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

No. F.DE.15 (SSC)/PSB/2022/ 3232-3236 **Dated:** 19/5/22

Order

WHEREAS, **Greenway Modern Sr. Sec School, Between Pockets A&B, Dilshad Garden, Delhi-110032, School ID-1106222** (hereinafter referred to as "School"), run by the Shanti Janak Sachdeva Educational Society (hereinafter referred to as the "Society"), is a private unaided School recognized by the Directorate of Education, Govt. of NCT of Delhi (hereinafter referred to as "DoE"), under the provisions of Delhi School Education Act & Rules, 1973 (hereinafter referred to as "DSEAR, 1973"). The School is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

AND WHEREAS, every School is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the DSEAR, 1973 with the Directorate. Such statement is required to indicate estimated income of the School to be derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc. in terms of rule 177(1) of the DSEAR, 1973.

AND WHEREAS, as per section 18(5) of the DSEAR, 1973 read with sections 17(3), 24 (1) and rule 180 (3) of the above DSEAR, 1973, responsibility has been conferred upon to the DoE to examine the audited financial statements, books of accounts and other records maintained by the School at least once in each financial year. Sections 18(5) and 24(1) and rule 180 (3) of DSEAR, 1973 have been reproduced as under:

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

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

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

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

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

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

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

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

AND WHEREAS, the Hon'ble High Court of Delhi vide its judgement dated 19.01.2016 in writ petition No. 4109/2013 in the matter of Justice for All versus Govt. of NCT of Delhi and Others, has reiterated the aforesaid directions of the Hon'ble Supreme Court and has directed the DoE to ensure compliance of terms, if any, in the letter of allotment regarding the increase of the fee by recognized unaided Schools to whom land has been allotted by DDA/ land owning agencies.

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directing all the private unaided recognized Schools, running on the land allotted by DDA/other land owning agencies on concessional rates or otherwise, with the condition to seek prior approval of DoE for increase in fee, to submit their proposals, if any, for prior sanction, for increase in fee for the session 2018-19 and 2019-20.

AND WHEREAS, in pursuance to order dated 27.03.2019 of the DoE, the School submitted its proposal for enhancement of fee for the academic session 2019-20. Accordingly, this Order dispenses the proposal for enhancement of fee submitted by the School for the academic session **2019-20.**

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 very carefully in accordance with the provisions of the DSEAR, 1973, and other Orders/ Circulars issued from time to time by the DoE 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 20.11.2019 to present its justifications/ clarifications on fee increase proposal including audited financial statements. Based on discussions, the School was further asked to submit necessary documents and clarification on various issues. During the aforesaid hearing, compliances against Order No. F.DE-15/(587)/PSB/2018/30030-30035 dated 30.11.2018, issued for academic session 2017-18, was also discussed and submissions taken on record.

AND WHEREAS, the response of the School along with documents uploaded on the web portal for fee increase, and subsequent documents submitted by the School, were evaluated by the team of Chartered Accountants, the key findings noted are as under:

A. Financial Observations

1. Clause 14 of 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, up gradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt*

and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account."

Further, Rule 176 states *"Income derived from collections for specific purposes shall be spent only for such purpose"*

Review of the audited financial statements, revealed that the School has been utilizing development fee for the purchase other than for which it was collected which is not in accordance with the above mentioned provision. As per clause 14 of the order dated 11.02.2009, development fund can only be utilized for purchase, upgrade and replacement of furniture, fixture and equipment, not for purchase of library books, science lab and car. Therefore, the School is hereby directed to ensure that the development fund should only be used for the purpose for which it was collected. The School is further directed to pass the necessary rectification entries in its books and account and report the correct development fund balance in audited financial statement. The detail of development utilized by the School for different purpose is provided below.

Particulars	2016-17	2017-18	2018-19	Amount (in INR)
Library Books	29,266	41,335	2,72,635	3,43,236
Water Tank	1,05,000	-	1,92,400	2,97,400
Water Harvesting Plant	-	-	4,66,100	4,66,100
Vehicles	-	4,57,500	-	4,57,500
Total	**1,34,266**	**4,98,835**	**9,31,135**	**15,64,236**

2. As per Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses.*"

Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:

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

Further, Para 60 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states *"A defined benefit scheme is a scheme under which amounts to be paid as retirement benefits are determined usually by reference to employee's earnings and/or years of service"*.

On review of the records submitted by the School, it has been noted that the School has got the actuarial valuation for its retirement benefits. The total liability as per actuarial valuation report was INR 86,40,781 as on 31.03.2018. However, the School has reported only INR 7,15,212 in its audited financial statements. Thus, the School has under reported its liability by INR 79,25,569 in the audited financial statements of FY 2018-19.

It has also been observed that the School has not investment any amount in plan assets against these liability in terms AS-15 issued by ICAI. Therefore, provision made by the School is just an accounting entry without earmarking funds from where future payment can be made. In view of this, the amount of INR 28,00,000 proposed by the school in its budget against retirement benefit has not been considered in the total expenditure of the school for FY 2019-20. The School is hereby directed to create appropriate provisioning for retirement benefit in its books and report the same in its audited financial statements and invest the equivalent amount which qualify as plan asset within the meaning of AS-15 and submit the status within 30 days from the date of issue of this order.

B. Other Observations

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

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, 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).

The information provided by the School were taken on record, from the review of the documents submitted, it has been noted that the School charges earmarked levies in the form of Transport fee, smart class fee and SMS & WB charges from the students. However, the School has not been maintaining separate fund accounts for these earmarked levies and has been generating surplus therefrom which has been utilised for meeting the other expenses of the School. Detailed calculation of surplus, based on the breakup of expenditure provided by the school is provided below:

(Amount in INR)

Particulars	Transport Fee	Smart Class Fee	SMS & Web charges
For the year 2016-17			
Fee Collected during the year (A)	44,17,250	49,04,898	35,53,099
Expenses during the year (B)	49,15,578	48,10,778	35,51,739
Difference for the year (A-B)	**(4,98,328)**	**94,120**	**1,360**
For the year 2017-18			
Fee Collected during the year (A)	40,02,650	46,26,200	35,39,500
Expenses during the year (B)	38,20,816	43,00,227	23,70,738
Difference for the year (A-B)	**1,81,834**	**3,25,973**	**11,68,762**
For the year 2018-19			
Fee Collected during the year (A)	39,18,055	42,66,500	35,55,100
Expenses during the year (B)	35,87,387	42,58,050	43,18,162
Difference for the year (A-B)	**3,30,668**	**8,450**	**(7,63,062)**
Total	**14,174**	**4,28,543**	**4,07,060**

Based on the abovementioned provisions, 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).

Since, the School is not following fund base accounting in accordance with the provision cited above. The total fee (including earmarked fee) as per the income and expenditure and have been considered in the calculation of fund availability of the School.

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.

Accordingly, 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 the students. Unintentional surplus/deficit, if any, generated from earmarked levies has to be utilised or adjusted against earmarked fees collected from the users in the subsequent year. Further, the School should evaluate the costs incurred against each earmarked levy and propose the revised structure for earmarked levies during the subsequent proposal for enhancement of fee ensuring that the proposed levies are calculated on no-profit no-loss basis and not to include fee collected from all students as earmarked levies.

As the School is charging Smart Class Fee and SMS & Web Charges from all the students of the school which loses its character of earmarked levy, being a non-user based fees. Therefore, considering the nature of SMS & Web Charges, the School should not charge such fee from the students and should incur the expenses relating to these from tuition fee and/or annual charges, as applicable. As per School submission tuition fee collected from students is not sufficient to meet the establishment cost and annual charges are also not sufficient to meet other revenue expenses of the School.

2. The DoE Order No.F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 as well as condition specified in the land allotment letter, require that school should provide 25% reservation for children belonging to EWS/DG categories. Therefore, the School is directed to ensure the admission in accordance with the aforesaid order. From the information provided by the school it was noted that the school has not been complying with the above requirements. The details of admission allowed by the school to EWS/DG are tabulated below.

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Total No of Students	3379	3412	3464
EWS Students	405	458	483
% of EWS Students	12%	13%	14%

3. Review of the financial statements of FY 2017-18 and FY 2018-19 revealed that the School has incurred huge expenditure on purchase of furniture and fixtures & its repair and maintenance, whereas the total no. of students was not increased in the same proportion. Therefore, the School management is required to take immediate steps to monitor the expenditure. Similar observation was also noted in the Directorate's order no. F.DE.15(587) PSB/2018/30030-35 dated 30.11.2018 issued for academic session 2017-18 wherein the School was directed to follow due diligence while utilising the School funds. The details of the expenditure incurred by the School on purchase of furniture and fixtures and its repair and maintenance are provided below:

(Amount in INR)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Opening Balance	3,54,93,382	4,12,29,278	4,71,68,766
Additions	57,35,896	59,39,488	66,31,880
Less: Deletions	-	-	-
Closing Balance	**4,12,29,278**	**4,71,68,766**	**5,38,00,646**
% of addition over opening balance	16%	14%	14%
Repair & Maintenance of Furniture	23,24,176	24,77,717	19,96,204
% of Repair & Maintenance over opening balance	7%	6%	4%
Number of students	3379	3,412	3,463
Cost of furniture & Fixture per Student	**12,889**	**14,551**	**16,112**
Depreciation charged on additions	3,92,054	4,87,384	10,96,538

From the above, table it can be infer that the School has been incurring between INR 12,889 to 16,112 per year per student on purchase and repairing of furniture and fixture. Therefore, the School management is hereby directed to follow the due diligence while utilizing the School funds and submit compliance status within 30 days from the date of issue of this order.

4. Review of the audited financial statements of FY 2017-18 and 2018-19, revealed that other expenditure (net of depreciation) of the School was more the establishment expenditure (salary and salary related cost). While the other school has been incurring on an average 70% -80% of the tuition fee on establishment expenditure. However, the below table indicates that the School has been incurring 58% to 59% of its tuition fee on establishment expenditure which indicates that School funds are not managed appropriately. Therefore, the School management is required to monitor and exercise due care on occurrence of these expenditures. Similar observation was also noted in the order F.DE.15(587) PSB/2018/30030-35 dated 30.11.2018 issued for the

academic session 2017-18, wherein the School management was directed to monitor the significance of such expenditure and exercise due control over the same. However, it appears that the School has not taken yet any corrective steps to comply with this direction. Therefore, the management of the School is once again directed to initiate corrective steps and control over the same. The summary of such analysis is provided below.

(Amount in INR)

Particulars	**As per Income and Expenditure Account for FY 2017-18**	**As per Income and Expenditure Account for FY 2018-19**
Tuition fee	11,76,09,964	11,78,43,752
Other Income	2,72,87,736	2,82,50,575
Total Income	**14,48,97,700**	**14,60,94,327**
Establishment Expenditure	6,76,43,511	6,95,32,589
Other Expenditure	8,67,36,720	9,95,07,866
Less: Depreciation	63,05,768	1,46,23,058
Net Expenditure	14,80,74,463	15,44,17,397
% of Establishment expenses as compared to Tuition fee	**58%**	**59%**
% Establishment expenses as compared to Net expenditure (excluding depreciation)	**46%**	**45%**
% of Other Expenditures as compared to Net Expenditure (excluding interest and depreciation)	**54%**	**55%**

Further, on review of other expenditure it has been noted that the following expenditures of the school appear to be excessive. Hence the School management is directed to look into the significance of these expenditure and exercise due control over it. The summary of the major expenditure incurred by the school during the FY 2017-18 and FY 2-18-19 are as under:

Heads of Expenditure	**2017-18**	**2018-19**	**as a % of total expenditure net of depreciation**		**as a % of other expenditure net of depreciation**	
			2017-18	**2018-19**	**2017-18**	**2018-19**
Function Expenses	56,14,637	58,21,296	4%	4%	7%	7%
Educational Expenses	59,93,630	69,18,262	4%	4%	7%	8%
Examination Expenses	32,70,866	35,81,428	2%	2%	4%	4%
Staff Welfare	37,09,417	47,89,395	3%	3%	5%	6%
Student Welfare	94,41,111	91,71,731	6%	6%	12%	11%
Advertisement	60,80,855	67,78,617	4%	4%	8%	8%
Printing & Stationery	55,19,226	60,43,306	4%	4%	7%	7%
Building Repair	1,60,77,332	1,46,42,953	11%	9%	20%	17%

5. On review of the documents submitted by the School post personal hearing, it has been noted that the School has not submitted fixed asset register for verification. The school should prepare a FAR, which should include details such as asset description, purchase date, supplier name, invoice number, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.

Hence, the School is directed to comply with the directions, by preparing the FAR with relevant details mentioned above according to the process for periodic physical verification of assets and document the results of physical verification of assets as the same shall be verified at the time of evaluation of fee hike proposal for subsequent year. This being a procedural finding, no financial impact is warranted in the fund position of the School.

6. The Directorate's order F.DE.15(587) PSB/2018/30030-35 dated 30.11.2018 issued for the academic session 2017-18 noted that the School has not shown the staff salary and benefits separately in the income and expenditure account 'for teaching and non-teaching staff'. However, on examination the financial statements submitted by the School for evaluation of fee increase proposal of FY 2019-20, similar observation has been found. The School has not prepared financial statements as per the requirement of Appendix-II order no. F.DE.15 ACT-I/WPC-4019/part/13/7905-7913 dated 16.04.2016.

7. 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.*"

Further 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.*"

During the personal hearing the school explained that it is refunding the caution money to the students at the time of his/her leaving without interest. Therefore, the School is not complying with the above-mentioned provisions. Therefore, the School is directed to the refund the caution money to the students in accordance with the provision citied above. Accordingly, the outstanding balance of caution money of INR 15,54,500 reported by the School in its audited financial statements of FY 2018-19 , has been considered while deriving the fund position of the School.

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

From review of the audited financial statements of 2018-19, it has been noted that the School has not made any disclosure relating to related party transactions in its audited financial statements. In the absence of such details, the purpose and genuineness of transactions entered into between the related parties cannot be determined. Therefore, the School is hereby directed to include such details in audited financial statements of the subsequent year.

9. 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 31st day of 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 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.

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 amounting to INR **17,28,41,692** out of which cash outflow for the FY 2019-20 is estimated to be INR **18,81,37,140.** This results in net deficit of INR **1,52,95,448** for the FY 2019-20 after all payments. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.19 as per Audited Financial Statements of FY 2018-19	22,83,819
Investments as on 31.03.19 as per Audited Financial Statements of FY 2018-19	2,60,69,121
Liquid Fund as on 31.03.2019	**2,83,52,940**
Add: Fees as per audited financial statements of FY 2018-19 (Refer Note 1)	15,85,70,354
Add: Other income as per audited financial statements of FY 2018-19 (Refer Note 1)	37,97,983
Total Available Funds for FY 2019-20	**19,07,21,277**
Less: FDR with joint name of School Manager and DOE as on 31.03.2019	12,64,575
Less: Caution Money as on 31.03.2019	15,54,500
Less: Development Fund as on 31.03.2019	1,50,60,510
Less: Depreciation Reserve Fund (Refer Note 2)	-
Net Available Funds for FY 2019-20	**17,28,41,692**
Less: Budgeted expenses as per the budgeted financial statement for the Financial Year 2019-20 (after making adjustment) (Refer Note 3 & 4)	**18,81,37,140**
Estimated Deficit	**1,52,95,448**

Note 1: Fee and income as per audited financial statements of FY 2018-19 has been considered with the assumption that income earned during FY 2018-19 will at least accrue to the school during the FY 2019-20 with adjustment of deferred income of INR 1,42,51,044 being notional income.

Note 2: As per the Duggal Committee report, there are four categories of fees that can be charged by a private unaided recognised school. The first category of fee comprised of "Registration fee and all one Time Charges' levied at the time of admissions such as admission and caution money. The second category of fee comprises 'Tuition Fee' which is to be fixed to cover the standard cost of the establishment and also to cover the expenditure of revenue nature for the improvement of curricular facilities like library, laboratories, science, and computer fee up to class X and examination fee. The third category of the fee should consist of 'Annual Charges' to cover all expenditure not included in the second category and the fourth category consist of all 'Earmarked Levies' for the services rendered by the school and be recovered only from the 'User' students. These charges are transport fee, swimming pool charges, Horse riding, tennis, midday meals etc. This recommendation has been considered by the Directorate while issuing order No. DE.15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009.

The purpose of each head of the fee has been defined and it is nowhere defined the usage of development fee or any other head of fee for investments against depreciation reserve fund. Therefore, no amount has been considered for this while deriving the fund position of the school.

Note 3: All expenditure as per budgeted financial statements of FY 2019-20 has been considered except the following.

Particulars	Amount in INR	Remarks
Provision for Gratuity & Leave Encashment	28,00,000	Refer Financial Discrepancies no.2
Salary Provision	54,95,250	As per clause 10 of Form-II of Right of Children to Free and Compulsory Education Act 2009, the schools are required to maintain liquidity equivalent to 3 months' salary and this amount should be invested in the joint name of Dy. Director (Education) and manager of the school. Generally; it is done in the form of FDR in any scheduled bank. The school has proposed this expenditure without investing any amount in accordance with the abovementioned provision and therefore, has not been considered while deriving the fund position of the school.
Capital Expenditure	50,00,000	As the school has neither provided any proper justification nor provided the bifurcation of this expenditure.

Note 3: The following expenditure proposed by the school found excessive as compared to the actual expenditure incurred by the school during the previous year, for which the school has not provided any justification. Therefore, these expenditures have been restricted up to 110% of the actual expenditure incurred by the school during the previous year consider the cost of inflation.

Particulars	FY 2018-19	FY 2019-20	Net Increase/ (Decrease)	% Change	Disallowed
Garden	9,84,634	16,31,000	6,46,366	66%	5,47,903
Website & Software Charges	2,45,397	4,86,000	2,40,603	98%	2,16,063
Building	1,46,42,953	1,66,06,000	19,63,047	13%	4,98,752
Other Repair & Maintenance	15,80,232	20,81,000	5,00,768	32%	3,42,745
Lab Expenses	1,24,929	12,13,500	10,88,571	871%	10,76,078
Student Welfare	91,71,731	1,19,63,000	27,91,269	30%	18,74,096
Total	**2,67,49,876**	**3,39,80,500**	**72,30,624**		**45,55,636**

ii. In view of the above examination, it is evident that the school does not has adequate funds for meeting all the operational expense for the financial year 2019-20. 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 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 observations that the sufficient funds are not available with the school to carry out its operations for the academic session 2019-20. Accordingly, the fee increase proposal of the school may be accepted.

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 past 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 10% to be effective from 01 July 2022.

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 2019-20.

AND WHEREAS, the school is directed, henceforth to take necessary corrective steps on the financial and other observations 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 enhancement of fee for academic session 2019-20 of **Greenway Modern Sr. Sec School (School ID-1106222), Between Pockets A&B, Dilshad Garden, Delhi-110032** is accepted by the Director of Education and the school is allowed to increase the tuition fee by 10% with effect from 01 July 2022.

Further, the management of said School is hereby directed under section 24(3) of DSEAR 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.

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

To:
The Manager/ HoS
Greenway Modern Sr. Sec School
School ID-1106222,
Between Pockets A&B, Dilshad Garden,
Delhi-110032

No. F.DE.15(58)/PSB/2022/ 3232-3236

Dated: 19/5/22

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 (North East) to 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

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