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

No. F.DE.15(1048**)/PSB/2022/** 9504-9508 **Dated:** 21/11/22

Order

WHEREAS, **Divine Happy Sr. Sec. School (School ID- 1617170) A-2B Paschim Vihar, New Delhi- 110063,** (hereinafter referred to as **"the School"**), run by the **Shri Faqir Chand Suri Memorial Educational 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 hike 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 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 expert Chartered Accountants at HQ level who have 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 the DOE.

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 26th September 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 thoroughly by the team of Chartered Accountants. After evaluation of fee proposal of the school and its subsequent clarifications and submissions, following key suggestions for improvement were noted:

A. Financial Suggestions for Improvement

1. Clause 14 of this Directorate's Order No. F.DE./15 (56)/ Act/2009/778 dated 11.02.2009 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."

   Also, para 67(ii) of the Guidance Note-21 states *"The financial statements should disclose, inter alia, the historical cost of fixed assets."*

   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."
   v. Also, as per para 67(ii) of the Guidance Note-21 "The financial statements should disclose, inter alia, the historical cost of fixed assets."

   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 income and expenditure account. If the school follows the accounting treatment specified by para 99 of the guidance note, the depreciation reserve fund would be mere an accounting head and school is not required to invest equivalent for that. However, review of the audited financial statements of FY 2021-22 revealed that the school is not following para 99 of the GN 21 cited above. As the school has not transferred any amount from deferred income account to the credit of income and expenditure account equivalent to the depreciation charged on those assets.

   Further, the review of audited financial statements for FY 2021-22 revealed that the school has maintained separate bank account for development fee collection but the same is not equivalent to the development unutilised fund balance presented in the audited financial statements at the year-end which is in contravention of aforesaid clause 14 of order dated 11.02.2009.

It has also been noted that the school has been utilizing development funds for meeting revenue expenditure (deficit in salary) of INR 13,50,000 in FY 2019-20 and INR 7,63,508 in FY 2021-22 which is not in accordance with clause 14 of order dated 11-02-2009. Also, the assets purchased out of development funds includes purchase of plant and machinery and library books. As per clause 14 of the order dated 11.02.2009, the development funds can only be utilized for purchase upgrade and replacement of furniture, fixture, and equipment only and not for other purpose. Therefore, the school is hereby directed to ensure that the development fee should be collected and used in accordance with clause 14 of the order dated 11.02.2009

Moreover, assets purchased out of the general fund are at WDV and assets purchased out of the development fund are shown at the gross value in the financial statements. Similar point was also noted in Directorate Order No. F.DE-15/225)/PSB/2019/1200-1204 dated 29.03.2019 issued post evaluation of fee increase proposal for academic session 2017-18. As the school has not complied with direction issued in the previous year order, therefore the school is again directed to comply with the directions included in orders above and make necessary rectification entries.

The school is hereby directed not to collect development fee from students until it complies with the above requirements. Accordingly, the development fund balance as on 31st March 2022 amounting to INR 3,40,236 has not been considered while deriving the fund position of the school for FY 2022-23.

B. Other Suggestions for Improvement

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 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.

During personal hearing, the school explained that they have not collected development fee and animation fee during FY 2020-21. Whereas from review of fee receipts/fee reconciliation submitted by the school, it was noted that school has collected development fee and animation fee from the students and the same is not reported by the school in the audited financial statements of FY 2020-21. This review indicates the substantial difference between the income calculated as per fee reconciliation statement and income reported in the audited financial statements. Hence this indicates that the school has not been reporting income as per the fee receipts provided to the students leading to questionability on the reliability of the audited financial statements. Difference in income reported by the school is provided below:

Class	FY: 2020-21								
	As per Fee Receipts/ Fee Reconciliation Statement					As per Audited Financial Statements		Difference	
	Development Fee (per month)	Animation fees (per month)	Total no. of students	Total Development Fees (per annum)	Total Animation Fees (per annum)	Total Development Fees	Total Animation Fees	Development Fees	Animation Fees
PS and PP	295	100	10	35,400	12,000	-	-	35,400	12,000
I TO V	315	100	62	2,34,360	74,400	-	-	2,34,360	74,400
VI-VIII	350	100	62	2,60,400	74,400	-	-	2,60,400	74,400
IX-X	400	100	51	2,44,800	61,200	-	-	2,44,800	61,200
XI-XII	455	100	59	3,22,140	70,800			3,22,140	70,800
Total			**244**	**10,97,100**	**2,92,800**	-	-	**10,97,100**	**2,92,800**

Therefore, the school is directed to record adequate accounting entries while preparing the books of accounts. Non-compliance with this direction would be viewed seriously while evaluating the fee increase proposal of the subsequent year.

