

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

No. F.DE.15 ¹⁴¹⁷ /PSB/2023/ 5183 - 5187

Dated: 06/06/23

Order

WHEREAS, Remal Public Senior Secondary School, Block A-2, Sector – 3, Rohini, Delhi-110085 (School Id: 1413238) (hereinafter referred to as “the School”), run by the Remal Public School 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, the manager of every recognized 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.’*

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 increase proposal submitted by the private unaided recognized schools for some of the schools which have been allotted from Director (Education) before any increase in fee.

AND WHEREAS, 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 increase of fee for the academic session 2022-23. Accordingly, this order dispenses the proposal for increase of fee submitted by the school for the academic session 2022-23.

AND WHEREAS, in order to examine the proposals submitted by the schools for fee increase for justifiability or not, the DoE has evaluated the fee increase proposals of the School carefully in accordance with the provisions of the DSEAR, 1973, and other Orders/ Circulars issued from time to time by the DoE.

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 09th May 2023 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. In the aforesaid personal hearing, compliance of Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/(628)/PSB/2022/ 3875-3879 dated 31.05.2022 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 DOE and the key suggestions noted for improvement by the school are hereunder:

A. Financial Suggestions for Improvement

1. 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."*

The Directorate in its Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (628)/PSB/2022/ 3875-3879 dated 31.05.2022 issued for FY 2019-20, directed the school to recover INR 10,42,482 (Purchase cost of Bus of INR. 20,56,200 plus

Interest on term loan of INR 2,26,202 minus outstanding balance of Loan of INR. 12,39,920) from the society against the amount spent by the school on payment of principal balance and interest on secured loan taken by the school for purchase of bus during FY 2017-18. However, the recovery from the society is still pending.

The analysis of the audited financial statements for FY 2021-22 revealed that the school continued to repay the EMIs for the bus and the outstanding balance of loan stood at INR 32,625 as at 31.03.2022. The school had paid interest of INR 4,03,860 and principal of INR 20,23,575 till the end of 31.03.2022 for this bus without ensuring the compliance of directions of DoE contained in order dated 10.02.2005 and Rule 177.

Accordingly, the amount spent by the school from school funds amounting to INR. 24,27,435 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 issue of this order.

The school is also directed to utilize school funds neither for repayment of loan nor payment of interest thereon and make appropriate accounting entries to rectify the General Fund.

2. Para 57 of Accounting Standard 15 - 'Employee Benefits' issued by the Institute of Chartered Accountants of India states *"An enterprise should determine the present value of defined 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."*

According to para 7.14 of the Accounting Standard 15 – *"Employee Benefits' issued by the Institute of Chartered Accountants of India"*, Plan assets comprise:

- (a) assets held by a long-term employee benefit fund; and
- (b) qualifying insurance policies."

The Directorate in its Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (628)/PSB/2022/ 3875-3879 dated 31.05.2022 issued for FY 2019-20, directed the school to report correct provisions of retirement benefits in its audited financial statements and invest an amount equivalent to liability determined by the actuary in the plan assets as defined in the AS-15 issued by ICAI.

On review of audited financial statements for FY 2019-20 to 2021-22, it is observed that the school has provided for gratuity in FY 2021-22 on the basis of the actuarial valuation report obtained by the school but has not provided for leave encashment in its books of accounts. Also, the school has not invested the amount in plan assets as defined in AS-15.

Thus, the school is hereby directed to state leave encashment liability in the audited financial statements as per the actuarial report and also, invest an amount equivalent to liabilities determined by the actuary in the plan assets against gratuity and leave encashment within 30 days from the date of issue of this order.

3. As per Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11.02. 2009 states *"Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, up gradation and replacement of furniture, fixtures*

and equipment. Development Fee, if required to be charged, shall be treated as capital receipt and shall be collected only if the school is maintaining a Depreciation Reserve Fund, equivalent to the depreciation charged in the revenue accounts and the collection under this head along with and income generated from the investment made out of this fund, will be kept in a separately maintained Development fund Account.”

The Directorate in its Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (628)/PSB/2022/ 3875-3879 dated 31.05.2022 issued for FY 2019-20, directed the school to maintain separate bank account for the amount collected as development fee and investment made out of this fund so that at the end of the accounting year the unutilised balance of development fund and corresponding amount in the form of cash/bank and investment could be matched.

