dated 29.03.2019 issued for the academic session 2017-18 was also discussed and the school submission were taken on record.

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for fee increase and subsequent documents submitted by the school as a result of the personal hearing, were evaluated thoroughly by the team of Chartered Accountants. After evaluation of fee increase proposal of the school and its subsequent clarifications and submissions, following key suggestions for improvement were noted:

A. Financial Suggestions for Improvement

1. Clause 2 of Public Notice *dated 04.05.1997 states "Schools are not allowed to charge building fund and development charges when the building is complete or otherwise as it is the responsibility of the society. Society should raise such fund from their own sources because the immovable property of the school become the sole property of the society. Therefore, the students should not be burdened by way of collecting the building fund or development charges". Moreover, the Hon'ble High Court of Delhi in its Judgement dated 30.10.1998 in case of Delhi Abibhavak Mahasangh concluded that "Tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society". Also clause (vii) 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 financial fee structure."*

Additionally, Rule 177 of DSER, 1973 states that *income derived by an unaided private recognized school by way of fees shall be utilized 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 utilized 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 recognized 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. 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.*

Based on the aforesaid Public Notice and Judgement of the Hon'ble High Court, the cost relating to construction of Building has to be met by the society, being the property of the society and not from the fund of the school. Further, Rule 177 states that the school is not allowed to make addition to the building if it does not have savings.

(a) The school incurred INR 1,70,44,793 on additions made to the building in FY 2014-15 and FY 2015-16 and the same was directed to recover from the society vide Directorate's Order no. F.DE.15(257)/PSB/2019/1410-1414 dated 29.03.2019 issued for the academic session 2017-18. However, the School has not complied with the above direction and the aforesaid amount is pending for recovery.

The compliance report submitted by the school against order dated 09.05.2019 were taken on record. The school submitted that "No additional rooms were constructed during the period 2014-15 and 2015-16. This expenditure was spent on renovation of old toilets and construction of fire safety escape staircase and new fixtures and fittings replaced by old and redevelopment and refabrication of multi-purpose hall on the 4th floor of the building as per the additional requirements of fire department."

The above contention of the school cannot be accepted considering the fact that the above-mentioned capital expenditure was taken from audited financial statements which was signed by the principal and auditor of the school. Further, when the school had applied for fee hike proposal for the FY 2017-18, the school had not implemented 7th CPC which was not in accordance of Rule 177 of DSER, 1973.

(b) On review of the documents submitted by the school in relation to fee hike proposal for the academic session 2022-23, it has been noted that the school purchased Innova car amounting to INR 17,82,199. The down payment amounting to INR 7,82,199 was made using school funds and rest of the amount was paid securing secured loan amounting to INR 10,00,000 in FY 2017-18. The school has utilised school funds for repayment of loan and interest thereon for the period FY 2017-18 to FY 2020-21 without complying with the requirement of Rule 177 of DSER,1973.

The details of school funds utilized by the school for repayment of loan and interest thereon has been provided below:

Particulars	Principal	Interest	Down Payment	Total
FY 2017-18	1,49,628	39,642	7,82,199	9,71,469
FY 2018-19	3,18,837	59,703	-	3,78,540
FY 2019-20	3,46,851	31,689	-	3,78,540
FY 2020-21	1,84,684	4,359	-	1,89,043
Total				**19,17,592**

Therefore, the amount utilised by the school towards additions to the building and purchase of car amounting to INR 1,89,62,385 (INR 1,70,44,793 + INR 19,17,592) is the contravention of clause 2 of public notice dated 04.05.1997 and Rule 177 of DSER,1973 and thus, hereby considered as fund available with the school with the direction to the school to recover the same from the society within 30 days from the date of issue of this order. Further, the school is also directed to make adjustment in general reserve with respect to interest on loan.

Non-compliance with this directive would be taken seriously, and the department would take appropriate action against the school under Section 24(4) of the DSEA, 1973 without giving any further opportunity to the school.

2. As per 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.*" Further, the Accounting Standard defines 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 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.*"

On review of the audited financial statements for the FY 2021-22, it has been noted that the school has made provision for gratuity amounting to INR 3,21,80,188 and leave encashment amounting to INR 96,69,980 which was equivalent the liability determined by the actuary. As per the requirement of AS-15, the school made investment in Plan assets amounting to INR 3,85,71,575 (INR 3,13,42,972 towards gratuity and INR 72,28,603 towards leave encashment) which was not equivalent to provisions made in the books of the school as on 31.03.2022. Therefore, the amount invested by the school in plan assets has been considered while calculating the fund position of the school for the FY 2022-23.

