

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

No. F.DE.15 (1558)/PSB/2023/8192-8197

Dated: 25/09/23

**Order**

WHEREAS, **Happy Home Public School (School ID-1413204), Sector-11, Rohini, New Delhi** (hereinafter referred to as "**the School**"), run by the **Greenland Educational Welfare 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 for the ensuing academic session under section 17(3) of the DSEAR, 1973 with the Directorate. Such a statement is required to indicate the 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 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 recognized 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 recognized 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 authorized by the Director in this behalf and also by officers authorized 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 hike proposal submitted by the private unaided recognized schools which have been allotted land by the DDA/ other land-owning agencies with the condition in their allotment to seek prior approval 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 fees 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 that in the case of private unaided schools situated on the land allotted by DDA/other land-owning agencies at concessional rates:

*"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/ other land-owning agencies.

AND WHEREAS, accordingly, the DoE vide Order No. F.DE-15(40)/PSB/2019/4440-4412 dated 08.06.2022, directed all the private unaided recognized schools, running on the land allotted by DDA/other land-owning agencies at 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 enhancement of fee for the academic session 2022-23. Accordingly, the order dispenses the proposal for enhancement of fee submitted by 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 the fee hike proposal filed by the aforesaid school, necessary records and explanations were also called from the school through email dated 17.03.2023. The school was also provided an opportunity to be heard on 21.03.2023 to present its justifications/clarifications on the fee increase proposal. Based on the discussion with the school during a personal hearing, the school was further asked to submit the necessary documents and clarification on various issues noted. In the aforesaid personal hearing, compliances of order No. F.DE.15(543)/

PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 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 Suggestion for Improvements**

1. Rule 177 of DSER, 1973 states *"(1) 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 managing committee for meeting the capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely:*

- 1. award of the scholarships to students,*
- 2. establishment of any other recognised school, or*
- 3. 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.*

*(2) The savings referred to in sub-rule (1) 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 development nature,*
- (c) the expansion of the school building or for the expansion or construction of any building or establishment of hostel or 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."*

Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 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."*

As per direction no. 2 included in the Public Notice dated 4 May 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 Oct 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 Feb 2005 issued by this Directorate states *"Capital expenditure cannot constitute a component of the financial fee structure."*

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 except in compliance with Rule 177 of DSER, 1973.

The Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 noted that in FY 2017-2018 and FY 2018-2019, the school incurred expenditure on additions to building amounting to INR 6,66,137 and sports ground amounting INR 11,48,958 respectively out of development fund totalling to INR 18,15,095. These expenditures were of developmental nature and the same are covered under Rule 177 of DSER, 1973 and not development fund, which can be utilised only towards purchase, upgradation and replacement of furniture, fixtures and equipment. However, these expenditures were incurred on the building without complying the requirements prescribed in Rule 177 of DSER, 1973. And the school did not implement the recommendations of 7<sup>th</sup> CPC till date and also not secured the funds against staff retirement benefits (gratuity and leave encashment) in earmarked investments such as group gratuity scheme and group leave encashment scheme of LIC of any other insurer. The school had not complied with the requirements of Rule 177 (1) i.e., *"Income derived by an unaided utilized school by way of fees shall be utilized in the first instance, for meeting the pay, allowances, and other benefits admissible to the employees of the school"*. Therefore, the amount spent by the school towards expenditure of developmental nature on building, which was reported by the school as spent out of development fund in non-compliance of clause 14 of Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009 and without meeting the requirements of Rule 177, totalling to INR 18,15,095 (INR 6,66,137 plus INR 11,48,958) is liable to be received from the society. The school was directed to recover the aforesaid amount.

The school has submitted in the compliance report that, *"The expenditure incurred for routine maintenance of the school building and playground. Moreover, the Department will also appreciate the fact that such miniscule expenditure on building and playground cannot increase the life of the respective assets in any manner..... the auditor had also reviewed these expenditures after the Directorate's order and concluded that these expenditures may be treated as revenue expenditure...."*

The submission of the school is taken on record and considered. The school is directed to carry out necessary adjustment entry in the books of accounts and these shall be verified at the time of evaluation of next fee proposal of the school.

2. Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/883-1982 dated 10 Feb 2005 issued by this Directorate states *"Capital expenditure cannot constitute a component of the financial fee structure..... capital expenditure/investments have to come from savings."*



The Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 noted that during FY 2014-2015 and FY 2018-2019 the school had taken loan for purchase of vehicles (bus for transport service) and was repaying the secured loan taken towards purchase of buses to the bank in instalments. But the school had not followed fund-based accounting and not created fund account against transport service provided to students by the school. Also, the school explained that the vehicles were purchased out of surplus in transportation charges. Hence, the income and expense towards transport service from the financial statements of the school for aforesaid period were evaluated and it was noted that the school was charging transport fee, which was not even adequate to cover interest and loan repayment. Based on details provided by the school, calculation of deficit is enclosed below:

Particulars <sup>^</sup>	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019
<b>Income</b>					
Transport Fees (A)	52,32,659	55,28,599	57,09,550	58,69,100	62,98,926
<b>Expenses</b>					
Vehicle Running & Maintenance	49,44,912 <sup>^</sup>	54,59,356 <sup>^</sup>	46,65,376	49,46,882	56,20,551
Insurance			4,00,153	4,56,580	5,27,650
Hiring of driver & conductor			-	7,500	22,500
<b>Total Expenses (B)</b>	<b>49,44,912</b>	<b>54,59,356</b>	<b>50,65,529</b>	<b>54,10,962</b>	<b>61,70,701</b>
<b>Surplus (C)=(A-B)</b>	<b>2,87,747</b>	<b>69,243</b>	<b>6,44,021</b>	<b>4,58,138</b>	<b>1,28,225</b>
Payment made at the time of purchase (D)	-	-	-	-	50,000
Principal Loan Repayment (E)	5,26,748	5,33,926	7,86,285	3,67,331	7,06,645
Loan Processing Charges (F)	-	-	-	-	4,000
Interest on vehicle Loan (G)	1,45,231	1,37,954	1,26,260	1,33,429	2,12,617
<b>Net Deficit after adjusting loan and interest payment (H)=(C-D-E-F-G)</b>	<b>(3,84,232)</b>	<b>(6,02,637)</b>	<b>(2,68,524)</b>	<b>(42,622)</b>	<b>(8,45,037)</b>

<sup>^</sup> Breakup of different components of expenses was not provided by the school.

Note: Depreciation on vehicles (14 Nos.) used for transportation of students is not included as part of "Expenses" in table above, as principal repayment and interest expense on vehicle loan have been indicated in table above.

It was also noted that the school had utilised school funds for repayment of loan taken for the purchase of vehicles and interest thereon during FY 2014-2015 to 2016-2017 from the society.

Since the purchase of most of the buses were made in previous years, the principal amount and interest paid on the bus loans, being additional burden met out of school funds (fee collected from students), which should not be happened.

Earmarked levies in the form of transport fee should be charged on no-profit no-loss basis and the school was not able to recover the cost of buses, being paid in instalments, from the transport fee collected from students indicating that the school shifted the burden of capital cost and interest thereon from all students of the school, even they were not availing the transport service.

Accordingly, the amount of down-payment, principal and interest/financial expenses thereon in relation to bus loans in excess of the surplus generated out of transport fee collected from the users of transport facility totalling to INR 21,43,053 (INR 3,84,232 plus INR 6,02,637 plus INR 2,68,524 plus INR 42,622 plus 8,45,037), which was paid out of school fund during FY 2014-2015 to 2018-2019 was directed to be recovered from the Society within 30 days from the date of the order. However, no amount was recovered from the society and the same has been considered as part of fund available with the school.

Thus, the school is again directed to recover the amount of principal and interest payment to bank subsequent to FY 2018-2019 from the Society within 30 days from the date of the order and not to make any further payment of principal and interest against bus loan. The school is further directed to ensure that transport vehicles are procured only from the transport fund and not from school funds unless savings are derived in accordance with Rule 177.

3. Para 57 of Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India 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 recognised in the financial statements 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, "*Plan assets comprise:*

1. *assets held by a long-term employee benefit fund; and*
2. *qualifying insurance policies."*

On review of the financial statements for FY 2021-22, it is noted that the school has made a total provision of INR 1,55,81,618 and INR 84,24,997 towards gratuity and leave encashment respectively in accordance with the actuarial valuation report dated 15.06.2022 obtained by the school from an actuary for measuring its liability towards gratuity and leave encashment as on 31 Mar 2022.

Though the school is obtaining actuarial valuation reports for determining its obligations towards gratuity and leave encashment, it has not deposited any amount in investments that qualify as plan assets (i.e., group gratuity and leave encashment policies of LIC or other insurer) to earmark funds towards statutory liabilities of gratuity and leave encashment of staff.

In its response, the school has submitted that it has considered the direction of the department and shall deposit amounts for gratuity and leave encashment in a staggered manner, based on the funds available with it.

Also, the Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 noted that number of staff mentioned in the actuarial valuation report dated 25/04/2019 were 86, based on which the actuary determined the liability towards gratuity, whereas in the actuarial valuation report for determining the liability for leave encashment, the number of staff mentioned were 40. However, the school provided a detail of 89 staff in its staff statement.

In the actuarial valuation report dated 15/06/2022 for gratuity 67 staff members are mentioned and in the leave encashment related report 35 staff members were stated as on 31/03/2022. However, as per staff statement as on 31.03.2022 submitted by the school, there are 78 staff members are mentioned.

It indicates that the school underreported the number of staff to the actuary with a corresponding impact on the actuarial valuation derived by the actuary for gratuity and leave encashment. Thus, resulting in probable lower determination of liability towards gratuity and leave encashment by the actuary.

The Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 directed the school to deposit amount in the plan assets and even allowed 10% of the liability (both towards gratuity and leave encashment) determined as per actuarial valuation was considered while deriving the fund position of the school. However, the school failed to comply with the direction of the Directorate. Since, no amount is deposited for gratuity and leave encashment with LIC or other agency in terms of plan assets, no deduction has been considered in the fund availability of calculation. Also, the gratuity and leave encashment amounting INR 15,00,000 and INR 5,00,000 respectively budgeted for FY 2022-23 have not been considered.

Therefore, the school is directed to submit complete and accurate details of staff to the actuary for deriving actuarial liability towards gratuity and leave encashment. Further, the school is directed to obtain accurate actuarial valuation based on correct number of staff of the school for determining its liability towards gratuity and leave encashment and deposit amount in investments that qualify as 'plan-assets' (i.e. group gratuity scheme and group leave encashment scheme of LIC or other insurer) to make the value of such investments equivalent to the amount determined by the actuary so to secure funds towards statutory liability towards staff retirement benefits (both gratuity and leave encashment) within 30 days from the date of issue of the order.

4. The Directorate of Education, in its Order No. DE.15/Act/Duggal.Com/ 203/99/23033-23980 dated 15 Dec 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

Further, clause no. 9 of the aforementioned order states *"No fee, fund or any other charge by whatever name called, shall be levied or realised unless it is determined by the Managing Committee in accordance with the directions contained in the order ...."*

The aforementioned order was also upheld by the Hon'ble Supreme Court in the case of Modern School vs Union of India & Others.

Clause 17 of Order No. F.DE/15(56)/Act/2009/778 dated 11 Feb 2009 issued by this Directorate states *"No admission Fee of more than two hundred rupees per student, at the time of admission shall be charged. Admission Fee shall not be charged again from any student who is once given admission as long as he remains on the rolls of the school."*

The Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 noted that from FY 2016-2017 to FY 2018-2019, it was observed that the school was collecting one-time orientation fees of INR 2,200 and INR 3,300 from students of class Nur to 5<sup>th</sup> and class 6<sup>th</sup> to 8<sup>th</sup> respectively at the time of admission. No private recognised school can collect fee other than those prescribed in aforementioned order dated 15 Dec 1999. Further, collecting one-time charge from students at the time of admission of students takes the form of admission fee, which can be collected only upto an amount of INR 200. Thus, collection of one-time fee from students at the time of admission indicates that the school is engaging in profiteering and commercialisation of education in contravention of the aforementioned clause. The school was directed to stop collecting one-time orientation fee.

The school in its response submitted that, *"no 'one-time admission fee' has been collected from the students since October 2018"*.

The submission of the school is taken on record and considered. The school is directed to ensure to charge fee from the students in accordance with order dated 15.12.1999.

5. Clause 19 of Order No. F.DE./15(56)/Act/2009/778 dated 11 Feb 2009 states *"The tuition fee shall be so determined as to cover the standard cost of establishment including provisions for DA, bonus, etc., and all terminal, benefits as also the expenditure of revenue nature concerning the curricular activities."*

Further, clause 21 of the aforesaid order states *"No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school."*

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."*



Para no. 22 of Order No. F.DE./15(56)/ Act/2009/778 dated 11 Feb 2009 states "*Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged.*"

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, the Hon'ble Supreme Court through its 2004 judgement in the case of Modern School Vs Union of India and Others directed all recognised unaided schools of Delhi to maintain the accounts on the principles of accounting applicable to non-business organizations/not-for-profit organizations. Earmarked levies collected from students are a form of restricted funds, since these can be utilised only for the purposes for which these have been collected, and according to Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, the financial statements should reflect income, expenses, assets and liabilities in respect of such funds separately.

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).

From the information provided by the school and taken on record, it was noted that the school charges earmarked levies in the form of activity charges, science fee, computer fee, home science fee etc. 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) from earmarked levies that has been met from other fees/income, which was also mentioned in Directorate Order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and order No. F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20.

It was also noted that the school apportioned salary cost of teaching staff of INR 26,91,034 in the expenses incurred towards Science, Home Science & Computer Fee. However, the salary of regular staff should be met out of tuition fee since collecting earmarked levy against establishment expenses is not correct.

Also, based on aforementioned, 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 financial statements for FY 2020-

21, it was noted that the school is charging earmarked levy in the name of "activity charges" from the students of all classes.

The fee charged from all students loses its character of earmarked levy, being a non-user- based fees. Thus, based on the nature of the activity charges and details provided by the school in relation to expenses incurred against the same, the school should not have charged such fee as the expense against the same should have been met from Annual Charges already collected from students. The school, in its response, submitted that the Activity charges are collected from user students only for learning various activities and thus, the same should be treated as earmarked levy only.

Thus, the school is directed to maintain separate fund account for each earmarked levy depicting clearly the amount collected, amount utilised and balance amount. 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.

The school is also directed not to collect any earmarked levy compulsorily from students and the same should be optional and at the discretion of the students. Also, only those expenses that have been incurred exclusively for providing additional facilities to the students must be appropriated against the earmarked levies collected from students and not the salaries of teaching staff, which must be met out of tuition fees.

6. Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 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."*

On review of financial statements of the school for FY 2021-22, it is noted that the balance in the development fund unutilised reported in the Balance Sheet as on 31 Mar 2022 of INR 79,62,925 and it is not supported by actual fund balance in the bank account amounting to INR 2,646 indicating the school has in fact utilised development fund for other expenses, while higher fund balance in the Balance Sheet as on 31 Mar 2022 is presented towards development fund. It appears that the amount has been spent from the development fund bank account but appropriate transfer entry has not been made to present corresponding deduction from the development fund account.

Similar observation was also noted in the Directorate order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and order No. F.DE.15(753)/ PSB/2022/4806-4810

dated 22.06.2022 for session 2019-20 and it was noted that the school had utilised development fund for incurring revenue expenditure during FY 2014-2015 to FY 2016-2017.

Therefore, the school is directed to follow DOE instruction and ensure that development fund is utilised only towards purchase, upgradation and replacement of furniture, fixture and equipment in compliance of clause 14 of the order dated 11.02.2009.

7. In the Directorate order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and order No. F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 read with Directorate Order No. F.DE.15(656)/PSB/2019/ 30744-30748 dated 19 Dec 2018 issued to the school post evaluation of the fee increase proposal for FY 2017-2018, it was noted that the school had paid INR 11,08,800, INR 18,00,000, INR 19,20,000, INR 21,60,000 and INR 13,20,000 in the FY 2014-2015, FY 2015-2016, FY 2016-2017, FY 2017-18 and 2018-19 respectively towards rent. As land is allotted to the society for running the school, the school was directed to recover this amount of INR 83,08,800 from the society.

The school in its response submitted that the existing school building is used for classes I-XII. For Pre-school and Pre-Primary classes, school does not have sufficient space due to which the school entered into an agreement with another society - New Jain Educational Society to run Pre-school and Pre-Primary classes at the school owned by New Jain Educational Society. The school further submitted that it does not have sufficient space for outdoor activities and play-ground required for Montessori classes. The school provided a copy of the land allotment letter issued to New Jain Educational Society by DDA, but did not submit the lease agreement between the school and New Jain Educational Society. On examination of the land allotment letter issued by DDA to New Jain Educational Society, following was mentioned in respect of sub-lease:

*"the land shall not be transferred/ sub leased to any other organization/ department by the society without prior permission of the DDA obtained in writing."*

However, the school failed to provide any document substantiating that prior approval was obtained from DDA regarding sub-lease of land/school by New Jain Educational Society to Happy Home Public School for running Pre-school and Pre-Primary classes. Hence, payment of rent made by the school in absence of prior approval of sub-lease from DDA is in non-conformity of land allotment letter.

Moreover, in the compliance report dated 29/07/2022 school has submitted that it had vacated the said premises since 01/04/2021 and no user charges were paid since then. Also, there is no concern of the school if the landlord had taken any prior approval from DDA before executing sub-lease with the school and thus, school should not be made party for the non-compliance of the landlord.

Further, the school has paid rent/ user charges of INR 13,12,000 in FY 2019-20. Accordingly, an amount of INR 96,20,800 (INR 83,08,800 plus INR 13,12,000) paid as rent by the school prior to 01/04/2021 to New Jain Educational Society is hereby added to the fund position of the school (enclosed in the later part of the order) with the direction to the school to recover this amount from the Society within 30 days from the date of the order.

8. Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 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."*

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."*

In the Directorate order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and order No. F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 read with Directorate Order No. F.DE.15(656)/PSB/2019/ 30744-30748 dated 19 Dec 2018 issued to the school post evaluation of the fee increase proposal for FY 2017-2018, it was noted that during the FY 2014-2015 to FY 2016-2017, the fixed assets purchased out of development fund were neither reflected on the face of balance sheet nor in the fixed assets schedule. It was noted that the school was reducing the amount utilised by it on purchase of fixed assets out of development fee, but this amount did not match with the additions made during the year reflected in the fixed assets schedule. School was directed to provide the details of utilisation of development fund and to make necessary adjustments in development fund balance and fixed assets.

From FY 2017-2018 the school started reflecting fixed assets purchased out of development fund separately as additions in development fund assets and amount utilised for purchasing the same was reflected under Development Fund Utilised Account. However, the school failed to provide any reconciliation between development fund utilised and purchase of fixed assets reflected in the fixed assets schedules annexed with the financial statements for FY 2014-2015 to FY 2016-2017. In absence of relevant details and reconciliation, it could not be ascertained if any amount was diverted by the school out of development fund during FY 2014-2015 to FY 2016-2017.

