

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

No. F.DE.15 (007)/PSB/2022/ 8601-8605

Dated: 25/10/22

Order

WHEREAS, DAV Public School (School ID - 1106226), East of Loni Road Delhi - 110093 (hereinafter referred to as "the School"), run by the DAV College Managing Committee (hereinafter referred to as "Society"), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (hereinafter referred to as "DoE"), under the provisions of Delhi School Education Act & Rules, 1973 (hereinafter referred to as "DSEAR, 1973"). The school is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

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 Delhi School Education Act, 1973 (hereinafter read as 'the Act') with the Director. Such statement will indicate estimated income of the school derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc in terms of Rule 177(1) of the Delhi School Education Rules, 1973 (hereinafter read as 'the Rules').

AND WHEREAS, as per section 18(5) of the Act read with section 17(3), 24 (1) of the Act and Rule 180 (3) of the DSEA & R, 1973, responsibility has been conferred upon the Director (Education) to examine the audited financial, account and other records maintained by the school at least once in each financial year. The Section 18(5) and Section 24(1) of the Act and Rule 180 (3) 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.'*

Thus, the Director (Education) has the authority to examine the full statement of fees filled under section 17(3) of the DSEA, 1973 and returns and documents submitted under section 18(5) of DSEA, 1973 read with rule 180 (1) of DSER, 1973

AND WHEREAS, besides the above, the Director (Education) is also required to examine and evaluate the fee hike proposal submitted by the private unaided recognized schools which have been allotted land by the DDA/ other land-owning agencies with the condition in their allotment to seek prior approval from Director (Education) before any increase in fee.



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

AND WHEREAS, it was also directed by the Hon'ble Supreme Court to the Director of Education in the aforesaid matter titled Modern School Vs. Union of India and others in Para 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 Director of Education to ensure the compliance of term, if any, in the letter of allotment regarding the increase of the fee by all the recognized unaided schools which are allotted land by DDA/ land owing agencies.

AND WHEREAS, accordingly, the DoE vide Order No. F.DE-15(40)/PSB/2019/4440-4412 dated 08.06.2022, directed all the private unaided recognized schools, running on the land allotted by DDA/other land-owning agencies at 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 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 DoE.

AND WHEREAS, in the process of examination of the fee hike proposal filed by the aforesaid school, necessary records and explanations were also called from the school through email dated 05.08.2022. The school was also provided an opportunity to be heard on 10.08.2022 to present its justifications/clarifications on the fee increase proposal. Based on the discussion with the school during a personal hearing, the school was further asked to submit the necessary documents and clarification on

various issues noted. In the aforesaid personal hearing, compliance of Order No. 15/ (673)/PSB/2022/4145-4149 dated 03.06.2022 issued for FY 2019-20 were also discussed with the school and the school's submissions were taken on record

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for the fee hike post personal hearing, the fee hike proposal was evaluated by the team of Chartered Accountants and the key suggestions noted for improvement by the school are hereunder:

A. Financial Suggestion for Improvements

1. *Section 18(5) of the DSEA, 1973 states "the managing committee of every recognized private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such returns shall be audited by such authority as may be prescribed". Further, Rule 180 (1) of DSER, 1973 states "every recognized private school shall submit returns and documents in accordance with Appendix-II".*

Point No. (2) of the Appendix-II requires final accounts i.e., receipts and payments account, income and expenditure account and balance sheet of the preceding year should be duly audited by the Chartered Accountant.

Accordingly, the DoE vide Order No. F.DE-15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016, specified the format of returns and documents submitted to be submitted by the private unaided recognized schools. As per this order the format of the financial statements shall be such as specified by the Institute of Chartered Accountants of India (ICAI), established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note-21 'Accounting by Schools (2005)' as amended from time to time by ICAI.

Based on the abovementioned provisions, every private unaided recognized school is required to get its accounts audited by the Chartered Accountant before submission of return under Rule 180(1) of DSER, 1973. The documents submitted by the school were taken on record. Review of the audited financial statements and Independent Auditors Report for FY 2021-22 the following was noted:

- a. The audit report has been issued in Form 10B under the Income Tax Act, 1961 which is not in conformity of the above-mentioned provisions.
- b. In the audit report the auditor has mentioned 'profit and loss account' whereas the school is required to prepare 'income and expenditure account'.
- c. The auditor has provided some of the observation as part of the audited financial statements. However, the auditor has not mentioned the implication of which in its auditors' report.

In view of the above, the school is hereby directed to get its accounts in accordance with above mentioned provisions and resolve all queries raised by the statutory auditor before completion of the audit. The compliance this direction will be examined while evaluating the fee hike proposal of the subsequent years. However, for the purposes of evaluation of fee hike proposal for academic session 2022-23, balance sheet and income and expenditure submitted by the school has been considered.



2. Clause No. 2 of Public Notice dated 04.05.1997 states *"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 titled Delhi Abibhavak Mahasangh concluded states *"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."*

As per Clause 14 of Order No. F.DE. /15(56)/Act/2009/778 dated 11.02.2009 and Clause 7 of Order No. DE 15/Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 stated *"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 out of this fund, will be kept in a separately maintained Development Fund Account."*

Based on the aforementioned-provisions, cost relating to land and construction of school building should be met by the society, being the property of the society and the school funds i.e., the fee collected from the students should not be used for such purpose.

The DoE in the Order No.15/ (673)/PSB/2022/4145-4149 dated 03.06.2022 and Order No. 15(604)/PSB/2018/30173-77 dated 05.12.2018 issued to the school, post evaluation of fee hike proposal for FY 2019-20 and 2017-18, noted that the school had incurred capital expenditure on construction of building amounting to INR 8,45,158 and INR 53,05,861 respectively and the aforesaid expenditure was incurred without complying with the provision of the Rule 177 of DSER, 1973 and clause 14 of the order dated 11.02.2009.

While evaluating the fee increase proposal of FY 2019-20, the school explained that such expenses were incurred for renovation of library and laboratories and no new classroom was constructed. Since no new classrooms was constructed, the cost of which can be met out of the income of the school and cannot be passed on to the society. The representation of the school cannot be accepted on the grounds that the same was not incurred in accordance with Rule 177 of DSER, 1973 given the facts the fact the school were neither paying salary to the staff as per the recommendation of the 7th CPC nor invested the amount in plan assets for payment of retirement benefits. Accordingly, the school was directed to recover INR 61,51,019 from society which is still pending for recovery.

Therefore, the amount of INR 61,51,019 which pending for recovery has been considered as funds available with the school with the direction to the school to recover this amount from society within 30 days from the date of issue of this order.

3. Clause 14 of the 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."* Thus, the



development fee/funds should not be utilized for any other purposes other than those specified in Clause 14 of the Order dated 11.02.2009.

From a review of the audited financial statements of FY 2021-22, it has been noted that the school has been collecting the development fee from students however, from FY 2015-16, it has been treating this as revenue receipts instead of capital receipts. The audited financial statement of FY 2021-22 revealed development fund balance of INR 2,78,72,294 as on 31.03.2022 without having liquid funds/investment against this.

During the personal hearing, the school explained that due to paucity of funds it has already utilized all the funds for payment of salary and salary related cost. During the hearing the school was asked provided fund wise collection and utilization which the school has not provided. Accordingly, the development fee collected by the school in last three financial years (examination restricted to last three years only) was not in accordance with clause 14 of the order dated 11.02.2009. Accordingly, the amount of INR 1,77,25,822 (i.e., collection minus capital expenditure) as tabulated below has been included while deriving the fund position of the school with the direction to the school to recover this amount from society/ school management within 30 days from the date of issue of this order.

Particulars	Amount (INR)
Development fee collected in last three financial years	1,77,64,480
Less: Capital expenditures incurred in last three financial years	38,658
Development fee utilized school for revenue expenditure	1,77,25,822

The school is further directed to ensure the collection and utilization of development fee/ fund in accordance with above cited Clause 14 of the order dated 11.02.2009. As per Clause 14 of the order dated 11.02.2009, the development fund/fee can only be used for purchase upgrade and replacement of furniture fixture and equipment not for other purposes.

4. Clause 14 of this Directorate's Order No.F.DE/15 (56)/Act/2009/778 dated 11.02.2009 states "Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up gradation and replacement of furniture, fixtures and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made from this fund, will be kept in a separately maintained Development fund Account."

Para 99 of Guidance Note-21 'Accounting by school' issued by the Institute of Chartered Accountants of India (ICAI), relating to restricted fund, "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".

Taking the cognisance 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 revenue account. By following the aforesaid accounting treatment for development fund, development fund utilisation account and depreciation on assets purchased out of development fund as per para 99 of GN-21, the depreciation reserve fund would be mere an accounting head and school do not require creation of equivalent investments against the depreciation reserve.

From review of presentation of the audited financial statements of FY 2021-22, it has been noted that development funds balance of INR 2,78,72,294 appearing in the audited financial statements since 01.04.2015 without having liquid fund/invest against this as confirmed by the school during the personal hearing. In addition to this the school has been collecting development fee every year and treats the same as revenue expenditure as mentioned in the previous suggestion.

