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

No. F.DE.15 (206)/PSB/2021/ 3461 - 3465 **Dated: 10/09/21**

Order

WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the Delhi School Education Act, 1973 (hereinafter read as '***the Act***') with the Director. Such statement will indicate estimated income of the school derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc in terms of Rule 177(1) of the Delhi School Education Rules, 1973 (hereinafter read as '***the Rules***').

AND WHEREAS, as per section 18(5) of the Act read with section 17(3), 24 (1) of the Act and Rule 180 (3) of the DSEA & R, 1973, responsibility has been conferred upon the Director (Education) to examine the audited financial, account and other records maintained by the school at least once in each financial year. The Section 18(5) and Section 24(1) of the Act and Rule 180 (3) have been reproduced as under:

Section 18(5): *'the managing committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed'*

Section 24(1): *'every recognised school shall be inspected at least once in each financial year in such manner as may be prescribed'*

Rule 180 (3): *'the account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and by officers authorised by the Comptroller and Auditor-General of India.'*

AND WHEREAS, besides the above, the Hon'ble Supreme Court in the judgment dated 27.04.2004 passed in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under section 17(3), 18(4) read along with rule 172, 173, 175 and 177 of the Rules, Directorate of Education has the authority to regulate the fee and other charges to prevent the profiteering and commercialization of education.

AND WHEREAS, it was also directed by the Hon'ble Supreme Court to the Director of Education in the aforesaid matter titled Modern School Vs. Union of India and others in Para 27 and 28 in case of Private unaided Schools situated on the land allotted by DDA at concessional rates that:

"27....

(c) It shall be the duty of the Director of Education to ascertain whether terms of allotment of land by the Government to the schools have been complied with...

28. We are directing the Director of Education to look into the letters of allotment issued by the Government and ascertain whether they (terms and conditions of land allotment) have been complied with by the schools.......

.....If in a given case, Director finds non-compliance of above terms, the Director shall take appropriate steps in this regard."

AND WHEREAS, the Hon'ble High Court of Delhi vide its judgement dated 19.01.2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and others has reiterated the aforesaid directions of the Hon'ble Supreme Court and has directed the Director of Education to ensure the compliance of term, if any, in the letter of allotment regarding the increase of the fee by all the recognized unaided schools which are allotted land by DDA/ land owing agencies.

AND WHEREAS, accordingly, this Directorate vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed that all the Private Unaided Recognized Schools running on the land allotted by DDA/other Govt. agencies on concessional rates or otherwise, with the condition to seek prior approval of Director of Education for increase in fee, are directed to submit the their proposals, if any, for prior sanction for increase in fee for the session 2018-19 and 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of this Directorate **New Era Public School (School ID-1514086), Mayapuri, New Delhi-110064** had submitted the proposal for fee increase for the academic session 2019-20. Accordingly, this order is dispensed off the proposal for enhancement of fee submitted by the said school for the academic session **2019-20**.

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of Chartered Accountants at HQ level who has evaluated the fee increase proposals of the school very carefully in accordance with the provisions of the DSEA, 1973, the DSER, 1973 and other orders/ circulars issued from time to time by this Directorate for fee regulation.

AND WHEREAS, in the process of examination of fee hike proposal filed by the aforesaid School for the academic session 2019-20, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 27.11.2019 to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted.

AND WHEREAS, the reply of the school, documents uploaded on the web portal for fee increase together with subsequent documents/ clarifications submitted by the school were thoroughly evaluated by the team of Chartered Accountants and the key findings noted are as under:

A. Financial Discrepancies

1. Clause 2 of the Public Notice dated 04.05.1997 states "*it is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society*". Additionally, Hon'ble High Court of Delhi in its judgement dated 30.10.1998 in the case of Delhi Abibhavak Mahasangh concluded that "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Also, clause (vii) (c) of Order No. F.DE/15/Act/2K/243/ KKK/883-1982 dated 10.02.2005 issued by this Directorate states "**Capital expenditure cannot constitute a component of the financial fee structure.**"

   Further, as per Directorate's Order No. DE 15/Act/Duggal.com/203/99/23033/23980 dated 15.12.1999, *the management is restrained from transferring any amount from the recognized unaided school fund to society or trust or any other institution.* The Supreme Court also through its judgement on a review petition in 2009 restricted transfer of funds to the society.

   As per Rule 177 of DSER, 1973 states that "income derived by an unaided recognised school by way of fees shall be utilised in *the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that savings, if any, from the fees collected by such school may be utilised by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognised school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run. And the aforesaid savings shall be arrived at after providing for the following, namely:*

   a) *Pension, gratuity and other specified retirement and other benefits admissible to the employees of the school;*
   b) *The needed expansion of the school or any expenditure of a developmental nature;*
   c) *The expansion of the school building or for the expansion or construction of any building or establishment of hostel or expansion of hostel accommodation;*
   d) *Co-curricular activities of the students;*
   e) *Reasonable reserve fund, not being less than ten percent, of such savings.*

   Based on the above provisions and court's judgement the cost relating to land and building should be met by the society nor from the school fund being the property of the society.

   From review of the audited financial statements it has been noted that Rs. 1,15,87,067 & Rs. 1,07,68,270 has been incurred by school on the land & building during FY 2017-18 & FY 2018-19 respectively which is not in accordance with the above said provisions. Also, the above expenditure was incurred without complying the provision of Section 177 of DSER, 1973. Thus, the amount incurred by the school on addition to land amounting to Rs. 2,23,55,337 has been included in the calculation of available funds of the school with the direction to the school to recover this amount from the society within 30 days from the date of issue of this order. *[calculated Fund Position of the school has been provided at the later section of this report].*

Moreover, it has also been noted that the above expenditure was incurred out the development fund which also contravention of clause 14 of the order dated 11.0.20029. As per clause 14 of the order dated 11.02.2009, the development can be utilised only purchase, upgradation and replacement of furniture fixture and equipment.

The financial statements of the FY 2018-19 revealed that Rs. 3,94,84,702 receivable from New Era Public School (Dwarka) for which the school has not provided any details about the nature of such transfer. Accordingly, this amount has also been included in the calculation of fund position of the school considering the same is available with the school. The school is also directed to recover this amount from the society within 30 days from the issue of this order. *[calculated Fund Position of the school has been provided at the later section of this report].* Also, the amount of Rs. 1,55,14,536 budgeted by school for the financial year 2019-20 has not been considered while deriving the fund position of the school.

2. 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 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."*

According to para 7.14 of the Accounting Standard 15 – 'Employee Benefits' issued by the Institute of Chartered Accountants of India, "Plan assets comprise:

(a) assets held by a long-term employee benefit fund; and
(b) qualifying insurance policies."

From review of the audited Financial Statements of FY 2018-19, it has been noted that the school has created provision for gratuity Rs. 2,87,06,581 in accordance with the actuarial valuation report. However, the school has invested Rs. 2,09,67,067 with bank in the form of FDR & separate current account in bank which do not qualify as plan assets as per AS-15 issued by ICAI. Accordingly, the amount invested by the school in FDR has not been considered while deriving the fund position of the school. The school is directed to make equivalent provision in the plan assets with the requirement of AS-15.

Since, the school has not made investment in plan assets, the amount of Rs. 40,00,000 budgeted by the school for FY 2019-20 has also not been considered while deriving the fund position of the school. *[calculated Fund Position of the school has been provided at the later section of this report].*

The school has also reported Rs.1,32,30,429 as provision for leave encashment as on 31.03.2019 on the basis of management estimates. But has not invested any amount which qualify as plan assets as per AS-15. Therefore, the school is hereby directed to get liability for leave encashment determined by the actuary and create equivalent provision and made an investment in plan assets equivalent to the liability determined by the actuary in accordance with AS-15.

Further, amount of Rs. 22,00,000 proposed by the school in its budget for FY 2019-20 towards leave encashment has not been considered while deriving the fund position of the school because it was not determined by the actuary as per requirement of AS-15 issued by ICAI. *[calculated Fund Position of the school has been provided at the later section of this report].*

3. 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.*"

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 11.02.2009 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.*"

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 is administered.*"

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

Further, the aforementioned Guidance Note lays down the concept of fund 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 has been noted that the school charges earmarked levies in the form of E-Learning charges, lab fees, etc.

from students. However, the school has not maintained separate fund accounts for these earmarked levies and the school has been generating surplus/(deficit) from earmarked levies, which has been utilised for meeting other expenses of the school or has been met from other fees/income.

Further, school has incurred transportation expenses of Rs. 35,83,936 in FY 2016-17, FY 2017-18 & FY 2018-19 and Rs. 14,75,615 & Rs. 16,95,993 for driver salary in FY 2017-18 & FY 2018-19 respectively. However, amount recovered from students on account of transportation charges, has not been accounted in books of accounts of school, which states that the amount collected for transportation fees has been diverted to society account. Therefore, amount of Rs. 35,83,936 has been considered while deriving the fund position of the school. Details of calculation of surplus/deficit, based on breakup of expenditure provided by the school is given below:

(Amount in Rs.)

Particulars	Transport Fee	Lab Fee	Computer and Virtual Internet Fee
For the year 2016-17			
Fee Collected during the year (A)	-	5,10,570	48,16,942
Expenses during the year (B)	16,67,689	1,10,078	19,01,969
Difference for the year (A-B)	**(16,67,689)**	**4,00,492**	**29,14,973**
For the year 2017-18			
Fee Collected during the year (A)	-	4,76,010	45,30,272
Expenses during the year (B)	9,84,833	85,176	20,11,142
Difference for the year (A-B)	**(9,84,833)**	**3,90,834**	**25,19,130**
For the year 2018-19			
Fee Collected during the year (A)	-	4,53,870	50,14,980
Expenses during the year (B)	9,31,414	43,521	55,02,963
Difference for the year (A-B)	**(9,31,414)**	**4,10,349**	**(4,87,983)**
Total	**(35,83,936)**	**12,01,675**	**49,46,120**

Based on orders, 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). The school is charging lab fees, E-Learning Charges and transport charges from the students of all classes. Thus, 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 E-Learning Charges and Lab charges and details provided by the school in relation to expenses incurred against the same, the school should not charge such fee as earmarked fee. The expenses relating to these services / facilities shall be incurred from tuition fee and annual charges, as the case maybe.

The school is hereby directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies shall 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.

4. Clause 14 of this DoE's Order No. F.DE./15 (56)/ Act/2009/778 dated 11.02.2009 states "*Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account.*"

As per Para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India "*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.*"

As per, Para 102 of the aforementioned Guidance Note states "In respect of funds, schools should disclose the following in the schedules/notes to accounts:
(a) In respect of each major fund, opening balance, additions during the period, deductions/utilisation during the period and balance at the end;
(b) Assets, such as investments, and liabilities belonging to each fund separately;
(c) Restrictions, if any, on the utilisation of each fund balance;
(d) Restrictions, if any, on the utilisation of specific assets."

Basis the presentation made in the audited financial statements for FY 2018-19 submitted by the school, it was noted that:

- The purchase cost of the assets from "development fund" to "Fund utilized against assets", closing balance of which as on 31.03.2019 was equal to the cost of all assets purchased from development fund.

- As per guidance note, depreciation reserve should be created for the amount equivalent to depreciation charged on assets during the year (i.e. Rs. 72,11,496) purchased from development fund, however management has transferred the whole amount (Rs. 88,58,937) of depreciation charged on all assets (i.e. including the depreciation charged on assets procured from general funds.)

- Amount of Rs. 72,11,496 was not transferred from funds used against assets (restricted fund account) to the credit of Income and expenditure account in proportion of depreciation charged for assets purchased from development fund.

This being a procedural finding, the school is instructed to make necessary rectification entries relating to capital fund/deferred income to comply with the accounting treatment indicated in the Guidance Note.

5. During the personal hearing, the school confirmed that it was not preparing a Fixed Asset Register (FAR). The school should ensure that FAR capturing details such as Asset Description, Quantity, Supplier name, invoice number, purchase date, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, identification number, etc. is prepared to facilitate identification of asset and documenting complete details of assets at one place.
The school confirmed that it will prepare the FAR as per the recommendations of the Directorate in FY 2019-20. Accordingly, the school is directed to prepare the FAR with relevant details mentioned above. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

6. As per Section 18(5) of the DSEA, 1973, the management committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed.

Further, Rule 180 of DSER, 1973 states " (1) every unaided recognised private schools shall submit the returns and documents in accordance with Appendix-1, (2) Every return or documents referred to in sub-rule (1), shall be submitted to the Director by the 31 July of each year.(3) The account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and also by any officers authorised by the Comptroller and Auditor General of India"
And Section 24 (2) of DSA. 1973 states "The Director may arrange special inspection of any school on such aspects of its working as may, from time to time, be considered necessary by him".

Whereas Appendix-II to Rule 180 specify that "final accounts i.e. receipts, and payment account, income and expenditure account and balance sheet of the preceding year should be duly audited by Chartered Accountant.

And It has been noticed that Financial Documents/ Certificates Attested by third person misrepresenting themselves as CA Members are misleading the Authorities and Stakeholders. ICAI is also receiving number of complaints of signatures of CAs being forged by non CAs.

To curb such malpractices, the Professional Development Committee of ICAI has come out with an innovative concept of UDIN i.e. Unique Document Identification Number which is being implemented in phased manner. It will secure the certificates attested/certified by practicing CAs. This will also enable the Regulators/Banks/Third parties to check the authenticity of the documents.

Accordingly, the Council in the 379th meeting of ICAI held on 17.12.2018 and 18.12.2018, made mandatory for all practicing member to obtain 18 digits UDIN before issuing any audits reports/ certification etc. in the following manner:

- All Certification done by Practising CAs w.e.f. 01.02.2019.
- All GST & Tax Audit Reports w.e.f. 01.04.2019.
- All other attest functions w.e.f. 01.07.2019.

However, on examination of the financial statements submitted by the school for evaluation of fee increase proposal of FY 2019-20, it been has 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 finding therefore, the school management are instructed to ensure this compliance from the Auditor of the school.

7. Direction no. 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 Rs. 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.*"

Further, Clause 3 and 4 of Order no. DE/15/150/Act/2010/4854-69 dated 09.09.2010 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 considered while projecting fee structure for ensuing Academic year.*"

On review of audited financial statements for the year ended 31.03.2019 and post evaluation of proposal for enhancement of fee for FY 2019-20 we noted that:

- As on 31.03.2019 caution money balance is Rs. 24,68,350, whereas amount kept aside from caution money in FDR form is Rs. 17,72,478.

- School had not refunded the caution money along with interest thereon on to the students. Hence, the school is directed to refund caution money along with interest to students.
- In FY 2018-19 100 students left the school, therefore amount that should be refunded should be Rs. 50,000 + Interest. However actual amount refunded is Rs. 33,500.
- The school had not reflected un-refunded caution money belonging to ex-students as income in the next financial year after the expiry of thirty days from the date of communication with the students to collect their caution money and had also not taken this into account while projecting fee structure for ensuring academic year. The school is instructed to follow DOE's directions in this regard.

The amount to be refunded to students as on 31.03.2019 as per audited financial statements has been considered while deriving the fund position of the school.

8. As per Part IV of Appendix III - 'Instructions for preparing Income and Expenditure Account' of Guidance Note 21 issued by the Institute of Chartered Accountants of India specifies that "Any item under which income or expense exceeds 1 per cent of the total fee receipts of the School or Rs. 5,000, whichever is higher, should be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure Account. These items, therefore, should not be shown under the head 'miscellaneous income' or 'miscellaneous expenses'."

   On review of supporting documents for proposal, it was observed that Rs. 1,00,03,000 has been collected for mid-day meal from the students and which constitutes 8% of tuition fees for the year 2018-19. And, it has been observed while preparing receipt & payment that expenses of mid-day meal are not segregated and a consolidated figure is being reported in "Other Income head"

   Further, it has been observed that amount of Rs. 6,98,838 & Rs. 1,77,000 has been expensed off during FY 2018-19 in electrical repair & repair work, however considering the nature of expense the same should have been capitalized in books of accounts.

   The school is directed to ensure that all subsequent financial statements are prepared in accordance with the requirements of Guidance Note No. 21 issued by ICAI.

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 2019-20 estimated to Rs. **28,09,26,597** out of which cash outflow in the FY 2019-20 is estimated to be Rs. **17,36,88,128**. This results in estimated surplus amounting to Rs. **10,72,38,469** for FY 2019-20 after all payments. The details are as follows:

Particulars	Amount (in Rs.)
Cash and Bank balances as on 31.03.19 as per Audited Financial Statements of FY 2018-19	2,05,42,836
Investments as on 31.03.19 as per Audited Financial Statements of FY 2018-19	5,02,51,260
Liquid Fund as on 31.03.2019	**7,07,94,095**
Add: Recovery from society against purchase of Land **[Refer Financial Discrepancies No. 1 given above]**	6,1840,039
Add: Recovery for transportation expenses **[Refer Financial Discrepancies No. 3 given above]**	35,83,936
Add: Fees as per Audited Financial Statements of FY 2018-19 [we have assumed that the amount received in FY 2018-19 will at least accrue in FY 2019-20], **[Refer Note No. 1 for details]**	15,84,59,862
Add: Other Income as per Audited Financial Statements of FY 2018-19 [we have assumed that the amount received in FY 2018-19 will at least accrue in FY 2019-20] **[Refer Note No. 1 for details]**	60,41,101
Total Available Funds for FY 2019-20	**30,07,19,033**
Less: Development Fund balance as on 31.03.2019	1,70,09,390
Less: Caution Money balance as on 31.03.2019	24,68,350
Less: Fixed Deposits with CBSE as on 31.03.2019	3,14,696
Net Available Funds for FY 2019-20	**28,09,26,597**
Total cash outflow (Revenue Expenditure + Capital Expenditure - Depreciation)	17,36,88,128
Estimated Surplus	**10,72,38,469**

Note 1: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except the following:

Particulars	Amount (in Rs.) Disallowed	Remarks
Gratuity	40,00,000	Financial Discrepancies no. 2
Leave Encashment	22,00,000	Financial Discrepancies no. 2
Student Amenities & Welfare Expenses	6,94,107	Expenditure proposed in excess of 10% over the actual expenditure incurred in FY 2018-19 has not been considered as the school has not provided sufficient justification for such unusual increase.
Function Expenses	4,27,654	
Computer Digital Education Exp	51,645	
Affiliation Charges	4,40,063	
Transportation charges	11,19,062	Receipt of transportation fees not accounted in financials
Capital expenditure	1,55,14,536	Capital expenditure cannot be form part of Fee structure.
Total	**2,48,47,067**	

Note 2: The school has paid Rs. 7,61,538 to M/s Orkids Education System as student welfare. However, one of the relative of previous management is director in the aforesaid company. Contract needs to be reviewed, however the same has not been made available by school. Therefore, no comments can be given on the same and has not been considered for recovery from society while calculating available funds.

Note 3: On review of VI pay & VII pay commission salary and actual paid salary for the month of Feb' 2019, it has been noted that the is paying salary with higher amount than the calculation provided by the school for VII CPC. The variation is salary was noted due to inclusions of the other allowance. However, due to non-availability of consolidated per annum salary of each and every employee, the actual impact of excessive salary paid to each and every employee or part the employee could not be ascertain. Therefore, the school management is directed to first implement the recommendation of VII CPC across all the staff. Few instances of excess payment are tabulated below:

Name	Amount as per VII pay commission (PM)	Actual Amount paid (PM)	Excess Amount (Annually)
Vandana Chawla	4,10,842	4,30,842	2,40,000
Anupama Sethi	1,77,756	1,81,162	40,872
Divya Luthra	90,312	92,932	31,440
Neeru Kamra	93,932	96,552	31,440
Neerja Bhaskar Anand	1,02,823	1,05,312	29,868
Total	**8,75,665**	**9,06,800**	**3,73,620**

ii. The School have sufficient funds to carry on the operation of the School for the academic session 2019-20 on the existing fees 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, recommendation of the team of Chartered Accountants 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 the funds are available with school for meeting financial implication for the academic session 2019-20. Therefore, Director (Education) has rejected the proposal submitted by the school to increase the fee for the academic session 2019-20.

Accordingly, it is hereby conveyed that the proposal of fee increase for the session 2019-20 of **New Era Public School (School ID-1514086), Plot No. 17 Mayapuri, New Delhi-110064** is rejected by the Director of Education. Further, the management of said school is hereby directed under section 24(3) of DSEA 1973 to comply with the following directions:

1. Not to increase any fee/charges during FY 2019-20. In case, the school has already charged increased fee during FY 2019-20, 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 communicate with the parents through its website, notice board and circular about rejection of fee increase proposal of the school by the Directorate of Education.

3. To rectify the financial and other irregularities/violations as listed above and submit the compliance report within 30 days from the date of issue of this order to D.D.E.(PSB).

4. To utilise 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.

5. The Compliance Report detailing rectification of the above listed deficiencies/ violations must also be attached with the proposal for enhancement of fee of subsequent academic session, as may be submitted by the school. Compliance of all the directions mentioned above will be examined before evaluation of proposal for enhancement of fee for subsequent academic session.

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

This order is issued with the prior approval of the Competent Authority.

(Yogesh Pal Singh)
Assistant Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To
The Manager/ HoS
New Era Public School (School ID-1514086),
Plot No. 17 Mayapuri,
New Delhi-110064

No. F.DE.15 (206)/PSB/2021 3461-3465 Dated: 10/09/21

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 concerned ensure the compliance of the above order by the school management.
4. Guard file.

(Yogesh Pal Singh)
Assistant Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi