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

No. F.DE.15 (1149)/PSB/2022/ 632-636 **Dated: 20/01/23**

Order

WHEREAS, **Bharat Bharti Public School (School ID- 1002376) Mayur Vihar Phase III, Delhi 110096,** (hereinafter referred to as **"the School"**), run by the **Shivali Shiksha Sansthan** (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 enhancement of fee for the academic session **2022-23**. Accordingly, this order dispenses the proposal for enhancement of fee 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 hike 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 21st September 2022 and on 7th 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.

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 by the team of chartered accountants and key suggestions noted for improvement by the school are hereunder:

A. Financial Suggestions for Improvement

1. As per clause 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 10.02.02005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

   Also, Rule 177 of DSER, 1973 states "*Income derived by an unaided recognized school by way of fees shall be utilized 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 utilized 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 recognized 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. Further, 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".

   Accordingly, based on the above-mentioned public notice and Court's judgement, the cost relating to land and construction of the school building must be met 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. Moreover, the school fee can only be utilized for meeting pay, allowances and other benefits admissible to the employees of the school and not for capital expenditure of building and land.

   On review of audited financial statements for FY 2019-20, FY 2020-21 and FY 2021-22 and based on the discussion with the school, it has been noted that school building was recorded in the school books by crediting unsecured loan payable to society. The school further, explained that society has taken loan for construction of school building. Accordingly, the school has been transferring some funds to the society every year to meet the shortfall in payment of secured loan. In last 3 years, the school has transferred INR 28,50,000, INR 1,10,000 and INR 15,00,000 during the FY 2019-20, FY 2020-21 and FY 2021-22 for payment of unsecured loan taken by the society.

   Therefore, the total amount of INR 44,60,000 is hereby added to the fund position of the school considering the same as funds available with the school and with the direction to the school to recover this amount from the society within 30 days from the date of this order.

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 for getting actuarial valuation report is not applicable to the school as it has employed less than 50 staff in a year. However, on review of audited financial statements submitted by the school, it has been noted that the school has not made any provision towards its gratuity and leave encashment in the audited financial statements.

Therefore, the school is directed to make provision for gratuity and leave encashment in the audited financial statements based on the rational method and invest the same in an investment which qualify as plan assets within the meaning of AS-15 within 30 days from the date of issue of this order.

3. 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 income generated from the investment made from this fund, will be kept in a separately maintained Development Fund Account."

   Para 67(ii) of the Guidance Note-21 'Accounting by School states *"The financial statements should disclose, inter alia, the historical cost of fixed assets." Further, as per* the Generally Accepted Accounting Principles, where the school is creating depreciation reserve fund, the fixed assets should be shown at Gross Value.

   Para 99 of Guidance Note-21 Accounting by Schools 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 Guidance Note-21 also states "In respect of funds, schools should disclose the following in the schedules/notes to accounts:

i. In respect of each major fund, opening balance, additions during the period, deductions/utilization during the period and balance at the end;
ii. Assets, such as investments, and liabilities belonging to each fund separately;
iii.Restrictions, if any, on the utilization of each fund balance;
iv.Restrictions, if any, on the utilisation of specific assets."

Taking the cognizance from the above para, the school needs to create the 'Development Fund Utilisation Account' as deferred income to the extent of cost of assets purchased out of development fund and then this deferred income should be amortised in the proportion of the depreciation charged to income and expenditure account. However, on review of audited Financial Statements of the School from FY 2019-20 to 2021-22, it has been noted that the school does not follow the accounting practice suggested in the aforesaid para of the guidance note cited above and do not maintain any deferred income account. Further, the school has not maintained separate bank account for development fee collection and has not made earmarked investments against the development fund presented in the audited financial statements at the year-end which is in contravention of aforesaid clause 14 of order dated 11.02.2009.

Further, the school has not been maintaining depreciation reserve fund which is the precondition for collection of development fee and has been reporting fixed assets at written down value. Thus, the accounting treatment followed by the school with respect to the collection and utilization of development funds/fee is not in accordance with the provisions cited above.

Therefore, the school may be instructed to ensure the compliance with the above-mentioned provision of clause 14 of this Directorate's Order No. F.DE. /15 (56)/ Act/2009/778 dated 11.02.2009 and Guidance Note-21 and not to collect development fee from the students until its books of accounts is rectified.

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 Transport 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:

Particulars	Transport Fees (Amount in INR)
For the year 2019-20	
Fee Collected during the year (A)	3,73,905
Expenses during the year (B)*	5,11,907
Difference for the year (A-B)	**(1,38,002)**
For the year 2020-21	
Fee Collected during the year (A)	-
Expenses during the year (B)	2,56,726
Difference for the year (A-B)	**(2,56,726)**
For the year 2021-22	
Fee Collected during the year (A)	-
Expenses during the year (B)	4,15,209
Difference for the year (A-B)	**(4,15,209)**
Total (Surplus)	**(8,09,937)**

* The school has not collected transport fee during FY 2020-21 and 2021-22.

The school is also 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. 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 per the documents submitted by the school, it has been noted that the school is not preparing Receipt and Payment account as a part of the financial statements during FY 2019-20 to FY 2021-22. Therefore, school is directed to prepare the Receipt and Payment Accounts in accordance with format specified in Appendix-II of the Directorate of Education order dated 16.04.2016. Non-compliance of the above direction shall be reviewed seriously at the time of evaluation of proposal for enhancement of fee for subsequent year.

3. 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 the 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 has not complied with above requirement in FY 2019-20 to FY 2021-22. 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:

Particular	FY 2019-20	FY 2020-21	FY 2021-22
EWS	147	166	173
Total Strength	921	880	918
% Of EWS students to total students	**15.96%**	**18.86%**	**18.84%**

4. As per Order No. F.DE-15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016 "The Director hereby specify 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 Accountants of India, established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note on Accounting by Schools (2005) or as amended from time to time by this Institute."

   On review of audited Financial Statements for the FY 2021-22, it has been noted that the depreciation on fixed assets have been provided at the rates prescribed in the Income Tax Rules,

1962. Therefore, the school is directed to provide depreciation on assets in accordance with the guidance note cited above.

5. Para 18 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states that *"schools should follow recognition and measurement principles, within the framework of accrual basis of accounting, for the purpose of preparation of their financial statements."*

   On review of the financial statements of the school for the FY 2019-20 to FY 2021-22, it has been noted the school is following hybrid approach for recording of transactions i.e., incomes and expenditures are booked on accrual basis and some are booked on cash basis. Thus, the school has not correctly applied recognition and measurement principle mentioned in Guidance note cited above. Therefore, the school is directed to follow accrual basis of accounting and recognize both income and expenses on accrual basis only. Compliance of the above shall be verified at the time of evaluation of proposal for enhancement of fee for the subsequent year.

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 **2,88,25,672** out of which cash outflow in the FY 2022-23 is estimated to be INR **3,11,77,950.** This results in deficit of INR **23,52,278** 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	51,30,452
Investments as on 31.03.22 as per Audited Financial Statements **(Refer Note 1 Below)**	2,58,125
Liquid Funds as on 31.03.2022	**53,88,577**
Add: Recovery of amount paid to society to repay loan taken by society for construction of building **(Refer Financial Suggestion No. 1)**	44,60,000
Add: Fees for FY 2021-22 as per Audited Financial Statements **(Refer Note 2 Below)**	1,71,50,766
Add: Other income for FY 2021-22 as per Audited Financial Statements **(Refer Note 3 Below)**	20,56,846
Total Available Funds for FY 2022-23	**2,90,56,189**
Less: FDR in the name of DoE as on 31.03.2022 **(Refer Note 1 Below)**	2,30,517
Net Available Funds for FY 2022-23 - (A)	**2,88,25,672**
Less: Budgeted expenses for the session 2022-23 **(Refer Note 4 Below)**	2,15,55,630
Less: 7th CPC Arrears **(Refer Note 5 Below)**	96,22,320
Estimated Budgeted Expenditure for FY 2022-23 - (B)	**3,11,77,950**
Net Deficit (A-B)	**23,52,278**

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	2,30,517	FDR is in the name of the DOE
FDR	27,608	FDR is in the name of the school

Particulars	Amount (in INR)	Remarks
Total	**2,58,125**	

Note 2: The Department vide its Order No.F.No.PS/DE/2020/55 dated 18.04.2020 and Order No.F.No.PS/DE/2020/3224-3231 dated 28.08.2020 had issued guidelines regarding the chargeability of fees during the pandemic COVID 2019. The department in both the above-mentioned orders directed to the management of all the private schools not to collect any fee except the tuition fee irrespective of the fact whether running on the private land or government land allotted by DDA/other land-owning agencies and not to increase any fee in FY 2020-21 till further direction.

The department in pursuance of the order dated 31.05.2021 in WPC 7526/2020 of Single Bench of the Hon'ble High Court of Delhi and interim order dated 07.06.2021 in LPA 184/2021 of the Division Bench of Hon'ble High Court of Delhi and to prevent the profiteering and commercialization, again directed to the management of all the petitioners private unaided recognized schools through its Order No. F. No. DE.15 (114) /PSB /2021 /2165-2174 dated 01.07.2021:

(i) *"to collect annual school fee (only all permitted heads of fees) from their students as fixed under the DSEAR, 1973 for the academic year 2020-21, but by providing deduction of 15% on that amount in lieu of **unutilized facilities** by the students during the relevant period of academic year 2020-21".* And if the school has collected the fee in excess to the direction issued by the Hon'ble Court, the same shall be refunded to the parents or adjusted in the subsequent month of fee or refund to the parents.

(ii) The amount so payable by the concerned students be paid in six equal monthly instalments w.e.f. 10.06.2021.

(iii) The above arrangement is also applicable for collection of fee for FY 2021-22.

From review of the audited financial statements of FY 2021-22 and based on the further information provided by the school, it has been noted that the school has reported tuition fees, annual charges and development charges after providing rebate to the students more than 15% and has also been noted that the school is recording its income on receipts basis. Thus, the school is not maintaining its books and accounts in accordance with GAAP (Generally Accepted Accounting Principles).

As per the information provided by the school, the total income of the school has been INR 1,70,97,500. However, the school has given discount of INR 1,07,42,579 to students on account of Covid. The school has under reported its income in its audited financial statements of FY 2021-22 as compared to last 2 financial years to get a fee hike from the department. Therefore, the income collected by the school during the FY 2021-22 with respect to tuition fee, annual charges and development fees have been grossed up to make it comparative with the income of FY 2022-23. The detailed calculation has been provided below:

Particulars	Income as per AFS of FY 2021-22	Income Considered while deriving the fund position for the FY 2022-23	Remarks
Tuition Fee	52,42,817	1,42,69,800	Tuition Fees, Annual charges and Development fees of FY 2021-22 has been increased to 100% as the school has collected these after allocating rebate during FY 2021-22.
Annual Charges	6,65,774	21,60,500	
Development Fees	4,46,330	6,67,200	
Total	**63,54,921**	**1,70,97,500**	

Note 3: All the 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.

Note 4: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except the following:

Heads	Amount (INR)	Remarks
Transport Expenses	4,48,300	Neither income nor expenditure has been considered while calculating the fund position of the school for FY 2022-23 on the assumption that earmarked levies are collected on no profit/no loss basis.

Note 5: As per information provided by the school, post personal hearing it has been noted that school currently is not paying salary as per 6th CPC. The school mentioned that a lumpsum salary is being paid to the staff. The school will implement the recommendations of 7th CPC from FY 2022-23 onwards.

Post hearing, the school has submitted 7th CPC salary arrears for the period 1st April 2020 to 31st March 2022 amounting to INR 1,40,60,952 including salary arrears of contractual employees amounting to INR 28,12,190. Hence, salary arrears amounting to INR 96,22,320 (INR 1,40,60,952 minus INR 28,12,190) has been considered while calculating the fund position of the school.

ii. In view of the above examination, it is evident that the school does not has adequate funds for meeting all the operational expenditures for the FY 2022-23. In this regard, the directions issued by the Directorate of Education vide circular no. 1978 dated 16 April 2010 states.

"All schools must, first of all, explore and exhaust the possibility of utilizing 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 utilized 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 suggestions that were identified (appropriate financial impact has been taken on the fund position of the school) and certain procedural suggestions which were also noted (appropriate instructions against which have been given in this order), 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, it is relevant to mention charging of any arrears on account of fee for several months from the parents is not advisable, not only because of the additional sudden burden fall upon the parents/students but also as per the past experience, the benefit of such collected arrears is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6th CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 13% to be effective from 01 October 2022.

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 funds are not available with the school for meeting financial implication for the academic session 2022-23. Hence, for smooth payment of salaries and other employee's benefit, the fee hike is required to the School.

AND WHEREAS, the school is directed, henceforth to take necessary corrective steps on the financial and other suggestion noted during the above evaluation process and submit the compliance report within 30 days from the date of issue of this order to the D.D.E (PSB).

Accordingly, it is hereby conveyed that the proposal for fee hike of **Bharat Bharti Public School (School ID- 1002376) Mayur Vihar Phase III, Delhi 110096** filled by the school in response to the Order No. F.DE.-15(40)/PSB/2019/4440-4412 dated 08.06.2022 for the academic session 2022-23, is accepted by the Director (Education) with the above conclusion and suggestions and the school is hereby allowed to increase the fee by 13% to be effective from 1 October, 2022.

Further, the management of said School is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. To increase the fee only by the prescribed percentage from the specified date.

2. To ensure payment of salary is made in accordance with the provision of Section 10(1) of the DSEA, 1973. Further, the scarcity of funds cannot be the reason for non-payment of salary and other benefits admissible to the teachers/ staffs in accordance with section 10 (1) of the DSEA, 1973. Therefore, the Society running the school must ensure payment to teachers/ staffs accordingly.

3. To utilize the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of section 24(4) of Delhi School Education Act, 1973 and Delhi School Education Rules, 1973.

This is issued with the prior approval of the Competent Authority.

Nandini

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

To:

The Manager/ HoS
Bharat Bharti Public School
School ID- 1002376
Mayur Vihar Phase III, Delhi 110096

No. F.DE.15 (149)/PSB/2022/ 632-636 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