The audited financial statement of FY 2021-22 revealed the closing balance of development fund was INR 1,47,64,426 and the closing balance of cash/bank and investment was INR 17,463 and there was the difference of INR 1,47,46,963 between development fund balance and corresponding liquid assets (available in the form of cash/bank and investment).

In view of above observation, no adjustment for development fund balance appearing in the audited financial statements is considered while deriving fund position of school.

4. Section 2(m) defines that "Manager" in relation to a school, means the person, by whatever name called, who is entrusted, either on the date on which this Act comes into force or, as the case may be, under a scheme of management made under section 5, with the management of the affairs of that school”.

Further, Rule 59 of DSEAR, 1973 states, “Regarding appointment and qualification of Manager 59(2)(i), the educational and other qualifications of the manager and his duties and responsibilities; the position of the manager viz-a-viz the managing committee:(j) no employee of an aided school (other than the head of school) shall be appointed as the manager, the head of school may be appointed the manager of a school, whether aided or unaided;(k) appointment of the manager; the terms and conditions of his appointment; removal of the manager; filling up of casual vacancy in the office of the manager, duties and responsibilities of the manager;(l) bills (including bills relating to the salaries and allowances of the teachers and non-teaching staff) shall be jointly signed by the manager and the head of the school; but where the head of the school is also the manager, such bills shall be signed jointly by the head of the school and another member of the managing committee specially authorised by that committee in this behalf;(m) that the administration and academic work of the school shall be attended to by the head of school, and except where the head of school is the manager, the manager shall not interfere with the day-to-day administration and academic work of the school;(r) manager shall not be at the same time the manager of any other school and a person shall not be at the same time the chairman of the managing committee and the manager. Thus, the manager of the school cannot be treated as employee of the school as he functions on behalf of the managing committee and cannot be paid salary as per the provisions of the DSEAR, 1973. The post of Manager is an honorary post and the same is filled through nomination/election as per the provisions of Rule 59 of DSEAR, 1973. Hence, the Manager of the School cannot be treated as employee of the school as he functions on behalf of the managing committee and cannot be paid salary as per the provisions of the DSEAR, 1973.

On review of records submitted by the school, the school is paying salary to the manager in FY 2019-20 to 2021-22 @ INR 70,635 per month. Accordingly, the total salary paid by the school of INR 25,42,860 is recoverable from the society of the school within 30 days from the date of issue of this order. Accordingly, INR 25,42,860 is hereby added as funds available with the school while deriving the fund position of the school.

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.*"

Further clause 21 of the aforesaid order states "*No annual charges shall be levied unless they are determined by the Managing Committee to cover all revenue expenditure, not included in the tuition fee and 'overheads' and expenses on play-grounds, sports equipment, cultural and other co-curricular activities as distinct from the curricular activities of the school.*"

Rule 176 - 'Collections for specific purposes to be spent for that purpose' of the DSER, 1973 states "*Income derived from collections for specific purposes shall be spent only for such purpose.*"

Para no. 22 of Order No. F.DE./15(56)/ Act/2009/778 dated 11.02.2009 states "*Earmarked levies will be calculated and collected on 'no-profit no loss' basis and spent only for the purpose for which they are being charged.*"

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

Sub-rule 3 of Rule 177 of DSER, 1973 states "*Funds collected for specific purposes, like sports, co-curricular activities, subscriptions for excursions or subscriptions for magazines, and annual charges, by whatever name called, shall be spent solely for the exclusive benefit of the students of the concerned school and shall not be included in the savings referred to in sub-rule (2).*" Further, Sub-rule 4 of the said rule states "*The collections referred to in sub-rule (3) shall be administered in the same manner as the monies standing to the credit of the Pupils Fund as administered.*"

Also, earmarked levies collected from students are form of restricted funds, which, according to Guidance Note on Accounting by Schools issued by the Institute of Chartered Accountants of India, are required to be credited to a separate fund account when the amount is received and reflected separately in the Balance Sheet.

Further, the aforementioned Guidance Note lays down the concept of fund-based accounting for restricted funds, whereby upon incurrence of expenditure, the same is charged to the Income and Expenditure Account ('Restricted Funds' column) and a corresponding amount is transferred from the concerned restricted fund account to the credit of the Income and Expenditure Account ('Restricted Funds' column).

The Directorate in its Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (628)/PSB/2022/ 3875-3879 dated 31.05.2022 issued for FY 2019-20, directed the school to maintain separate fund account depicting clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students.