Further, basis the presentation made in the financial statements for FY 2018-2019 submitted by the school, it was noted that the school has not followed the accounting treatment of recognition of income equivalent to the amount of depreciation charged as indicated in the guidance note cited above.

Also, the school enclosed consolidated fixed assets schedules giving details of all assets carried over by the school in its financial statements and has not prepared separate fixed assets schedules for assets purchased against development fund and those purchased against general reserve.



The school was directed to provide a complete reconciliation of utilization of development fund during FY 2014 to FY 2016-2017 and submit it as part of its Compliance Report. The school was also instructed to make necessary rectification entries relating to development fund utilised to comply with the accounting treatment indicated in the Guidance Note regarding recording of income equivalent to the amount of depreciation. Further, the school should prepare separate fixed assets schedule for assets purchased against development fund and other assets purchased against general reserve/ fund.

In its reply, the school has submitted that no fixed assets were ever diverted by the school and all assets are duly presented in the FA schedule for respective years and the copy of FA schedule for FY 2014-15 to 2016-17 are enclosed. It has also submitted that it will follow GN 21 for presentation of fixed assets purchased out of development fund from session 2022-23.

The school is directed to ensure to make necessary rectification entries relating to development fund utilised to comply with the accounting treatment indicated in the Guidance Note regarding recording of income equivalent to the amount of depreciation. Further, the school should prepare separate fixed assets schedule for assets purchased against development fund and other assets purchased against general reserve/ fund.

#### **B. Other Suggestion for Improvements**

1. As per the land allotment letter issued by the Delhi Development Authority to the Society in respect of the land allotted for the school, it shall ensure that percentage of freeship from the tuition fees, as laid down under rules by the Delhi Admn. from time to time, is strictly complied. The school shall ensure admission to the students belonging to weaker sections to the extent of 25% and grant freeship to them.

From the breakup of number of students provided by the school, it had admitted students under Economically Weaker Section (EWS) Category as under

<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
Total No. of Students	2,482	2,535	2,465
No. of EWS students	474	495	514
% of EWS students to total students	19.09%	19.53%	20.85%

While the school in its response mentioned that the school admitted 25% EWS students at entry level every year, it has not complied with the requirements of land allotment as is indicated in table above and should thus take comprehensive measures (including enhancement of EWS seats) to abide by the conditions of the land allotment letter issued by the Delhi Development Authority.

2. Direction no. 3 of the public notice dated 4 May 1997 published in the Times of India states “No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate of INR 500 per student

*in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate."*

Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11 Feb 2009 states *"No caution money/security deposit of more than five hundred rupees per student shall be charged. The caution money thus collected shall be kept deposited in a scheduled bank in the name of the concerned school and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund."*

Further, Clause 3 and 4 of Order no. DE/15/150/Act/2010/4854-69 dated 9 Sep 2010 stated *"In case of those ex-students who have not been refunded the Caution Money/Security Deposit, the schools shall inform them (students) at their last shown address in writing to collect the said amount within thirty days. After the expiry of thirty days, the un-refunded Caution Money belonging to the ex-students shall be reflected as income for the next financial-year & it shall not be shown as liability. Further, this income shall also be taken into account while projecting fee structure for ensuing Academic year."*

The Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and order No. F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 has directed the school that any non-refunded caution money of ex-students should be booked as income within 30 days from the intimation to the ex-students for recovery of caution money.

In the compliance report, the school has submitted that, *"School had tried to inform students to collect their caution money from the school. However, not many students have come forward to collect their caution money. Accordingly, school has decided to consider the amount of caution money as its income in session 2021-22."* On review of audited financial statements for FY 2021-22 it is noted that the school has written back caution money of amounting INR 2,33,250.

As the school has recorded caution money, which has not been claimed by ex-students, as the income in the financial statements for FY 2021-22. There is no balance amount of caution money payable to students. The submission of the school is taken on record and considered.

3. 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.

Standard on Auditing (SA) 700 (Revised) – 'Forming an Opinion and Reporting on Financial Statements' notified by the Institute of Chartered Accountants of India include formats for issuing audit opinions on the financial statements by practicing Chartered Accountants.

Also, para 47 of SA 700 states *"The auditor's report shall be dated not earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements, including evidence that:*

- i. *All the statements that comprise the financial statements, including the related notes, have been prepared; and*

- ii. *Those with the recognized authority have asserted that they have taken responsibility for those financial statements."*

The Directorate vide order No. F.DE.15(543)/ PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and order No. F.DE.15(753)/ PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20 noted that the audited financial statements submitted by the school FY 2019-20 and FY 2020-21 did not include 'Receipt and Payment Account'. Also, the auditors' report format as issued by the school's auditor do not comply with auditors' report format laid down in SA 700.

The School has submitted that it will ensure that these mistakes will not repeated in future. On review of the auditors' report for FY 2021-22, it is noted that the format of auditors' report is in line with SA 700. Thus, the submission of the school is taken on record and considered.

**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 is INR **7,46,24,963** out of which the expected expenditures of the school would be INR **7,31,58,371** resulting in surplus of INR **14,66,592** for the FY 2022-23. The detailed calculation is as under:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.22 as per Audited Financial Statements	48,68,851
Investments as on 31.03.22 as per Audited Financial Statements	17,80,341
<b>Liquid Funds as on 31.03.2022</b>	<b>66,49,192</b>
Add: Recoverable from society against capital expenditure incurred on additions to building and sports ground [Refer Financial Suggestion for improvement No. 1]	-
Add: Recoverable from society against down-payment, principal repayment of loan and interest paid thereon for purchase of buses [Refer Financial Suggestion for improvement No. 2]	21,43,053
Add: Recoverable from society on account of rent paid for nursery school [Refer Financial Suggestion for improvement No. 7]	96,20,800
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 1 below)	5,79,10,754
Add: Other income for FY 2021-22 as per Audited Financial Statements (Refer Note 1 below)	1,20,766
Add: Additional income of annual charges and development fund (Refer Note No. 4 below)	25,88,312
Add: Additional fees due to increase in fee by 5% for session 2018-19 and 10% for session 2019-20 (effective from 01.07.2022) (Refer Note No. 5 below)	93,70,660
Less: Arrears of Annual Charges and Development Charges of FY 2020-21 collected in FY 2021-22 (Refer Note 3)	1,19,95,588
<b>Total Available Funds for FY 2022-23</b>	<b>7,64,07,949</b>
Less: Development fund balance as on 31.03.2022	2,646
Less: Caution Money as on 31.03.2022 (Refer Other Suggestion for improvement No. 2)	-
Less: FDR in the name of Manager & CBSE and FDR in the name of Manager and DOE as on 31.03.2022 with accrued interest (Refer Note 1 below)	17,80,341
<b>Net Available Funds for FY 2022-23 - (A)</b>	<b>7,46,24,963</b>

Less: Budgeted expenses for the session 2022-23 (Refer Note 6 below)	7,31,58,371
Less: Salary arrears of 7th CPC (Refer Note 7 below)	-
<b>Total Estimated Expenditure for FY 2022-23 - (B)</b>	<b>7,31,58,371</b>
<b>Net surplus (A-B)</b>	<b>14,66,592</b>

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

Particulars	As per AFS of FY 2021-22	Remarks
FDR in the name of Manager & CBSE and FDR in the name of Manager and DOE as on 31.03.2022 with accrued interest	17,80,341	Deducted as not available for utilization.

**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	70,33,702
Development Fee	49,61,886
<b>Total</b>	<b>1,19,95,588</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 tuition fees at 100%, 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:

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	4,32,00,460	4,32,00,460	As per details provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% and thus, difference amount of INR 25,88,312 has been considered.
Annual Charges	87,66,718	1,03,13,786	
Development Charges	59,00,384	69,41,628	
<b>Total</b>	<b>5,78,67,562</b>	<b>6,04,55,874</b>	

**Note 5:** The school was allowed to increase fee by 10% vide order No. F.DE.15(543)/PSB/2022/3177-3181 dated 19.05.2022 for session 2018-19 and by 5% order No. F.DE.15(753)/PSB/2022/4806-4810 dated 22.06.2022 for session 2019-20. 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 Estimated Fee	Increased fee (with fee increase @15% for 9 months)
Tuition fees	4,32,00,460	-	4,32,00,460	4,98,96,531.30
Annual Charges	87,66,718	15,47,068	1,03,13,786	1,19,12,422.83
Development Fee	59,00,384	10,41,244	69,41,628	80,17,580.34
<b>Total</b>	<b>5,78,67,562</b>	<b>25,88,312</b>	<b>6,04,55,874</b>	<b>6,98,26,534</b>
<b>Impact of fee increase</b>				<b>93,70,660</b>

**Note 6:** All budgeted expenditure proposed by the school amounting to INR 16,06,49,220 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 expenses	5,83,28,593	43,27,659	Restricted to 130% of expenditure incurred in FY 2021-22.
Arrears	4,64,81,029	4,64,81,029	Considered separately in point 7
Gratuity	15,00,000	15,00,000	Refer financial suggestion for improvement no. 3
Leave encashment	5,00,000	5,00,000	
Difference salary of 7th CPC and 6th CPC (for 2022-23)	88,32,040	88,32,040	Considered separately in point 7

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Staff welfare	2,00,000	1,00,996	Restricted to 110% of expenditure incurred in FY 2021-22.
Students Welfare	10,00,000	9,94,500	
Electricity & water expenses	34,00,000	17,82,212	
Salary expenses (watchman, waterman, security expenses)	77,00,000	43,32,692	
Training & Coaching expenses	40,70,000	29,92,343	
Transportation expenses	-	56,61,677	Neither Income nor expense has been considered on the assumption that earmarked levies are collected on no profit no loss basis
Competition expenses	1,50,000	1,50,000	
Books, uniform, other material etc. to EWS	20,84,000	20,84,000	
Function expenses	10,00,000	10,00,000	These new heads of expenditure were proposed without valid basis/justification
Bad debts	1,00,000	1,00,000	
Solar system	27,00,000	27,00,000	
Depreciation	3951701	39,51,701	Not considered, as there is no cash outflow.
<b>Total</b>	<b>13,80,45,662</b>	<b>8,74,90,849</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 7<sup>th</sup> 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. F.DE. 15/(784)/PSB/2022/4944-4948 dated 23.06.2022 issued for FY 2018-19 and order No. F.DE.15/ (783)/PSB/2022/4949-4953 dated 23.06.2022 issued for FY 2019-20, the school was directed to implement the recommendations of 7<sup>th</sup> CPC and arrears was allowed to the school at that time. The school has yet to comply with the directions of the Directorate in this regard. Also, the school failed to record any liability for payment of arrears of salaries to the staff in the financial statements for FY 2021-22 of the school.

- 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 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 the order).

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, it is noticed that the school has incurred INR 1,17,63,853 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 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 **Happy Home Public School (School ID-1413204), Sector-11, Rohini, New Delhi** 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  
Happy Home Public School (School ID-1413204),  
Sector-11, Rohini, New Delhi

No. F.DE.15 (1558 )/PSB/2023 / 8192-8197

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 II) ensure the compliance of the above order by the school management.
4. DE's nominee concerned.
5. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
6. Guard file.



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