Further, the audited financial statements of the school revealed that the school has not been following para 99 of the GN 21 because deferred income is not appearing in the audited financial statements of the school.

In view of the above, the development fund balance of INR 2,78,72,294 has not been considered while deriving the fund position of the school with the direction to the school, to rectify its books of accounts as per para 99 and do not collect the development fee from the students until then.

5. Para 7.14 of AS-15 "*Employee Benefit*" issued by the Institute of Chartered Accountants of India (ICAI) states 'Plan Assets as:
- a. assets held by a long-term employee benefit fund; and
 - b. qualifying insurance policies."

Further, the para 57 of the AS-15 states "*an enterprise should determine the present value of defined benefit obligations and the fair value any plan assets with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.*"

Review of the audited financial statements of FY 2021-22 revealed that the school has not recorded liability for retirement benefits in accordance with the actuarial report. As per the actuarial valuation report the total liability for retirement benefits were INR 4,67,45,575 against the reported liability of INR 3,01,22,396 as on 31.03.2022 resulting under provision by INR 1,66,23,179 in the audited financial statements. The school further, submitted that it has invested INR 1,74,31,618 with LIC and submitted the investment proof. As the investment with LIC qualifies as plan assets within the meaning of AS-15. Therefore, amount invested by the school has been considered while deriving the fund position of the school with the direction to the school to deposit the remaining amount in plan assets and submit the compliance report within 30 days from the date of issue of this order. The details gratuity and leave encashment provision and investment is provided below.

Particulars	Gratuity	Leave Encashment	Total Amount (INR)
Liability as per Actuarial Valuation -LIC	3,64,35,567	1,03,10,008	4,67,45,575
Liability as per AFS	2,57,73,550	43,48,846	3,01,22,396

Particulars	Gratuity	Leave Encashment	Total Amount (INR)
Short provision made in the audited financial statements	(1,06,62,017)	(59,61,162)	(1,66,23,179)

6. The submissions of the school regarding payment of administrative charges @ 4% of basic pay (as per 6th CPC) of staff were taken on record and included in Directorate's order no. F.DE-15/ACT-I/WPC-4109/PART/13/ 958 dated 13.10.2017. However, while evaluating the fee hike proposal for academic session 2019-20, it was noted that the school had paid administrative charges to DAV CMC @ 6% & 7% on salary (Basic pay + Grade pay) for FY 2017-18 & 2018-19 respectively.

The school was directed vide order No. F.DE.15 (29)/PSB/2019/2694 dated 27.03.2019 post implementation of the recommendations of 7th CPC, the school should not incur administrative charges beyond 2% of the basic salary which the school has started following.

However, the excess administrative charged paid by the school to DAV CMC of INR 26,39,595 as per the Order No. 15/ (673)/PSB/2022/4145-4149 dated 03.06.2022 is still pending for recovery. Therefore, amount of INR 26,39,595 has been considered while deriving the fund position of the school with the direction to the school to recover this amount from society within 30 days from the date of issue of this order.

B. Other Suggestion for Improvements

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

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

- receives capitation fee, shall be punishable with fine which may be extended to ten times the capitation fee charged.*
- subjects a child to screening procedures shall be punishable with a fine which may extend to twenty-five thousand rupees for the first contravention and fifty thousand rupees for each subsequent contravention.*

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

Further, the Supreme Court in its Judgement dated 02.05.2016 in the matter of Modern 'Dental College and Research Centre Vs. State of Madhya Pradesh [Medical Council of India]' held that education is a noble profession and emphasized that:

"Every demand of capitation fee by educational institutions is unethical & illegal. It emphasized that commercialization and exploitation are not permissible in the education sector and institutions must run on a 'no-profit-no-loss' basis".

The Hon'ble Supreme Court categorically held that *"though education is now treated as an 'occupation' and, thus, has become a fundamental right guaranteed under Article 19(1) (g) of the Constitution, at the same time shackles are put in so far as this particular occupation is concerned, which is termed as noble. Therefore, profiteering and commercialization are not permitted, and no capitation fee can be charged. The admission of students has to be on merit and not at the whims and fancies of the educational institutions,"*

Further, the Hon'ble High Court in LPA 196/2004 in the matter of '*Rakesh Goyal Vs. Montfort School and Section 13(1) of RTE Act, 2009*' states *"no school or person shall, while admitting a child, collect any Capitation fee/Donation from the parents. Any school or person who contravenes this provision and receives a capitation fee, shall be punishable with a fine which may extend to ten times the capitation fee charged"*.