On review of audited financial statements for FY 2019-20 to 2021-22, it has been noted that the school charges earmarked levies in the form of transport fees, smart class fees, activity fee and computer & science fees from the students and the surplus generated from earmarked levies are utilised for meeting other expenses of the school or the losses incurred are met from other fees/income.

Details of collection and utilisation of earmarked levies are as under:

Particulars	Transport Fee (in INR)	Smart Class Fee (in INR)	Activity Fee (in INR)	Science and Computer Fee (in INR)
For the year 2019-20				
Fee Collected during the year (A)	30,48,900	12,50,100	5,25,470	1,77,560
Expenses during the year (B)	27,96,051	6,31,640	7,02,407	1,10,989
Difference for the year (A-B)	2,52,849	6,18,460	-1,76,937	66,571
For the year 2020-21				
Fee Collected during the year (A)	-	21,195	7,950	11,900
Expenses during the year (B)	3,93,748	-	350	1,03,467
Difference for the year (A-B)	-3,93,748	21,195	7,600	-91,567
For the year 2021-22				
Fee Collected during the year (A)	-	-	-	-
Expenses during the year (B)	-	-	-	-
Difference for the year (A-B)	-	-	-	-
Total	-1,40,899	6,39,655	-1,69,337	-24,996

Further, the school has maintained separate fund accounts for these earmarked levies from FY 2021-22 but the school has not depicted clearly the amount collected, amount utilised and balance amount for each earmarked levy collected from students.

Accordingly, the school is directed to follow fund-based accounting and to evaluate costs incurred against each earmarked levy and propose the revised fee structure for earmarked levies in the subsequent fee increase proposal 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. Unintentional surplus, if any, generated from earmarked levies has to be utilized or adjusted against earmarked fees collected from the users in the subsequent year.

Based on the above-mentioned provisions, earmarked levies are to be collected only from the user students availing the service/facility. In other words, if any service/facility has been extended to all the students of the school, a separate charge should not be levied for the service/facility as the same would get covered either under tuition fee (expenses on curricular activities) or annual charges (expenses other than those covered under tuition fee).

Therefore, the school is directed not to charge Activity Fee and Smart Class Fee as earmarked fee with immediate effect and should incur the expenses relating to these either from tuition fee or from annual charges. 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 thereof tantamount to profiteering and commercialization of education as well as charging of capitation fee in other form.

2. The school has prepared a Fixed Assets Register (FAR) that only captures asset name, date and amount. The school should also include details such as supplier name, invoice number, manufacturer's serial number, location, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.

The Directorate in its Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (628)/PSB/2022/ 3875-3879 dated 31.05.2022 issued for FY 2019-20, directed the school to update the FAR with relevant details mentioned above and also follow a consistent accounting policy as per GN-21 of ICAI.

However, as per the school's reply, the school is in the process of updating its FAR. Accordingly, the school is again directed to update the FAR with relevant details and also follow a consistent accounting policy as per GN-21 of ICAI. This being a procedural finding no financial impact has been given.

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 4,83,14,224 out of which cash outflow in the FY 2022-23 is estimated to be INR 3,80,49,232. This results in surplus of INR 1,02,64,992 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	21,57,783
Investments as on 31.03.22 as per Audited Financial Statements	9,03,394
Liquid Funds as on 31.03.2022	30,61,177
Add: Recovery of principal & interest payment on loan for purchase of vehicles (Refer Financial Observation No. 1)	24,27,435
Add: Recovery from society of salary paid to the manager of the school (Refer Financial Observation No. 4)	25,42,860
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	3,11,07,375
Add: Other Income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	39,49,789
Add: Additional Income of Annual Charges and Development Fund (Refer Note 3 Below)	9,82,474
Add: Additional Fees due to increase in fee @15% from 01.07.2022 (Refer	48,15,595

Particulars	Amount (in INR)
Note 4 Below)	
Total Available Funds for FY 2022-23	4,88,86,705
Less: FDR in the name of Manager & DOE as on 31.03.2022 (Refer Note 1 Below)	4,52,481
Less: FDR in the name of Manager & CBSE as on 31.03.2022 (Refer Note 1 Below)	1,20,000
Less: Development Fund as on 31.03.2022 (Refer Financial Observation No. 3)	-
Net Available Funds for FY 2022-23 (A)	4,83,14,224
Less: Budgeted expenses for the session 2022-23 (Refer Note 5 below)	3,80,49,232
Less: Salary Arrears as per 7 th CPC (Refer Note 6 below)	-
Total Estimated Expenditure for FY 2022-23 (B)	3,80,49,232
Net Surplus	1,02,64,992

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

Particulars	Amount (in INR)	Remarks
FDR in the joint name of CBSE & School	1,20,000	Deducted while calculating available funds of the school.
FDR in the name of Manager and DoE	4,52,481	Deducted while calculating available funds of the school.
Total	5,72,481	

Note 2: All the fee and other income as per audited financial statements for the 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 3: 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.

