

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

No. F.DE.15(571)/PSB/2022 | 3326-3330

Dated: 23/05/22

ORDER

WHEREAS, Saraswati Bal Mandir, Aarambagh, Paharganj, New Delhi-110055 (School ID: 2128125), (hereinafter referred to as "the School"), run by the Samarth Shiksha Samati (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, **Saraswati Bal Mandir, Aarambagh, Paharganj, New Delhi-110055 (School ID: 2128125)** 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 25.10.2019 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. During the aforesaid hearing, compliances against order no. F.DE-15(281)/PSB/2019/1530-1534 dated 04.04.2019 issued for academic session 2017-18 were also discussed and school submissions were taken on record.

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

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

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

As per order no. F.DE-15(281)/PSB/2019/1530-1534 dated 04.04.2019 issued to the school post evaluation of proposal for enhancement of fee for FY 2017-18, it was noted that society transferred building amounting to INR 15,79,777 to the school and corresponding liability towards the society was created for such cost of the building transferred and further additions were made to the building amounting to INR 4,66,510 in FY 2015-16 from school funds which was not in accordance with above-mentioned provisions. Thus, school was directed to recover cost of building transferred and additions made to building from the society.

However, the school has not complied with the above direction and the aforesaid amount is still pending for recovery from the society.



Accordingly, INR 20,46,287 has been included in calculation of fund availability with the school considering the same as fund available with the school and school is again directed to recover such amount from the society within 30 days from the date of issue of this order.

2. 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*".

As per Order no. F.DE-15(281)/PSB/2019/1530-1534 dated 04.04.2019 issued to the school post evaluation of proposal for fee enhancement for the academic session 2017-18 wherein school was directed to obtain an actuarial valuation of its liability towards retirement benefits (gratuity and leave encashment) with corresponding earmarked investments to be made against provision for gratuity and leave encashment with LIC (or any other agency).

On review of submissions of documents after personal hearing, it has been noted that school has transferred amount of liability for retirement benefits to the society based on actuarial certificate received towards liability for retirement benefits cumulatively by the society (including all schools which comes under the society) for FY 2018-19. However, as per the financial statements for FY 2018-19, corresponding share of investments of the school in investment made by society against provision for retirement benefits has not been reflected under financial statements of the school.

In absence of valuation for school's share of investment, no amount has been considered while deriving the fund position of the school with the direction to the school to obtain valuation of investments made by society for employees of the school and ensure that the corresponding investments are disclosed appropriately in its succeeding financial statements.

3. As per Clause 14 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009, "*Development Fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture fixtures and equipment's. 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*".

Directorate's circular no. 1978 dated 16.04.2010 states "All schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees.

As per order no. F.DE-15(281)/PSB/2019/1530-1534 dated 04.04.2019 issued to the school post evaluation of proposal for fee enhancement for the academic session 2017-18, it was noted that school utilised development fee for meeting revenue expenditure in contravention of clause 14 mentioned above. However, school has continued charging development expenses in its financial statements for FY 2017-18 for which no supporting evidence has been provided.

On review of audited financial statements for FY 2018-19, it has been noted that the school has not provided financial statements prepared separately for development fund along with audited financial statements for FY 2018-19 due to which it could not be established whether school has complied with the above provisions.

Accordingly, school is directed to comply with the above mentioned provisions by not charging revenue expenditure through development fund and submit financial statements prepared for development fund along with its submission for evaluation of proposal for enhancement of fee for next financial year.

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."

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 taken into account while projecting fee structure for ensuing Academic year*".

On review of documents submitted by the school post personal hearing, it has been noted that school has not refunded interest along with refund of caution money to the students at the time of their exit from the school as required by the above mentioned provisions.

Accordingly, the amount to be refunded to students as per audited financial statements as on 31.03.2019 of INR 1,78,500 has been considered while deriving the fund position of the school and

the school is directed to ensure compliance with the provisions mentioned above by refunding interest along with caution money to exiting students and to treat unrefunded caution money belonging to ex-students as income in the next financial year.