Further, The Directorate of Education, vide Order No. DE15/ Act/Duggal.com/203/99/23033-23980 dated 15.12.1999 and Order No.F.DE, /15(56)/Act/2009/778 dated 11.02.2009, indicated the following types of fee that a recognised private unaided school can collect from the students/parents:

- a. Registration Fee
- b. Admission Fee:
- c. Caution Money
- d. Tuition Fee
- e. Annual Charges
- f. Earmarked Levies
- g. Development Fee

Based on the provisions mentioned above, charging of 'Pupil fund, Magazine, journals, diary Fees' from the students is in the nature of capitation fee only. Additionally, if the school is charging unwarranted fee under different heads or introduce new head of fee other than the prescribed heads of fee and accumulates surplus fund out of it, it is also prima-facie considered to be a collection of capitation fee in other manner and form.

Accordingly, the collection of Pupil Fund, Smart Class Fees, Magazine and Diary indicates that the school is engaged in profiteering and commercialization of education.

As per Section 27 of the DSEA, 1973, the manager of the school is responsible to look after the operation of the school smoothly and to ensure compliance with the provision of the DSEAR, 1973 including the compliance of the High Court/Supreme Court and orders/circulars issued by the Directorate of Education from time to time in this regard. As the manager and principal have been bestowed with the power to ensure the school's proper functioning, including ensuring the admission process transparently are jointly as well as in their personal capacity be responsible for levy and collection of capitation fee and any another unauthorized fee collected by the school.

Therefore, the school is directed to not charge capitation as mentioned above with immediate effect and recover this amount from the manager/ principal of the school along with the penalty of 10 times and refund/ adjust the same against the subsequent installment of fee by the students. The school is also directed to submit compliance with this direction within 30 days from the date of



issue of this order. Non-compliance with this direction would be reviewed seriously and a necessary action against the school will be initiated U/s 24(4) of the DSEA, 1973 by the department.

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 10,56,81,427** out of which cash outflow for the FY 2022-23 is estimated to be **INR 11,18,16,788**. This results in deficit of **INR 61,35,362** after meeting all expenditures. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.2022 as per Audited Financial Statement	1,04,60,564
Investments as on 31.03.2022 as per Audited Financial Statement	1,83,14,289
Current account with DAV CMC	5,28,620
Capital Fund with DAVCMC	58,34,329
Liquid fund as on 31.03.2022	3,51,37,801
Add: Recovery from Society for construction of school building (Refer Financial Suggestion No. 2)	61,51,019
Add: Utilization of development fee in contravention of Clause 14 of Order dated 11.02.2009 (Refer Financial Suggestion No. 3)	1,77,25,822
Add: Recovery from society towards excess administrative charge (Refer Financial Suggestion No. 6)	26,39,595
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note No. 1 Below)	5,48,24,198
Add: Other income for FY 2021-22 as per audited Financial Statements (Refer Note No. 1 Below)	80,72,781
Total available funds for FY 2022-23	12,45,51,216
Less: FDR on joint name with DOE	8,82,671
Less: Student Security Deposit	5,55,500
Less: Development Fund as on 31.03.2022v (Refer Financial Suggestion No. 4)	-
Less: Investment made with LIC against provision made for retirement benefits	1,74,31,618
Estimated Available Funds for FY 2022-23	10,56,81,427
Less: Budgeted Expenditure as provided by the school (Refer Note No. 2 and 3 Below)	7,55,55,881
Less: Arrears of 7th CPC minus amount allowed as per the previous year's order (i.e. INR 4,62,60,907 minus INR 1,00,00,000)	3,62,60,907
Estimated Deficit	61,35,362

Note 1: 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 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 government land owing agencies and not to increase any fee in academic session 2020-21 till further direction.

Further, 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 commercialisation, directed to the management of all the petitioners private unaided recognised 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.

As the school has not provided separate details about the collection under each head of fee. Therefore, income reported under the financial statements of FY 2021-22 has been considered.

Note 2: All budgeted expenditure of the school has been considered while deriving the fund position of the school except the following:

Particulars	Actual Expenses as per AFS of FY 2021-22	Budgeted Expenses for FY 2022-23	Amount Disallowed (INR)	Remarks
Salaries and wages (excl Retirement Benefits)	5,99,48,186	7,89,94,587	1,34,91,582	Restricted up to 110% of the expenses incurred in PY
Gratuity & Leave Encashment	50,16,090	55,19,056	55,19,056	Refer Point 4 of financial suggestion
Salary Arrears	-	4,62,60,907	-	Considered Separately
Travelling expense	-	1,00,000	1,00,000	New head of expenses introduced
Uniform expense	-	1,00,000	1,00,000	
Staff welfare	-	10,000	10,000	
Insurance-Student Group Insurance	-	1,50,000	1,50,000	
Garden expense	-	50,000	50,000	
DAV United Magazine	-	1,00,000	1,00,000	
Students Refundable Security	-	50,000	50,000	
Inspection Charges PF	-	1,01,959	1,01,959	
Loan repayment	-	73,64,460	73,64,460	
APP Sabha/ Arya Samaj	300	30,000	30,000	Donations are not allowed

