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

No. F.DE.15 (114)/PSB/2022/ 658-662 Dated: 20/01/23

Order

WHEREAS, **Plato Public School (School ID- 1002274) I.P. Extn.(Near Meena Apartments), Patpargang, New Delhi-110092,** (hereinafter referred to as **"the School"**), run by the **Plato Education Society** (hereinafter referred to as the **"Society"**), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi **(hereinafter referred to as "DoE"),** under the provisions of Delhi School Education Act & Rules, 1973 **(hereinafter referred to as "DSEAR, 1973")**. The school is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

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

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

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

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

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

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

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

"27...

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

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

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

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

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/4440-4412 dated 08.06.2022, 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 academic session 2022-23.

AND WHEREAS, in pursuance to order dated 08.06.2022 of the DOE, the school submitted its proposal for fee increase for the academic session **2022-23**. Accordingly, this order dispenses the proposal for fee increase submitted by the school for the academic session **2022-23**.

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 increase proposal filed by the aforesaid School for the academic session 2022-23, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 4th October 2022 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 that hearing, the compliance of order no. F.DE.15(776)/PSB/2022/4984-4988 dated 23.06.2022 issued for the academic session 2019-20 was also discussed and the school submission were taken on record.

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for fee increase and subsequent documents submitted by the school as a result of the personal hearing, were evaluated thoroughly by the team of Chartered Accountants. After evaluation of fee increase proposal of the school and its subsequent clarifications and submissions, following key suggestions for improvement were noted:

A. Financial Suggestions for Improvement

1. Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11 Feb 2009 states "Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment. Development fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development Fund Account."

   As per direction no. 2 included in the Public Notice dated 4 May 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 Oct 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 Feb 2005 issued by this Directorate states "Capital expenditure cannot constitute a component of the financial fee structure."

   Accordingly, based on the aforementioned public notice and High Court judgement, the cost relating to land and construction of the school building has to be met by the society, being the property of the society and school funds i.e. fee collected from students is not to be utilised for the same except in compliance with Rule 177 of DSER, 1973.

   Rule 177 of DSER, 1973 states "(1) 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 managing committee for meeting the capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely:
   - award of the 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.

   (2) The savings referred to in sub-rule (1) 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 development nature,
   (c) the expansion of the school building or for the expansion or construction of any building or establishment of hostel or 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.

   It was noted that the school has utilized development funds totalling to INR 69,95,834 during FY 2015-16 to FY 2018-19 towards renovation/development of school building out of development fund which is in contravention of Rule 177 of DSER, 1973 which was communicated to the school vide Directorate Order No. F.DE.15(776)/PSB/2022/4984-4988 dated 23.06.2022 issued post evaluation of fee increase proposal for academic session 2019-20

   Post personal hearing, the school has submitted the response stating that *"The clause 2 of public notice dated 04.05.1997 states that "not to charge building fund and development charges when the building is complete or otherwise as it is the responsibility of the society………in light of the above stated facts and figures, we hereby request to allow the expenditure incurred and capitalized in the audited financial* *statements which is not contravention of the provisions of DSEAR 1973 and Hon'ble High Court Judgement and should not be recovered from the society"*

The contention of the school is incorrect because based on the above-mentioned provisions and pronouncements of the Courts, the cost relating to land and construction of school building should be borne by the society, being the property of the society and the school funds i.e., fee collected from students should not be utilized for the same. Further, Rule 177 of DSER, 1973 states, the school fee at the first instance should be utilized for meeting establishment cost and other benefits admissible to the employees and capital expenditure should be met out the saving, if any. Furthermore, the school did not implement the recommendation of the 7th CPC and has not invested an amount in qualify assets for payment of retirement benefits in accordance with AS-15. Therefore, the contention of the school is not tenable and justified.

Moreover, based on the review of audited financial statements for the FY 2019-20 to FY 2021-22, it has been noted that the school has utilised development fund against the upgradation of building. It was also observed that the school is following component-based accounting in the case of building upgradation as the same has been accounted in the books of accounts in separate components such as Building finishing & furnishing INR 4,21,086, Building Activity Block INR 5,40,395, Lift INR 12,13,365, Upgradation of Science & Computer Lab INR 1,17,000, and Building Stadium INR 14,59,056 instead of capitalising the total expenditure of INR 37,50,902 under the fixed asset "Building". Therefore, the amount spent by the school towards the building upgradation of INR 37,50,902 during FY 2019-20 to 2021-22 is considered as contravention of Rule 177 of DSER, 1973.

Accordingly, as the school has not complied with the direction issued in the previous year order. Therefore, the amount spent by the school on building of INR 1,07,46,736 (INR 69,95,834 plus INR 37,50,902) is hereby added to the fund position of the school considering the same as funds available with the school with the direction to the school to recover this amount from the Society within 30 days from the date of this order.

In view of the above, expenditure proposed by the school in FY 2022-23 against upgradation of science lab INR 2,50,000, upgradation of computer lab INR 2,50,000 and Building finishing & furnishing INR 5,00,000 has also not been considered while deriving the fund position of the school for FY 2022-23.

2. As per Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states "*Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses.*" Further, the Accounting Standard defines Plan Assets (the form of investments to be made against liability towards retirement benefits) as:
   a. Assets held by a long-term employee benefit fund; and
   b. Qualifying insurance policies

   Para 57 of Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India, *"An enterprise should determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date."*

   An appropriate charge to the income and expenditure account for a year should be made through a provision for accruing liability. The accruing liability should be calculated according to actuarial valuation. However, if the school employs only a few persons say less than 50, it may calculate the accrued liability by reference to any other rational method. The ensuing amount of provision for liability should then be invested in *"Plan Assets"* as per AS-15 issued by ICAI.

On review of the documents submitted by the school post personal hearing, it has been noted that the requirement of AS-15 is not applicable to the school as it has employed less than 50 staff in a year. The school has reported liability of INR 1,53,14,429 towards gratuity in the audited financial statements of FY 2021-22. However, it has been noted that the school has not provided the actuarial valuation report as on 31.03.2022 whereas the actuarial valuation report provided by the school states the liability against gratuity of INR 1,80,41,992 for 38 employees as on 31.03.2019. Therefore, the school has not provided the full liability for retirement benefits in its audited financial statements. Additionally, it has been noted that the school has not calculated liability towards leave encashment in the books of accounts.

During the review of additional documents, it has been noted that the school has invested an amount of INR 20,00,000 in Plan Asset as on 31.03.2022 which can be utilized for payment of gratuity as and when required. However, the same is not equivalent to the amount of present obligation as disclosed in the actuarial report. Accordingly, an amount of INR 20,00,000 has been considered while deriving the fund position of the school with the direction to make provision for leave encashment in the audited financial statements based on the actuarial valuation report/management estimate and to make an equivalent investment which qualify as plan assets within the meaning of AS-15 against gratuity and leave encashment and submit the compliance report within 30 days from the date of issue of this order.

B. Other Suggestions for improvement

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."*

   Clause 21 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 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."*

   Clause 22 of Order No. F.DE /15(56)/ Act/2009/778 dated 1.02.2009 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."*

   Clause 6 of Order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12.1999 states *"Earmarked levies shall be charged from the user student only."*

   Rule 176 states *"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."*

   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 at 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 form of restricted funds, which, according to Guidance Note-21 '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 Guidance Note-21 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 and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account.

From the information provided by the school post personal hearing, it has been noted that school charges earmarked levies in the form of Activity fees, Multimedia Fees, Assessment fees, and Science & C++ fees from the students but has not maintained fund-based accounting. The surplus/deficit generated by the school from these earmarked levies in last three financial years are as under:

(Figures in INR)

Particulars*	Activity Charges	Multimedia Fees	Assessment Fees	Science & C++ Fees
For the year 2019-20				
Fee Collected during the year (A)	9,05,200	9,20,430	8,56,800	10,87,827
Expenses during the year (B)	4,45,472	2,02,996	6,69,977	9,12,180
Difference for the year (A-B)	**4,59,728**	**7,17,434**	**1,86,823**	**1,75,647**
For the year 2020-21				
Fee Collected during the year (A)	6,000	13,450	13,200	2,781
Expenses during the year (B)	2,11,550	-	1,25,285	10,246
Difference for the year (A-B)	**-2,05,550**	**13,450**	**-1,12,085**	**-7,465**
For the year 2021-22				
Fee Collected during the year (A)	10,99,200	8,93,880	7,96,800	14,74,399
Expenses during the year (B)	9,82,790	-	4,56,956	4,96,716
Difference for the year (A-B)	**1,16,410**	**8,93,880**	**3,39,844**	**9,77,683**
Total (Surplus)	**3,70,588**	**16,24,764**	**4,14,582**	**11,45,865**

* The above table is showing the surplus/losses of last 3 financial years in accordance with the data submitted by the school against earmarked levies.

In view of the above the earmarked levies are to be collected only from the user students availing the services, and if any service/facility has been extended to all the students at the school, a separate charge cannot be levied towards these services by the school as the same would get covered either from tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee). Accordingly, charging earmarked levies in the name of Multimedia fees and Assessment fees from all the students loses its character of earmarked levy. Thus, the school is directed not to charge such fee as earmarked levy with immediate effect and should incur the expenses relating to these from tuition fee and/or annual charges.

Moreover, it was also noted that the school failed to disclose transport fees/expenses in the income and expenditure account rather it was presented directly in designated funds maintained for Transport fee which is in contravention of GN-21.

Similar point was also noted in Directorate Order No. F.DE.15(776)/PSB/2022/4984-4988 dated 23.06.2022 issued post evaluation of fee increase proposal for academic session 2019-20. However, the school has not complied with the directions given in the previous order. Therefore, the school is again 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 must 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 in the subsequent proposal of fee increase by 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.

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 vide its order No. F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 directed that the school shall provide 25% reservation to children belonging to EWS category. Even as per the land allotment letter, the school is required to provide free ship to students belonging to weaker section. However, as per the information provided by the school for FY 2019-20 to FY 2021-22, it has been noted that the school was not complying with the abovementioned DOE's Order and condition mentioned in the land allotment letter which provides for granting of free ship to the extent of 25% to the children belonging to EWS category. Therefore, DDE District may be requested to look into this matter and ensure compliance with the above requirements. The details of total students and EWS students for the FY 2019-20 to 2021-22 are tabulated below:

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**
EWS	Data not provided by the school	179	174
Total Strength		1084	1068
% Of EWS students to total strength		**17%**	**16%**

Similar point was also noted in Directorate Order No. F.DE.15(776)/PSB/2022/4984-4988 dated 23.06.2022 issued post evaluation of fee increase proposal for academic session 2019-20. As the school has not complied with the direction issued in the previous year order, therefore the school is again directed to comply with the directions included in orders above.

3. According to the Directorate of Education Order No F. DE.-15/Act-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016, In exercise of the powers confirmed by Clause (xviii) of Rule 50 and Rule 180 of the Delhi School Education Rules, 1973, the Director specified that the format of return and documents to be submitted by schools under Rule 180 read with Appendix-II of the Delhi School Education Rules, 1973 shall be as per format specified by the Institute of Chartered Accountant of India, established under Chartered Accountant Act 1949 (38 of 1949) in Guidance Note on Accounting by the Schools (2005).

As required in aforesaid provisions, school is required to prepare receipt & payment account as part of their financial statements. However, on review of audited Financial Statements for the FY 2021-22, it has been noted that the school is not preparing Receipt and Payment account as a part of the financial statements. Therefore, school is directed to prepare Receipt and Payment Accounts in accordance with the guidance note cited above.

4. The school shall prepare a Fixed Assets Register (FAR) that captures date, asset name, amount, supplier name, invoice number, manufacturer's serial number, location, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place as a part of internal control measure.

   Therefore, the school is directed to prepare the fixed assets register with the above details and submit the compliance report within 30 days from the date of issue of this order.

5. Review of the proposal for fee increase for academic session 2022-23 submitted by the school indicated that the school did not include/disclose transport fee collected by it from students in its proposal for fee increase submitted for FY 2022-23. The school is directed to disclose all fee heads collected from students including earmarked levies such as transport fees. 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 FY 2022-23 amounting to INR **5,66,80,333** out of which cash outflow in the FY 2022-23 is estimated to be INR **6,19,73,285.** This results in deficit of INR **52,92,952** for FY 2022-23 after all payments. The details are as follows:

Particulars	**Amount (in INR)**
Cash and Bank balances as on 31.03.22 as per audited financial statements	6,96,339
Investments as on 31.03.22 as per audited financial statements **(Refer Note 1 Below)**	61,78,419
Liquid Funds Available with the School as on 31 Mar 2022	**68,74,758**
Add: Fees for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 Below)**	4,41,51,344
Add: Other income for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 below)**	9,23,434
Net available funds for FY 2022-23	**5,19,49,536**
Add: Amount recoverable from Society for amount paid against building construction during FY 2015-16 to FY 2018-19 **(Refer Financial Suggestion No. 1)**	69,95,834
Add: Amount recoverable from Society for amount paid against building construction during FY 2019-20 to FY 2021-22 **(Refer Financial Suggestion No. 1)**	37,50,902
Less: Investment in LIC against Gratuity and Leave Encashment **(Refer Financial Suggestion No. 2)**	20,00,000
Less: Development Fund as on 31.03.2022 as per audited financial statements	33,25,408
Less: Transport fund as on 31.03.2022 as per audited financial statements	2,37,618
Less: FDR held jointly in the name of CBSE as on 31.03.2022 as per audited financial statements **(Refer Note 1 below)**	1,98,272
Less: FDR held jointly in the name of DDE as on 31.03.2022 as per audited financial statements **(Refer Note 1 below)**	2,54,641
Estimated availability of funds for FY 2022-23	**5,66,80,333**

Particulars	Amount (in INR)
Less: Budgeted expenses for the session 2022-23 (after making adjustment including 7th CPC arrears) **(Refer Note 3 below)**	**6,19,73,285**
Net Deficit	**52,92,952**

Note 1: The detail of fixed deposit held by the school as per the audited financial statements of FY 2021-22 is provided below:

Particulars	Amount (in INR)	Remarks
FDR against gratuity fund	35,35,711	Available with the school for utilization.
Investment in LIC against Gratuity	20,00,000	Deducted while calculating available funds of the school. **(Refer Financial Suggestion no. 1)**
FDR against Depreciation reserve fund	1,89,795	Available with the school for utilization.
FDR in the joint name of CBSE	1,98,272	Deducted while calculating available funds of the school.
FDR in the joint name of DDE	2,54,641	Deducted while calculating available funds of the school.
Total	**61,78,419**	

Note 2: All the fees and other income as per audited financial statements of FY 2021-22 has been considered with the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23 except Depreciation on development fund assets amounting to INR 27,26,461 being a non-cash item and Arrears (2020-21) amounting to INR.

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

Heads	Budgeted expenditure in FY 2022-23	Amount Disallowed	Remarks
Revenue Expenditure			
Salaries to teaching and non- teaching staff	3,44,94,000	21,89,014	Restricted within 115% of the expenses incurred by the school in previous year.
ERP expenses	27,00,000	23,99,701	

4 Month Salary reserve	1,03,00,000	1,03,00,000	As per clause 10 of Form-II of Right of Children to Free and Compulsory Education Act 2009, the schools are required to maintain liquidity equivalent to 3 months' salary and this amount should be invested in the joint name of Dy. Director (Education) and manager of the school. Generally, it is done in the form of FDR in any scheduled bank. As per audited financial statements of the school for the FY 2021-22, balance of Salary Reserve fund as on 31.03.2022 is INR 26,24,188. However, the school has not earmarked equivalent investment in the joint name of the Dy. Director and Manager of the school. Therefore, the proposed expenditure against salary reserve has not been considered while calculating the fund position of the school.
Depreciation	37,00,000	37,00,000	Expense being a non-cash item
Capital Expenditure			
Building – Finishing & Furnishing	5,00,000	5,00,000	Refer Financial Suggestion No. 1
Upgradation of Science Lab	2,50,000	2,50,000	
Upgradation of Computer Lab	2,50,000	2,50,000	
Total	**5,21,94,000**	**1,95,88,715**	

ii. In view of the above examination, it is evident that the school does not have surplus fund to meet its budgeted expenditure for the academic session 2022-23 at the existing fee structure. In this regard, the directions issued by the Directorate of Education vide 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. 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 suggestions that the sufficient funds are not available with the school to carry out its operations for the academic session 2022-23. Accordingly, the fee increase proposal of the school may be accepted.

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 2022-23.

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 experience, the benefit of such collected arrears is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6th CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 12% to be effective from 01 Oct 2022.

AND WHEREAS, the school is directed, henceforth to take necessary corrective steps on the financial and other suggestions 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 fee increase for the academic session 2022-23 of **Plato Public School (School ID- 1002274) I.P. Extn.(Near Meena Apartments), Patpargang, New Delhi-110092** is hereby accepted by the Director (Education) and the school is allowed to increase its fee by 12% to be effective from 01 Oct 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 is issued with the prior approval of the Competent Authority

Nandini

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To:
The Manager/ HoS
Plato Public School
I.P. Extn.(Near Meena Apartments),
Patpargang, New Delhi-110092
(School ID- 1002274)
No. F.DE.15(1144)/PSB/2022/ 658-662

Dated: 20/01/23

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 (East) 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.

Nandini

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi