

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

14/19

No. F.DE.15 Q/PSB/2023/5173 - 5177

Dated: 06/06/23

**Order**

WHEREAS Mamta Public School, Vasundhara Enclave, Delhi – 110096 (School ID-1002391) (hereinafter referred to as “the School”), run by the Mamta Education & Cultural Charitable 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, the manager of every recognized 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.’*

Thus, the Director (Education) has the authority to examine the full statement of fees filled under section 17(3) of the DSEA, 1973 and returns and documents submitted under section 18(5) of DSEA, 1973 read with rule 180(1) of DSER, 1973.

AND WHEREAS, besides the above, the Director (Education) is also required to examine and evaluate the fee increase proposal submitted by the private unaided recognized schools for some of the schools which have been allotted from Director (Education) before any increase in fee.

AND WHEREAS, 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:

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“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 increase of fee for the academic session 2022-23. Accordingly, this order dispenses the proposal for increase of fee submitted by the school for the academic session 2022-23.

AND WHEREAS, in order to examine the proposals submitted by the schools for fee increase for justifiability or not, the DoE has evaluated the fee increase proposals of the School carefully in accordance with the provisions of the DSEAR, 1973, and other Orders/ Circulars issued from time to time by the DoE.

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 02<sup>nd</sup> May 2023 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. In the aforesaid personal hearing, compliance of Order No. 15/(588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20 were also discussed with the school and the school's submissions were taken on record.

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for the fee hike post personal hearing, the fee hike proposal was evaluated by DOE and the key suggestions noted for improvement by the school are hereunder:

#### **A. Financial Suggestions for Improvement**

1. As per clause 2 of 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.”

Also, Rule 177 of DSER, 1973 states “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

Further, 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, High Court Judgement and provisions of Rules 177 of DSER, 1973, 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.

As per Clause 14 of Order No. F.DE./15(56)/Act/2009/778 dated 11.02.2009 and Clause 7 of Order No. DE 15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 state that "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 Directorate in its Order No. 15/ (588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20, directed to recover INR 3,47,595 from the society towards the expenditure incurred for upgradation of the school building during the FY 2016-17 and 2018-19 respectively. The above expenditure was incurred by the school without complying with the above-mentioned provisions. However, the recovery under the aforesaid direction is still pending.

On review of the audited financial statements of the school, it was noted that the school has capitalized INR 1,60,979 towards the upgradation of block in FY 2021-22 without complying with the above-mentioned provisions. Based on above-mentioned provisions, the amounts totaling to INR 5,08,574 incurred by the school on the upgradation of block are recoverable from the society within 30 days from the date of issue of this order, being the property of the society.

Further, the Directorate in its Order No. 15/(588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20, directed the school to make necessary correction in the books of accounts for wrong utilization of development fund for building upgradation and library books. However, the above corrections are yet to be made by the school.

On review of financial statements of the school for FY 2021-22, it was noted that the school has utilized development fund for the upgradation of block amounting to INR 1,60,979 which is not in accordance with clause 14 of order dated 11.02.2009.

Further, on review of financial statements of the school for FY 2020-21, it was noted that the school has utilized development fund for the payment of salaries amounting to INR 16,69,016 which is again contravention of clause 14 of order dated 11.02.2009. This mistake was partially



rectified by the school in its financial statements for FY 2021-22. Instead of crediting the development fund account, the school has credited Trust Fund account which is not a correct treatment of the above contravention. Accordingly, the school is hereby directed to make correct adjustments to the Development Fund account and Trust Fund.

Details of utilization of development fund for building and Library books has been tabulated below:

Particulars	FY 2016-17	FY 2018-19	FY 2021-22
Building upgradation	1,30,590	84,218	1,60,979
Library Books	10,000	-	-
Activity Blocks	-	1,32,787	-
<b>Total</b>	<b>1,40,590</b>	<b>2,17,005</b>	<b>1,60,979</b>

2. 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 determined at the balance sheet date.

Further, according to 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."*

On review of financial statements for FY 2019-20 to 2021-22, it has been noted that the school has not made provision for gratuity and leave encashment for any of the financial year which is in contravention of AS-15 issued by ICAI. Further, the school took actuarial valuation report for the first time in FY 2019-20. However, the school has not made investment that qualify as 'plan assets' equivalent to the amount of liability determined as per actuarial valuation report.

Therefore, the school is directed to obtain actuarial valuation of its liability towards gratuity and leave encashment and record provision in its books of account in accordance with the actuarial valuation report. Also, the school is directed to invest an amount equivalent to liability determined by the actuary in plan assets as per the requirement of AS-15 issued by ICAI within 30 days from the date of issue of this order.

## **B. Other Suggestions for Improvement**

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."*

Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009 states that *Earmarked levies shall be charged from the user student only. Earmarked levies for the services rendered shall be charged in respect of facilities involving expenditure beyond the expenditure on the earmarked levies already being charged for the purpose. They will be calculated and collected on 'no profit no loss' basis and spent only for the purpose for which they are being charged. All transactions relating to the earmarked levies shall be an integral part of the school accounts*

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 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.

Further, the aforementioned Guidance Note lays down the concept of fund base 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, it was noted that the school charges earmarked levies in the form of Transport fee, Activity fee, Examination fee and Multimedia fee from students. However, the school has not maintained separate fund accounts for these earmarked levies and the school has been generating surplus from earmarked levies, which has been utilised for meeting other expenses of the school, or has been incurring losses (deficit), which has been met from other fees/income. Below table shows the position of surplus/ deficit for fee collected in the name of earmarked levies:

Particulars	Transport Fee	Activity Fee	Examination Fee	Multimedia Fee
<b>For the year 2019-20</b>				
Fee Collected during the year (A)	4,28,800	3,05,350	1,67,400	3,71,508
Expenses during the year (B)	4,76,224	1,89,546	53,518	-
<b>Deficit for the year (A-B)</b>	<b>-47,424</b>	<b>1,15,804</b>	<b>1,13,882</b>	<b>3,71,508</b>
<b>For the year 2020-21</b>				
Fee Collected during the year (A)	12,000	11,350	2,900	15,240
Expenses during the year (B)	1,94,419	19,500	-	-
<b>Deficit for the year (A-B)</b>	<b>-1,82,419</b>	<b>-8,150</b>	<b>2,900</b>	<b>15,240</b>
<b>For the year 2021-22</b>				
Fee Collected during the year (A)	-	3,54,500	-	2,69,590
Expenses during the year (B)	49,958	1,08,951	29,776	68,520
<b>Deficit for the year (A-B)</b>	<b>-49,958</b>	<b>2,45,549</b>	<b>-29,776</b>	<b>2,01,070</b>
<b>Total</b>	<b>-2,79,801</b>	<b>3,53,203</b>	<b>87,006</b>	<b>5,87,818</b>

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The 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).From the record submitted by the school, it was noted the school has been collecting Activity fee and Multimedia fee from all the students which loses the character of earmarked levies.

Similar observation was noted in previous years' order of the Directorate in its Order No. 15/(588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20 wherein the school was instructed to stop the collection in the name of Activity fee and Examination Fee with immediate effect.

Therefore, the school is directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies has to be utilised or adjusted against earmarked fees collected from the users in the subsequent year. Further, the school should evaluate costs incurred against each earmarked levy and propose the revised structure for earmarked levies during the subsequent proposal for enhancement of fee 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.

2. It was noted that the school was not complying with the DOE Order No.F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 and condition mentioned at S. No. 18 in the land allotment letter which provides for 25% reservation to children belonging to EWS category as also mentioned in the Directorate Order No. 15/(588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20.

As per the school's submission, the details of EWS students and total number of students are as follows:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Total Students	240	189	170
EWS Students	12	14	17
% of EWS students	5%	7%	10%

It can be noted from the above table that the school has not complied with the above-mentioned provisions. Therefore, the concerned DDE (District) is requested to look into this matter and ensure compliance with the above directions.

3. As per sub-section (1) of section 13 of Right to Education Act, 2009, no school or person shall while admitting a child, collect any capitation fee.

The Directorate in its Order No. 15/(588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20, directed the school to stop collection of capitation fee in the name of "Annual charges", "EML charges" and "NLC charges". However, the school has not submitted compliance report regarding collection of these charges. Accordingly, the school is again directed to stop collection of capitation fee in the name of "Annual charges", "EML charges" and "NLC charges" and submit compliance report within 30 days from the date of issue of this order.



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 65,67,164 out of which cash outflow in the FY 2022-23 is estimated to be INR 73,69,731. This results in deficit of INR 8,02,567 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	5,99,861
Investments as on 31.03.22 as per Audited Financial Statements	8,05,170
<b>Liquid Funds as on 31.03.2022</b>	<b>14,05,031</b>
Add: Recovery from the society for additions made to building (Refer Financial Observation 1)	5,08,574
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	48,38,175
Add: Other Income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	89,399
Add: Additional Income of Annual Charges and Development Fund (Refer Note 3 Below)	-
Add: Additional Fees due to increase in fee @15% from 01.07.2022 (Refer Note 4 Below)	5,31,155
<b>Total Available Funds for FY 2022-23</b>	<b>73,72,334</b>
Less: FDR in joint name of Director of Education and Manager of school (Refer Note 1 Below)	8,05,170
Less: Retirement benefits (Refer Financial Observation 2)	-
<b>Net Available Funds for FY 2022-23 (A)</b>	<b>65,67,164</b>
Less: Budgeted expenses for the session 2022-23 (Refer Note 5 and 6 Below)	73,69,731
<b>Total Estimated Expenditure for FY 2022-23 (B)</b>	<b>73,69,731</b>
<b>Net Deficit (A-B)</b>	<b>8,02,567</b>

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

Particulars	Amount (in INR)	Remarks
FDR in the name of Manager and DoE	8,05,170	Deducted while calculating available funds of the school.
<b>Total</b>	<b>8,05,170</b>	

**Note 2:** All the fee and other income as per audited financial statements for the 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.

**Note 3:** 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.

From review of the audited financial statements for the FY 2021-22 and based on the further information provided by the school post personal hearing, it has been noted that the school has reported 100% of the tuition fees, annual charges and development fees and no rebate was given to students. Therefore, grossing up of Annual charges and Development Fee has not been taken.

**Note 4:** The school was allowed to increase fee 15% vide order No. 15/(588)/PSB/2022/3519-3523 dated 25.05.2022 issued for FY 2019-20 from 1<sup>st</sup> July, 2022. The school has submitted that it has increased the fee @15% from 1<sup>st</sup> July 2022. Accordingly, additional income on account of fee increase will also accrue to the school in FY 2022-23 and thus, following amount has been considered as funds available with the school:

Fee heads	Actual receipt in FY 2021-22	Grossed up	Total Expected fee	Increased fee (with fee increase @15% for 9 months)
Tuition fees	36,21,930	-	36,21,930	40,29,397
Annual Charges	2,92,600	-	2,92,600	3,25,518
Development fees	5,37,260	-	5,37,260	5,97,702
Multimedia Fee	2,69,590	-	2,69,590	2,99,919
<b>Total</b>	<b>47,21,380</b>	<b>-</b>	<b>47,21,380</b>	<b>52,52,535</b>
<b>Impact of fee increase</b>				<b>5,31,155</b>

**Note 5:** All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except the following:

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Salary - Teaching and Non-teaching staff	70,06,000	16,28,451	Restricted to 130% of expenditure incurred in FY 2021-22.
Interest	15,000	15,000	Being Income shown under expenditure side of the budget, hence not considered.
FDR Interest	50,000	50,000	
Depreciation	4,30,000	4,30,000	Being non-cash expenditure, hence not considered in the calculation of funds availability



Capital expenditure allowed to the extent of Dev fund available	10,93,000	5,55,740	The proposed budget of INR 10,93,000 against development fee has been restricted to the extent of development fee received during FY 2021-22.
Activity Expenses	3,55,000	3,55,000	Neither Income nor expense has been considered on the assumption that earmarked levies are collected on no profit no loss basis
Transport expenses	4,90,000	4,90,000	
Function Expenses	2,20,000	2,20,000	Restricted to 110% of the expenditure incurred in FY 2021-22.
Repair & Maintenance	5,55,000	4,68,638	
Sanitation	25,000	21,700	
Computer & Printer Expenses	45,000	43,240	
<b>Total</b>	<b>96,59,000</b>	<b>42,77,769</b>	

**Note 6:** In accordance with Section 10(1) of Delhi School Education Act 1973, scales of pay and allowance, medical facilities, pension gratuity, provident fund, and other prescribed benefits of the employees of a recognized private school shall not be less than those of the employees of the corresponding status in schools run by the appropriate authority.

Further, Directorate of Education has adopted the Central Civil Serviced (Revised Pay) Rules, 2016 vide Circular No 30-3(17)/(12)/VII pay Comm./2016/11006-11016 dated 19.08.2016 and No. 30-3 (17)/(12)/VII pay Comm./Coord./2016/12659-12689 dated 14.10.2016 for employees of Government Schools.

Further, in exercise of the powers conferred under clause (xviii) of Rule 50 of the Delhi School Education Rules, 1973, vide Competent Authority order No DE.15 (318)/PDB/2016/18117, dated 25.08.2017, the managing committees of all Private unaided Recognized Schools have already been directed to implement central Civil Services (Revised Pay) Rule, 2016 in respect of the regular employees of the corresponding status with effect from 01.01.2016 (for the purpose of pay fixation and arrears). Further, guidelines/detailed instructions for implementation of 7<sup>th</sup> CPC recommendations in Private Un-aided Recognized Schools of Delhi has been issued vide DOE order dated 17.10.2017.

From the records submitted by the school, it is noted that the school has not implemented the recommendations of 7<sup>th</sup> CPC and even the school is paying DA @100% of basic pay under 6<sup>th</sup> CPC. However, the school has proposed salary according to recommendations of 7<sup>th</sup> CPC in its budget for FY 2022-23 but no arrears for the period 01.01.2016 to 31.03.2022 has been proposed, accordingly the salary expenses to the extent of 130% of the expenditure in FY 2021-22 has been considered for the evaluation of fee increase proposal of FY 2022-23.

- ii. In view of the above examination, it is evident that the school does not have adequate funds to carry on its operation for the academic session 2022-23 on the existing fee 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 the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, the proposal of the school for the session 2022-23 have been evaluated and certain financial suggestions have been identified (appropriate financial impact has been taken on the fund position of the school) and certain procedural suggestions which were also noted (appropriate instruction against which have been given in this order) 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 is accepted.

AND WHEREAS, it is noticed that the school has incurred INR 5,08,574 in contravention of Rule 177 and other provisions of DSEAR, 1973 and other orders issued by the departments from time to time. Therefore, the school is directed to recover the aforesaid amount from society/ management. The receipts along with copy of bank statements showing receipt of the above-mentioned amount should be submitted with DoE, in compliance of the same, within 30 days from the date of issue of this order. Non-compliance with this direction shall be viewed seriously as per the provision of DSEA&R, 1973 without providing any further opportunity of being heard.

AND WHEREAS, considering the financial situation and existing deficiencies and keeping in view that salary and other employee's benefits can be paid to the teachers and staff smoothly, the fee hike is allowed to the school with the suggestions for improvement. Further, school is hereby directed that the additional income received on account of increase fee should be utilized at first instance only for payment of salary and salary arrears and submit the compliance report within 30 days from the date of issue of the order.

AND WHEREAS, it is relevant to mention charging of any arrears on account of fee for several months from the parents is not advisable, not only because of the additional sudden burden fall upon the parents/students but also as per the past 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 6<sup>th</sup> 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 15% to be effective from 01 April 2023.

AND WHEREAS, the fee proposal of the school alongwith 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 funds are not available with the school for meeting financial implication for the academic session 2022-23. Hence, for smooth payment of salaries and other employee's benefit, the fee hike is required to the school.

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

Accordingly, it is hereby conveyed that the proposal for fee hike of **Mamta Public School, Vasundhara Enclave, Delhi – 110096 (School ID- 1002391)** filed by the school in response to the Order No. F.DE.-15(40)/PSB/2019/4440-4412 dated 08.06.2022 for the academic session 2022-23, is accepted by the Director (Education) with the above conclusion and suggestions and the school is hereby allowed to increase the fee by 15% to be effective from 1 April, 2023.

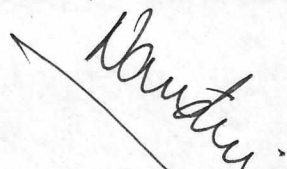


Further, the management of said School is hereby directed under section 24(3) of DSEA&R 1973 to comply with the following directions:

1. To increase the fee only by the prescribed percentage from the specified date i.e. 01.04.2023.
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 Maharaj)  
Additional Director of Education  
(Private School Branch)  
Directorate of Education, GNCT of Delhi

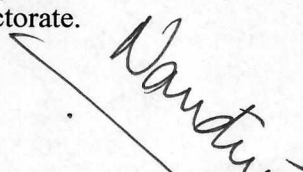
To  
The Manager/ HoS  
Mamta Public School, (School Id: 1002391)  
Vasundhara Enclave, Delhi – 110096

14/9  
No. F.DE.15 (r)/PSB/2023 / 51 73 - 5177

Dated: 06/06/23

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