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

No. F.DE.15 (1432)/PSB/2023/ 5337-5341 **Dated:** 13/06/23

Order

WHEREAS, **St. Rosier Public School, Shalimar Bagh, Delhi – 110088 (School Id: 1309170)** (hereinafter referred to as **"the School"**), run by the **St. Rosier Educational 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:

"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 02nd 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/(625)/ PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/(624)/PSB/2022/3895-3899 dated 31.05.2022 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 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.*"

Further, 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.*

The above-mentioned 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.

The DoE in its Order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, directed to recover INR 12,55,945 from the society towards the expenditure capitalized by the school on the building during the FY 2018-19. 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 salary sheet for the month of March 2022, it has been noted that the school is only paying salaries as per 6th CPC. Also, the school has not made investment in plan assets for its statutory liability (gratuity and leave encashment).

As the school was well aware about the implementation of the recommendation of 7th CPC and investment in plan assets for its statutory liability (gratuity and leave encashment). However, the school instead of paying salary to its staff in accordance with the recommendation of 7th CPC, preferred to incur expenditure of capital nature (which would otherwise be the responsibility of the society) and then submitted the fee hike proposal in the isolation to get the fee hike from the Director (Education) which indirectly translate the inclusion of capital expenditure in the fee structure of the school.

It is pertinent to note here that the school despite get the approval of fee increase in FY 2018-19 and FY 2019-20, the recommendations of 7th CPC are yet to be implemented. Therefore, the school has not utilized its funds in accordance with the Rule 177 of the DSER, 1973. Accordingly, the aforesaid recovery amounting to INR 12,55,945 has been included in the calculation of available fund of 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.

2. 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, upgradation 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 DoE in its Order no. F.DE.15(266) PSB/2019/1370-1374 dated 29.03.2019 issued for the FY 2017-18, directed to recover INR 3,75,874 from the society for the amount spent on purchase of bus during the FY 2016-17 out of the development fund account without complying with the requirements of Rule 177 of DSER, 1973 and clause 14 of the order dated 11.02.2009. Similar directions were also issued in the Order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20. However, the recovery under the aforesaid direction is still pending.

On review of the audited financial statements for FY 2019-20 and FY 2020-21, it is noted that the school has utilized development fund for payment of salaries amounting to INR 26,05,004 and INR 7,48,129 respectively which is not in accordance with Clause 14 of the order dated 11.02.2009.

Accordingly, the school is again directed to recover INR 3,75,874 from the society and to comply with clause 14 of the order dated 11.02.2009 for the utilization of development fee. As the development fee can only be utilized for purchase, up gradation and replacement of furniture, fixtures and equipment and not for any other purpose. The school is also directed to submit the compliance report for this within 30 days from the date of issue of this order. In case the school fail to comply with the above direction necessary action against the school will be taken under section 24 of the DSEA, 1973.

3. 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.*"
The DoE in its Order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/(624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, directed the school to report liability for retirement benefit in its audited financial statements and invest amount in plan assets as required by AS-15.

However, on review of audited financial statements for FY 2021-22, it is noted that the provision of INR 70,75,364 towards gratuity was created in accordance with the actuarial valuation report without making any investment in plan assets and the provision for leave encashment has not been made by the school despite the directions given to them in the previous orders of DoE.

Thus, the school is directed to deposit the amount determined by the actuary in plan assets as per the requirements of AS-15 and submit the compliance report within 30 days from the date of issue of this order.

Further, the school is directed to get the actuarial valuation report for leave encashment, report the same in its audited financial statements and invest an amount equivalent to the liability determined by the actuary in plan assets.

4. On review of the audited financial statements for FY 2021-22, it was noted that the school has made repayment of unsecured loans amounting to INR 1,09,740. The DoE in its Order No. 15/ (624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, directed the school that the repayment of such unsecured loans cannot be paid out of the school funds as provided in Rule 177 of DSER, 1973.

From the records submitted by the school, it has been noted that the school is only paying salaries as per 6th CPC. Also, the school has not made investment in plan assets for its statutory liability (gratuity and leave encashment). Therefore, the school is directed to recover INR 1,09,740 from the society and comply with the recommendations of 7th CPC and Rule 177 of DSER, 1973.

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).

From the information provided by the school and taken on record, it was noted that the school charges earmarked levies in the form of Transport fee, Computer & Science Fee and PTA Fee. However, on review of audited financial statements for FY 2019-20 to 2021-22, the school has maintained Transport Fund and Computer & Science Fund from FY 2021-22 but receipt and payment were not routed through income and expenditure account.

Further, 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 records submitted by the school, it is noted the school has been collecting PTA fee from all the students which loses the character of earmarked levies.

Further, 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. In previous years' order of the Directorate, order No. F.DE.15(266)/PSB/2019/1370-1374 dated 29.03.2019, order No. 15/(625)/PSB/2022/3890-3894 dated 31.05.2022 and order No. 15/(624)/ PSB/2022/3895-3899 dated 31.05.2022, it was noted that the Fixed assets register is not maintained by the school and no physical verification report is submitted by the school as is directed in the above-mentioned orders.

However, the school has not submitted the compliance report regarding this observation. Therefore, the school is again directed to maintain fixed asset register and include details such as asset description, purchase date, supplier name, invoice number, manufacturer's 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. Also, the school is directed to submit physical verification report of the fixed assets within 30 days of the issue of this order and conduct physical verification of assets on periodic basis. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

3. Para 67 of the Guidance Note-21, issued by the Institute of Chartered Accountants of India, "The financial statements should disclose, inter alia, the historical cost of fixed assets."

The Directorate in its Order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/(624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, directed the school to comply with the requirements of Guidance Note-21 with respect to presentation of fixed assets in the audited financial statements.

However, on the review of the audited financial statements for FY 2021-22, the fixed assets purchased out of general fund are shown at gross value by taking WDV as on 01.04.2021 as gross value of the fixed assets as on date. The school has not complied with the accounting treatment and presentation given in the Guidance Note. The school is directed to ensure to correct the presentation of fixed assets in the audited financial statements and to present correct gross value and written down value.

4. As per Form 2 of Right of Children to Free and Compulsory Education Act, 2009, the schools are required to maintain the liquidity in the form of investment for 3 months' salary and this amount should be invested in the joint name of Dy. Director (Education) and Manager of the school.

The DoE in its Order No. 15/(624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, directed the school to create corresponding amount of salary reserve in the form of fixed deposit in the joint name of Dy. Director (Education) and Manager of the school.

On review of audited financial statements for FY 2019-20 to 2021-22, the school has not complied with the aforesaid provisions. Thus, salary reserve of INR 12,95,526 budgeted in FY 2022-23 has been excluded while calculating the fund position of the school with the direction to create salary reserve in the form of fixed deposit and comply with the provisions of form 2 of Right of Children to Free and Compulsory Education Act, 2009.

5. 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.*" Further, 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, Directorate of Education, in its Order No. DE.15/Act/Duggal.Com/ 203/99/23033-23980 dated 15.12.1999, indicated the heads of fee/ fund that recognised private unaided school can collect from the students/ parents, which include:

- Registration Fee
- Admission Fee
- Caution Money
- Tuition Fee
- Annual Charges
- Earmarked Levies
- Development Fee

The aforementioned order was also upheld by the Hon'ble Supreme Court in the case of Modern School vs Union of India & Others. Further, as per Section 13 of Right to Education Act, 2009, the school should not charge capitation fee from the students at the time of admission. Further, the Supreme Court in its Judgement dated 02.05.2016 in the matter of Modern Dental College and Research Centre Vs. State of Madhya Pradesh [Medical Council of India] held that education is a noble profession. *"Every demand of capitation fee by educational institutions is unethical & illegal. It emphasised that the commercialization and exploitation is not permissible in the education sector and institutions must run on 'no-profit-no-loss' basis".*

Hon'ble Supreme Court categorically held that *"Though education is now treated as an 'occupation' and, thus, has become a fundamental right guaranteed under Article 19(1) (g) of the Constitution, at the same time shackles are put in so far as this particular occupation is concerned, which is termed as noble. Therefore, profiteering and commercialization are not permitted, and no capitation fee can be charged. The admission of students has to be on merit and not at the whims and fancies of the educational institutions,"*

In the previous years' order of the Directorate order No. F.DE. 15/(625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and order No. F.DE. 15/(624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20 wherein the school was instructed to not charge "Activity charges" from all the students admitted to Nursery and KG classes which is a capitation fee from next academic session. However, the school has neither submitted any compliance report regarding this observation nor provided any details about the discontinuation of these charges.

Therefore, the school is directed to not charge such capitation fee from the students and collect only the prescribed heads of fee in accordance with the provisions cited above and submit the compliance report within 30 days of the issuance of this order.

6. As per clause 103 on Related Party Disclosure, contained in Guidance Note 21 on 'Accounting by Schools', issued by the ICAI, there is a requirement that keeping in the view the involvement of public funds, schools are required to disclose the transactions made in respect of related parties.

The Directorate in its Order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, directed the school to disclose related party transactions in its audited financial statements.

However, on review of audited financial statements for FY 2019-20 to 2021-22, the school has not disclosed related party transactions, hence the purpose and genuineness of transactions entered into between the related parties cannot be determined. Therefore, the school is directed to include such details properly in its audited financial statements of the subsequent year.

7. The Directorate in its Order No. 15/(625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/(624)/PSB/ 2022/3895-3899 dated 31.05.2022 issued for FY 2019-20 allowed to increase the fee by 5% and 10% respectively w.e.f. 01.07.2022. The school in compliance with the above orders has increased the fee by 15% w.e.f. 01.07.2022.
However, on review of fee structure and fee receipts submitted by the school for FY 2022-23, it is noted that the school is charging development fee in excess of the fee hike granted by the Directorate in its order dated 31.05.2022. The school has not complied with the said order and therefore the school is directed to refund/ adjust the excess fee charged from the students.
The Details of Development fee charged by the school before and after the fee hike order is as below:

Particulars	Development Fee		% increase
Class	Before 01.07.2022	After 01.07.2022	
Nursery	175	220	26%
KG	185	230	24%
I	175	210	20%
II	180	210	17%
III	185	220	19%
IV	190	230	21%
V	200	230	15%
VI	205	240	17%
VII	215	250	16%
VIII	215	250	16%
IX	365	430	18%
X	415	480	16%
XI	410	480	17%
XII	480	560	17%

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 **2,63,27,197** out of which cash outflow in the FY 2022-23 is estimated to be INR **2,48,16,773.** This results in surplus of INR **15,10,424** 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	11,48,724
Investments as on 31.03.22 as per Audited Financial Statements	12,55,103
Liquid Funds as on 31.03.2022	**24,03,827**
Add: Recovery from Society on additions to building **(Refer Financial Observation 1)**	12,55,943
Add: Recovery from Society due to misutilization of development fund **(Refer Financial Observation 2)**	3,75,873
Add: Recovery from Society due to repayment of unsecured loans **(Refer Financial Observation 4)**	1,09,740
Add: Fees for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 Below)**	1,96,57,950
Add: Other Income for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 Below)**	17,15,230
Add: Additional Income of Annual Charges and Development Fund **(Refer Note 3 Below)**	3,09,168
Add: Additional Fees due to increase in fee @15% from 01.07.2022 **(Refer Note 4 Below)**	22,40,496
Total Available Funds for FY 2022-23	**2,80,68,226**
Less: FDR in the name of Manager & DOE as on 31.03.2022 **(Refer Note 1 Below)**	8,10,256
Less: FDR in the name of Manager & CBSE as on 31.03.2022 **(Refer Note 1 Below)**	3,18,730
Less: Development Fund as on 31.03.2022 **(Refer Note 5 Below)**	6,12,043

Particulars	Amount (in INR)
Net Available Funds for FY 2022-23 (A)	**2,63,27,197**
Less: Budgeted expenses for the session 2022-23 **(Refer Note 6 and 7 Below)**	**2,48,16,773**
Less: Salary arrears for FY 2020-21 and 2021-22 **(Refer Note 7 Below)**	**-**
Total Estimated Expenditure for FY 2022-23 (B)	**2,48,16,773**
Net Surplus (A-B)	**15,10,424**

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 joint name of CBSE & School	3,18,730	Deducted while calculating available funds of the school.
FDR in the name of Manager and DoE	8,10,256	Deducted while calculating available funds of the school.
Total	**11,28,986**	

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 and annual charges and development fees at 85% in its audited financial statements of FY 2021-22. 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 to make comparative income with the FY 2022-23. The detailed calculation has been provided below:

Table A

Particulars	Income as per Audited Income & Expenditure Account for the FY 2021-22	Income Considered while deriving the fund position for the FY 2022-23	Remarks
Tuition fee	1,78,54,400	1,78,54,400	As per the information provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% in compliance of the Directorate's order dated 01.07.2021 and thus, difference amount of INR 3,09,168 has been considered.
Annual Charges	8,15,840	9,59,812	
Development Charges	9,36,110	11,01,306	
Total	**1,96,06,350**	**1,99,15,518**	

Note 4: The school was allowed to increase fee 5% vide order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and 10% vide order No. 15/ (624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20 from 1st July, 2022. The school has submitted that it has increased the fee @15% from 1st 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	1,78,54,400	-	1,78,54,400	1,98,63,020
Annual Charges	8,15,840	1,43,972	9,59,812	10,67,791
Development Charges	9,36,110	1,65,196	11,01,306	12,25,203
Total	**1,96,06,350**	**3,09,168**	**1,99,15,518**	**2,21,56,013**
Impact of fee increase			**1,96,06,350**	**22,40,496**

Note 5: All budgeted expenditure proposed by the school amounting to INR 7,93,89,329 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
Gratuity and Leave Encashment	10,31,632	10,31,632	The school has not made investment in Plan assets as is prescribed in AS-15, therefore amount proposed by the school has not been considered.

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
4 months Working Reserve	12,95,526	12,95,526	The school does not have earmarked investments against 4 months working reserve in the joint name of Deputy Director and Manager of the school, hence the amount proposed by the school has not been considered.
Staff Welfare	74,900	13,861	Restricted to 110% of the expenditure incurred in FY 2021-22.
Function Expenses	1,70,500	1,49,171	
Communication Expenses	97,000	41,397	
Electricity Expenses	6,90,900	4,82,482	
Printing & Stationery Expenses	3,15,000	1,31,473	
Repair & Maintenance	15,00,000	4,58,105	
Web Service Expenses	1,70,000	1,49,760	
Total	**53,45,458**	**37,53,407**	

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 7th CPC recommendations in Private Un-aided Recognized Schools of Delhi has been issued vide DOE order dated 17.10.2017.

Further in the previous years' order of the Directorate, order No. 15/ (625)/PSB/2022/3890-3894 dated 31.05.2022 issued for FY 2018-19 and order No. 15/ (624)/PSB/2022/3895-3899 dated 31.05.2022 issued for FY 2019-20, the school was directed to implement the recommendations of 7th CPC and arrears was allowed to the school at that time for FY 2018-19 and 2019-20. As per the records submitted by the school, it is noted that the school has not implemented the recommendations of 7th CPC and the school has proposed salary arrears for the period 01.01.2016 to 31.03.2022 of INR 5,08,19,149 in the budget for FY 2022-23. The school has neither submitted any calculation of 7th CPC arrears nor presented salary arrears liability in the financial statements though they were directed to implement the recommendations of 7th CPC and accordingly, were also allowed to increase the fee. In view of the above, the salary arrears proposed have not been considered. Therefore, the salary arrears proposed in the budget have not been considered in the funds position of the school.

ii. In view of the above examination, it is evident that the school has adequate funds to carry on its operation for the academic session 2022-23 on the existing fee structure. In this regard, the 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 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 instructions against which have been given in this order).

AND WHEREAS, it is noticed that the school has incurred INR 17,41,556 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 the 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, the fee proposal of the school 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 funds are available with the school for meeting financial implication for the academic session 2022-23.

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 the order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the proposal of fee hike of **St. Rosier Public School, Shalimar Bagh, Delhi – 110088 (School Id: 1309170)** 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 rejected by the Director (Education) with the above conclusion and suggestions.

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

1. Not to increase any fee/charges during FY 2022-23. In case, the school has already charged increased fee during FY 2022-23, the School should make necessary adjustments from future fee/refund the amount of excess fee collected, if any, as per the convenience of the parents.

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.

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
St. Rosier Public School,
Shalimar Bagh, Delhi – 110088 (School Id: 1309170)

No. F.DE.15 (1432)/PSB/2023/5337-5341 Dated: 13/06/23

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, North West-A 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