From review of the audited financial statements for the FY 2021-22 and based on the further information provided by the school post personal hearing, it has been noted that the school has reported 100% of the tuition fees and annual charges and development fees at 85% in its audited financial statements of FY 2021-22. Therefore, the income collected by the school during the FY 2021-22 with respect to tuition fee, annual charges and development fees has been grossed up to make comparative income with the FY 2022-23. The detailed calculation has been provided below:

Table A

Particulars	Income as per Audited Income & Expenditure Account for the FY 2021-22	Income Considered while deriving the fund position for the FY 2022-23	Remarks
Tuition fee	2,85,04,833	2,85,04,833	As per the information provided by the school, Annual Charges and Development Charges collected in FY 2021-22 at the rate of 85% in compliance of the Directorate's order dated 01.07.2021 and thus, difference amount of INR 9,82,474 has been considered.
Annual Charges	25,72,968	30,27,021	
Development Charges*	29,94,384	35,22,805	
Total	3,40,72,185	3,50,54,659	

* As per audited financial statements for FY 2021-22, there is no development fee received during the year. However, the school in its reply dated 09th May 2023 has mentioned that arrears of development fee are collected from the students. The details of amount collected from the students as development fee is not furnished. Therefore, the development fee is calculated on the basis development fee per student multiplied with number of fee-paying students.

Note 4: The school was allowed to increase fee 15% vide order No. 15/ (628)/PSB/2022/3875-3879 dated 31.05.2022 issued for FY 2019-20 from 1st July, 2022. The school has submitted that it has increased the fee @15% from 1st July 2022. Accordingly, additional income on account of fee increase will also accrue to the school in FY 2022-23 and thus, following amount has been considered as funds available with the school:

Fee heads	Actual receipt in FY 2021-22	Grossed Up	Total Estimated Fee	Increased fee (with fee increase @15% for 9 months)
Tuition fees	2,85,04,833	-	2,85,04,833	3,17,11,627
Annual Charges	25,72,968	4,54,053	30,27,021	33,16,480
Development Charges*	29,94,384	5,28,421	35,22,805	38,59,673
Total	3,40,72,185	9,82,474	3,50,54,659	3,88,87,780
Impact of fee increase				48,15,595

* As per audited financial statements for FY 2021-22, there is no development fee received during the year. However, the school in its reply dated 09th May 2023 has mentioned that arrears of development fee are collected from the students. The details of amount collected from the students as development fee is not furnished. Therefore, the development fee is calculated on the basis development fee per-student multiplied with number of fee-paying students.

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Note 5: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except the following:

Head of Expenditure	2022-23 (in INR)	Amount disallowed (in INR)	Remarks
Gratuity	30,38,730	30,38,730	The school has not made investment in Plan assets as is prescribed in AS-15, therefore amount proposed by the school has not been considered.
Leave Encashment	12,03,613	12,03,613	
Salary Teaching Staff	4,23,31,515	1,65,25,391	Restricted to 130% of expenditure incurred in FY 2021-22
Salary Non-teaching Staff	64,86,600	38,26,911	
Transportation Expenses in respect of vehicles owned by the school	18,47,000	18,47,000	Neither the income nor the expenses in respect of earmarked levies has been considered
Transportation Expenses in respect of vehicles not owned by the school	12,00,000	12,00,000	
Smart Class Expenses	10,50,000	10,50,000	
Function/ Activity Expenses	7,80,000	7,80,000	
Science Laboratory Expenses	75,000	75,000	
Audit Fee	31,000	12,300	Restricted to 110% of expenditure incurred in FY 2021-22
Property Tax	5,71,873	3,57,078	
Printing & Stationery Expenses	5,50,000	3,50,288	
Electricity & Water Expenses	9,75,000	4,22,967	
Gardening Expenses	1,00,000	57,397	
Watch & Ward Expenses	35,00,000	9,70,729	
Capital Expenditure	51,35,000	16,12,195	The proposed budget of INR 51,35,000 against development fee has been restricted to the extent of development fee expected to be received in FY 2022-23.
Total	6,88,75,331	3,33,29,599	

Note 6: In accordance with Section 10(1) of Delhi School Education Act 1973, scales of pay and allowance, medical facilities, pension gratuity, provident fund, and other prescribed benefits of the employees of a recognized private school shall not be less than those of the employees of the corresponding status in schools run by the appropriate authority.

Further, Directorate of Education has adopted the Central Civil Serviced (Revised Pay) Rules, 2016 vide Circular No 30-3(17)/(12)/VII pay Comm./2016/11006-11016 dated 19.08.2016 and No. 30-3(17)/(12)/VII pay Comm./Coord./2016/12659-12689 dated 14.10.2016 for employees of Government Schools.

Further, in exercise of the powers conferred under clause (xviii) of Rule 50 of the Delhi School Education Rules, 1973, vide Competent Authority order No DE.15 (318)/PDB/2016/18117, dated 25.08.2017, the managing committees of all Private unaided Recognized Schools have already been directed to implement central Civil Services (Revised Pay) Rule, 2016 in respect of the regular employees of the corresponding status with effect from 01.01.2016 (for the purpose of pay fixation and arrears). Further, guidelines/detailed instructions for implementation of 7th CPC recommendations in Private Un-aided Recognized Schools of Delhi has been issued vide DOE order dated 17.10.2017.

Further, in the previous years' order of the Directorate, Order No. 15/ (629)/PSB/2022/3870-3874 dated 31.05.2022 issued for FY 2018-19 and Order No. 15/ (628)/PSB/2022/3875-3879 dated 31.05.2022 issued for FY 2019-20, the school was directed to implement the recommendations of 7th CPC and arrears was allowed to the school at that time. As per school's reply during hearing, the school has implemented 7th CPC in FY 2019-20. Also, the school has submitted the amount of salary arrears of FY 2019-20 to 2021-22 in the budget proposed for FY 2022-23. Thus, the school has made contradictory submissions. It is pertinent to mention here that the school has not stated any provision of salary arrears in the audited financial statements. In view of the above, the salary arrears proposed in the budget are not considered.

- ii. In view of the above examination, it is evident that the school has adequate funds to carry on its operation for the academic session 2022-23 on the existing fee structure. In this regard, Directorate of Education has already issued directions to the schools vide order dated 16.04.2010 that,

"All Schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase."

AND WHEREAS, in the light of the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate the proposal of the school for session 2022-23 have been evaluated and certain financial suggestions have been 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).

AND WHEREAS, it is noticed that the school has incurred INR 49,70,295 in contravention of Rule 177 and other 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 DSEA&R, 1973 without providing any further opportunity of being heard.

AND WHEREAS, the fee proposal of the school 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 sufficient funds are available with the school for meeting financial implication for the academic session 2022-23.

AND WHEREAS, 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

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).

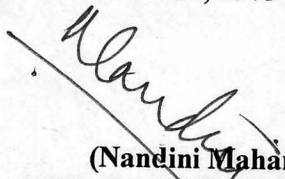
Accordingly, we may send the file along with relevant documents and record to the Director (Education) with the proposal that fee increase proposal for the academic session 2022-23 of **Remal Public Senior Secondary School, Block A-2, Sector – 3, Rohini, Delhi-110085 (School Id: 1413238)** filed by the 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 rejected by the Director (Education) with the above conclusion and suggestions.

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

1. Not to increase any fee/charges during FY 2022-23. In case, the school has already charged increased fee during FY 2022-23, the School should make necessary adjustments from future fee/refund the amount of excess fee collected, if any, as per the convenience of the parents.
2. To ensure payment of salary is made in accordance with the provision of Section 10(1) of the DSEA, 1973. Further, the scarcity of funds cannot be the reason for non-payment of salary and other benefits admissible to the teachers/ staffs in accordance with section 10 (1) of the DSEA, 1973. Therefore, the Society running the school must ensure payment to teachers/ staffs accordingly.
3. To utilize the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

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

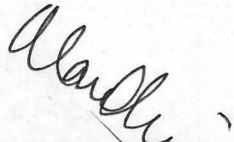
This is issued with the prior approval of the Competent Authority.


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

To
The Manager/ HoS
Remal Public Senior Secondary School,
Block A-2, Sector – 3, Rohini,
Delhi-110085 (School Id: 1413238)

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 West (B)-II 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 Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi