

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

No. F.DE.15(1567)/PSB/2023/8238-8242

Dated: 25/09/23

**ORDER**

WHEREAS, **St. Prayag Public School, Parwana Road, Pitampura, Delhi-110034, (School Id-1411195)** (hereinafter referred to as **"the School"**), run by the **St. Prayag Education 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.

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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, the 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 16<sup>th</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. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and Order No. F.DE.15/ (754)/PSB/2022/4811-4815 dated 22.06.2022 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. Para 49 of Accounting Standard 15 'Employee Benefits' issued by The Institute of Chartered Accountants of India states *"Accounting for defined benefit plan 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, para 57 states *"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 recognized in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date"*. Also, para 7 of the Accounting Standard defines Plan Assets as:

- (a) Assets held by a long-term employee benefit fund; and
- (b) Qualifying insurance policies.

The Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20, directed the school to get the actuarial valuation of their liability for the retirement benefits and report the same in the audited financial statements and to invest equivalent to the amount determined by the actuary in a scheme/fund that qualify as 'Plan Asset' within the meaning of AS-15.

On review of the audited financial statements for FY 2019-20 to 2021-22, it is noted that the school has made provision of INR 52,31,141 towards gratuity and leave encashment as on 31.03.2022 on the basis of management estimates. Although the school was directed to obtain actuarial valuation report for its gratuity and leave encashment liability, which the school has failed to comply with. Further, the school has not invested any amount in plan assets to earmark funds towards statutory liability of retirement benefits.

Therefore, the school is again directed to obtain actuarial valuation report and make provision for gratuity and leave encashment in its books of accounts as per the actuarial valuation report. Also, the school is directed to deposit the amount in the plan assets with LIC (or other agency) as determined in actuary valuation report for gratuity and leave encashment and ensure that the amount deposited in plan assets is equivalent to the provision for gratuity and leave encashment.

2. As per Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11.02.2009 *"Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, 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 from this fund, will be kept in a separately maintained Development Fund Account."*

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

Further, para 102 of the aforementioned Guidance Note states *"In respect of funds, schools should disclose the following in the schedules/notes to accounts:*

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

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

The Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20, directed the school to prepare and present its financial statement as per the Guidance Note-21 issued by ICAI and to adjust General Fund for the purpose of determination of actual position of Fund Balance.

On review of the audited financial statements for FY 2019-20 to 2021-22, it is noted that the school has not created deferred revenue account, instead the school has transferred the cost of assets purchased out of development fund to General Fund. Further, the school has not written off deferred revenue account in the proportion of depreciation charged to income & expenditure account. Also, the school has not prepared fixed assets schedule of assets purchased out of development on the face of the Balance Sheet.

Accordingly, the school is directed to prepare and present its financial statement as per the Guidance Note- 21 issued by ICAI. Further, the school is directed to adjust General Fund Balance to arrive at the correct fund position in the books of accounts.

**B. Other Suggestions for Improvement**

1. As per Rule 176 of the DSER, 1973 *"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 the Guidance Note – 21 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-based accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account ('Restricted Funds' column) and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account ('Restricted Funds' column).

On review of fee structure of the school, it is noted that the school charges earmarked levies in the name of Other & Activity Charges and Examination Charges. However, on review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the school is collecting tuition fee,



annual charges and earmarked levies under one head "Fee & Other Receipt". Therefore, the surplus generated or deficit incurred in respect of earmarked levies can not be ascertained. Also, the school is not maintaining separate fund accounts for earmarked levies.

Further, the Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20 noted that the school charged earmarked levies in the form of transport fee, activity fee and examination fee and incurred deficit in respect of earmarked levies and the school was directed to follow fund-based accounting and charge earmarked levies on no-profit-no-loss basis.

Based on the above-mentioned provisions, earmarked levies are to be collected only from the user students availing of the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). The charging of unwarranted fee or charging of any other amount/fee under different heads other than prescribed and accumulation of surplus fund thereof prima-facie is considered as collection of capitation fee in other manner and form. Therefore, the school is directed not to charge examination fee from the students.

Further, the school is hereby 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, if any, generated from earmarked levies must be utilized 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 fee structure for earmarked levies during 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. The Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20 noted that the school has not submitted Fixed Asset Register (FAR) for verification. An ideal Fixed asset register should capture asset name, date, quantity, supplier name, invoice number, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.

However, the school has not submitted FAR as yet and no reply is being submitted by the school. Therefore, the school is again directed to update and submit the FAR with relevant details mentioned above. The compliance of the above shall be viewed at the time of evaluation of fee increase proposal of subsequent period.

3. The Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY

2019-20 noted that the school was collecting the fees (tuition fee, annual fee) in cash from the students. Though the school has provided the cash receipt of cash collection along with the documents provided but in the absence of details i.e., total amount collected in cash and the same cash deposited into the bank, the purpose and genuineness of transactions cannot be determined.

Similar observations were also noted on review of cash book of the school for FY 2019-20 to 2021-22. Therefore, the School is again directed to include such detail in audited financial statements of the subsequent year.

4. 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 view the involvement of public funds, schools are required to disclose the transactions made in respect of related parties.

The Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20 directed the school to disclose the related party transactions in its audited financial statements.

The school in its reply dated 16.05.2023 has submitted that there are no related party transactions during FY 2019-20 to 2021-22. This has been considered and taken on record. However, the school should disclose whether there are related party transactions or not in its notes to accounts. Therefore, the school is directed to disclose the related party transactions in compliance of GN 21.

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

On account of number of complaints received by the Institute of Chartered Accountants of India (ICAI) regarding signatures of Chartered Accountants(CAs) are being forged by non-CAs and corresponding findings by ICAI that financial documents/certificates attested by third person misrepresenting themselves as Chartered Accountants(CA) are misleading the Authorities and Stakeholders, ICAI, at its 379<sup>th</sup> Council Meeting, made generation of Unique Document Identification Number (UDIN) mandatory for every signature of Full time Practising Chartered Accountants in phased manner for the following services:

1. All Certificates with effect from 1 Feb 2019
2. GST and Income Tax Audit with effect from 1 Apr 2019
3. All Audit and Assurance Functions with effect from 1 Jul 2019

Therefore, generation of UDIN has been made mandatory for all audit and assurance functions like documents and reports certified/ issued by practising Chartered Accountants from 1 Jul 2019. The UDIN System has been developed by ICAI to facilitate its members for verification and certification of the documents and for securing documents and authenticity thereof by Regulators.

Further, ICAI issued an announcement on 4 June 2019 for the attention of its members with the requirement of mentioning UDIN while signing the Audit Reports effective from 1 Jul 2019, which stated *"With a view to bring uniformity in the manner of signing audit reports by the members of ICAI, it has been decided to require the members of ICAI to also mention the UDIN immediately after the ICAI's membership number while signing audit reports. This requirement will be in addition to other requirements relating to the auditor's signature prescribed in the relevant law or regulation and the Standards on Auditing."*

The Directorate vide order no. F.DE. 15/ (755)/PSB/2022/4816-4820 dated 22.06.2022 issued for FY 2018-19 and order no. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20, instructed the school to ensure the compliance of mentioning UDIN by the Chartered Accountants. On review of audited financial statements for FY 2019-20 to 2021-22, it is noted that the UDIN has been duly mentioned by the auditor of the school from FY 2020-21 onwards. This has been considered and taken on record.

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

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

On review of the audited financial statements for FY 2019-20 to 2021-22, it is noted that the entire set of financial statements (all pages including schedules) are not appropriately prepared with previous year's figures against all items in the financial statements and are not signed and initialled by two representatives of the school authorised in this regard as per Bye laws or other governing documents, since only the Manager has signed the financial statements. Thus, the authenticity of the financial statements and financial information included therein cannot be confirmed.

The school is hereby directed to ensure that the entire set of financial statements (all pages) must be appropriately prepared with previous year's figures against all items in the financial statements and are signed or initialled (as appropriate) by two representatives of the school authorised in this regard as per Bye laws or other governing documents.

**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 academic session 2022-23 amounting to **INR 1,01,59,772** out of which cash outflow in the academic session 2022-23 is estimated to be **INR 91,25,735**. This results in surplus of **INR 10,34,037**. The details are as follows:



Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.22 as per Audited Financial Statements	-1,58,325
Investments as on 31.03.22 as per Audited Financial Statements	23,55,844
<b>Liquid Funds as on 31.03.2022</b>	<b>21,97,519</b>
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	69,82,957
Add: Other Income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	1,25,641
Add: Additional Income of Annual Charges and Development Fund (Refer Note 4 Below)	11,00,883
Add: Additional Fees due to increase in fee @14% from 01.07.2022 (Refer Note 5 Below)	7,70,618
Less: Arrears of Annual charges and Development Fee of FY 2020-21 collected in FY 2021-22 (Refer Note 3 Below)	7,44,622
<b>Total Available Funds for FY 2022-23</b>	<b>1,04,32,996</b>
Less: FDR in the joint name of Manager, School and Dy. Director of Education as on 31.03.2022 (Refer Note 1 Below)	2,73,224
<b>Net Available Funds for FY 2022-23 (A)</b>	<b>1,01,59,772</b>
Less: Budgeted expenses for the session 2022-23 (Refer Note 6 and 7 Below)	<b>91,25,735</b>
<b>Total Estimated Expenditure for FY 2022-23 (B)</b>	<b>91,25,735</b>
<b>Net Surplus (A-B)</b>	<b>10,34,037</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
Fixed Deposit in the joint name of Dy Director Education and Manager of the school	2,73,224	The school has not provided a copy of FDR, hence INR 2,73,224 has been considered from previous orders.
<b>Total</b>	<b>2,73,224</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 Arrears of Annual Charges and Development Charges of FY 2020-21 collected in FY 2021-22 as per the school's submission are as under:

Fee heads	Arrears of FY 2020-21 collected in FY 2021-22
Annual Charges and Development Charges	7,44,622
<b>Total</b>	<b>7,44,622</b>

**Note 4:** 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 85% of tuition fee, annual charges and development fees 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:

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 and Annual Charges	60,84,267	71,57,961	As per the details provided by the school, Tuition Fee, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% and thus, difference amount of INR 11,00,883 has been considered.
Development Charges	1,54,068	1,81,256	
<b>Total</b>	<b>62,38,335</b>	<b>73,39,218</b>	

**Note 5:** The school was allowed to increase fee 14% vide Order No. F.DE.15/ (754)/ PSB/2022/4811-4815 dated 22.06.2022 issued for FY 2019-20 from 1<sup>st</sup> July, 2022. The school has submitted that it has increased the fee @14% 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 @14% for 9 months)
Tuition fees	60,84,267	10,73,694	71,57,961	79,09,547
Development Charges	1,54,068	27,188	1,81,256	2,00,288
<b>Total</b>	<b>62,38,335</b>	<b>11,00,883</b>	<b>73,39,218</b>	<b>81,09,836</b>
<b>Impact of fee increase</b>				<b>7,70,618</b>

**Note 6:** All budgeted expenditure proposed by the school amounting to INR 1,52,70,565 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 Grade-IV Staff	1,17,35,265	45,12,366	Restricted to 130% of expenditure incurred in FY 2021-22
Bank charges	1,50,000	1,42,009	Restricted to 110% of expenditure incurred in FY 2021-22
Printing, Stationary and postage expenses	1,20,000	84,212	
Annual Function	1,00,000	86,232	
Housekeeping Expenses	3,00,000	3,00,000	Being new head of expenditure proposed by the school for which no justification has been given, therefore not considered
Smart class expenses	2,90,000	2,90,000	Neither income nor expense has been considered
Books, stationary & uniform issued to EWS	2,00,000	2,00,000	
Depreciation	3,35,300	3,35,300	Being non-cash expenditure, hence not considered

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Capital Expenditure	3,95,000	1,94,712	Restricted to the extent of development fee expected to be received in FY 2022-23
<b>Total</b>	<b>1,36,25,565</b>	<b>61,44,830</b>	

**Note 7:** 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.

The school has proposed salary arrears in the budget for FY 2022-23 and has not provided for salary arrears in its audited financial statements. Hence in the absence of salary arrears amount, no impact has been considered while evaluating the funds availability position of the school. Further, the school is directed to implement the recommendations of 7<sup>th</sup> CPC in full within 30 days from the date of issue of the order. A strict action against the school would be initiated u/s 24(3) of DSEA, 1973 for non-compliance with the direction cited above.

- ii. In view of the above examination, it is evident that the school 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 the order) that the sufficient funds are available with the school to carry out its operations for the academic session 2022-23.

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 sufficient 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 for fee hike of **St. Prayag Public School, Parwana Road, Pitampura, Delhi-110034, (School Id-1411195)** 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.
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 the 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.

  
(Jai Parkash)

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


To  
The Manager/ HoS  
St. Prayag Public School,  
Parwana Road, Pitampura,  
Delhi-110034, (School Id-1411195)

No. F.DE.15 (1567)/PSB/2023/8238-8242

Dated: 25/09/23

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 B- I) 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.

  
(Jai Parkash)

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