B. Other Observations

1. As per the order dated 19.01.2016 issued by the Hon'ble High Court of Delhi, every recognized unaided schools to whom land was allotted by DDA shall not increase the rate of fees without the prior sanction of Director, Education. Further, as per the directions of Supreme Court in *Modern School vs. Union of India & Ors.* (supra), a Circular dated 16.04.2010 has been issued reiterating as under:
 - a) It is reiterated that annual fee-hike is not mandatory.
 - b) School shall not introduce any new head of account or collect any fee thereof other than those permitted. Fee/funds collected from the parents/students shall be utilized strictly in accordance with rules 176 and 177 of the Delhi School Education Rules, 1973.
 - c) If any school has collected fee in excess of that determined as per procedure prescribed, the school shall refund/adjust the same against subsequent instalments of fee payable by students.

Also, Clause no. 17 of Letter of Allotment of Land issued by DDA states that "*The school shall not increase the rates of tuition fee without prior sanction of the Directorate of Education, Delhi Admn. and shall follow provisions of Delhi School Education Act/ Rules, 1973 and other instructions issued from time to time.*"

On review of audited financial statements and documents submitted post personal hearing, it has been noted that for fee increase proposal of 2018-19 applied by the school, school has already charged increased fee for the session. According to the above mentioned provisions, the school shall not increase the rates of tuition fee without prior sanction of the Directorate of Education. In the given case, school has already charged increased fee for FY 2018-19 from the parents which is not in compliance with above mentioned provisions. Therefore, the same has to be refunded/adjusted.

Hence, the school is directed to refund/ adjust the increased fee collected from the students for FY 2018-19 and not to collect increased fee before prior approval from the Directorate and submit the compliance report within 30 days from the date of issue of this order.

2. 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.*"

Clause 22 of Order No. F.DE./15 (56) /Act /2009 / 778 dated 11.02.2009 states that *Earmarked levies shall be charged from the user student only. Earmarked levies for the services rendered shall be charged in respect of facilities involving expenditure beyond the expenditure on the earmarked levies already being charged for the purpose. They will be calculated and collected on 'no profit no loss' basis and spent only for the purpose for which they are being charged. All transactions relating to the earmarked levies shall be an integral part of the school accounts*



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).

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 Computer fee and smart class fee from students. However, the school has not maintained 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. Details of calculation of surplus/deficit, based on breakup of expenditure provided by the school for FY 2016-17, FY 2017-18 and FY 2018-19 are given below:

(Figures in INR)

Particulars	Computer Fee	Smart class and other Fee*
For the year 2016-17		
Fee Collected during the year (A)	5,40,320	-
Expenses during the year (B)	31,493	-
Difference for the year (A-B)	5,08,827	-
For the year 2017-18		
Fee Collected during the year (A)	4,80,495	5,82,860
Expenses during the year (B)	5,33,743	87,448
Difference for the year (A-B)	-53,248	4,95,412
For the year 2018-19		
Fee Collected during the year (A)	4,42,800	5,59,050
Expenses during the year (B)	5,698	92,263
Difference for the year (A-B)	4,37,102	4,66,787
Total	8,92,681	9,62,199

^ School has specifically not provided separate expense head for Smart class.

From the above table, the 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 record submitted by the school, it was noted that the school has been collecting Smart class fee and Computer fee from all the students which loses the character of earmarked levies. Therefore, the school is directed to stop the collection in the name of such fee with immediate effect.

Since, the school is not following fund base accounting in accordance with the provision cited above, the total fee (including earmarked fee) have been included in income and expenditure and have been considered in calculation of fund availability with the school and school is directed to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students. Unintentional surplus/deficit, if any, generated from earmarked levies has to be utilised 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 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.

3. As per para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states "Where the fund is meant for meeting capital expenditure upon incurrence of the expenditure the relevant asset account is debited which is depreciated as per the recommendations contained in this Guidance Note. Thereafter the concerned restricted fund account is treated as deferred income to the extent of the cost of the asset and is transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year." Further, Para 102 of the abovementioned 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/utilization 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 utilization of each fund balanced)*
- d) *Restrictions, if any, on the utilization of specific assets."*

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

On review of audited financial statements for FY 2018-19, it has been noted that school has maintained separate fund-based accounting for Development fund by preparing financial statements. However, school has not maintained development fund utilization fund to credit deferred income in income & expenditure account to the extent of the cost of the asset in proportion to the depreciation charged every year.



Since, the accounting treatment followed by the school does not fulfil the requirements of Guidance Note-21 issued by the Institute of Chartered Accountant of India hence, the school is directed to make necessary rectification entries in its books of accounts relating to development fund utilisation account and ensure compliance of Guidance Note-21 issued by ICAI.

4. As per Directorate's order no. F.DE-15(281)/PSB/2019/1530-1534 dated 04.04.2019 issued to the school post evaluation of proposal for fee enhancement for the academic session 2017-18, it was noted that school was not complying with the Order No.F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 as well as condition specified in Land allotment letter which provides for 25% reservation for children belonging to EWS category.

On review of submission of documents made by the school post personal hearing, details related to admission allowed by the school under EWS category from FY 2014-15 to FY 2018-19 is prepared which is as under:

Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Total Students	452	496	446	368	342
EWS Students	75	83	82	42	54
% of EWS Students	17%	17%	18%	11%	16%

As per table above, it is ascertained that school still has not complied with the directions of the Directorate to comply with the land allotment condition of minimum 25% reservation to EWS category students. The DDE (District) may look into this matter and school is directed to comply with the directions as the same shall be verified at the time of evaluation of proposal for fee enhancement for subsequent year.

5. On review of submission of documents made by the school after personal hearing, it has been noted that no process in relation to calling of quotations from vendor, approval process, gate inward control and payment etc has been submitted by the school and no process related to procurements were submitted along with it. The school has not submitted any comparative statement for evaluation of the quotations received from vendors and approval documents of the purchase committee.

Accordingly, the school is directed to follow proper procurement process and maintain proper documentation in relation to procurements and purchases done by the school. Compliance of the above shall be verified at the time of evaluation of proposal for fee enhancement for subsequent year.

6. The Directorate of Education, in its Order No. DE.15/Act/Duggal.Com/ 203/99/23033-23980 dated 15.12.1999, 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 this order”

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

From review of the fee receipts submitted by the school it has been noted that the school’s fee structure includes ‘Pupil fund’ as fee being collected from all students. As per the provisions of above-mentioned order, school is not allowed to collect pupil fund as fee.

Since fee head of Pupil Fund 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 therefore, the school is directed to not charge separate fee in the name of ‘Pupil Fund’ from the students with immediate effect and submit the compliance report within 30 days from the date of issue of this order.

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 Academic session 2019-20 amounting to INR 1,55,33,629 out of which cash outflow is estimated to be INR 1,35,46,423. This results in estimated surplus of INR 19,87,206. The details are as follows:

Particulars	Amount (In INR)
Cash and Bank balances as on 31.03.19 as per Audited Financial Statements	17,33,445
Investments in FDRs as on 31.03.19 as per Audited Financial Statements	7,40,405
Liquid funds as on 31.03.19	24,73,850
Add: Recovery from the society towards amount spent on building out of school funds (Refer Financial Observations No. 1)	20,46,287
Add: Fees for FY 2018-19 as per Audited Financial Statements (Refer Note 1 below)	1,11,54,985
Add: Other income for FY 2018-19 as per audited Financial Statements (Refer Note 1 below)	6,13,209
Total Available funds for FY 2019-20	1,62,88,331
Less: Investment in joint name with DOE (As per School's submission)	5,76,202
Less: Investment made with LIC against provision made for retirement benefits (Refer Financial Observations No. 2)	-



Less: Development Fund balance as on 31.03.19 (Refer Financial Observations No. 3)	-
Less: Caution money as on 31.03.2019 (as per audited financial statements for FY 2018-19) (Refer Financial Observations no. 4)	1,78,500
Estimated Available Funds for FY 2019-20	1,55,33,629
Less: Budgeted expenses for the session 2019-20 (Refer Note 2 below)	1,35,46,423
Less: Salary arrears as per 7 th CPC (Refer Note 3 below)	-
Estimated Surplus	19,87,206

Note 1: Income as per audited financial statements for FY 2018-19 has been taken assuming that the income accrued in FY 2018-19 will at least accrue to school in FY 2019-20 except development fee which is taken from audited financial statements of FY 2017-18 since school has not submitted development fund financial statements for FY 2018-19.

Note 2: All budgeted expenditure proposed by the school has been considered in the above table except the following:

Particulars	Amount Disallowed	Remarks
Establishment Expenses	32,04,387	School has not implemented the recommendations of 7 th CPC in FY 2019-20. Further no reasonable justification provided by the school for such increase in total establishment expenses in FY 2019-20 as compared to FY 2018-19.
Electricity & Water Charges	1,00,000	Reasonable explanation or supporting documents not provided by the school for such increase in expenditure.
Software Expenses	50,000	
Building Repair & Maintenance	1,32,110	
Activity Expenses	2,00,000	
Other Assets	2,00,000	
Audio Visuals	1,50,000	Such capital expenses are in contravention of Rule 177 of DSER, 1973.
Rainwater Harvesting System	3,00,000	
Total	43,36,497	

Note 3: The Directorate vide Order No. DE.15 (318)/PDB/2016/18117, dated 25.08.2017, the Managing Committee of all the private unaided recognized schools were directed to implement the Central Civil Revised Pay Rules 2016 in respect of the regular employees of the corresponding status in their schools with effect from 01.01.2016 as adopted by the Government of NCT of Delhi vide its circulars No. 30-3(17)/(12)/VII Pay Comm./Coord./2016/110006-11016 dated 19.08.2016 and No. 30-3(17)/(12)/VII Pay Comm./Coord./2016/12659-12689 dated 14.10.2016. Further, vide order No.

F.DE.15/ (318)/PSB/2019/11925-30 dated 09.10.2019, the managing committee of all Private Unaided Schools once again directed to implement the recommendation of 7th CPC with effect 01.01.2016 within 15 days from the date of issue of aforesaid order.

Further, section 10 of DSEA states “*the scales of pay and allowances, medical facilities, mention, gratuity, provident fund and other prescribed benefits of the employees of recognized private school shall not be less than those of the employees of the corresponding status in school run by the appropriate authority*”. Therefore, employees of all the private unaided recognized schools are entitled to get the revised pay commission. This legal position has been settled by the Hon’ble High Court long back at the in the matter of WPC 160/2017; titled as Lata Rana Versus DAV Public School & Ors vide order dated 06.09.2018 for implementation of sixth pay commission recommendations.

It has been noted that School Management has not yet implemented the recommendations of 7th CPC with effect from 01.01.2016 on the ground of insufficient funds with the school.

While as per Directorate’s Order no. F.DE-15(281)/PSB/2019/1530-1534 dated 04.04.2019 issued post evaluation of fee increase proposal of the school for the FY 2017-18, wherein school was directed to implement the recommendations of 7th CPC but the school has not complied with the direction mentioned in the previous year’s order. However, the school has not yet decided to implement the recommendations of 7th CPC in FY 2019-20 and has not included the impact of such expenditure in its budget for FY 2019-20 which is not in compliance of the above mentioned provisions. Therefore, the school is directed to implement the recommendations of 7th CPC in full within 30 days from the date of issue of this order. A strict action against the school would be initiated u/s 24(3) of DSEA, 1973 for non-compliance with the direction cited above.

- 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 20,46,287 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 20,46,287 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 **Saraswati Bal Mandir, Aarambagh, Paharganj, New Delhi-110055 (School ID: 2128125)** 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

Saraswati Bal Mandir (School ID: 2128125)

Aarambagh, Paharganj, New Delhi-110055

No. F.DE.15(571)/PSB/2022 / 3326-3330

Dated: 23/05/22

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 (Central) 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