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

No. F.DE.15(630)/PSB/2022/3865-3869 Dated: 31/05/22

ORDER

WHEREAS, **Birla Vidya Niketan (School Id 1923250), Pushp Vihar-IV, Delhi - 110017**, (hereinafter referred to as **"the School"**), run by the **Birla Academy of Art & Culture** (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 this Directorate, **Birla Vidya Niketan (School Id 1923250), Pushp Vihar-IV, Delhi - 110017** 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 19.11.2019 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 and subsequent documents submitted by the school were thoroughly evaluated by the team of Chartered Accountants and key observations noted are as under:

A. Financial Observations

1. 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 order No. F.DE-15/ACT-I/WPC-4109/PART/13/895 dated 15.09.2017, school was directed to recover INR 11.31 crores including INR 3.81 crores paid as rent to the society for the period prior to inspection i.e. financial years before FY 2013-2014 and deposit this amount in the bank account of the school within 60 days of the issue of aforesaid order.

   Similar direction was also given to the school in DoE order no. F.DE.15(595) PSB/2018/30337-30341dated 11.12.2018 issued for academic session 2017-18. Further, for the aforesaid order writ petition was filled with Honourable High court of Delhi. However, based on fact that no interim relief has been provided to school. The documents submitted by the school were taken on record, from examination of the said documents, it has been noted that the school has not recovered the aforesaid amount form the society till date.

   Accordingly, the amount of INR 11,31,00,000 is hereby added to the fund position of the school considering the same as funds available with the school. Also, rent paid by school to BAAC for INR 1,71,00,000 in FY 2017-18 is not in accordance with aforesaid order.

   Thus, INR 13,02,00,000 has been included while deriving the fund position of the school and the school is directed to recover this amount from the Society within 60 days from the date of this order. The compliance with the aforesaid direction will be evaluated strictly while evaluating the fee increase proposal of the school for the subsequent year.

   Also, the amount of INR 1,71,00,000 budgeted by school for the financial year 2019-20 has not been considered while deriving the fund position of the school.

2. As per Clause 14 of this Directorate'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.*"

   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."

School has enclosed a consolidated fixed assets schedule giving details of all assets carried over by the school in its audited financial statement for FY 2018-19 and has not prepared separate fixed assets schedules for assets purchased against development fund and those purchased against general reserve. On review of audited financial statements of the school for FY 2018-19, it was noted that school has incurred total capital expenditure amounting to INR 94,86,735 out of development fund. However, as per explanation provided on personal hearing and documents submitted in response to personal hearing school has spent from development fund for library books an amount of INR 1,43,738 during FY 2018-19. Also, the above expenditure was incurred without complying provisions of para 99.

Additionally, the development fund balance amounts to INR 21,31,584 as on 31.03.2019 as per the audited financial statement whereas the development fund bank balance amounts to INR 46,984. Justification not provided by the school for such difference in the balance amount therefore, the development fund bank balance INR 46,984 has been considered while calculating the fund availability with the school as it is evident that the school has not maintained separate bank account for deposit and utilization of development fund.

Further, no disclosure is given on face of balance sheet for "Fund utilized against assets", which should be equal to cost of all assets purchased from development fund. And, as per guidance note, depreciation reserve should be created for the amount equivalent to depreciation charged on assets during the year purchased from development fund, however no such amount is transferred to depreciation reserve.

The school is directed to follow DOE instruction in this regard and maintain separate bank account for deposit and utilization of development fund. Further, the school should ensure that development fund is utilised only towards purchase of furniture, fixture, and equipment.

3. 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, according to para 7.14 of the Accounting Standard 15 "*Plan assets comprise:*
   (a) assets held by a long-term employee benefit fund; and
   (b) qualifying insurance policies."

From the audited financial statements of FY 2018-2019, it was noticed that the school has recorded liability towards gratuity & leave encashment for INR 8,49,89,836 and INR 3,28,19,876 respectively on basis of actuarial valuation. However, as per the audited financial statement for FY 2018-19 it was noted that during the year the school has deposited INR 1,54,40,616 for gratuity that qualifies as 'Plan Assets' in accordance with Accounting Standard 15.

The school is hereby directed to make an investment in plan assets equivalent to the liability determined by the actuary in accordance with AS-15. Hence, investment amount INR 1,54,40,616 has been considered while deriving the fund position of the school.

4. 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 INR 500 per student in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.*"

Further, Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11.02.2009 states "*No caution money/security deposit of more than five hundred rupees per student shall be charged. The caution money thus collected shall be kept deposited in a scheduled bank in the name of the concerned school and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund.*"

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 2019-2020 we noted that:

- As on 31.03.2019 caution money balance is INR 12,29,500, whereas cation money balance should be 19,49,500 for 3899 students.
- 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.

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 directed to follow DOE's directions in this regard.

B. Other Observations

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

   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 as administered.*"

   Also, earmarked levies collected from students are a form of restricted funds, which, according to Guidance Note 21, 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 Transport Fees, computer fund & mid-day meal, etc. from students. However, fund based accounting has not been adopted for the same "*i.e. 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 school has been generating surplus/(deficit) from earmarked levies. Details of calculation of surplus/deficit, based on breakup of expenditure provided by the school for FY 2016-2017 to FY 2018-19 is given below:

(Amount in INR)

Particulars	Computer fund	Mid day meal	Transportation fund
For the year 2016-17			
Fee Collected during the year (A)	-	-	-
Expenses during the year (B)	-	-	-
Difference for the year (A-B)	**(2,18,095)**	**8,53,211**	**(9,29,765)**
For the year 2017-18			
Fee Collected during the year (A)	34,00,000.00	70,64,080	3,76,24,088
Expenses during the year (B)	54,86,456.00	69,22,831	4,41,46,684
Difference for the year (A-B)	**(20,86,456)**	**1,41,249**	**(65,22,596)**
For the year 2018-19			
Fee Collected during the year (A)	34,12,800.00	67,53,000	4,10,85,025
Expenses during the year (B)	32,97,130.00	67,14,019	4,02,34,871
Difference for the year (A-B)	**1,15,670**	**38,981**	**8,50,154**
Total	**(21,88,881)**	**10,33,441**	**(66,02,207)**

On the basis of aforementioned 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 at 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 directed to 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. Also transfer the expenditure & income from *"restricted fund account"* to *"Income & Expenditure"*.

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. The Directorate of Education in its Order No. DE.15/Act/Duggal.Com/ 203/99/23033-23980 dated 15 Dec 1999 indicated the heads of fee/ fund that recognised private unaided school can collect from the students/ parents which include:
   - Registration Fee

- Admission Fee
- Caution Money
- Tuition Fee
- Annual Charges
- Earmarked Levies
- Development Fee

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

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

It was noted that the school's fee structure include ancillary fees, Indoor sports fees, welfare charges, Notice fees, which is collected from all the students and based on details submitted by the school the same is utilized during the year. However, no break-up of such expenses has not been provided. Details of collection and utilization of fund provided by the school for FY2016-17 to FY 2018-19 is included hereunder:

(Amount in INR)

Particulars	**Ancillary fees**	**Welfare charges**	**Notice fees**	**Indoor Sports fees**
For the year 2016-17				
Fee Collected during the year (A)	3,43,78,800	8,38,400	1,80,980	-
Expenses during the year (B)	-	-	-	-
Difference for the year (A-B)	**3,43,78,800**	**8,38,400**	**1,80,980**	**12,75,122**
For the year 2017-18				
Fee Collected during the year (A)	3,29,18,720	9,18,720	3,31,515	71,16,100
Expenses during the year (B)	-	-	-	94,67,508
Difference for the year (A-B)	**3,29,18,720**	**9,18,720**	**3,31,515**	**(23,51,408)**
For the year 2018-19				
Fee Collected during the year (A)	4,37,18,400	8,30,400	4,38,081	78,45,200
Expenses during the year (B)	-	-	-	65,74,055
Difference for the year (A-B)	**4,37,18,400**	**8,30,400**	**4,38,081**	**12,71,145**
Total	**11,10,15,520**	**25,87,520**	**9,50,576**	**1,94,859**

School did not provide detailed breakup of cost. Based on the fact that the fee head of 'ancillary fees, Indoor sports fees, welfare charges, Notice fees' has not been defined for recognised private unaided school and the purposes for which the school has utilised the same is covered under 'Annual Charges' collected by the school from students, the school is directed to not collect such funds from students with immediate effect. For the purpose of evaluation of the fee hike proposal for FY 2019-2020, the above-mentioned fee has been included in budgeted income while deriving the fund position of the school.

3. The school has prepared a Fixed Asset register (FAR) that only captures asset name, date and amount. The school should also include details such as supplier name, invoice number, manufacturer's serial number, location, purchase cost, other costs incurred, depreciation, identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.
   As per para 67 of the Guidance Note on *'Accounting by Schools'* issued by "Institute of Chartered Accountants of India, *"The financial statements should disclose, inter alia, the historical cost of fixed assets."* Further, Notes to Part II of Appendix III to the aforementioned Guidance Note states *"Under each head, the original cost, the additions thereto and deductions therefrom during the year, depreciation written off or provided during the year, and the total depreciation written off or provided up to the end of the year should be stated."*

   From the audited financial statements of the school for FY 2018-2019, it was noted that while the school is not creating depreciation reserve by transferring the amount of depreciation charged on the assets to the depreciation reserve account, the school reports fixed assets on WDV basis, instead of historical cost basis.

   Further, no bifurcation of assets is given which are purchased from development fund.

   The school is directed to update the FAR with details mentioned above. The above being a procedural finding, no financial impact is warranted for deriving the fund position of the school.

4. 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 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. 1.02.2019.
- All GST & Tax Audit Reports w.e.f. 1.04.2019.
- All other attest functions w.e.f. 1.07.2019.

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 year 2019-2020 amounting to INR 42,75,89,595 out of which cash outflow in the year 2019-2020 is estimated to be INR 35,21,80,294. This results in net surplus of INR 7,54,09,301. 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)	1,88,14,945
Investments (Fixed Deposits) as on 31.03.19 (as per audited Financial Statements of FY 2018-19)	47,21,988
Investment in plan assets against retirement benefits as on 31.03.2019 (as per audited Financial Statements of FY 2018-19)	1,54,40,616
Total Liquid Funds Available with the School as on 31 Mar 2019	**3,89,77,549**
Add: Recovery of amount from society. **[Refer Financial Observation no.1]**	13,02,00,000

Add: Fees for 2018-19 as per audited Financial Statements on the assumption that the amount received in FY 2018-19 will at least accrue in FY 2019-20 **(Refer Note 1 below)**	27,24,79,122
Add: Other income for 2018-19 as per audited Financial Statements on the assumption that the amount received in FY 2018-19 will at least accrue in FY 2019-20 **(Refer Note 1 below)**	68,32,788
Gross Estimated Funds for FY 2019-2020	**44,84,89,459**
Less: Development fund bank balance as on 31.03.2019 **(Refer Financial observation No. 2)**	46,984
Less: Investment against retirement benefits **(Refer Financial Observation No. 3)**	1,54,40,616
Less: Caution Money as on 31.03.2019 **(Refer Financial Observation no.4)**	12,29,500
Less: FD with Yes Bank pledge in favour of SDMC as on 31.03.2019 **(as per audited financial statements)**	34,29,000
Less: FD in name of Secretary CBSE as on 31.03.2019 **(as per audited financial statements)**	6,67,295
Less: FD in name of Directorate of Education, Delhi as on 31.03.2019 **(as per audited financial statements)**	86,469
Net Estimated Funds for FY 2019-2020	**42,75,89,595**
Less: Budgeted expenses as per the Budgeted Financial Statement for the Financial Year 2019-20. **(Refer Note 2 & 3 below)**	32,89,18,664
Less: Arrears of salary on implementation of 7th CPC **(as per audited financial statements)**	2,32,61,630
Estimated Surplus	**7,54,09,301**

Note 1: All fees and other income as per audited financial statement of FY 2018-19 have been considered on the assumption that the amount received in FY 2018-19 will at least accrue in FY 2019-20 except excess liability written off amounting to INR 14,89,375 and profit on sale of asset INR 7,620 being non-cash item.

Note 2: Retirement benefits (Gratuity and Leave encashment) amounting to INR 1,32,00,000 proposed during the FY 2019-20 has not been considered while deriving the fund position of the school as the school has not invested equivalent amount of its liability in plan asset within the meaning of AS-15 (refer financial observation no. 3). Further, no details regarding actual pay-out to the staff upon retirement during FY 2019-20 has been provided by the school, therefore the total proposed amount has been disallowed.

Note 3: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except the following:

Particulars	Actual expense in FY 2018-19 (INR)	Expense budgeted in FY 2019-20 (INR)	Disallowed amount (INR)	Remarks
Repairs and maintenance of Building	63,39,022	1,46,05,800	26,04,180	School has proposed expenditure in excess of 10% as compared to the actual expenditure incurred in FY 2018-19 for which the school has not offered satisfactory explanation/justification. Therefore, the expenditures in excess of 10% over the previous year have not been considered in the evaluation of fee increase proposal.
Repairs and maintenance of furniture & fixture	28,81,475			
Other Repair and maintenance	16,90,066			
Rent	-	1,71,00,000	1,71,00,000	Refer financial observation no 1
Total	**1,09,10,563**	**3,17,05,800**	**1,97,04,180**	

ii. In view of the above examination, it is evident that the school has 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, 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 that along with certain financial and other observations, that the sufficient funds are 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 rejected.

AND WHEREAS, it is noticed that the school has utilised INR 13,02,00,000 in contravention of provisions of DSER, 1973 and other orders issued by the departments from time to time. Therefore, the school is directed to recover INR 13,02,00,000 from the society. The amount of above receipt along with copy of bank statements showing receipt of above-mentioned amount should be submitted with DoE, in compliance of the same, within thirty days from the date of issuance of this order. Non-compliance of this shall be taken up as per DSEA&R, 1973.

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 school has sufficient funds 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.

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 report within 30 days from the date of this order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the proposal of enhancement of fee for session 2019-20 of **Birla Vidya Niketan (School Id 1923250), Pushp Vihar-IV, Delhi - 110017** is rejected by the Director (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 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
Birla Vidya Niketan
(School Id 1923250),
Pushp Vihar-IV,
Delhi - 110017,

No. F.DE.15(630)/PSB/2022 / 3865-3869 Dated: 31/05/22

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 (South) 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