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

No. F.DE.15(811)/PSB/2022/ 5241 - 5245 **Dated: 29/06/22**

ORDER

WHEREAS, **Navjeevan Model School, G.T.B. Nagar, New Delhi, School ID-1309179** (hereinafter referred to as "**the School**"), run by the Navjeevan Society (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, every School is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the DSEA, 1973 to the DoE. Such full statement of fee is required to indicate estimated income of the School to be derived from the fees and estimated operational expenses to be incurred during the ensuing year towards salaries and allowances payable to employees etc in terms of Rule 177(1) of the DSER, 1973.

AND WHEREAS, as per Section 18(5) 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 objectives 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 recognized 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 the Writ Petition No. 4109/2013 in the matter of Justice for All vs. 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 private unaided recognized Schools to whom land has been allotted by the DDA/ land owning agencies.

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/2698-2707 dated 27.03.2019, directed to all the private unaided recognized Schools, running on the land allotted by the 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 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 to be heard on 14.11.2019 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.

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 observations noted are as under:

A. Authenticity of Audited Financial Statements

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

   Para 1 of Standard on Auditing (SA) 700 (Revised) on 'Forming an Opinion and Reporting on Financial Statements' issued by the Institute of Chartered Accountants of India states "*This Standard on Auditing (SA) deals with the auditor's responsibility to form an opinion on the financial* *statements. It also deals with the form and content of the auditor's report issued as a result of an audit of financial statements.*"

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 Practising 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 practising Chartered Accountants from 1 Jul 2019. The UDIN System has been developed by ICAI to facilitate its members for verification and certification of the documents and for securing documents and authenticity thereof by Regulators.

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

The financial statements submitted by the school did not include separate Audit Reports, rather the auditor certified the Balance Sheet and Income and Expenditure Account citing that it exhibits a true and fair view of school affairs accordingly to the best of information and explanation given to them. Thus, the auditor did not issue proper audit opinion as per the requirements of SA 700.

Further, the Receipt and Payment Account was not enclosed as part of the financial statements for FY 2018-2019. Also, the Balance Sheet and Income and Expenditure Account for FY 2018-2019, which were certified by the Chartered Accountant on 18 Sep 2019, did not cite UDIN, as mandated by ICAI. Therefore, authenticity of the audit and that of the financial statements for FY 2018-2019 submitted by the school could not be verified.

While the school has not complied with the statutory requirement of submission of audited final accounts and has submitted unauthentic final accounts, these financial statements for FY 2018-2019 have been taken on record by the Directorate and the same have been considered for evaluation of the fee increase proposal of the school for the academic session 2018-19 assuming the same as unaudited/provisional financial statements.

The school is directed to confirm from the auditor whether UDIN was generated in respect of the audit opinion issued by the auditor on the financial statements of the school for FY 2018-2019. If it was generated, the same should be mentioned by the school in its compliance report. In case, UDIN was not generated by the auditor, the school is directed to seek explanation from the auditor for not complying with the requirements notified by ICAI and get the said audit report and financial statements verified from the Institute of Chartered Accountants of India for its authenticity and validity.

Also, the school is directed to prepare completed set of financial statements (including Receipt and Payment Account) and the same should be audited in entirety by the Auditor by giving opinion as per the format prescribed in SA 700. The school is further directed to ensure that the audit opinions are issued on its future final accounts by practicing Chartered Accountant, which must comply with the requirements enunciated by their regulatory body i.e. The Institute of Chartered Accountants of India.

B. Financial Observations

1. Para 7.14 of Accounting Standard 15 – 'Employee Benefits' issued by the Institute of Chartered Accountants of India states *"Plan assets comprise:*

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

    Section 10(1) of Delhi School Education Act, 1973 on 'Salaries of employees' states *"The scales of pay and allowances, medical facilities, pension, gratuity, provident fund and other prescribed benefits of the employees of a recognised private school shall not be less than those of the employees of the corresponding status in school run by the appropriate authority."*

    On review of financial statements of the school for FY 2016-2017 to FY 2018-2019, it was noted that the school did not make any provision towards staff gratuity and leave encashment in its financial statements. Further, during personal hearing, the school mentioned that it has not obtained actuarial valuation and has not made any estimate in respect to its liability towards staff gratuity and leave encashment. Also, the school has not made any investment in group gratuity scheme and group leave encashment scheme of LIC or other insurer to secure its liability towards staff gratuity and leave encashment.

    In absence of any provision towards gratuity and leave encashment and investment in group gratuity scheme and group leave encashment scheme of LIC or other insurer, no adjustment could be made towards staff retirement benefits while deriving the fund position of the school (enclosed in the later part of the order).

    The school is directed to make appropriate provision for both gratuity and leave encashment and make earmarked equivalent investments against provision for gratuity and leave encashment with LIC (or any other agency) so as to secure its statutory liabilities towards staff.

2. Sub section (1) of section 13 of Right to Education Act, 2009 states that *"no school or person shall, while admitting a child, collect any capitation fee and subject the child or his or her parents or guardian to any screening procedure.*

    Further, Sub section (2) of section 13 of Right to Education Act, 2009 states that *"Any school or person, if in contravention of the provisions of sub-section (1),-*

    a) receives capitation fee, shall be punishable with fine which may be extend to ten times the capitation fee charged;

b) subjects a child to screening procedures, shall be punishable with fine which may extend to twenty five thousand rupees for the first contravention and fifty thousand rupees for each subsequent contraventions.

Further, section 2(b) of Right to Education Act, 2009 states *"capitation fee" means any kind of donation or contribution or payment other than the fee notified by the school;*

On review of audited financial statements and fee receipts for FY 2017-2018 and FY 2018-2019, it was observed that the school has collected one-time development charges of INR 7,500 from students at the time of admission. Further, on review of the fee structure, and return & documents submitted by the school under rule 180 of DSER,1973, it was noticed that the school has neither disclosed one-time development charges of INR 7,500 in documents/return submitted under rule 180 of DSER,1973 nor disclosed the same under fee enhancement proposal or documents submitted thereunder to the directorate.

Hence, one-time development charges of INR 7,500 collected by the school from new admissions classify under the definition of capitation fee and indicate non-compliance of the above-mentioned clause. Also, collection of one-time fee from students at the time of admission indicates that the school is engaging in profiteering and commercialisation of education

Therefore, the school is directed to stop collecting any one-time charge from the students at the time of admission with immediate effect. Also, the school is directed to provide its explanation within 30 days from the date of this order to the Directorate as to why a fine equivalent to ten times of capitation fee charged during the FY 2016-2017 to FY 2019-2020 should not be imposed on the school for collecting capitation fee from students and not complying with the provisions of RTE, 2009.

C. Other Observations

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

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

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

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

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

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

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

From the information provided by the school and taken on record, it was noted that the school charges earmarked levies in the form of Transport fees, Exam fees and smart class fees from students. However, the school is yet to maintain separate fund accounts for these earmarked levies and the school has been generating surplus from earmarked levies, which has been utilised for meeting other expenses of the school or has been incurring losses (deficit) that has been met from other fees/income .Based on financial statements for FY 2018-2019, the following were the incomes and expenses against earmarked levies:

Earmarked Fee	Income (INR)	Expenses (INR)	Surplus/Fund Balance (INR)
	A	B	C=A-B
Transport Fees^	20,51,130	22,70,000	(2,18,870)
Smart Class Fees	5,01,600	1,96,022	3,05,578
Examination Fees	1,24,350	46,998	77,352

^ To provide transport facility to the students, all the vehicles have been hired by the school. School does not own any transport to provide to and fro facility to the students.

Further, based on aforementioned, earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). From the financial statements for FY 2018-2019, it was noted that the school is charging smart class fees from the students of all classes. Thus, Smart class fee charged from all students loses its character of earmarked levy, being a non-user based fees. Thus, based on the nature of the smart class Fees and details provided by the school in relation to expenses incurred against the same, the school should not have charged such fee as the expense against the same should have been met from Annual Charges already collected from students. Thus, the school is directed to stop collection of smart class fee with immediate effect and should incur the expenses relating to these from tuition fee and/or annual charges, as applicable collected from the students.

The school is hereby directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount separately for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies has to 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 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. As per Order No. F.DE-15/ACT-I/WPC-4109/PART/13/7905-7913 dated 16 Apr 2016, "*The Director hereby specify that the format of the return and documents to be submitted by schools under rule 180 read with Appendix -II of Delhi School Education Rules, 1973 shall be as per format specified by the Institute of Chartered Accountants of India, established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note on Accounting by Schools (2005) or as amended from time to time by this Institute.*"

   Para 67 of the Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India states "*The financial statements should disclose, inter alia, the historical cost of fixed assets.*"

   Further, para 58(i) of the Guidance Note states "*A school should charge depreciation according to the written down value method at rates recommended in Appendix I to the Guidance Note.*"

   Basis the presentation made in the financial statements for FY 2016-2017 to FY 2018-2019 submitted by the school, it was noted that while the fixed assets schedule annexed to the financial statements did not include details of historic cost and accumulated depreciation rather only opening written down value, addition, adjustment, depreciation during the year and closing written down value of assets. Also, on the face of the Balance Sheet, the school reported Fixed Assets at written down value, which is not in accordance with the disclosure requirements included in the guidance note citied above.

   Further, from the financial statements of FY 2016-2017 to FY 2018-2019, it was noted that the school did not charge depreciation at the rates specified in Appendix I to the Guidance Note.

   Accordingly, the school is directed to disclose all fixed assets at gross (historic) value on the face of Balance Sheet on the assets side and accumulated depreciation as depreciation reserve on the liability side of the Balance Sheet. Further, the fixed assets schedule should include complete details regarding opening block of assets, additions, deletions, closing block of fixed assets, opening depreciation reserve, depreciation during the year, adjustment (if any), closing balance of depreciation reserve and net (WDV) opening and closing block of fixed assets. The school is further directed to follow the depreciation rates as prescribed in the Guidance Note.

   Compliance of the same shall be validated during evaluation of subsequent fee increase proposal as may be submitted by the school. The above being a presentation/ disclosure finding, no financial impact is warranted for deriving the fund position of the school.

3. Incomes (fee collected from students) reported in the audited Income and Expenditure Account/Receipt and Payment Account for FY 2018-2019 were recomputed to evaluate the accuracy of incomes reported based on the approved fee structure of the school and details of number of students enrolled (non-EWS) provided by the school. Basis the computation prepared, differences were noted in the fee collection reported by the school during FY 2018-2019 in its audited Income & Expenditure Account/Receipt and Payment Account and amount of fee arrived/computed as per details provided by the school.

   During the personal hearing, the school was asked to provide the fees structure for the FY 2015-2016 and FY 2016-2017, however, the school failed to provide the fees structure for the aforementioned years. Therefore, in the absence of requisite information, whether the school had increased fees or not could not be verified.

   Following differences were derived based on the computation of FY 2018-2019:

Particulars	Income reported in Audited Income & Expenditure Account (A)	Fee computed on the basis of details no. of students provided by the school (B)	Derived Difference (A-B)
Tuition Fees	81,27,660	71,87,040	9,40,620
Annual Charges	7,46,700	4,98,400	2,48,300

   The school should perform a detailed reconciliation of the amount collected/income from students and the income that should have been recognised based on the fee structure and number of students enrolled by the school. No adjustment has been made while deriving the fund position of the school (enclosed in the later part of the order). The school is required to provide complete fee structure of the school from the FY 2015-2016 to FY 2018-2019 along with the fee reconciliation prepared for all the years which will be verified during the subsequent fee increase proposal submitted by the school.

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

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

Particulars	FY 2017-2018	FY 2018-2019
Total No. of Students	408	408
No. of EWS Students	71	78
% of EWS students to total students	17.41%	19.12%

   While the school in its response mentioned that it takes admission under EWS category on the basis of list of admissions provided by the Directorate, it has not complied with the requirements of land allotment and should thus take comprehensive measures (including enhancement of EWS seats) to abide by the conditions of the land allotment letter issued by the Delhi Development Authority.

5. On examination of the financial statements for FY 2016-2017 to FY 2018-2019, it was noted the financial statements were not appropriately authenticated by the representatives of the school, since only the Vice Principal signed the Balance Sheet, Income and Expenditure Account, schedules and Notes to Account annexed to the financial statements. Thus, the authenticity of the financial statements and financial information included therein cannot be confirmed.

   The school is directed to ensure that the entire set of financial statements (all pages, schedules including Notes to Account) must be appropriately signed or initialled (as appropriate) by two representatives of the school authorised in this regard as per Bye laws or other governing documents.

6. On review of the proposal for enhancement of fee for the academic session 2019-2020 submitted by the school, it was noted that the school did not include/disclose transport fee collected by it from students in its proposal for fee hike submitted for FY 2019-2020.

   The school must ensure that it discloses all heads of income in its proposal for enhancement of fee including earmarked levies. Also, the school should be cautious while submitting details to the Directorate and ensure that such omissions are not repeated.

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 year 2019-2020 amounting to INR 1,21,22,251 out of which cash outflow in the year 2019-2020 is estimated to be INR 1,53,32,039. This results in net deficit of INR 32,09,788. The details are as follows:

Particulars	**Amount (INR)**
Cash and Bank Balance as on 31 Mar 2019 (as per audited financial statements of FY 2018-2019)	1,71,761
Overdraft Balance as on 31 Mar 2019 (as per audited financial statements of FY 2018-2019)	(3,83,317)
Investments (Fixed Deposits) as on 31 Mar 2019 (as per audited financial statements of FY 2018-2019)	1,15,745
Total Liquid Funds Available with the School as on 31 Mar 2019	**(95,811)**
Add: Fees/Incomes for FY 2019-2020 (based on income reported in audited financial statements of FY 2018-2019) [Refer Note 1]	1,22,18,062
Gross Estimated Available Funds for FY 2019-2020	**1,21,22,251**
Less: Staff retirement benefits [Refer Financial Discrepancy No. 1]	-
Net Estimated Available Funds for FY 2019-2020	**1,21,22,251**
Less: Budgeted Expenses for FY 2019-2020 [Refer Note 2]	1,28,32,039
Less: Arrears as per 7 CPC from Jan 2016 to Mar 2019 (as per separate computation of 7th CPC submitted by the school)	25,00,000
Estimated Deficit	**32,09,788**

Notes:

1. Fees and incomes as per audited financial statements of FY 2018-2019 have been considered with the assumption that the amount of income during FY 2018-2019 will at least accrue during FY 2019-2020.
2. Per the Budget Estimate for FY 2019-2020 submitted by the school along with proposal for fee increase, the school had estimated the total expenditure during FY 2019-2020 of INR 1,61,67,500 (including arrears of salary towards implementation of 7th CPC of INR 25,00,000, which has been considered separately in table above based on computation submitted by the school), which in some instances was found to be unreasonable/ excessive. Based on the explanations and details provided by the school during personal hearing, most of the expenses heads as budgeted were considered. Further, during review of budgeted expenses, certain discrepancies were noted in some of the expense heads, which were adjusted from the budgeted expenses. Therefore, the following expenses have been adjusted while considering the budgeted expenses for FY 2019-2020:

Particulars	Actuals FY 2018-2019	Budget FY 2019-2020	Amount Allowed	Amount Disallowed	Remarks
Books & Copies (EWS Students)	-	3,00,000	-	3,00,000	The school did not provide any rationale or explanation for these new heads of expenses proposed by it. Thus, these additional expense heads have not been considered.
Computer Expenses	-	70,000	-	70,000	
Development Charges	82,756	2,00,000	91,032	1,08,968	No reasonable justification/ explanation provided by the school for such increase in expense as compared with FY 2018-2019. Accordingly, budgeted expenses for FY 2019-2020 have been restricted to 110% of the expense incurred during FY 2018-2019.
ESI Employers Contribution	1,69,043	2,64,000	1,85,947	78,053	
Software Expenses	19,600	3,00,000	21,560	2,78,440	
Total	**2,71,399**	**11,34,000**	**2,98,539**	**8,35,461**	

ii. In view of the above examination, it is evident that the school does not have adequate funds for meeting all the budgeted expenses for the financial year 2019-2020. In this regard, the directions issued by the Directorate of Education vide circular no. 1978 dated 16 Apr 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 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. Further, it has to be seen that after Covid, which has affected the society at large, financial sudden burden to some extent may be avoided. 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 08% 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 session 2019-2020 of **Navjeevan Model School (School ID-1309179), G.T.B. Nagar, New Delhi** has been accepted by the Director of Education and the school is hereby allowed to increase fee by 08% with effect from 01 July 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 order 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
Navjeevan Model School
School ID-1309179,
G.T.B. Nagar,
New Delhi- 110009

No. F.DE.15(811)/PSB/2022/ 5241-5245 Dated: 29/06/22

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 West-A) 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