Particulars	Actual Expenses as per AFS of FY 2021-22	Budgeted Expenses for FY 2022-23	Amount Disallowed (INR)	Remarks
				under Rule 177 of DSER, 1973
Car/vehicle maintenance	66,097	2,00,000	1,27,293	Restricted up to 110% of the expenses incurred in PY
Transport Expenses (CNG)	56,459	3,00,000	2,37,895	
Insurance	96,759	2,00,000	93,565	
Transport hire charges	-	24,00,000	4,00,000	
Electricity & Water Charges	3,65,872	5,00,000	97,541	
Telephone Expense	23,768	80,000	53,855	
Postage and telegram	1,590	5,000	3,251	
Refreshment	9,175	1,00,000	89,908	
Medical expense	2,521	50,000	47,227	
Co-curriculum activities	14,994	1,50,000	1,33,507	
Examination expense	45,823	2,00,000	1,49,595	
In-service education	-	80,000	80,000	
Printing and stationery	83,203	5,00,000	4,08,477	
Newspaper and periodicals	4,070	50,000	45,523	
Advertisement	-	1,00,000	1,00,000	
Lab expense	13,536	2,00,000	1,85,110	
Housekeeping-Agency charges	15,67,411	35,00,000	17,75,848	
Legal and professional charges	60,200	2,00,000	1,33,780	
Misc. expense	83,468	5,00,000	4,08,185	
Building Repair	3,03,798	10,00,000	6,65,822	
Electrical Repair	28,690	1,00,000	68,441	
Computers Repair	2,59,134	5,00,000	2,14,953	
Furniture Repair	2,500	2,00,000	1,97,250	
Sanitation Repair	14,888	1,50,000	1,33,623	
Furniture and fixture (Capex)	15,000	2,00,000	1,83,500	
Office equipment (Capex)	-	1,00,000	1,00,000	
Computer (Capex)	-	4,00,000	4,00,000	
Sport Equipment's (Capex)	-	2,00,000	2,00,000	
Library (Capex)	5,400	50,000	44,060	

Note 3: While evaluating the fee hike proposal, department considers that how much liquid funds would require the school for a particular session for smooth operation without compromising with the quality of education. Thus, while deriving the fund position of the school all legitimate expenditures revenue as well as capital in accordance with the provisions DESAR, 1973 and pronouncement of Courts judgment have been considered. Therefore, balance of the other current assets other and current liabilities has not been considered. Because it is clear that the current assets, loans and advances and current liabilities are cyclic in nature and the same have already been considered in the form of budgeted income and expenditure of the school in the earlier years. Thus, current assets, loans and advances and current liabilities will always reflect in the financial statements at the end of the financial year.

- 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 16.04.2010 states 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 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 noticed that the school has incurred INR 2,65,16,436 in contravention to the provisions of DSEAR, 1973 and other orders issued by the departments from time to time. Therefore, the school is directed to recover the aforesaid amount from society/ management. The receipts along with copy of bank statements showing receipt of the above-mentioned amount should be submitted with DoE, in compliance of the same, within 30 days from the date of issue of this order. Non-compliance with this direction shall be viewed seriously as per the provision of DSEAR, 1973 without providing any further opportunity of being heard.

AND WHEREAS, considering the financial situation and existing deficiencies and keeping in view that salary and other employee's benefits can be paid to the teachers and staff smoothly, the fee hike is allowed to the school with the suggestions for improvement. The school is hereby further directed that the additional income received on account of increase fee should be utilized at first instance only for payment of salary and salary arrears and submit the compliance report within 30 days from the date of issue of this order

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 10% 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 **DAV Public School (School ID - 1106226), East of Loni Road, Delhi – 110093** 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 10% 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.



(Yogesh Pal Singh)

**Deputy Director of Education
(Private School Branch)**

Directorate of Education, GNCT of Delhi

**To
The Manager/ HoS
DAV Public School
(School ID - 1106226),
East of Loni Road,
Delhi - 110093**

No. F.DE.15 (1007)/PSB/2022 / 8601-8605

Dated: 25/10/22

Copy to:

1. P.S. to Principal Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. DDE (North 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.



(Yogesh Pal Singh)
Deputy Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi