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

No. F.DE.15 (1064)/PSB/2022/9972-9976 **Dated:** 14/12/22

Order

WHEREAS, **DAV Public Senior Secondary School, A Block, Janakpuri, New Delhi-110058 (School ID- 1618247)** (hereinafter referred to as " **the School**"), run by the DAV Collage Managing Committee (hereinafter referred to as "**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, this 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 deployed teams of Chartered Accountants at HQ level who 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 and the school was also provided an opportunity of being heard on 20.10.2022 to present its justifications/clarifications on the fee increase proposal. Based on the discussion with the school during personal hearing, the school was further asked to submit necessary documents and clarification on various issues noted.

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for fee increase, and subsequent documents submitted by the school as a result of the personal hearing on 18.08.2022, were evaluated by the team of Chartered Accountants and the key suggestions noted for improvement by the school are hereunder:

A. Financial Suggestion for Improvements

1. The submissions of the school regarding payment of administrative charges @ 4% of basic pay were taken on record and included in the Directorate's order issued to the school post evaluation of fee increase proposal for academic session 2016-17 vide order no. F.DE-15/ACT-I/WPC-4109/PART/13/945. Thereafter, it has been increased to 7% of the basic salary paid by the school to its staff with effect from FY 2017-18. Considering that the basic salary of the staff has also increased substantially on account of implementation of the 7th CPC and that should be sufficient to absorb the impact of increase cost at DAV CMC.

   Accordingly, the excess amount of INR 52,76,536 (INR 18,91,744 + INR 16,84,646 + INR 17,00,147) paid by the school to DAV CMC as an administrative charges in contrary to the above direction is recoverable from the society and has therefore been included while deriving the fund position of the school considering the same fund is available with the school and the school is directed to recover this amount from the society within 30 days from the date of issue of the order. The calculation of excessive administrative charges has been provided below.

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Basic Pay	3,66,26,613	3,36,92,909	3,38,04,916
Total	**3,66,26,613**	**3,36,92,909**	**3,38,04,916**
Applied Rate	7%	7%	7%
Administrative charges (as per applied rate) (A)	26,24,276	23,58,504	23,76,245
Allowable rate	2%	2%	2%
Administrative charges (as per allowable rate) (B)	7,32,532	6,73,858	6,76,098
Difference (A-B)	18,91,744	16,84,646	17,00,147
Balance recoverable from Society	**18,91,744**	**16,84,646**	**17,00,147**

   Further, while reviewing the budget estimates for FY 2022-23, it has been noted that the school has proposed charging of administrative charges @ 2% of the basic pay and introduced a new head as "Services' @5% of basic pay amounting to INR 19,24,500. Accordingly, the service charges of INR 19,24,500 proposed by the school in its budget of FY 2022-23 has not been considered while deriving the fund position of the school.

2. Para 7.14 of AS-15 "*Employee Benefit*" issued by the Institute of Chartered Accountants of India (ICAI) states 'Plan Assets as:
   a. assets held by a long-term employee benefit fund; and
   b. qualifying insurance policies."

   Further, the para 57 of the AS-15 states "*an enterprise should determine the present value of defined benefit obligations and the fair value any plan assts with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.*"

   The review of the audited financial statements of FY 2021-22 revealed that the school has not provided provision for gratuity and leave encashment equivalent to the actuarial liability determined by the actuary. It has been noted that the school has recorded liability of INR

1,39,10,085 towards gratuity and INR 91,71,477 towards leave encashment against actuarial liability of INR 3,46,59,892 towards gratuity and INR 97,76,803 towards leave encashment. Therefore, the school has not provided the full liability for retirement benefits in its audited financial statements.

Further, the school has invested with LIC of INR 1,51,59,891 towards gratuity and INR 1,02,83,592 towards leave encashment in plan assets. Therefore, the amount deposited by the school in plan assets has been considered while deriving the fund position of the school with the direction to the school to make investment and provision equivalent to the amount of actuarial liability.

3. 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 the collection under this head along with income generated from the investment made out of this fund, will be kept in a separately maintained development fund account."*

   On review of the audited Financial Statements of the school from FY 2019-20 to FY 2021-22, it has been noted that the school had been treating development fees as capital receipt till FY 2020-21. From FY 2021-22, it has not been treating development fee as capital receipt instead the school is treating it as revenue receipts for meeting revenue expenses of the school. Further, during personal hearing, the school has explained that it does not have sufficient funds to meet the expenditure of the school. Therefore, it is treating development fee as revenue receipt for payment of salary.