2. 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. 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 judgement of the Courts, 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 on building and land.

From review of audited financial statements of FY 2021-22, it has been noted that the school has reported building value of INR. 11,51,730 (Gross Value) as on 31.03.2022 however corresponding capital receipts/corpus fund is not reflecting in the audited financial statements. Further the school has not disclosed the source from which building was constructed. Hence the school is directed to provide the complete details about the funds which was used to construct the school building and pass the necessary accounting entries in the books of accounts.

Moreover, the school has not being charging depreciation on building as required by the Generally Accepted Accounting Principle. Therefore, the school is directed to prepare its books of accounts and present the audited financial statements in accordance with the GAAP.

3. 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 Fee, Animation fee and Computer fee 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	**Computer Fee***	**Animation Fees***	**Transportation fees**
For the year 2019-20			
Fee Collected during the year (A)	392150	1,09,220	7,15,400
Expenses during the year (B)	-	-	10,99,187
Difference for the year (A-B)	**3,92,150**	**1,09,220**	**-3,83,787**
For the year 2020-21**			
Fee Collected during the year (A)	-	-	-
Expenses during the year (B)	-	-	-
Difference for the year (A-B)	-	-	-
For the year 2021-22**			
Fee Collected during the year (A)	-	-	-
Expenses during the year (B)	-	-	-
Difference for the year (A-B)	-	-	-
Total (Surplus)	**3,92,150**	**1,09,220**	**-3,83,787**

*School has not provided the detail of computer and animation expenses against the earmarked fee for FY 2019-20.

**Further, the school has not collected computer, animation, and transport fee during FY 2020-21 and 2021-22.

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

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.

4. Para 57 of Accounting Standard 15 (AS-15) 'Employee Benefits' issued by the Institute of Chartered Accountants of India states that "*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 recognized in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.*" Further, Para 7.14 defines the Plan Assets as:
(a) *Assets held by a long-term employee benefit fund; and*
(b) Qualifying insurance policies.

And Para 60 of Guidance Note-21 'Accounting by Schools' (2005) issued by the Institute of Chartered Accountants of India states *"A defined benefit scheme is a scheme under which amounts to be paid as retirement benefits are determined usually by reference to employee's earnings and/or years of service".*

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

On review of the documents submitted by the school post personal hearing, it has been noted that the requirement of AS-15 is not applicable to the school as it has employed less than 50 staff in a year. Further, based on actuarial valuation report as on 31st March 2022, the liability for gratuity of INR 23,52,231 and liability for leave encashment of INR 9,65,076 for 14 employees has been calculated for the school. 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 liability of 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/actuarial valuation report 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.

5. The school should prepare a Fixed Assets Register (FAR) that captures date, asset name, amount, supplier name, invoice number, manufacturer's serial number, location, depreciation, asset

identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place.

During the personal hearing the school was asked to share the fixed assets register as on 31st March 2022 for verification. However, the school has submitted ledgers of fixed assets and not the fixed assets register which concludes that the school has not maintained the same.

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

6. 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).

   Further, Para 58(i) of the abovementioned Guidance Note states that "A school should charge depreciation according to the written down value method at the rates recommended in Appendix I to the Guidance Note- 21."

   On review of audited Financial Statements for the FY 2021-22, it has been noted that the depreciation on fixed assets have been provided on written down value method at the rates prescribed in the Income Tax Rules, 1962. Therefore, school is directed to charge depreciation on assets in accordance with the guidance note cited above.

7. Clause 103 on Related Party Disclosure, contained in Guidance Note 21 on 'Accounting by Schools', issued by the ICAI, there is a requirement that keeping in the view the involvement of public funds, schools are required to disclose the transactions made in respect of related parties.

   From review of the audited financial statements of FY 2019-20, it has been noted that the school has taken loan from Shri Satendra Solanki amounting to INR 1,00,000 and has not made any disclosure relating to related party transactions in its audited financial statements. Further, in the FY 2020-21 the school had written off liability by crediting the tuition fee in the books of accounts which leads to the overstatement of the income. In the absence of such details and purpose, genuineness of transactions entered between the related party cannot be determined. Therefore, school is hereby directed to make necessary adjustment in subsequent financial year in accordance with applicable provisions".

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 **98,34,804** out of which cash outflow in the FY 2022-23 is estimated to be INR **1,01,78,578.** This results in deficit of INR **3,43,774** 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	20,82,020
Investments as on 31.03.22 as per audited financial statements (**Refer Note 1 below**)	3,67,963
Liquid Funds Available with the School as on 31 Mar 2022	**24,49,984**

Particulars	Amount (in INR)
Add: Fees for FY 2021-22 as per Audited Financial Statements (on the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23)	76,13,349
Add: Other income for FY 2021-22 as per Audited Financial Statements (on the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23)	1,39,435
Net available funds for FY 2022-23	**1,02,02,768**
Less: Development Fund as on 31.03.2022 as per audited financial statements **(Refer Financial Suggestion No. 1)**	-
Less: Investment with LIC against Gratuity/Leave Encashment **(Refer Other Suggestion No 4)**	-
Less: FDR as on 31.03.2022 as per audited financial statement **(Refer Note 1 below)**	3,67,963
Estimated availability of funds for FY 2022-23	**98,34,804**
Less: Budgeted expenses for the session 2022-23 (after making adjustment) **(Refer Note 2 below)**	**1,01,78,578**
Less: Salary arrears as per 7Th CPC **(Refer Note 3 below)**	-
Estimated Deficit	**3,43,774**

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 in the joint name of Secretary CBSE and Manager	3,67,963	Deducted while calculating available funds of the school.

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

Particulars	Amount (in INR)	Remarks
Depreciation	5,38,566	Expense being a non-cash item
Transport expenses	7,45,000	Neither income nor expenditure has been considered while calculating the fund position of the school for FY 2022-23
Smart class expenses	3,50,000	Neither income nor expenditure has been considered while calculating the fund position of the school for FY 2022-23
Total	**10,95,000**	

Note 3: The school has implemented 7th CPC since the month of April 1st 2019. However, during the personal hearing, the school stated that salary arrears as per 7th CPC has been foregone for the period

Jan'16 to March'19. Therefore, no provision for the 7th CPC salary arrears have been provided in the books of accounts and the same has not 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 have surplus fund to meet its budgeted expenditure for the academic session 2022-23 at the existing fee structure. In this regard, the directions issued by the Directorate of Education vide circular no. 1978 dated 16.04.2010 states:

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

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants along with certain financial and other suggestions that the sufficient funds are not available with the school to carry out its operations for the academic session 2022-23. Accordingly, the fee increase proposal of the school may be accepted.

AND WHEREAS, recommendation of the team of Chartered Accountants along with relevant materials were put before the Director (Education) for consideration and who after considering all the material on the record, and after considering the provisions of section 17 (3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that funds are not available with the school for meeting financial implication for the academic session 2022-23.

AND WHEREAS, it is relevant to mention that Covid-19 pandemic had a widespread impact on the entire society as well as on general economy. Further, charging of any arrears on account of fee for several months from the parents is not advisable not only because of additional sudden burden fall upon the parents/students but also as per the experience, the benefit of such collected arrears is not passed to the teachers and staff in most of the cases as was observed by the Justice Anil Dev Singh Committee (JADSC) during the implementation of the 6th CPC. Keeping this in view, and exercising the powers conferred under Rule 43 of DSER, 1973, the Director (Education) has accepted the proposal submitted by the school and allowed an increase in fee by 5% to be effective from 01 Oct 2022.

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

Accordingly, it is hereby conveyed that the proposal for fee increase for the academic session 2022-23 of **Divine Happy Sr. Sec. School (School ID- 1617170) A-2B Paschim Vihar, New Delhi- 110063** is hereby accepted by the Director (Education) and the school is allowed to increase its fee by 5% to be effective from 01 Oct 2022.

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

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

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

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

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

This is issued with the prior approval of the Competent Authority

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

To
The Manager/ HoS
Divine Happy Sr. Sec. School (School ID- 1617170)
A-2B Paschim Vihar, New Delhi- 110063

No. F.DE.15 (1048)/PSB/2022/9504-9508 Dated: 21/11/22

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 (West B) 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