

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

No. F.DE.15 (1070)/PSB/2022/ 10052-10056

Dated: 16/12/22

Order

WHEREAS, Upras Vidyalaya (now known as Bala Pritam Guru Harkishan International Public School), Vasant Marg Vasant Vihar New Delhi-110057 (School ID: 1720135), (hereinafter referred to as "the School"), run by the Uttar Pradesh Samaj (hereinafter referred to as the "Society"), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (hereinafter referred to as "DoE"), under the provisions of Delhi School Education Act & Rules, 1973 (hereinafter referred to as "DSEAR, 1973"). The school is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

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

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

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

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

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

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

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



"27....

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

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

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

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

AND WHEREAS, accordingly, the DoE vide order No. F.DE.15 (40)/PSB/2019/4440-4412 dated 08.06.2022, directing all the private unaided recognized schools, running on the land allotted by DDA/other land-owning agencies on concessional rates or otherwise, with the condition to seek prior approval of DoE for increase in fee, to submit their proposals, if any, for prior sanction, for increase in fee for the academic session 2022-23.

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

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of 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 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 30th 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, necessary records and explanations were called from the school vide email dated 17th October 2022, but the school requested for 2 weeks extension to submit the requested documents, but the school did not submit the required documents during the extended period and not given any communication to the department for not submitting the same. It is also important to mention that the department by taking lenient view has sent another e-mail dated 2nd November 2022 requesting the school to submit the required documents mentioned in the above sent e-mail. But the school, like earlier, requested 3 weeks extension vide email dated 3rd November 2022. Once again, the school failed to submit the required documents. Another e-mail dated 9th November 2022 was sent to the school requesting to submit the required documents, simultaneously telephonic call were also made where the

school was given final opportunity for submitting the documents by 14th November 2022. Once again, the school failed to submit required documents. Therefore, it is concluded that the school is not interested in submitting the required documents/explanations to get its fee increase proposal evaluated by the department. The list of documents which the school have not provided are given below:

- 1) Standalone audited financial statements of the school for FY 2019-20, 2020-21 and 2021-22
 - 2) Fees reconciliation for FY 2019-20, 2020-21 and 2021-22 in detail
 - 3) Fixed Asset Register (FAR) for FY 2021-22 and physical verification report of fixed assets by the school management
 - 4) Vehicle ledger since the date of capitalisation in the books of accounts.
 - 5) Housekeeping and caution money ledger for FY 2019-20, 2020-21 and 2021-22
 - 6) Fee structure for FY 2018-19
 - 7) Justification of fee increase in FY 2020-21 when compared with FY 2019-20.
 - 8) Building Ledger from FY 2019-20 to FY 2022-23.
 - 9) Statement of FDR as on 31.03.2022 along with the original copies of FDR.
 - 10) "Other" ledger for the FY 2021-22
 - 11) Declaration regarding relation with third party contractors and related party transactions
 - 12) Justification for maintaining student fund, scholarship fund, and FA fund in the books of accounts along with their respective ledger.
 - 13) Bifurcation of the amount deducted from the development fund balance in the last 3 years.
 - 14) Detailed calculation of salary arrears as per 7th CPC from January 2016 to March 2022
 - 15) Copy of DDA land allotment letter
2. *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, DoE specified vide Order No. F.DE-15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016, the format of returns and other documents required to be submitted by the private unaided recognized schools. The aforesaid order also specified format for the financial statements to 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.

It was noted that the audited financial statements submitted by the school was in the name of the society. During personal hearing, the school mentioned that the society does not have any other school. Therefore, only single set of final accounts are prepared which is applicable for both i.e., school as well as to society. From review of the audited financial statements, it can be viewed that some of the FDRs and bank account is belonging to the society. In addition to the above there may be some income and expenditure of the society which might have been included in the consolidated financial statements which cannot be segregated between school and society.

The explanation given by the school is not appropriate as the affairs of the school includes income and expenses of the society which must be kept segregated from the school even in case the society does not have any other school under its management.

Due to the aforesaid reason, the financial statements submitted by the school is not reliable to conclude the fee increase process and the school is directed to ensure the financial statements, separately for the school, as per the requirements of Rule 180(1) and Guidance Note are appropriately prepared and submitted to the Directorate.

AND WHEREAS, in view of the above, it appears that the school do not want to get its fee proposal evaluated and not willing to cooperate with the Directorate. Therefore, the fee increase proposal submitted by the school in response to order F.DE.15 (40)/PSB/2019/4440-4412 dated 08.06.2022 cannot be carried out.

AND WHEREAS, in the light of 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 expert Chartered Accountants that since the evaluation of fee proposal of the school could not be carried out as the school has not submitted any documents/ clarifications as required from the school, the fee increase proposal of the school may be rejected.

AND WHEREAS, recommendations of the team of expert Chartered Accountants along with relevant material were put before the Director of Education for consideration and who after considering all the material on the record, found that since the School has not submitted relevant documents /clarifications thereof, Directorate has rejected the proposal of fee increase submitted by the said school for academic session 2022-23 with the direction to DDE (District) to process necessary action against the School as per the provisions of DSEA & R, 1973 as well as direction of Hon'ble Court.

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, as per 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 since the School has not submitted relevant documents /clarifications for evaluation of fee proposal for academic session 2022-23. Therefore, Director (Education) has rejected the proposal submitted by the school to increase the fee for the academic session 2022-23.

Accordingly, it is hereby conveyed that the proposal for fee increase of **Upras Vidyalaya (now known as Bala Pritam Guru Harkishan International Public School), Vasant Marg Vasant Vihar New Delhi-110057 (School ID: 1720135)** 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 conclusions and suggestions.

Further, the management of said school is hereby directed under section 24(3) of DSEA, 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

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

To
The Manager/ HoS
Upras Vidyalaya
Vasant Marg Vasant Vihar New Delhi-110057
(School ID: 1720135)

No. F.DE.15 (1070)/PSB/2022 / 10052-10056

Dated: 16/12/22

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 (South West A) ensure the compliance of the above order by the school management.
4. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
5. Guard file.

Nandini

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