   Also, as per 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 Guidance Note-21 also states "In respect of funds, schools should disclose the following in the schedules/notes to accounts:

   i. In respect of each major fund, opening balance, additions during the period, deductions/utilization during the period and balance at the end;
   ii. Assets, such as investments, and liabilities belonging to each fund separately;
   iii. Restrictions, if any, on the utilization of each fund balance;
   iv. Restrictions, if any, on the utilisation of specific assets."

   Also, as per para 67(ii) of the Guidance Note-21 "The financial statements should disclose, inter alia, the historical cost of fixed assets."

However, on review of audited Financial Statements of the School from FY 2019-20 to 2021-22, it has been noted that the school does not follow the accounting practice suggested in the guidance note cited above and do not maintain any deferred income account. Also, the school has not been maintaining depreciation reserve fund which is the precondition for collection of development fee and has been reporting fixed assets at written down value. Thus, the accounting treatment followed by the school with respect to the collection and utilization of development funds/fee is not in accordance with the provisions cited above.

Therefore, the school is directed to ensure the compliance with the above-mentioned provision of clause 14 of this Directorate's Order No. F.DE. /15 (56)/ Act/2009/778 dated 11.02.2009 and Guidance Note-21 and not to collect development fee from the students until its books of accounts is rectified.

4. As per clause 3 of the public notice dated 04.05.1997 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.*"

   Further, Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11.02.2009 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.*"

   On review of the financial statements, it has been noted that the school has stopped collecting caution money from the students. But only principal amount is being refunded to the students at the time of his or her leaving from the school which is not in accordance with the clause 18 of the order dated 11.2.2009 and clause 3 of the Public Noted dated 04.05.1997.

   The school is hereby directed to comply with the above-mentioned provisions with respect to caution money collected from the student. Further, the amount refundable of INR 5,75,500 as on 31.03.2022 as reported in the audited Financial Statements has been considered while deriving the fund position of the school.

B. Other Suggestion for Improvements

1. Clause 19 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 states *"The tuition fee shall be so determined as to cover the standard cost of establishment including provisions for DA, bonus, etc., and all terminal, benefits as also the expenditure of revenue nature concerning the curricular activities."*

   Clause 21 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 states *"No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school."*

Clause 22 of Order No. F.DE /15(56)/ Act/2009/778 dated 1.02.2009 states *"Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged."*

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

Rule 176 states *"Collections for specific purposes to be spent for that purpose' of the DSER, 1973 states "Income derived from collections for specific purposes shall be spent only for such purpose."*

Sub-rule 3 of Rule 177 of DSER, 1973 states *"Funds collected for specific purposes, like sports, co-curricular activities, subscriptions for excursions or subscriptions for magazines, and annual charges, by whatever name called, shall be spent solely for the exclusive benefit of the students at the concerned school and shall not be included in the savings referred to in sub-rule (2)." Further, Sub-rule 4 of the said rule states "The collections referred to in sub-rule (3) shall be administered in the same manner as the monies standing to the credit of the Pupils Fund as administered."*

Also, earmarked levies collected from students are form of restricted funds, which, according to Guidance Note-21 'Accounting by Schools' issued by the Institute of Chartered Accountants of India, are required to be credited to a separate fund account when the amount is received and reflected separately in the Balance Sheet.

Further, the Guidance Note-21 lays down the concept of fund-based accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account.

From the information provided by the school post personal hearing, it has been noted that school charges earmarked levies in the form of Science Fees, IT Fees, Transport fees and Insurance Fees from the students. The school has been generating surplus from science fees, IT Fees and Insurance Fees that has been utilised for meeting other expenses of the school and has been incurring losses (deficit) from Transport Fees which has been met from other fees/income. The surplus/deficit generated by the school from these earmarked levies in last three financial years are as under:

Particulars	Science Fees	IT Fees	Transport Fees	Insurance Fees
For the year 2019-20				
Fee Collected during the year (A)	5,69,200	15,92,820	16,33,525	1,26,500
Expenses during the year (B)*	41,461	6,70,342	16,89,788	1,01,974
Difference for the year (A-B)	**5,27,739**	**9,22,478**	**(56,263)**	**24,526**
For the year 2020-21				
Fee Collected during the year (A)	48,750	31,350	-	11,875
Expenses during the year (B)	5,723	5,02,125	9,76,985	-

Difference for the year (A-B)	**43,027**	**(4,70,775)**	**(9,76,985)**	**11,875**
For the year 2021-22				
Fee Collected during the year (A)	80,500	13,72,750	-	97,750
Expenses during the year (B)	17,186	3,42,562	9,92,595	75,735
Difference for the year (A-B)	**63,314**	**10,30,188**	**(9,92,595)**	**22,015**
Total (Surplus)	**6,34,080**	**14,81,891**	**(20,25,843)**	**58,416**

* IT Fees (collected from all students), Science fee (collected from XI and XII) and Insurance fees (Collected from all students)

In view of the above the earmarked levies are to be collected only from the user students availing the services, and if any service/facility has been extended to all the students at the school, a separate charge cannot be levied towards these services by the school as the same would get covered either from tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). Accordingly, charging earmarked levies in the name of IT Fees and Insurance Fees from all the students loses its character of earmarked levy. Thus, the school is directed based on the nature of the IT Fees and Insurance Fees not to charge such fee as earmarked fee with immediate effect and should incur the expenses relating to these from tuition fee and/or annual charges.

The school is also directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies 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 in the subsequent proposal of fee increase by ensuring that the proposed levies are calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

The act of the school of charging unwarranted fee or any other amount/fee under head other than the prescribed head of fee and accumulation of surplus fund thereof tantamount to profiteering and commercialization of education as well as charging of capitation fee in other form.

2. 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 31st 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 379th Council Meeting, made generation of Unique Document Identification Number (UDIN) mandatory for every signature of Full time Practicing Chartered Accountants in phased manner for the following services:

- All Certificates with effect from 1 Feb 2019
- GST and Income Tax Audit with effect from 1 Apr 2019
- 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 practicing Chartered Accountants from 1 July 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.*"

However, on review of the audited financial statements for FY 2019-20 and FY 2020-21 submitted by the school, it was observed that the financial statements of the school were certified by the Chartered Accountant without mentioning the UDIN as required by the council. This being the procedural observation therefore, the school management are directed to ensure this compliance from the Auditor of the school.

3. The Directorate vide its order No. F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 directed that the school shall provide 25% reservation to children belonging to EWS category. Even as per the land allotment letter, the school is required to provide free ship to the students belonging to weaker section. However, as per the information provided by the school for FY 2019-20 to FY 2021-22, it has been noted that the school has not complied with above requirement in FY 2019-20 to FY 2021-22. Therefore, DDE District may be requested to look into this matter and ensure compliance with the above requirements. The details of total students and EWS students for the FY 2019-20 to 2021-22 are tabulated below:

Particular	FY 2019-20	FY 2020-21	FY 2021-22
EWS	105	114	120
Total Strength	987	936	883
% Of EWS students to total students	**10.64%**	**12.18%**	**13.59%**

4. As per Order No. F.DE-15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016 "The Director hereby specify that the format of return and documents to be submitted by schools under rule 180 read with Appendix-II of the 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 audited Financial Statements for the FY 2019-20 to FY 2021-22, it has been noted that the depreciation on fixed assets have been provided at the rates prescribed in the Income Tax Rules, 1962. Therefore, the school is directed to provide depreciation on assets in accordance with the guidance note cited above.

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 **8,52,58,817** out of which the expected expenditures of the school would be INR **8,79,82,889** resulting in net deficit of INR **27,24,072** for the FY 2022-23. The detailed calculation is as under:

Particulars	**Amount**
Cash and Bank balances as on 31.03.22 as per Audited Financial Statements	2,92,29,888
Funds available with DAVCMC as on 31.03.2022 as per Audited Financial Statements of FY 2021-22	67,49,544
Investments as on 31.03.22 as per Audited Financial Statements **(Refer Note 1 Below)**	2,54,43,483
Liquid Funds as on 31.03.2022	**6,14,22,915**
Add: Recovery of excess administrative charges paid **(Refer Financial Suggestion No. 1)**	52,76,536
Add: Fees for FY 2021-22 as per Audited Financial Statements **((on the assumption that the amount received in FY 2021-22 will at least accrue in FY 2022-23)**	4,29,51,409
Add: Other income for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 Below)**	34,58,435
Total Available Funds for FY 2022-23	**11,31,09,295**
Less: Gratuity and Leave Encashment Fund with LIC as on 31.03.2022 **(Refer Financial Suggestion No. 2)**	2,54,43,483
Less: Development Fund as on 31.03.2022 **(Refer Note 3 Below)**	18,31,495
Less: Caution Money Fund as on 31.03.2022 **(Refer Financial Suggestion No. 4)**	5,75,500
Net Available Funds for FY 2022-23 - (A)	**8,52,58,817**
Less: Budgeted expenses for the session 2022-23 **(Refer Note 4 Below)**	7,11,89,023
Less: Salary arrears on account of implementation of 7th CPC **(Refer Note 5 Below)**	-
Less: DA arrears **(Refer Note 4 Below)**	1,67,93,866
Total Expenditure for FY 2022-23 - (B)	**8,79,82,889**
Net Deficit (A-B)	**27,24,072**

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

Particulars	**Amount (in INR)**	**Remarks**
Gratuity Fund with LIC	1,51,59,891	Investment in LIC
Leave Encashment Fund with LIC	1,02,83,592	Investment in LIC
Total	**2,54,43,483**	

Note 2: All the other income as per audited financial statements of FY 2021-22 has been considered with the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23 except liabilities written back amounting to INR 7,310being a non-cash item.

Note 3: The Supreme Court in the matter of Modern School held that development fees for supplementing the resources for purchase, upgradation and replacements of furniture and fixtures and equipment can by charged from students by the recognized unaided schools not exceeding 15% of the total annual tuition fee. Further, the Directorate's circular no. 1978 dated 16.04.2010 states "*All* *schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilized for years together may also be used to meet the shortfall before proposing a fee increase.*" Over a number of years, the school has accumulated development fund and has reflected the closing balance of INR 1,88,80,019 in its audited financial statements of FY 2021-22. Accordingly, the accumulated reserve of development fund created by the school by collecting development fee more than its requirement for purchase, upgradation and replacements of furniture and fixtures and equipment has been considered as free reserve available with the school for meeting the financial implication of 7th CPC to be implemented by the school. However, development fund equivalent to amount collected in FY 2021-22 amounting INR 18,31,495 from students has not been considered as fund available with school.

Note 4: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except following:

Head of Expenditure	FY 2021-22	FY 2022-23	Amount Disallowed (INR)	Remarks
Dearness Allowance	39,39,423	1,27,83,473	84,50,108	The school submitted that it includes DA arrears of April 2022 to March 2023. Same has been considered separately therefore it has been restricted to 110% of previous year expenditure.
DA Arrears	-	1,60,51,000	1,60,51,000	The school proposed DA arrears of July 2019 to March 2022. Same has been considered separately.
Expenses against Transport Fees	9,92,595	17,19,388	1719388	Neither income nor expenditure has been considered while calculating the fund position of the school for FY 2022-23 on the assumption that earmarked levies are collected on no profit/no loss basis.
Expenses against IT Fees	3,42,562	13,38,000	13,38,000	

Further, post hearing the school submitted the calculation of DA Arrears for the period July 2019 to March 2023 amounting to INR 1,67,93,866 and the same has been considered separately while calculating the fund position of the school.

Note 5: During the personal hearing, the school explained that they have implemented 7th CPC from March 2018 and paying salary as per 7th CPC. However, during fee hike proposal for FY 2022-23, school has proposed arrears of 7th CPC for the period April 2017 to February 2018 amounting to INR. 64,87,449.

Since, the school is already paying salaries in compliance with 7th CPC recommendation and has not applied for fee hike proposal during the last 3 years. Thus, aforesaid 7th CPC arrear amount (i.e. INR 64,87,449) has not been considered while calculating fund position of the school.

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

"All schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase."

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants along with certain financial and other suggestions that the sufficient funds are not available with the school to carry out its operations for the academic session 2022-23. Accordingly, the fee increase proposal of the school may be accepted.

AND WHEREAS, recommendation of the team of Chartered Accountants along with relevant materials were put before the Director (Education) for consideration and who after considering all the material on the record, and after considering the provisions of section 17 (3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that funds are not available with the school for meeting financial implication for the academic session 2022-23.

AND WHEREAS, it is relevant to mention that Covid-19 pandemic had a widespread impact on the entire society as well as on general economy. Further, charging of any arrears on account of fee for several months from the parents is not advisable not only because of additional sudden burden fall upon the parents/students but also as per the experience, the benefit of such collected arrears is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6th CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 9% to be effective from 01 Oct 2022.

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

Accordingly, it is hereby conveyed that the proposal for fee increase for the academic session 2022-23 of **DAV Public Senior Secondary School, A Block, Janakpuri, New Delhi-110058 (School ID- 1618247)** is hereby accepted by the Director (Education) and the school is allowed to increase its fee by 9% to be effective from 01 Oct 2022.

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

1. To increase the fee only by the prescribed percentage from the specified date.

2. To ensure payment of salary is made in accordance with the provision of Section 10(1) of the DSEA, 1973. Further, the scarcity of funds cannot be the reason for non-payment of salary and other benefits admissible to the teachers/ staffs in accordance with section 10 (1) of the DSEA, 1973. Therefore, the Society running the school must ensure payment to teachers/ staffs accordingly.

3. To utilize the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of section 24(4) of Delhi School Education Act, 1973 and Delhi School Education Rules, 1973.

This is issued with the prior approval of the Competent Authority

Nandini

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

To:
The Manager/ HoS
DAV Public Senior Secondary School,
A Block, Janakpuri,
New Delhi-110058
School ID- 1618247

No. F.DE.15 (1064)/PSB/2022/ 9972-9976

Dated: 14/12/22

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 (West B) ensure the compliance of the above order by the school management.
4. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
5. Guard file.

Nandini

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