In view of the above, the amount of INR 39,00,000 (gratuity amounting to INR 25,00,000 and leave encashment amounting to INR 14,00,000) proposed by the school towards in FY 2022-23 has also been considered while calculating the fund position of the school for FY 2022-23.

3. Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11.02.2009 states "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 income generated from the investment made from this fund, will be kept in a separately maintained Development Fund Account."

   On review of the audited financial statements for the FY 2019-20, it has been noted that the school has installed solar plant amounting to INR 51,18,300 which was not in accordance with clause 14 of order dated 11-02-2009. As per clause 14 of the order dated 11.02.2009, the development funds can only be utilized for purchase upgrade and replacement of furniture, fixture, and equipment only and not for other purpose and installation of solar plant doesn't fit in any of the categories mentioned above.

   Therefore, the school is hereby directed to ensure that the development fee should be collected and used in accordance with clause 14 of the order dated 11.02.2009.

B. Other Suggestions for improvement

1. Clause 19 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 states *"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."*

   Clause 21 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 states *"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."*

   Clause 22 of Order No. F.DE /15(56)/ Act/2009/778 dated 1.02.2009 states *"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."*

   Clause 6 of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 states *"Earmarked levies shall be charged from the user student only."*

   Rule 176 states *"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 at 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.

Further, the Guidance Note-21 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 and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account.

From the information provided by the school post personal hearing, it has been noted that school charges earmarked levies in the form of transportation fees from the students but has not maintained fund-based accounting. The surplus/deficit generated by the school from these earmarked levies in last three financial years are as under:

(Figures in INR)

Particular	**Transport Fee**
FY 2019-20	
Fee collected during the year	2,73,63,879
Expenses during the year	2,74,48,000
Difference for the year (A)	**(84,121)**
FY 2020-21	
Fee collected during the year	34,800
Expenses during the year	-
Difference for the year (B)	**34,800**
FY 2021-22	
Fee collected during the year	-
Expenses during the year	-
Difference for the year (C)	-
Surplus/Deficit (A+B+C)	**(49,321)**

Similar point was also noted in Directorate order no. F.DE.15(257)/PSB/2019/1410-1414 dated 29.03.2019 issued for the academic session 2017-18. However, the school has not complied with the directions given in the previous order. Therefore, the school is again directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Further, the school should evaluate costs incurred against each earmarked levy and propose the revised fee structure for earmarked levies in the subsequent proposal of fee increase by ensuring that the proposed levies are calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

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.

2. School was requested to submit the fixed assets register for verification; however, it has failed to provide the same. Therefore, it seems that the school does not follow the practice of preparing Fixed Assets Register (FAR). The FAR should include details such as invoice date, invoice number, supplier name, description of asset, manufacturer's serial number, location, depreciation, asset identification number, etc. to facilitate identification of asset and document complete details of assets at one place.

   Accordingly, the school is directed to prepare the fixed assets register by capturing all the details mentioned above and submit the compliance report within 30 days from the date of issue of this order. Compliance of the above shall be verified at the time of evaluation of proposal for increase of fee for subsequent year.

3. Clause 24 of DoE Order dated 11.02.2009 states "*Every recognized unaided school covered by the Act, shall maintain accounts on the principles applicable to a non-business organization/ not-for-profit organization as per Generally Accepted Accounting Principles (GAAP). Such schools shall prepare their financial statement consisting of a Balance Sheet, P&L Account and Receipt & Payment account every year.*"

   Further, Appendix-III (Part-I-General instructions and accounting principles) of Guidance Note-21 states:

   1. "*the financial statement of the School should be prepared on accrual basis.*

   2. *a statement of all significant accounting policies adopted in the preparation and presentation of the balance sheet and income and expenditure account should be included in the School's Balance sheet……………*

   3. *accounting policies should be applied consistently from one financial year to the next. Any change in the accounting policies which has a material effect in the current period, or which is reasonably expected to have a material effect in later periods should be disclosed….*".

   On review of the audited financial statements of the school for the FY 2019-20 to FY 2021-22 revealed that the school has been recording income on cash basis while expenses are being recoded on accrual basis. Thus, the school is not following Generally Accepted Accounting Principles (GAAP). Therefore, the school is hereby directed, to maintain its books of account in accordance with GAAP from subsequent financial years and made necessary adjustment in its books of accounts accordingly. The compliance with this direction shall be verified while evaluating the fee increase proposal of the subsequent year.

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 2022-23 amounting to INR **22,15,55,598** out of which cash outflow in the FY 2022-23 is estimated to be INR **22,87,00,000.** This results in deficit of INR **71,44,402** for FY 2022-23 after all payments. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.22 as per Audited Financial Statements	18,84,133
Investments as on 31.03.22 as per Audited Financial Statements **(Refer Note 1 Below)**	8,88,53,747
Total Liquid Fund available as on 31.03.2022	**9,07,37,880**
Add: Fees for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 Below)**	20,06,25,811
Add: Other income for FY 2021-22 as per Audited Financial Statements **(Refer Note 3 Below)**	19,04,449
Net available funds for FY 2022-23	**29,32,68,210**
Add: Amount recoverable from the society against addition to building and repayment of loan on purchase of car **(Refer Financial Suggestion No. 1)**	1,89,62,385
Less: Investment in LIC against Gratuity and leave encashment **(Refer Financial Suggestion No. 2)**	3,85,71,575
Less: Development Fund as on 31.03.2022 **(Refer Note No. 4)**	2,20,93,708
Less: FDR held jointly in the name of CBSE and school as on 31.03.2022 **(Refer Note 1 Below)**	6,31,859
Less: FDR held jointly in the name of DDE and manager as on 31.03.2022 **(Refer Note 5 Below)**	2,93,77,855
Estimated availability of funds for FY 2022-23	**22,15,55,598**
Less: Budgeted expenses for the session 2022-23 (after making adjustment including 7th CPC arrears) **(Refer Note 6 Below)**	22,87,00,000
Less: Salary Arrears as per 7th CPC **(Refer Note 7 Below)**	-
Net Deficit	**71,44,402**

Note 1: The detail of fixed deposit held by the school as per the audited financial statements of FY 2021-22 is provided below:

Particulars	Amount (in INR)	Remarks
Special School Reserve against CBSE	6,31,859	The FD in the name of school and CBSE has been considered while calculating the fund position of the school.
Development Fund Investment	1,99,72,875	Refer Financial Suggestion No. 4
Contingency Fund for salary to staff	2,93,77,855	Refer Note 5 Below
Investment in LIC against gratuity and leave encashment	3,88,71,158	Refer Financial Suggestion No. 2
Total	**8,88,53,747**	

Note 2: The Department vide its Order No.F.No.PS/DE/2020/55 dated 18.04.2020 and Order No.F.No.PS/DE/2020/3224-3231 dated 28.08.2020 had issued guidelines regarding the chargeability of fees during the pandemic COVID 2019. The department in both the above-mentioned orders directed to

the management of all the private schools not to collect any fee except the tuition fee irrespective of the fact whether running on the private land or government land allotted by DDA/other land-owning agencies and not to increase any fee in FY 2020-21 till further direction.

The department in pursuance of the order dated 31.05.2021 in WPC 7526/2020 of Single Bench of the Hon'ble High Court of Delhi and interim order dated 07.06.2021 in LPA 184/2021 of the Division Bench of Hon'ble High Court of Delhi and to prevent the profiteering and commercialization, again directed to the management of all the petitioners private unaided recognized schools through its Order No. F. No. DE.15 (114) /PSB /2021 /2165-2174 dated 01.07.2021:

(i) *"to collect annual school fee (only all permitted heads of fees) from their students as fixed under the DSEAR,1973 for the academic year 2020-21, but by providing deduction of 15% on that amount in lieu of* ***unutilized facilities*** *by the students during the relevant period of academic year 2020-21".* And if the school has collected the fee in excess to the direction issued by the Hon'ble Court, the same shall be refunded to the parents or adjusted in the subsequent month of fee or refund to the parents.

(ii) The amount so payable by the concerned students be paid in six equal monthly instalments w.e.f. 10.06.2021.

(iii) The above arrangement is also applicable with respect to collection of fees for FY 2021-22.

On review of the audited financial statements of FY 2021-22 and based on the further information provided by the school, it has been noted that the school has reported 85% of the tuition fees, annual charges, and development fees in its audited financial statements of FY 2021-22 on receipts basis. Therefore, the income collected by the school during the FY 2021-22 with respect to tuition fee, annual charges and development fees has been grossed up on accrual basis to make comparative income with the FY 2022-23. The detailed calculation has been provided below:

Table A

Particulars	**Income as per Audited Financial Statements for the FY 2021-22**	**Income Considered while deriving the fund position for the FY 2022-23**	**Remarks**
Tuition Fee	9,23,15,020	12,98,70,135	As per fee reconciliation for the FY 2021-22 submitted by the school, INR 12,98,70,135 excludes 15% rebate and includes advance fee received for the FY 2021-22 in FY 2020-21.
Annual Charges	8,00,80,368	5,51,68,693	As per fee reconciliation for the FY 2021-22 submitted by the school, INR 5,51,68,693 excludes 15% rebate and fee receivable for the FY 2020-21.

Particulars	Income as per Audited Financial Statements for the FY 2021-22	Income Considered while deriving the fund position for the FY 2022-23	Remarks
Development fees	2,20,93,708	1,54,30,828	As per fee reconciliation for the FY 2021-22 submitted by the school, INR 5,51,68,693 excludes 15% rebate and fee receivable for the FY 2020-21.
Total	**19,44,89,096**	**20,04,69,656**	

Note 3: All other income as per audited financial statements of FY 2021-22 has been considered with the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23 except the following:

Particulars	Amount (in INR)	Remarks
Deferred Income against depreciation a/c	90,05,963	Being a non-cash income.

Note 4: The Supreme Court in the matter of Modern School held that development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipment can by charged from students by the recognized unaided schools not exceeding 15% of the total annual tuition fee. Further, the Directorate's circular no. 1978 dated 16.04.2010 states "*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 utilized for years together may also be used to meet the shortfall before proposing a fee increase.*" Over a number of years, the school has accumulated development fund and has reflected the closing balance of INR 2,26,48,213 in its audited financial statements of FY 2021-22. Accordingly, the accumulated reserve of development fund created by the school by collecting development fee more than its requirement for purchase, upgradation and replacements of furniture and fixtures and equipment has been considered as free reserve available with the school for meeting the revenue expenditures. Therefore, the amount collected in the FY 2021-22 amounting to INR 2,20,93,708 has been considered as fund available with school.

Note 5: As per clause 10 of Form-II of Right of Children to Free and Compulsory Education Act 2009, the schools are required to maintain liquidity equivalent to 3 months' salary and this amount should be invested in the joint name of Dy. Director (Education) and manager of the school. Generally, it is done in the form of FDR in any scheduled bank.

The balance of Salary Reserve as on 31.03.2022 is INR 3,12,72,900 as per audited financial statements of the school for FY 2021-22. However, the school has earmarked investment in the joint name of the Dy. Director and Manager of the school amounting to INR 2,93,77,855. Hence, the same has been considered while calculating the fund position of the school.

Further, the school has proposed provision of salary reserve for the FY 2022-23 amounting to INR 25,00,000. As, the school has almost earmarked investment of reserve already outstanding in the books on 31st March, 2022. Hence, Provision amounting to INR 25,00,000 has been considered while calculating the fund position of the school.

Note 6: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except following:

Heads	Budgeted expenditure in FY 2022-23	Amount Disallowed	Remarks
Transport Charges	3,10,00,000	3,10,00,000	Neither Income nor expense has been considered while calculating the fund position of the school on the assumption that earmarked levies are collected on no profit no loss basis
Total	**3,35,00,000**	**3,35,00,000**	

Note 7: The school has implemented the recommendations of 7th CPC w.e.f October 2019. Further, the school has submitted 7th CPC salary arrears for the period January 2016 to September 2019 amounting to INR 3,27,06,667. However, the school was already allowed 7th CPC salary arrears in the Directorate's Order no. F.DE.15(257)/PSB/2019/1410-1414 dated 29.03.2019 issued for the academic session 2017-18 amounting to INR 1,72,50,000.

Also, the school had not applied for fee increase proposal during the last 2 years (i.e. FY 2018-19 and FY 2019-20). From that it seems the school has sufficient funds to meet expenditure during the above-mentioned period. Hence, 7th CPC salary arrears has not been considered while calculating the fund position of the school.

ii. In view of the above examination, it is evident that the school does not have surplus fund to meet its budgeted expenditure for the academic session 2022-23 at the existing fee structure. In this regard, the directions issued by the Directorate of Education vide circular no. 1978 dated 16.04.2010 states:

"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 along with certain financial and other suggestions that the sufficient funds are not available with the school to carry out its operations for the academic session 2022-23. Accordingly, 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 (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 funds are not available with the school for meeting financial implication for the academic session 2022-23.

AND WHEREAS, it is relevant to mention that Covid-19 pandemic had a widespread impact on the entire society as well as on general economy. Further, charging of any arrears on account of fee for several months from the parents is not advisable not only because of additional sudden burden fall upon the parents/students but also as per the experience, the benefit of such collected arrears is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6th CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 5% to be effective from 01 Oct 2022.

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

Accordingly, it is hereby conveyed that the proposal for fee increase for the academic session 2022-23 of **Bhai Parmanand Vidya Mandir (School ID- 1001166), Surya Niketan, New Delhi-110092** is hereby accepted by the Director (Education) and the school is allowed to increase its fee by 5% to be effective from 01 Oct 2022.

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 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

Nandini

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To:
The Manager/ HoS
Bhai Parmanand Vidya Mandir
School ID- 1001166
Surya Niketan, New Delhi-110092

No. F.DE.15 (247)/PSB/2023/ 1500 - 1504 Dated: 14/02/23

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 (East) 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.

Nandini

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi