

**FEE STRUCTURE OF THE DELHI PRIVATE SCHOOLS**  
**REPORT OF THE STUDY COMMITTEE**  
**(1997)**

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI**  
**DIRECTORATE OF EDUCATION, OLD SECRETARIAT, DELHI-54.**

NUEPA DC



D10942

## CONTENTS

### Acknowledgements

Chairman's Letter to Minister for Education  
Government of NCT of Delhi

	Page
Chapter I : Introduction	1
Chapter II : Background	8
Chapter III : Recommendations	11

### Annexures :

I. Government of NCT Order No. F-DE 23(1)/PB/97 dated 6.5.97 constituting the Committee	37
II. Government of NCT - Directorate of Education, dated 17.5.97	40
III. Analysis of fee-structure in force in 117 unaided private schools in Delhi.	41
IV. Gist of the points presented by the Parents Organisations and Organisations of Private Schools.	45
V. Government of Maharashtra Letter dated 22.7.1997 regarding regulation of school fees in the un-aided private schools in Maharashtra	49
VI. Government of Tamil Nadu letter dated 22.7.1997 regarding fixation of school fee	51
VII. Government of NCT Circular dated 9.4.97	52
VIII. Government of NCT- Directorate of Education Public Notice dated 4.3.97	58
IX. Directorate's letter dated 8.4.97 to unaided schools alongwith proforma	61
X. Existing provisions of the Delhi School Education Act & Rules, 1973 relating to fees, maintenance of accounts etc. in respect of private un-aided Schools.	63

## ACKNOWLEDGEMENTS

The Delhi Private Schools Fee Structure Study Committee set up to study the fee structure of private recognised unaided schools and suggest legislative and administrative measures to regulate the fee and other charges in such schools is indebted to Shri S. Raghunathan, Principal Secretary, Department of Education of Delhi Government for the help and encouragement given by him during its deliberations.

While thanking all the members of the committee for their excellent work, we wish to place on record our appreciation of the work done by Shri K.K.Khullar, former Director, Ministry of HRD, Shri K.K. Bhasin, former Director, Department of Education, Delhi Government, Shri N.S. Tolia Member-Secretary, and his staff, particularly Shri L.S. Narayanan, Asst. Director of Education, Shri Satish Kumar, Steno.

We are particularly thankful to Dr.(Mrs.) S. Mukhopadhyaya, Director and Dr. (Mrs.) Shakti Kapoor, SCERT, Delhi Government for the facilities provided to the Committee for its meetings and interaction with several organisations. We would also express our appreciation of the hard work put in by Shri R. Ganesan in the analysis of the data and in the preparation of the Report and Ms. Neena Sharma for the assistance provided in this regard.

The hard work, dedication and commitment of this team has enabled the Committee to finalise its Report expeditiously.

(J.VEERARAGHAVAN)  
Chairman

New Delhi  
August 4, 1997.

## CHAPTER - I

### INTRODUCTION

The Government of National Capital Territory of Delhi constituted by Order No.DE.233(1)/PB/97/ dated 6.5.1997, the Committee of Experts to study the fees structure of private unaided recognised schools of Delhi and to suggest ways to rationalise the school fees.

The composition of the Committee was as follows :

- |    |  |                    |
|----|--|--------------------|
| 1. | Shri J.Veeraraghavan<br>Former Secretary,<br>Ministry of Human Resource Development,<br>Govt. of India, New Delhi. | Chairman           |
| 2. | Dr. G.L.Arora<br>Prof., N.C.E.R.T. New Delhi.  | Member             |
| 3. | Shri Y.P.Purang,<br>Ex. Dy. Director of Education,<br>Directorate of Education, Delhi.                             | Member             |
| 4. | Dr. (Smt.) S.Mukhopadhyaya,<br>Director, S.C.E.R.T.,<br>New Delhi.   | Member             |
| 5. | Shri S.P.Bakshi,<br>Ex-Principal,<br>Modern School, New Delhi  | Member             |
| 6. | Shri C.M. Sharma,<br>Deputy Secretary Finance,<br>Govt. of N.C.T.of Delhi.   | Member             |
| 7. | Shri S.C. Gupta,<br>Secretary CBSE<br>representing Chairman,<br>C.B.S.E.   | Member             |
| 8. | Shri N.S. Tolia,<br>Addl. Director of Education (Schools)<br>Govt. of N.C.T. of Delhi.                             | Member - Secretary |

**Subsequently three more Experts were co-opted as Members :**

1. **Shri K.K.Bhasin Former Director, Directorate of Education, Govt. of N.C.T. of Delhi.**
2. **Shri K.K.Khullar, Former Director, Ministry of Human Resource Development (Deptt. of Education), Govt. of India, New Delhi.**
3. **Dr. (Ms.) Shakti Kapoor, Joint Director, S.C.E.R.T., Defence Colony, New Delhi.**

**Shri L.S.Narayanan, Assistant Director (Schools), Directorate of Education was requested to assist the Committee in its deliberations.**

**The terms of reference of the Committee were :**

- (i) **To study the fee structure of Private recognised unaided schools alongwith other charges by whatever name they may be charged from students ;**
- (ii) **To study how the amounts so realised are utilised towards providing facilities to students and teachers ;**
- (iii) **To indicate if any legal provisions are being violated in charging higher fees etc.**
- (iv) **To study the adequacy or otherwise of existing legal provisions and administrative measures to deal with the problem of un-controlled increase in fees by schools and to regulate the same ; and**
- (v) **To suggest legislative and administrative measures to regulate the fees and other charges in such schools.**

2. **The Committee was requested to submit its Report within 2 months. This was extended by another one month in view of the fact that the Committee had to go through various representations received from public and also to hear the various organisations representing parents and schools managements. A copy of Delhi Govt 's Order No.F.DE.23(1)/ PB/96 dated 6.5.1997 is placed at Annexure - I**

3. The Committee deliberated on 9.5.97, 27.5.97, 5.6.97, 6.6.97, 8.7.97, 23-7-97, 24-7-97 and 4.8.97.

In the first meeting held on 9.5.1997 the Committee decided to obtain the following information :

- (i) Views/suggestions from members of the public including schools' managements and parents through press advertisements regarding the fee structure of the schools; and
- (ii) The fee structure as applicable in the neighbouring states.

Accordingly a Public Notice was issued on 17.5.1997. A copy of the Notice is place at Annexure - II

4. Suggestions received in response to these were considered by the Committee. Some Associations/Organisations desired to be heard in person. Accordingly the following Organisations/Associations appeared before the Committee on 5th & 6th June, 1997 and explained their views in detail and also gave written submissions :-

(I) Federation of Public Schools and National Public Schools Conference represented by :

1. Smt. Anjali Aggarwal, Principal, St Marks School.
2. Shri S.L.Jain, Principal, Mahavir Public School.
3. Shri G.S.Negi, Principal, Bhavan's Mehta Vidyalaya
4. Col. V.N.Ratnakar, Principal, Mata Jai Kaur Public School.
5. Shri R.C.Shekhar, Principal, Gyan Bharati School.

appeared on 5th June 1997.

(ii) **Members representating Delhi Abhibhavak Maha Sangh and Abhibhavak Sangarsh**

**Morcha appeared on 6.6.1997 and were represented by :**

1. Shri Deepak Suri	Delhi Abhibhavak Maha Sangh
2. Shri Zakir Ali	- do -
3. Shri V.K.Batra	- do -
4. Shri Narendra Sarna	- do -
5. Shri Ranjeet Singh Parmar	- do -
6. Shri D.K.Dogra	- do -
7. Shri V.K.Kathpalia	- do -
8. Shri Subhash Tareja	Abhibhavak Sangharsh Morcha
9. Shri V.K.Gupta	- do -

5. A large number of complaints had been received from individual parents, members of the public. Further in response to the advertisement issued by the Directorate of Education a number of suggestions were received from the public and educationaists. Besides these complaints and suggestions, written submissions made by the Association of parents and various private schools were also taken into account. Further an analysis was made of the information received by the Directorate of Education in regard to the fees charged by 117 schools. The analysis is placed at Annexure III.

6. The gist of some of the important points of the representations made by the Parents Organisations and the Association of Principals is given at Annexure IV.

7. Smt. Kumud Bansal, Secretary, School Education, Government of Maharashtra was invited by the Committee for discussion. She made a presentation about the situation in the State of Maharashtra regarding fee structure in unaided private schools and provided valuable information on the subject. A letter dated 22.7.1997 received from the Government of Maharashtra in this regard is placed at Annexure V. The Government of Tamil Nadu in their letter dated 22.7.1997 stated :

“ At present there is no provision in the Act or Rules governing the private schools in the matter of fixation of tuition fees and other items by the unaided schools. A proposal to cover these institutions under the Act for Institutions of Higher Education is under consideration.” The letter is placed at Annexure -VI

8. In its meeting held on 6.6.1997 it was decided to form two Sub-Committees, one with regard to fee structure and utilisation of fees, and second, to look into the legal and administrative provisions of the Delhi School Education Act and Rules, 1973 with a view to finding out, if any, legal provisions were being violated for charging high fees and to suggest legislative and administrative measures to regulate fees and other charges in such schools.

The composition of Sub-Committee I was as under:

1. Dr. G. L. Arora, NCERT,
2. Dr. (Smt.) S. Mukhopadhyaya
3. Shri S.P. Bakshi,
4. Shri C.M. Sharma, Deputy Secretary(Finance), Government of N.C.T. of Delhi.
5. Shri Y. P. Purang,
6. Shri L.S. Narayanan .

This Sub-Committee was specifically requested to look into the following areas:

- (i) The existing fee structure;
- (i i) Guidelines to be issued regarding categories under which fees should be charged;
- (iii) The manner in which fee raised should be utilised;
- (iv) Justification for increase ;



- (v) Specific reasons for the increase in fee during the current year which should be reduced and the modalities for the reduction; and
- (vi) If donations and other contributions should be mobilised for capital items or for other purposes, what safeguards are necessary both in regard to collection and utilisation.

The composition of Sub-Committee II was as follows:

1. Shri K.K.Bhasin.
2. Shri S.C. Gupta, Secretary, C.B.S.E.
3. Shri K.K.Khular.
4. Dr.Shakti Kapoor.
5. Shri N.S. Tolia.
6. Shri L.S. Narayanan.

The Sub-Committee II was requested to look into the legal and administrative measures needed for enforcement of the structure of fees as decided and observance of the guidelines issued in this regard by the various schools. It was also specifically to look into the fee structure as well as scrutiny of accounts to see that there is no diversion of fees to societies, trusts and to other accounts. These two Sub-Committees met on the following dates and finalised their Reports:

Sub-Committee - I	-	12-6-97 & 19-6-97
Sub-Committee - II	-	13-6-97,20-6-97,23-6-97 & 4-7-1997

10. The reports of the two Sub-Committees were considered in the meeting of the Committee on 8th July,1997. This meeting was also attended by Shri S.Raghunathan, Principal Secretary, Education Department, Government of NCT of Delhi.

The Committee considered the two Reports of the Sub-Committees which were discussed in the meetings of the main Committee. The Committee also had the benefit of perusing the Report of the Task Force constituted by the Department of Education, G.O.I on service conditions, status of teacheres and the High Power Committee Report on the Amendments to the Delhi School Education Act,1973.

A Drafting Committee consisting of the following was constituted to draft the Report expeditiously:

1. Shri K.K.Bhasin
2. Shri K.K.Khullar
3. Shri N.S.Tolia

Shri L.S.Narayanan assisted the Drafting Committee.

The Drafting Committee met on July 9 to 21, 1997 and prepared the draft of the Report which was duly circulated to all the Members and placed before the Committee in its meeting held on 23-24 July,1997, The report was further revised and finalised in its final meeting held on 24.8.97

## CHAPTER - II

### BACKGROUND

A brief history of the events which led to the formation of the Committee to study the fee structure of un-aided schools and suggest ways to rationalise the same is recapitulated in the paragraphs below :

The Government of NCT of Delhi received a number of complaints from general public that private un-aided recognised schools in Delhi were charging fees exorbitantly on one pretext or the other. The sudden fee-hike in such schools before the current academic session resulted in protests from public in general and specifically from parents organisations who objected to unreasonable and steep hike in the fees without justification and without taking the parents body into confidence. Most of the schools tried to justify the steep enhancement of the fees on account of the likely impact of the acceptance of the recommendations of the Fifth Pay Commission in the near future which would certainly increase the financial burden on the school management.

In response to the out-cry of the general public and in particular the parents and their association, the Govt. of NCT. of Delhi took the following steps :

- a.) The Directorate of Education issued a Circular dated 9.4.97 addressed to all un-aided private public schools to review and regulate the fee structure in accordance with the provisions of Delhi School Education Act 1973 and the Rules thereunder. A copy of the circular is placed at Annexure VII.
- b.) A detailed Public Notice informing the public about the steps taken by way of giving directions to the schools on the subject was issued on 4.3.97 through important Delhi newspapers.

**The management of the schools were directed to take the following steps :**

- 1. To review/revise the fees structure for 1997-98 by convening a meeting of the managing committee having PTA representative and D.E.'s nominee in it.**
- 2. Not to charge building fund and development charges when the building is complete or otherwise as it is the responsibility of the society which 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. Therefore, the students should not be burdened by way of levy towards the building fund or development charges.**
- 3. No security/ deposit/caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate but not more than Rs. 500/- per student in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.**
- 4. Admission fee can be charged only at nominal rate but not exceeding Rs. 200/- in any case, it should not be made regular practice. Once a student is admitted in a school, he should not be asked to pay admission fee again at middle or secondary or senior secondary stage.**
- 5. Annual charges to be charged from the students should commensurate to the annual overheads of the school keeping in view the past record and the enrollment of the school.**
- 6. Similarly is the case regarding computer fee it should be ensured that unless it is beneficial to the students in imparting education based on computer, it should not be made compulsory.**

7. **No donation be taken or other charges shall be collected from any student by the trust or society running any recognised school. All fee and funds can be collected by the school only in its own name against proper receipt.**
8. **No donation be taken or accepted or made compulsory from the students at the time of admission by the managing committee of the school, as the managing committee has no role in the admission of the students. According to Rule 145 of Delhi School Education Rules, 1973, the Head of the School is the only competent authority to regulate admission on the basis of test or otherwise.**

**A copy of this Public Notice is placed at Annexure VIII.**

- c.) **The Directorate of Education issued on 8.4.1997 individually to each private unaided school a letter alongwith proforma to furnish particulars of fee structure to examine the extent of fee-hike before taking suitable action in this regard. A copy of the Directorate letter alongwith the proforma referred to above is placed at Annexure IX**
- d.) **The present Committee was constituted under the Chairmanship of Shri J. Veeraraghavan, former Secretary Ministry of Human Resource Development, Govt. of India, to study the fee structure of the private unaided schools of Delhi and suggest ways to rationalise the same.**

### CHAPTER - III

#### RECOMMENDATIONS

##### **PRINCIPLES GOVERNING FEE STRUCTURE**

The extremely wide variations in the Tuition fees charged by various schools has come as surprise to many, especially because in Delhi the salary and emoluments of teachers which constitutes main revenue expenditure on education is more or less the same across the schools.. The real reason for the wide variations in the Tuition fee has to be sought elsewhere. It is, perhaps, due to differences in class size and in the facilities provided. Of course, there is much "academic window dressing" in the name of providing better facilities. The latest fashion in the world academic market is used as justification for charging excessively high fees. Many frills provide further justification for high fees. On deeper analysis one cannot help feeling that much of this justification is spurious and the rich schools charge high fees to enforce a form of segregation and also in order to make profits or surpluses. High fees attract rich students and families and becomes a status symbol that could be highly divisive.

However the Committee would like to emphasise that there should be ample scope for genuine educational innovations in schools to improve the quality of education

and make it world class and suitable for the coming decade. One cannot, therefore, lay down any uniform set of fees to be charged by the schools.

The Committee does not have full information on the results of the inspection carried out by the Directorate of Education nor has the Committee received details of fees from all the schools. Even in respect of the schools from which information has been received, there are many clarifications that would be necessary before the information is fully understood. But the Committee did not feel it necessary to wait for all this information as there is adequate basis even now to lay down a system and a procedure for fixation of fees based on sound principles and also to take some immediate corrective steps.

The Committee considered two kinds of questions with regard to the fee structure. First, the long term and standing arrangements necessary for charging of fees by unaided private schools and the means of regulating them. Second, the steps required to be taken for the year 1997-98 in view of the Pay Commission's recommendations and the big hike in the fees.

As regards the long-term arrangements the basic approach is fundamental. One approach is to have the Government fix the fees through laws, rules and regulations. Such an approach has not proved to be very successful in different sectors and it would not be desirable if it is strengthened in the education sector.

At the same time, there must be reasonable safeguards against exploitation of parents and of society by unscrupulous managements of schools as well as by other individuals. We must think of measures whereby Government's interference would be minimal and autonomy of institutions would be respected.

The affiliation bye-laws of the C.B.S.E provide as under :

“ Fees charges should be commensurate with the facilities provided by the institution. Fees should normally be charged under the heads prescribed by the Department of Education of the States/U.T. for schools of different categories. No capitation fee or voluntary donations for gaining admission in the school or for any other purpose should be charged/collected in the name of the school. In case of such malpractices, the Board may take drastic action leading to disaffiliation of the school.”

Rule 50 (iv) of the Delhi Education Act, 1973 and the Rules thereunder provides as a condition of recognition that the school is not run for profit to any individual, group of association of individuals or any other person.

The principle that schooling has to be a non-profit activity has been supported by the Supreme Court Judgement in Unnikrishnan Case. Arising from the above, the Committee derived the following principles which should govern the fixation of fees:-



1. Tuition fees must cover the basic salary expenses, retirement benefits and all other basic academic and administrative expenses;
2. Expenses on maintenance of buildings must also be covered by the tuition fees;
3. Reasonable depreciation for building and equipment should be provided for in the costing. Depreciation should not be provided for the cost of the land. All depreciation provided for should be earmarked in a specific fund for replacement of assets.
4. Other fees such as admission fees, laboratory fees, sports fees etc. should be charged on a reasonable basis i.e. just sufficient to cover the cost. These fees should be charged only from beneficiary students and not from all students where the beneficiaries are limited. For instance, swimming pool fees, tennis fees and Computer Fees should be charged from those who avail of the services .
5. If there are surpluses from any of the fees collected, they should be carried over to the next year for the benefit of the school and used for the purpose for which the original fee collection was intended.

6. In no case should the surpluses siphoned off to the owner's society or any of its members or utilized for other schools managed by the same society. All surpluses should be utilised for the same school.

7. The fees charged should generally be acceptable both to the management and to the parents concerned. This is essentially a matter between the school and the parent group itself. Different schools serve different strata of society. In theory there is no limit to the quality of education or innovation and therefore to the cost.

However, School Managements should minimise the cost by reducing non-academic expenses to essentials and avoiding the approaches and attitudes of 5-star culture in schools.

8. 5-star facilities in educational institutions are violative of the spirit of the National System of Education as envisaged in NPE-1986 as modified in 1992. Instead of narrowing education gaps such facilities widen them and lead to eliticism and alienation. As such this should not be allowed particularly when the Government has decided to make free and compulsory elementary education a fundamental right for all children upto the age of 14. This policy also emphasizes the concept of a National System of Education upto a given level when all students should have access to education of a comparable quality. The policy states that effective measures will be taken in the direction of a common school system

recommended in 1968 Policy. It also lays special emphasis on equalisation of educational opportunities by addressing the specific needs of those who have been neglected so far. We have not reached the stage where we can have a common school system. However, this remains the ultimate goal. The private schools should therefore contribute towards this goal by minimising disparities instead of widening them further without, however, affecting the quality of education.

#### **I. CAPITAL EXPENDITURE**

There are wide difference of opinion as to the principles governing raising of capital resources needed by schools for buildings, equipment and other facilities. By now there is near consensus that donations linked to admissions should be strictly avoided. By their very nature donations have to be voluntary. If the school managements use direct or indirect pressures to collect donations obviously it would not be a donation but only an extortion. It is very difficult to distinguish between voluntary and compulsory donations at the stage of admission. Hence all donations either to the school or to the society or any other linked organisation or person which have a bearing on the admission of children to school should be banned and severely dealt with wherever such collections are known to exist. As some of these collections would go to various institutions or may not be even accounted for it may not be easy to prevent this practice. However, Government had at its disposal sufficient agencies for investigations. If there is a political will to

put an end to the practice of buying and selling of school places it can devise suitable procedures for the same.

However, this leaves an unanswered the question as to how the schools should finance its capital expenditure. The following guidelines are suggested by the Committee.

- a. Donations unconnected with admission may be collected by the schools from parents, well-wishers, philanthropists and ex-students provided these are not linked to admissions and these are clearly accounted for under the relevant fund for capital or equipment.
- b. The schools may also levy building and equipment fees which should be moderate and have a relationship to the proposed capital projects. For instance, building fees may be collected over a period of 30-40 years, spread over a large number of students either by monthly or annual collections would be reasonable but not exceeding three months tuition fees.(This should be in addition to cost of maintaining the building for minor and major repairs which should be included under revenue expenditure.)
- c. Government should assist the schools through provision of loan at an interest lower than the market rate. Such schemes should be worked out with H.D.F.C., HUDCO, LIC and other financial institutions including Banks. The

possibility of having a fund for refinancing of loans by such financial institutions could be considered.

d. The schools may without making it compulsory invite interest-free loans or deposits from parents which should be refunded to the parents when the wards leave the school or even earlier. Such deposits of loans should be linked to specify capital projects and have the attraction of involving the parents in the capital projects of the school. There should, however, be no direct or indirect pressure or compulsion of such deposits and should not certainly be linked to admission. The interest earned on such deposits and loans should be shown as income of the concerned capital projects and should not be credited into society's account. (It may be added that these deposits are quite different from security/caution deposits collected compulsorily from the students. These caution money and security deposits should be refunded to the students when the student leaves the school. )

## **II. PROCEDURE FOR FIXATION OF FEES**

The existing legal provisions in the Delhi School Education Act , 1973 and the Rules made thereunder are given in the Annexure X.

It has also been brought to the notice of the Committee that these provisions in regard to private un-aided schools have proved to be inadequate . Also they have not been effectively implemented. There is a need for effective implementation of the Rules and also for closer and harmonious working and better understanding between school managements, parents and the Delhi Government. With these ends in view , the following recommendations are made :

(i) Fee Committee Under the existing rules, prior approval of the Government is not required for fixing the school fee by unaided schools. The Committee is of the opinion that the school managements should continue to have the right and responsibility for fixing the fees keeping in view the guidelines setforth above. The Committee does not favour any system under which prior approval of Government is required in the matter of fixing of fees. The initiative and freedom of the schools in regard to educational management should be adequately recognised. Government, will however, have the right to intervene effectively wherever there is exploitation and unfair practice or serious violation of guidelines. Such intervention should be exceptional but when it occurs the

Government's decision will have to be binding and mandatory. To avoid such interventions and to develop harmonious system of working, it is suggested that there should be a Committee on fees which should meet every year in early December to provide specific guidelines to the schools for fee fixation of fees for the next academic year.

(ii). Such a Committee should have nominees of the Government, the Private schools Management, Parents and Educationists who are the different stake-holders in the process. There are 900 Private Un-aided Schools. The more important one among these are the members of the organisations like the Forum of Public Schools, the National Progressive Schools Conference and the Council of Public Schools etc. We suggest that there should be five nominees from these organisations and two others from representing the schools who are not members of any of these organisations.

We suggest that the composition of the above Committee may be as follows :

- |     |  |                     |
|-----|--|---------------------|
| (1) | Principal Secretary, Department of Education,<br>Govt. of N.C.T. of Delhi.                     | Ex-Officio Chairman |
| (2) | Upto three officials not below the rank<br>of Deputy Directors (Education)                     | Ex-Officio Members  |
| (3) | Upto five members of the Parents Associations to be nominated by the<br>Director of Education. | Members             |

- (4) Upto three Educationists to be nominated by the Government. Members
- (5) Upto seven persons representing the school managements. (2 from Public Schools Forum, 1 from Council of Public Schools, 2 from National Progressive Schools Conference and two others) Members

(iii) We have used the word 'Nominee' instead of 'Representatives' of the organisations and the Govt. concerned to emphasize the fact that once nominated the members will be acting in their personal capacity and will not represent any group interest. Their sole purpose will be to assist the Government in laying down proper guidelines of fixation of fees in the best interest of education of all students and of all institutions.

(iv) BINDING DIRECTIVE Such a Committee meeting in the month of December should be able to examine all likely developments in the coming year and provide clear guidelines to the school managements by early January . The school management should, in turn, be able to finalise the fee structure by the end of January and intimate the same to the Directorate of Education. In most cases these fee structure thus finalised should be acceptable to the Government. Where, however, the Government feel that there is a serious departure from the guidelines or if there is any unfair practice or exploitation they would have the power to issue a binding directive to revise the fees. Such a directive should be issued by the end of March i.e. well before admissions begin.



(v) The 900 private schools referred to in this report are unaided schools. There are numerous non-recognised schools which do not come under the ambit of the Delhi Education Act. It is suggested that the Act should be extended to all these schools from Nursery onwards. The power to issue a binding instruction should extend to all the non-recognised institution as well.

(vi) The Delhi Education Act, 1973 should be amended to provide for the directives to be binding on the managements of schools. Where such a binding directive is issued by the Govt. , the school should have to right to appeal to a Tribunal set up for this purpose. The Tribunal should comprise three members, one with judicial background, an educationist and one member with administrative backgrounds. The decision of the Tribunal should be treated as final and binding on all parties. In the event of the school not complying with the binding directive even after the decision of the Tribunal (where there is an appeal to such a Tribunal) such non compliance should lead to legal consequences which should include heavy penalties.

The present Law and the Rules thereunder provide for takeover of Management of schools in case of violation of law and rules. Extreme steps such as withdrawal of recognition and take over of schools cannot easily be resorted to . When resorted to they often harm the interest of the students and of teachers which is not the intention of such a take over or withdrawal of recognition. The Committee,

therefore, felt that there should be other simpler and effective methods of ensuring the observance of law and rules in letter and spirit and hence we have recommended the empowerment of the Directorate for the issue of binding instructions with suitable safeguard for appeal and decision-making in non-bureaucratic manner.

### **III. SCRUTINY OF ACCOUNTS**

One of the important aspects of monitoring by the Director of Education relates to the scrutiny of the accounts of the schools to ensure that there is no siphoning off funds by the school concerned. For this purpose the Director of Education should be equipped with professionally trained auditors, well-versed in double entry accounting. A cursory scrutiny of the accounts of some of schools reveals the share of expenditure on salary and emoluments ranges from 30% to 70% of the annual expenditure. The reason for such wide variations needs to be gone into. There are items of expenditure under 'seminar activities' etc. and the amount of expenditure under these heads must have a reasonable relationship to the effectiveness and relevance of these activities to the objectives of the school.

(i) Further there are entries on loans given, on interest-payments, transfers, or loans to other schools and transfers to various funds. These need to be intelligently investigated to ensure that funds are not being siphoned off. The importance of professionally strengthening the Directorate of Education for scrutinizing these

accounts and balance-sheets of schools cannot be over emphasised. Such regular and effective scrutiny plays an important role in preventing mal-practices and unfair methods of accounting.

(ii.) Another objective of the scrutiny of annual accounts would be to ensure that the amounts collected under various items of fees are utilised for the purpose concerned. The scrutiny in these accounts at the headquarters will have to be supplemented by inspection of schools and examination of original records. It is understood that an Accounts Officer is a part of inspection team which carries out inspection of schools by the Delhi Government and the entire inspection system is being strengthened. We recommend that the Inspecting officer should be specifically directed to ensure proper use of the fees collected and also to check whether funds are being siphoned off to the society or to other schools.

(iii) During the discussions a question arose whether auditing of the school should be entrusted to a Government auditor instead of chartered accountant. There was an apprehension that if the responsibility is entirely entrusted to the chartered accountant a fair picture may not emerge. On the other hand the government auditing may result into delays and may not have the kind of attention which is needed. In the opinion of the Committee the auditing should be conducted by chartered accountants to be appointed from a panel duly approved by government. In addition to the chartered accountant's auditing, the government should have the right to inspect the accounts and records of school whenever they so wish. Inspecting powers under section 24 of the Delhi Education Act 1973 are

available to the Government which it should not hesitate to use in order to inspect and scrutinize original records as and when necessary.

(iv) The audit and financial inspection as well as scrutiny of documents and accounts at headquarters alone are not adequate to ensure that funds are being properly utilised. The Directorate of Education is expected to carry out inspection of schools and a finance expert is appointed invariably a member of the inspection team. Special importance should be attached to these aspects of the inspection. Besides there could be special inspection carried out to verify the original records and seek clarifications in regard to the accounts and the statements submitted. These Inspectors should be given proper orientation before inspecting the schools so that they are able to assist in building up standards and compliance of rules rather than indulging in bureaucratic harassment.

(v) Special inspections have been carried out this year at the instance of the Directorate of Education. But the Committee did not receive the result of these inspection. It is hoped that the Directorate of Education is pursuing the reports of these inspections in order to ensure that guidelines set forth in this regard are fully observed.

IV. **Sale of Uniform and Books** : There have been complaints that the sale of books and uniforms through schools or sale by shops authorised by the school are creating an unnecessary burden on the parents. This can be a source of income to the schools. To prevent malpractices in this area, the schools may be permitted to organise books or uniforms sales counter in the shops on no-profit, no-loss basis. However, the parents should be free to purchase books and uniforms from other places at their option.

V. **Collection drives through students** : Similarly there have been complaints that the students are utilised for collection of money on various occasions, such as fetes, special collection drives etc. The Committee strongly recommends that steps be taken to discourage these kinds of collections and use of the students for such collections. Some schools have tradition of organising festivals and charity shows on specific occasions which provide an opportunity for students, teachers and parents to get together but such occasions should be utilised as fund raising activities for specific purposes and the collections should be duly incorporated in the school accounts.

VI. **Freeships to students** : When D.D.A. allots land for setting up of school, a condition is incorporated that 20 % school children should be given freeships. According to the information available with the Committee, this condition is not being implemented in the schools and is a glaring example of violation of law. The

Committee reiterates that this condition be complied with by all the schools forthwith.

**VII. Private Unaided Schools in Resettlement Colonies** (i) There are some private unaided schools running in resettlement colonies and villages etc. where the paying capacity of the parents is limited and their fee structure have been to be abnormally inadequate to pay full salaries to the teachers and staff and to meet normal expenditure for quality education. It is obvious that the schools are exploiting the teachers by paying abnormally low salaries to them and are fudging accounts to show at the salaries are being paid at the prescribed rates. It is not possible to take action in many of the cases because the schools are running in the congested areas where no land is available for Government to start its own schools and if such sub-standard schools are derecognised, the children may be denied schooling facility in reasonably close area to their residences. This would apply also in those areas which may not be very congested but Government may be handicapped because of non-availability of land in that area or the area which are situated in vicinity.

(ii) A legal provision may be made to give option to such school managements to convert their schools into aided schools by making available the existing facilities for running the aided school as per the prescribed norms so that exploitation of teachers will end and proper quality of education to the children could be ensured. In case some of the schools do not want to come

in the aided category, a new category of semi-aided schools may be created where Govt. would supplement the resources of the school by giving matching grant equal to the fee realised and will ensure giving of full salary to the teachers and staff and ensure proper quality of education. In these cases, an account, to be operated jointly by the manager of the school and the Education Officer of the area, should be opened in which all receipts by way of fees and Govt. grants may be credited and payment to teachers should be made directly by crossed cheques. These accounts will be maintained in nationalised banks.

**VIII. Penalty for Violation Law** (i) Violation of various provisions of Act and Rules for which specific penalty has not been laid down in the law may be punished with a fine up to Rs. 10,000/- or with imprisonment upto three months or with both. The principal of the school, the managers of the school and other full time members of the school management, similarly full time office bearers of the society should be made personally liable for the enforcement of the various provisions of the law.

(ii) For taking action under various provisions of the law, the cases may <sup>be</sup> tried only by Delhi School Education Tribunal/Tribunals which may be set up on full time basis, and their number should be commensurate with the quantum of work generated.

## **IX. STRENGTHENING OF DIRECTORATE OF EDUCATION**

It is a fact that the Directorate of Education has not been able to discharge its functions in terms of monitoring as well as in terms of inspection. Regular monitoring and analysis of information that flows from odd schools must be ensured. Only such effective monitoring will lead to the observance of the laws, rules, and directions issued by the Government. If the unrecognized schools are also to be monitored, the volume and complexities of the work will increase. If there has to be adequate follow up action on various inspections that are conducted by the Directorate of Education (which also need to be strengthened and made regular ) requisite staff support will be essential . Keeping all these facts in view the Committee recommends that the Govt of N.C.T. of Delhi should strengthen the Directorate of Education in terms of numbers as well as in terms of quality and calibre of staff.



## **X RECOMMENDATIONS FOR THE YEAR 1997-98**

(i) The genesis of setting up the present Committee can be traced to the unease and resentment caused among the parents by the steep hike in fees for the academic year 1997-98. Undoubtedly this increase has caused hardship to the parents, who are now looking for some relief. There is also the nagging feeling that many schools are indulging in profiteering and siphoning off surplus cash for personal benefit or benefits of the parent society or of other schools. A case by case review in respect of all schools which have hiked their fees steeply would be in order. Such a scrutiny of Balance-Sheet and income and expenditure account of the last two or three years of each such school will create an understanding of the real situation and will, on the one hand, allay the misgivings and exaggerated complaints against some schools and on the other hand enable Government to deal with cases where there is profiteering and excessive fee collection. But this process of due examination and consequential action will take time even if the Directorate of Education's finance wing is effectively strengthened. While the committee recommends such a case by case examination as an ongoing process, there is also the need for immediate action in regard to steep increase in fees during 1997-98..

(ii) The Committee understands that the main reason for increase in fees in 1997-98 is the anticipated increase in expenditure due to the likely adoption of the

recommendations of the V Pay Commission. Under the Delhi Education Act, it is mandatory for all the schools to adopt the scales of pay and allowances as may be recommended by the Pay Commission and are accepted by Government. The school managements were, therefore, right in anticipating the financial needs of implementing the V Pay Commission Report. The decisions on these recommendations have just been announced by the Govt. of India and it will take some more time before the financial implications are fully worked out. Hence we recommend that the amount realised through increase of tuition fees during 1997-98 be credited by each school to a separate fund (beyond a limit of 15 % which may at best be attributed to the normal increase due to price rise and innovations). This fund should be used exclusively for meeting the additional expenditure due to revision of pay scales by the Pay Commission and its consequential effect including the payment of arrears. It should be possible for the schools to work out their precise financial obligations well before the fees of the 3rd quarter of the academic year, 1997-98 are due. If any excess amount has been collected, this should be adjusted in the bills of the 3rd and the 4th quarter of the current year.

(iii) It has been brought to the notice of the Committee that some schools have accumulated surpluses over the years in terms of reserves or otherwise. These are often intended for renovation and other capital expenditure. The managements of schools may be requested to examine the possibility of utilising some of these accumulated surplus funds for meeting the additional requirements consequent to

the adoption of the V Pay Commission's Recommendations. In particular there is a good case for meeting the liability towards arrear payments relating to the period upto 31.3.1997 from the past accumulated surplus.

(iv) There have been increases not only in Tuition fees but in several other fees such as Admission fee, Computer fee, Sports fee etc. In particular, the Committee feels that " Admission fee " levied in certain schools are considerably exceeding the ceiling of Rs. 200/- suggested in a Public Notice issued by the Government of N.C.T. of Delhi. The Committee also doubts if the amount of Caution Money deposits that are being collected have any actual relationship to the risk of breakage or damage, repairs or replacements etc. The Committee recommends that the Managing Committees of schools should be required to review the increases of all the fees that are being levied in addition to the Tuition fee. This review should be undertaken with a view to bringing down proposed increases to the minimum possible level. This is necessary especially because of the ultimate goal of keeping the disparities among the schools as low as possible.

(v) The Govt. of N.C.T. of Delhi has already issued a Public Notice requesting the Management of schools to review the fees for 1997-98. They may now require that the Managing Committees of schools be convened with adequate notice enabling the P.T.A.'s nominees and nominee's of Directorate of Education to attend this meeting. This special meeting may be requested to review the increases in respect of Tuition as well as other fees for 1997-98 keeping in view the guidelines

setforth above. The Managements should be able to take a final decision in this matter well before the payment of the 3rd quarter of the fees becomes due. ( in Oct. '97).

## **XI CONCLUDING OBSERVATIONS**

(I) Education is not a sector where the "commercial instinct" should operate. This must be kept in mind by all those who enter this field. Employers/Managements/ Trusts/Donors must all realise that no return can be expected in financial terms from investment in education. It is necessary to promote consensus in this regard. The various safe-guards which are being provided for will be nullified if the "spirit of commerce" enters the area of education with vast amounts of unaccounted money moving around. Strict vigilance should, therefore, be kept to detect transactions that do not enter the records and exemplary punishment meted out whenever such instances are detected.

(ii) In the final analysis, malpractices and exploitation arise from the acute scarcity of places in good secondary schools. There is burgeoning demand for admissions in good English medium schools which the existing supply is not able to meet. The demand from various sections of society cannot be ignored and the problem can be satisfactorily addressed only when the quality of education in the Govt. and aided schools is improved substantially. As many Government schools have the requisite physical facilities and have also qualified teachers who are paid well as private schools if not better and have better security and other conditions of service, the task of providing quality education in the Govt. and aided schools is

not beyond the capacity of the Government. This Committee's terms of reference do not directly cover this aspect. Nevertheless the Committee feels constrained to point out that its proposals for regulation of fees in private schools would be effective only when the Government and aided schools are strengthened and provide genuine alternatives to private schools.

The future of India as a self reliant nation providing opportunities to one and all and its very existence as a society that ensures liberty and equality depends on access for all to quality education and on the freedom of individuals and institutions to provide such education. This freedom implies freedom of educational institutions from pressures exerted by various groups either through money or mob power or through bureaucracy and political interference at various levels. The Constitution of India assures to all the citizens the fundamental right to practise any profession and carry on any occupation, trade or business subject only to reasonable restriction in public interest and provisions of services directly by Government where needed. Violation of these rights will deny the youth of this country their right to opportunities and a bright future. At the same time, it is Government's responsibility to ensure that the freedom of individuals and

institutions is not abused to exploit society in the name of quality education or otherwise. The Committee believes that its recommendations provide a proper balance between these opposing considerations.

**ANNEXURE - I**

No. F-DE-23(1)/PB/97/116

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI DIRECTORATE OF  
EDUCATION, OLD SECTT. , DELHI - 54.

Dated, the May 6, 1997

**ORDER**

**Sub : Constitution of Delhi Private Schools Fees Structure Study Committee  
to suggest ways to relationalise the School Fees.**

.....

The Government of Delhi has received a number of complaints from general public that private recognised schools in Delhi are charging fees exorbitantly. The fee structure of many schools are different and different types of fees other than tuition fees are also being charged from the students. The Govt. of Delhi has, therefore, decided to set up a "Private Schools Fees Structure Study Committee" to suggest ways to rationalise their school fees structure and its utilisation and also how the Govt. can exercise control over these matters, if need be.

1. The terms of reference of the Committee will be as under :
  - i. To study the fee structure of Private recognised unaided schools along with other charges by whatever name they may be charged from students.
  - i. To study how the amounts so realised are utilised towards providing facilities to students and teachers.



- iii. To indicate if any legal provisions are being violated in charging higher fees etc.
- iv. To study the adequacy or otherwise of existing legal provisions and administrative measures to deal with the problem of un-controlled increase in fees by schools and to regulate the same.
- v. To suggest legislative and administrative measures to regulate the fee and other charges in such schools.

2. The Committee shall consist the following :

..	Dr. J. Veeraraghavan, Former Secretary, HRD.	..	Chairman.
i.	Dr. G.L. Arora, Prof. NCERT.	..	Member.
ii.	Shri Y.P. Purang, Ex-Dy. Director of Education, Dte. of Education.	..	Member.
iv.	Dr. (Mrs.) S. Mukhopadhyaya, Director (S.C.E.R.T.).	..	Member.
v.	Sh. S.P. Bakshi, Ex-Principal, Modern School, Barakhamaba, Road, New Delhi.	..	Member.
vi.	Deputy Secretary (Finance), Govt. of NCT, Delhi.	..	Member.
vii.	Chairman, CBSE or his nominee.	..	Member.
viii.	Addl. Director of Education (Schools).	..	Member- Secretary.

4. The Committee shall devise its own procedure and methodology of work.
5. The Committee will submit its report within 2 months.
6. TMDA to the members of the Committee will be paid as per rules by the S.C.E.R.T.

7. The secretarial assistance and other services to the Committee will be provided by the Directorate of Education.

Sd/-

(K.K. BHASIN)

SPECIAL SECRETARY-CUM-  
DIRECTOR OF EDUCATION.

**ANNEXURE - II**

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI DIRECTORATE OF  
EDUCATION, OLD SECTT. , DELHI - 54.**

**PUBLIC NOTICE**

The Government of Delhi has received a number of complaints from general public that Private Recognised Schools in Delhi are charging fees exorbitantly. The Government of Delhi has set up "Private Schools Fees Structure Study Committee" to suggest ways to rationalise the school fee structure and its utilisation. The committee consists of eight members headed by Sh. J. Veeraraghavan, former Secretary, MHRD. The committee is expected to submit its report within two months. The terms of the reference of the committee are as under.

- 1 To study the fee structure of Private recognised unaided schools alongwith other charges by whatever name they may be charged from students.
- 2 To study how the amounts so realised are utilised towards providing facilities to students and teachers.
- 3 To indicate if any legal provisions are being violated in charging higher fees etc.
- 4 To study the adequacy or otherwise of existing legal provisions and administrative measures to deal with the problem of uncontrolled increase in fees by schools and to regulate the same.
- 5 To suggest legislative and administrative measures to regulate the fees and other charges in such schools.

Schools managements, parents and general public may send their view/suggestions on the matter referred above in writing to Addl. Director of Education , Room No. 214-C, Directorate of Education , Old Secretariat, Delhi - 110 054 so as to reach in his office not later than 23.5.97. The envelope should be superscribed as "For the attention of Private Schools fee Structure Study Committee".

Sd/-  
(K.K. BHASIN)  
DIRECTOR OF EDUCATION

Dt. - 17.05.97

**ANNEXURE - III**

**Analysis of fee structure in force in Un-aided Private Schools**

A)

a)	Total No. of schools from where fee details received	=	117
b)	Middle Schools	=	8
c)	Secondary Schools	=	24
d)	Sr. Secondary Schools	=	69
e)	Detail not available with the letters	=	15
f)	Could not be identified	=	1

B) Fee ranges and percentage

---

	Fee range	No.of Schools	%	
a)	Below	Rs. 100/-	1	Less than 1 %
b)	Between	Rs.100-200	14	12 %
c)	Between	Rs.100-300	3	2.5 %
d)	Between	Rs.200-300	18	15 %
e)	Between	Rs.200-400	12	10 %
f)	Between	Rs.300-400	29	25 %

g)	Between	Rs.300-500	4	3.5 %
h)	Between	Rs. 400-500	12	10 %
l)	Between	Rs.500-650	7	6 %
j)	Between	Rs.600-700	1	Less than 1 %
k)	Above	Rs/700/-	1	Less than 1 %
l)	Details N/A		15	13 %
			-----	
			117	100 %
			-----	

The heads of fees being collected vary from school to school depending upon the necessity and expenditure incurred under various heads.

The statistics show that the number of schools charging fee between Rs. 400- and Rs. 700/- p.m. are only 24 which constitutes approx. 20 % of the schools taken up for survey.

Out of these 117 schools, 15 have not submitted the requisite fee details.

### INCREASE IN FEES OVER PREVIOUS YEAR

A rough comparison of tuition fees of 97-98 with 96-97 reveals that the percentage increase varied from as low as 7 % to as much as 45 % in the given sample of 117 schools. The average increase of tuition fee appears to be around 30 %.

In addition to tuition fees, schools charge fees under various heads. These heads appearing in different schools are summed up below. The need for standardisation of heads is obvious..

#### Detail of fee heads :

- |                         |                     |
|-------------------------|---------------------|
| 1. Registration         | 2. Admission        |
| 3. Caution              | 4. Building         |
| 5. Tuition              | 6. Science          |
| 7. Medcial              | 8. Computer         |
| 9. Annual               | 10. Examination     |
| 11. Development fund    | 12. Library         |
| 13. P.T.A.              | 14. S.U.P.W.        |
| 15. Magazine/Bulletin   | 16. Activity        |
| 17. Students fund       | 18. Amalgamated fee |
| 19. Sports              | 20. Welfare fund    |
| 21. Stationery          | 22. Processing fee  |
| 23. Craft               | 24. Benovelence     |
| 25. Multimedia          | 26. Home Science    |
| 27. Establishment       | 28. Judo            |
| 29. Headquarters        | 30. Cocurricular    |
| 31. Term charges        | 32. Miscellaneous   |
| 33. Swimming            | 34. Maintenance     |
| 35. Music               | 36. Assignment      |
| 37. Electricity & Water | 38. Furniture       |

- 39. **Diary & Fee book**
- 41. **Boys fund**
- 43. **Pupil Data**
- 45. **Educational Insurance**
- 47. **Robotics**
- 49. **Midday meal**

- 40. **Corpus fund**
- 42. **Textile Designing**
- 44. **House Keeping**
- 46. **Accident Insurance**
- 48. **Typing**
- 50. **Group Insurance**

**GIST OF POINTS MADE BY REPRESENTATIVES  
OF PARENTS ORGANISATIONS**

1. Public Schools are charging school fees under different heads, as much as 16 heads identified.
2. Most of the public schools have increased their fees to an extent of 20% to 160%. The parents are forced to pay the increase in fees as the schools threaten dire action against the students in case fees are not paid.
3. Donations are also collected either in the form of bribe or in the form of extortion.
4. In the name of computer education there is exploitation taking place. Schools are charging upto Rs. 150/- month whereas right from Class I to VIII no useful level of knowledge is attained by the children.
5. The conditions at the time of allotment of land by the DDA are not being followed.



6. PTA has not been consulted, in most of the schools PTA exists only for the name sake.
7. Private schools, prescribe very costly books and they make huge margin by compelling the students to buy the books from a particular shop or book store.
8. For extra coaching outside the school hours they charge extra money, again exorbitantly.
9. For re-admission from class X to XI admission fees are again charged which is against the rules.
10. The land is owned by the society and not by the school therefore, property tax, depreciation etc. should not be brought in the school accounts.
11. The class rooms are over-crowded. There should not be more than 35 students in each class.
12. Private schools admit students on the basis of the interview; interview is nothing but a method to collect more money for the schools.
13. There should be a categorisation of schools according to the facilities provided.

**GIST OF POINTS MADE IN THE DISCUSSIONS BY  
REPRESENTATIVES OF PRINCIPALS ORGANISATIONS**

1. The School has to generate fund for recurring and non-recurring expenditure. About 10 to 15% increase in fees is due to inflation in the price index.
2. The salary bill for government schools for 800 students is around Rs. 5 lakhs. The govt. schools do not provide good quality books, good quality material etc.
3. There should be a categorisation of schools on the basis of availability of land, facilities provided, pupil-teacher ratio, enrolment etc. - the fee charged should be according to the categorisation.
4. There should be separate Audit Bureau for public schools which should consist of experts from all walks of life.
5. Regarding caution money, the school should pay interest to this and there should be a ceiling to this also.
6. There is a provision for conducting regular inspection by Dte. of Education and affiliating board, inspection reports apart from other

informations covers fee aspects also but no such serious inspection has ever been done till date in many schools.

7. There are schools outside Delhi charging as high as Rs. 22000/- per year. But schools located in metropolitan cities like Delhi have to incur a higher expenditure as cost is very high.
8. It is also to be understood that people are ready to pay if the schools are providing more facilities like swimming, horse riding and better play ground, better sports facilities etc.
9. The Government has not done periodical inspections in these schools and has not given any guidance in this matter at any point or time.
10. Because of the lack of better quality of education in Government schools people rush to public schools.
11. Separate agency is to be created to audit the accounts and also to monitor academic and the financial side of the school.
12. Donations must be accounted for and proper receipts should be issued.

**GOVERNMENT OF MAHARASHTRA**

Dt. - 22.7.97

To

Shri J. Veeraraghavan,  
Director,  
Bharatiya Vidya Bhavan, Mehta Sadan,  
Kasturba Gandhi Marg,  
NEW DELHI- 110001.

**Sub:- Regulation of School fees in un-aided private schools in Maharashtra**

Sir,

Kindly refer to your letter dated 21st July 1997 addressed to Smt. Kumud Bansal, School Education Secretary, Mantralaya, Mumbai - 400032.

The school fees in aided private secondary schools are regulated as per provisions in Secondary School Code. However, school fees in unaided private secondary schools are regulated by the administrative orders of the department. Normally it is an accepted fact that school education is not a profit making or commercial activity. Therefore, it is necessary to regulate fees in such a way that the unaided secondary schools can run the school on the strength of fees received from the students and do not make any profit thereof. The fees charged by unaided secondary schools are approved by the Director of Education. While approving the proposal of secondary school the items taken into consideration are as under:-

- 1) The expenditure incurred by the schools on the salary of teaching and non-teaching staff;
- 2) The teaching staff and non-teaching staff are governed by the rules and the pay-scales stipulated by the Government for aided schools;
- 3) The norms for appointing teachers are also the same as laid down for the aided secondary schools;
- 4) The expenditure on the non-salary grant (office expenditure, stationery, equipment, etc.) is allowed upto 12% of the salary expenditure or the actual expenditure made, whichever is less;
- 5) The total expenditure incurred (salary and non-salary) is worked out on per capita for the number of students actually enrolled in the school.

- 6) Normally the fee structure is for a period of 3 years after which the school has to make a fresh proposal for increase in fee rates.

The proposal is made by the school through the District Education Officer, Deputy Director of Education and is finally approved by the Director of Education. It is specifically noted in the order sanctioned by the Director of Education that any extra fee charged by the school will attract the provisions of the 'The Maharashtra Educational Institutions (Prohibition of Capitation Fee) Act, 1987'.

I hope this information would be sufficient for you to submit the report.

Yours faithfully,

(R. B. Phansalkar)  
DEPUTY SECRETARY TO GOVERNMENT

**ANNEXURE - VI**

Dt. 22. 7. 1997

From

**M.A. GOWRISHANKAR, IAS**  
Secretary to Government  
School Education Department  
Secretariat  
Chennai 600 009

To

**Thiru V. Veeraraghavan, I.A.S.(Retd.)**  
Director,  
Bharatiya Vidya Bhavan,  
New Delhi.

Sir,

At present there is no provision in the Act or rules governing the private schools in the matter of fixation of tuition fees and other items by the unaided schools. A proposal to cover these institutions under the Act for Institutions of Higher Education is under consideration.

**Yours faithfully,**

sd/-  
**(M.A. GOWRISHANKAR)**

**ANNEXURE - VII**

**GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI  
DIRECTORATE OF EDUCATION  
( ACT BRANCH)**

No. 1052 - 2061

Dt : 09.04.1997

**C I R C U L A R**

It has come to the notice of the Directorate of Education that the number of Managing Committee of the recognised unaided schools in Delhi are not functioning in accordance with the provisions of the Delhi School Education Act & Rules, 1973.

All the managing committees of unaided schools in N.C.T. of Delhi are therefore hereby asked to act strictly in accordance with the provisions of Delhi School Education Act & Rules, 1973. The attention of such managing committees and Principals of these schools is hereby drawn in particular to the following aspects :

1. **ADMISSIONS OF STUDENTS** (Section 16 read with Rule 145 of Delhi School Education Act & Rules, 73)

(a) The head of every recognised unaided school shall regulate admission to a recognised unaided school or to any class or school;

(b) A student who fails in any public examination shall not be refused re-admission in the school or class by the school from which he had appeared at such examination;

(c) In an unaided school the admission in the higher class will be automatic after passing out the lower class. There shall be no fresh admission of same student in

the same school in any class i.e. in class VI, IX or XI ( as per Supreme court judgement (1995) 5 SEC.512);

- (d) A child who has not attained the age of 5 years as on 30/09/97 shall not be admitted to class - I or any student seeking admission for the first time in a recognised school in a class higher than class - I shall not be admitted to that class if his age reduced by the number of years of normal school study between that class and class - I or any equivalent class falls short of 5 years.
- (e) A child who has not attained the age of 4 years as on 30/09/97 shall not be admitted to pre-primary classes.
- (f) The Directorate of Education issues essentiality certificate before recognition of the school keeping in view the needs of locality. But it is observed that Managing Committee of unaided recognised schools are not giving the weightage to this criteria at the time of admission. All the Manager/Principals of the unaided schools are therefore directed to give preference in the students seeking admission residing within radius of 3 k.m.
- (g) DDA allots land to the unaided recognised schools at subsidised rates on the condition that 20% of seats should be reserved for students of Economically Backward Classes. But it is observed that in practice this is not being followed. The Manager/Principals are therefore directed to comply with the conditions of allotment of land to such schools.
- (h) Schools should follow the annual calendar issued by the department (School Branch).

2. **FEES & OTHER CHARGES** (Section 17 (3) read with Rule 175,176,172,177,180 of Delhi School Education Act & Rules, 1973)

( Returns, collections and utilisation of fees by unaided recognised schools)



- (a) It is obligatory on the part of the managing committee of every unaided recognised schools to file return and other required documents in prescribed proforma for each financial year latest by 31st of July each year which is subject to the examination and scrutiny by the officers authorised by the Director of Education on this behalf ;
- (b) Every fee, contribution or other charges collected from any student by an unaided recognised school shall be collected in its own name against a proper receipt by the school for every collection made by it. No fees or contributions or any other charges shall be collected from any students by the trust or the society running such recognised school ;
- (c) Funds collected for specific purposes can be spent for that specific purpose only. The managing committee of recognized schools are therefore warned to charge fee and other specific funds according to the justification and requirement of the funds, Accounts of the schools fund including fees, fines, building rent, development fees, gift donations contributions of pupil's funds and other fees are to be accounted for and to be utilised in accordance with the specific provisions of the Delhi School Education Rules, 1973.
- (d) Any type of school funds will not be transferred to the fund of society/trust management other than school fund.
- (e) The caution money received by the managing committee of the school from students at the time of admission should be returned by the managing committee to the students at the time of leaving this school alongwith the Bank interest.

### SERVICE CONDITIONS

- (a) It is obligatory on part of the managing committee of every unaided school to recruit qualified staff (Section B read with Rule 100 of Delhi School Education Act & Rules, 1973.)

- (b) It is obligatory on the part of every unaided minority recognised school to submit for registration of the copy of contract of service with every employee (Section 15 read with Rule 130 of Delhi School Education Act & Rules, 1973).
- (c) It is obligatory on the part of every managing committee of unaided recognised school except the minority unaided schools to seek approval of Directorate of Education for extension of probation period, acceptance of resignation, dismissal, removal or termination or service of any employee (Section 8(2) read with Rule 105, 114 A of DSER , 73)
- (d) It is obligatory on the part of the managing committee of every unaided school including minority schools of every unaided school including minority schools to seek approval of Director of Education for suspension of any employee; (Section 8 (2) read with the judgement of Supreme Court in Frank Anthony School Case).
- (e) It is obligatory on the part of managing committee of unaided recognised schools (including minority schools) to pay the salary, D.A. at prescribed rates, Interim Relief and other prescribed benefits to the employees which shall not be less than those of the employees of corresponding status in the school run by the Directorate of Education (Section 10 (1) of Delhi School Education Act & Rule, 1973.)

**MANAGEMENT OF AFFAIRS OF THE SCHOOLS** (Section 5 read  
with Rule 59 of  
DSER, 73)

- (a) It is obligatory on the part of the managing committee of unaided recognised school to manage the affairs of the school in accordance with the approved Scheme of Management.
- (b) It is obligatory on the part of the managing committee of unaided recognised school to invite D.E.'s nominee/Advisory Board nominees in the meetings whenever scheduled. In this regard instructions have already been issued that the notice of such meeting is required to be sent by special messenger or by registered post only. The proceedings of managing committee in the absence of following the said procedure will not be given cognizance.

The Managers/Principals of all unaided recognised schools in the N.C.T. of Delhi are therefore required to ensure the compliance of these provisions to avoid penal action which include withdrawal of recognition, and taking over of the schools in accordance with the provisions of Delhi School Education Act & Rules, 1973.

(K.K. BHASIN)  
DIRECTOR OF EDUCATION

No.

Dt.:

Copies to :

1. The Managers of all unaided recognised public schools in Delhi.
2. All D.D.E. to ensure the compliance of the provisions of the Act while submitting any proposals to headquarters for the approval of Director of Education.
3. E.O.'s/D.E.O.'s with the directions to emphasize the provisions of circular in the meetings of the heads of unaided recognised schools and also to ensure the proper service of circular to each school. A certificate to this effect that the circular has been circulated to all unaided recognised schools should be sent to the undersigned within the 10 days.

4. P.S. to M.D.E. for information.
5. P.S. to Secy. (Edn) for information.

(N.S. TOLIA)

ADDL. DIRECTOR OF EDUCATION (ACT)

## ANNEXURE - VIII

GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI

DIRECTORATE OF EDUCATION

(ACT BRANCH)

PUBLIC NOTICE

There have been persistent demand from the parents of the students to have the check on unscrupulous manner of the unaided school authorities in enhancement of fees and other charges indiscriminately that too without any reasonable and reliable justification.

In pursuance of provisions of sub-section(3) of section 17 Delhi School Education Act, 1973 a few recognized unaided schools have filed a full statement of fees to be levied during the Academic Session 1997-98 and on its scrutiny, it has been found that most of the schools have enhanced the fees comparatively much more to the actual requirement on the expenditure likely to be burden, by the managing committee so as to meet the requirements of pay, alliances & other benefits admissible to the employees of the school in pursuance of sub section (1) of section 10 of Delhi School Education Act, 1973.

No doubt, to meet out the justifiable requirements of the school, some funds can be collected from the students but at the same time, the same cannot be made as regular practice to burden the parents with heavy expenditure. In the past, the fees and funds so collected regularly from the students have not been utilised for the specific purposes which they were realised or received which is one of the mandatory requirements under sub-clause (b) of sub section(4) of section 18 of Delhi School Education Act, 1973 and with Rule 76 of Delhi School Education Rules, 1973.

Aforesaid circumstances and material facts have compelled the Director of Education to issue suitable directions under sub section(3) of section (24)of Delhi School Education Act, 1973, directing/requiring the managers of the recognised unaided schools in Delhi:

1. To review/revise the fees structure for 1997-98 by convening a meeting of the managing committee having PTA representative and D.E.'s nominee in it.
2. Not to charge building fund and development charges when the building is complete or otherwise as 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. Therefore, the students should not be burdened by the way of collecting the building fund or development charges.
3. No security/ deposit/caution money be taken from the students at the time of admission and if at all it is considered necessary, it should be taken once and at the nominal rate but not more than Rs. 500/- per student in any case, and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.
4. Admission fee can be charged only at nominal rate but not exceeding Rs. 200/- in any case, it should not be made regular practice. Once a student is admitted in a school, he should not be asked to pay admission fee again at middle or secondary or senior secondary stage..
5. Annual charges to be charged from the students should commensurate to the annual overheads of the school keeping in view the past record and the enrollment of the school.
6. Similarly is the case regarding computer fee and it should be ensured that unless it is beneficial to the students in imparting Education based on computer. It should not be made compulsory.
7. No donation be taken or other charges shall be collected from any student by the trust or society running any recognised school. All fee and funds can be collected by the school only in its own name against proper receipt.
8. No donation be taken or accepted or made compulsory from the students at the time of admission by the managing committee of the school, as the managing

committee has no role in the admission of the students. According to rule 145 of Delhi School Education Rules, 1973, the Head of the School is the only competent authority to regulate admission on the basis of test or otherwise.

It is accordingly directed that managing committee of the unaided schools take a note of it and submit a detailed compliance report so as to avoid any contemplated action against the defaulting managing committee and the school for necessary action so admissible under sub-section (4) of section (24) of Delhi School Education Act, 1973.

Sd/-(K.K.BHASIN)  
Director of Education

4.3.97.

**Annexure IX**

**GOVT, OF NATIONAL CAPITAL TERRITORY OF DELHI  
DIRECTORATE OF EDUCATION  
(ACT BRANCH)**

NO:

DATED : 8.4.97

To

The Manager/Principal,  
.....  
.....

Sub:- Revised fees structure for 1997-98

Sir/Madam,

This is to refer your letter dated ..... intimating thereby the increase in the fees structure for the year 1997-98. The proposed increase in the fees and funds does not seem to be justified.

You are, therefore, requested to submit the proper justification in respect of each item separately in the following proforma:

1. Tuition Fees

I	II	III	IV	V	VI
Enrollment as on 1.1.97	Tuition fees per month as on 1.1.97	Total receipts of tuition fee as on 1.1.97	Total gross salary bill of staff as on 31.3.97	Proposed receipts per month of tuition fees at revised rates according to the enrollment as on 1.1.97.	Expected increase in salary bills(details of increase in pay be given separate annexure)



2. Other Fees & Funds

As on 1. 1. 97

Proposed for 1997-98

Justification for increase

Yours faithfully,

(N.S. TOLIA)  
ADDL. DIRECTOR OF EDUCATION(ACT)

ANNEXURE - X

EXISTING LEGAL PROVISIONS IN  
DELHI SCHOOL EDUCATION ACT, 1973  
WITH REGARD TO FEES AND ACCOUNTS

Section 10 : Salaries of employees

1. The scales of pay and allowances, medical facilities, pension, gratuity, provident fund and other prescribed benefits of the employees of a recognised private school shall not be less than those of the employees of the corresponding status in school run by the appropriate authority .

Provided that where the scales of pay and allowances, medical facilities, pension, gratuity, provident fund and other prescribed benefits of the employees of any recognised private school are less than those of the employees of the corresponding status in the schools run by the appropriate authority, the appropriate authority shall direct, in writing, the managing committee of such school to bring the same up to the level of those of the employees of the corresponding status in schools run by the appropriate authority :

Provided further that the failure to comply with such direction shall be deemed to be non-compliance with the conditions for continuing recognition of an existing school and the provisions of section 4 shall apply accordingly.

2. The managing committee of every aided school shall deposit, every month, its share towards pay and allowances, medical facilities, pension, gratuity, provident fund and other prescribed benefits with the Administrator and the Administrator shall disburse, or cause to be disbursed, within the first week of every month, the salaries and allowances to the employees of the aided schools.

**Section 17 : Fees and other charges**

1. No aided school shall levy fee or collect any other charge or receive any other payment except those specified by the Director
2. Every aided school having different rates of fees or other charges or different funds shall obtain prior approval of the prescribed authority before levying such fees or collecting such charges or creating such funds.
3. The manager of every recognised school shall, before the commencement of each academic session file with the Director a full statement of the fees to be levied by such school during the ensuing academic session, and except with the prior approval of the Director, no such school shall charge, during that academic session, any fee in excess of the fee specified by its manager in the said statement.

**Section 18 : School Fund**

1. In every aided school, there shall be a fund, to be called the "School Fund" and there shall be credited thereto -
  - a. any aid granted by the Administrator,
  - b. income accruing to the school by way of fees, charges or other payments, and
  - c. any other contributions, endowments and the like.
2. The School Fund and all other funds, including the Pupils' Fund, established with the approval of the Administrator, shall be accounted for and operated in accordance with

**the rules made under this Act.**

- 3. In every recognised unaided school, there shall be a fund, to be called the "Recognised Unaided School Fund", and there shall be credited thereto income accruing to the school by way of**
  - a. fees,**
  - b. any charges and payments which may be realised by the school for other specific purposes, and**
  - c. any other contribution, endowments, gifts and the like.**
  
- 4 (a). Income derived by unaided schools by way of fees shall be utilised only for such educational purposes as may be prescribed ; and**
  
- (b). Charges and payments realised and all other contributions, endowments and gifts received by the school shall be utilised only for the specific purpose for which they were realised or received.**
  
- 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.**

## **FEE CONCESSIONS**

### **Section 157 : Definition of Fees**

In this part, the expression "fees" includes science fee, music fee, or any other fee which may be levied and collected from a student.

**Section 158 : Fee Concession**

1. The head of the school may exempt deserving students, whose parents or guardians are not financially solvent to pay the fees specified by these rules, from payment of the whole or one-half of such fees for a period of twelve months commencing from the 1st day of May of each year or from the date of admission of the child or ward, whichever is later, and such exemption shall be regulated in the manner specified in the sub-rule(3).
2. Exemption made to any student under sub-rule (1) shall, so long as the conditions for eligibility for exemption are fulfilled and the student continues in the school, be renewed from year to year.
3. Up to a limit of twenty percent, of the total number of students on the rolls of the school in all the classes in the (Secondary or Senior Secondary stage) as on the 7th day of May of the year may be exempted from the payment of the whole or one half of the fees, and where any student is admitted after the 7th day of the May but before the 31st day of August of that year, up to a limit of twenty percent of the students so admitted may be exempted from the payment of the whole or one-half of the fees.
4. The proportion of the students receiving exemption from the payment of the whole or one-half of the fees may be varied in any of classes in the (Secondary or Senior Secondary stage) at the discretion of the head of the school, so, however, that the number of students enjoying exemption from payment of the whole of the fee shall not exceed fifteen per cent of the student any time of the year.
5. The percentage of the students receiving exemption from payment of the fee shall be calculated on the total number of students in all the classes in the (Secondary or Senior

Secondary stage) reduced by the number of students granted exemption from payment of fee under the provision relating to :-

- a. the concessions to students belonging to the scheduled castes or scheduled tribes;
  - b. students having brothers or sisters studying in the same school or a school under the same management;
  - c. students who are wards of teachers.
6. In calculating the number of exemptions, the fraction of one-half or more shall be treated as one.
7. The number of exemptions from payment of the fee shall not be altered during the year except where, owing to the departure from the school of any student enjoying exemption, a vacancy arises, it shall be permissible to pass on the exemption enjoyed by the students so departing, to any other deserving student of the school.
8. Where the number of students eligible for receiving exemption from payment of fee is in excess of the number of students to whom exemption is admissible under these rules, the exemption shall be made in order of merit on the basis of the results of the immediately previous annual examination or, if necessary, on the basis of a special competitive examination held to determine the order of merit of the eligible students.

**Section 159 : Brothers' and sisters' concession**

1. When two or more full brothers or sisters or step-brothers or step-sisters are studying in the same Government or aided school in Delhi, the brother or sister, as the case may be, in the higher class shall pay the specified fee at the full rates and other brothers or sisters shall pay fees at one-half of the specified rates.

**Explanation :-** If two or more brothers or sisters are studying in the same class, the specified fee shall be paid by the elder brother or sister at full rates, and at one-half of the rates by the others.

2. Where any exemption from fee is claimed in any Government or aided school by any parent or guardian on the ground that other children or wards of such parents or guardians are studying in any other Government school, or aided school, the head of the school, in which such exemption is sought, shall, before making any exemption from the payment of fees, obtain a declaration from such parent or guardian to the effect that his other children or wards are studying in other Government school or aided school and no effect shall be given to such declaration unless it is countersigned by the head of the other Government school or aided school.

**Section 160 : Concessions to children or wards of employees**

1. No fee shall be charged from the children or wards of the employees of an aided school.
2. No fee shall also be charged from the children of the employees of the aided school who have retired from service or have died.

**Section 161 : Withdrawal of exemption**

Any exemption from the payment of fee granted to a student under these rules may be withdrawn on the ground of his misconduct, irregular attendance or failure at the annual examination.

**Section 162 : Contribution to Pupils' Fund not to be exempted**

1. Any student, who is exempted from payment of any fee, whether in full or in part, shall not be exempted from contributing to the Pupils' Fund
2. Nothing in sub-rule(1) shall apply to students belonging to the Scheduled castes or Scheduled Tribes.

**Section 163 : Scholarship holders not eligible for any fee concession**

1. Students who hold scholarships shall not be eligible for exemption from the payment of any fee except where such exemption becomes necessary in the very special circumstances of the case, and in such a case no such exemption shall be made except with the previous sanction of the Director.
2. Nothing in sub-rule (1) shall apply to students belonging to the Scheduled Castes or Scheduled tribes.

**Section 164 : Fees payable for twelve months**

All fees and funds shall be charged for a full period of twelve months from the students at the rates specified in these rules except in the following cases, namely :-

- a. a student, who has been expelled or rusticated during a session shall not be required to pay fees and funds beyond the months in which he was expelled or rusticated;
- b. in the case of re-admission of a student to the school last attended or in any other school, fee shall be payable from the month from which he had left school in the same session;



- c. a second fee for the same month shall not be charged from a student on transfer from one Government or aided school to another Government or aided school :

Provided that he gives proof of payment of fees and funds in the former school.

**Section 165 : Last date for payment of fees and contributions**

All fees and contributions payable to a school by a student shall be payable by the 10th day of the month in which they are due :

Provided that where the school remain closed on the 10th day of the month, such fees or contributions shall be payable on the date following the 10th day on which the school reopens :

Provided further that where the school remains closed for the long vacation, fees and contributions shall be payable within ten days from the day on which the school re-opens after the long vacation.

**Section 166 : Fine for late payment of fees, etc.**

1. A fine for late payment of the fees or contributions due to a school shall be charged from the student at the rate of five paise for everyday, after the 10th , for which the default continues.
2. The head of the school may, if satisfied that the delay in payment of the fees and contributions was unavoidable, remit the whole or any part of the fine referred to in sub-rule (1).

**Section 167 : Name of the student to be struck off for non-payment of fees and contribution**

If a student omits or fails to pay the fees and contributions due to a school together with the fine due thereon by the last working day of the month in which they are due, his name shall be struck off the rolls of the school on the last working day of the month and may be re-admitted on payment of all school dues including fresh admission fee :

Provided that in the case of non-payment of fees for the month of May in which the school closes in the middle of the month for long vacation, the name of the student shall be struck off on the last working day of the month of July, if the fees remains unpaid up to that day.

**Section 168 : Receipt to be granted for collection of fees and contributions**

1. A printed receipt, in the form specified by the Director, shall be granted to a student for every fee or contributions collected the school.
2. The head of every aided school shall authorise one or more of the employees of the school to collect fees and contributions from the student and the receipt referred to in sub-rule (1) shall be given and signed by the person so authorised.
3. Every employee collecting any fee or contribution from a student shall, immediately after such collection, enter the particulars of such collection in the attendance register of the class.

**Section 169 : Collected amount to be deposited on the same day** 1. Every employee collecting any fee or contribution shall deposit the amount collected by him with the cashier of the school by whatever name called, on the same day

on which the collections are made and it shall be the duty of the cashier to enter the amount so received, immediately in the fee collection register and thereafter in the cash book and to append his initials thereto for the amount received.

2. The attendance register, fee collection register and the cash book shall be submitted by the cashier to the head of the school for comparison and the head of the school shall after verification, countersign the entries in those registers.

**Section 170 : Maintenance of accounts of fees and contributions**

Account of fees and contributions collected by a school shall be maintained at the office of the school in accordance with the Government rules for the maintenance of public accounts and such accounts shall be liable to be inspected by the Director or any person authorised by him in this behalf and also by an officer from the office of the Accountant General, Central Revenues.

**PART - C**

**PUPIL'S FUND**

**Section 171 : Pupil's Fund Advisory Committee**

1. The administration and expenditure of the Pupil's Fund (in all recognised schools) shall vest in the head of the school, who shall be assisted and advised by a committee, to be called the "Pupils' Fund Advisory Committee".
2. The Pupils' Fund Advisory Committee shall consist of :-
  - a. the head of the school ;
  - b. at least two teachers employed in the school to be nominated by the head of the school;

- c. **two students of the classes in the (Secondary or Senior Secondary state) to be nominated by the head of the school.**
3. **One of the teacher members of the Pupils' Fund Advisory Committee shall function as the secretary of the Committee and shall maintain the minutes of the decisions taken at the meetings of the committee in a properly maintained Minutes Book.**
4. **The Minutes Book of the Pupil's Fund Advisory Committee shall be liable to inspection by the Director or any officer authorised by him in this behalf or by any officer of the office of the Accountant General , Central Revenues.**
5. **The function of the Pupil's Fund Advisory Committee shall be-**
  - a. **to discuss and pass budget for expenditure from the Fund;**
  - b. **to deal with all other matters relating to the proper utilisation of the Pupils' Fund.**
6. **The Pupil's Fund Advisory Committee may also give advice with regard to --**
  - a. **application from the students, parents or guardians for exemption from the payment of any fee subject to such limit, as may be specified by the Director, or**
  - b. **any other matter which may be referred to it by the head of the school.**

#### **CHAPTER - XIV**

#### **SCHOOL FUND**

#### **Section 172 : Trust or society not to collect fees, etc. schools to grant receipts for fees, etc. collected by it**

1. **No fee, contribution or other charge shall be collected from any student by the trust or society running any recognised school; whether aided or not.**

2. Every fee, contribution or other charge collected from any student by a recognised school, whether aided or not, shall be collected in its own name and a proper receipt shall be granted by the school for every collection made by it.

**Section 173 : School Fund how to be maintained**

1. Every School Fund shall be kept deposited in a nationalised bank or a scheduled bank or any post office in the name of the school.
2. Such part of the school fund as may be approved by the Administrator, or any officer authorised by him in this behalf, may be kept in the form of Government securities.
3. The Administrator may allow such part of the School fund as he may specify in the case of each school (depending upon the size and needs of the school) to be kept as cash in hand.
4. Every Recognised Unaided School Fund shall be kept deposited in a nationalised bank or a scheduled bank or in a post office in the name of the school, and such part of the said Fund as may be specified by the Administrator or any officer authorised by him in this behalf shall be kept in the form of Government securities and as cash in hand respectively :

Provided that in the case of an unaided minority school, the proportion of such Fund which may be kept in the form of Government securities or as cash in hand shall be determined by the managing committee of such school.

**Section 174 : With drawal from School Fund** Withdrawals from the school fund or recognised unaided school fund, as the case may be, shall be made jointly by the head of school and the manager of such school, or jointly by

the head of the school and by any duly authorised member of the managing committee, where the head of the school is also the manager of the school.

**Section 175 : Accounts of the school how to be maintained**

The accounts with regard to the School Fund or the Recognised Unaided School Fund, as the case may be, shall be so maintained as to exhibit, clearly the income accruing to the school by way of fees, fines, income from building rent, interest, development fees, collections for specific purposes, endowments, gifts, donations, contributions, to Pupils Fund and other miscellaneous receipts, and also, in the case of aided schools, the aid received from the Administrator.

**Section 176 : Collections for specific purposes to be spent for that purpose**

Income derived collections for specific purposes shall be spent only for such purpose.

**Section 177 : Fees realised by unaided recognised schools how to be utilised**

1. Income derived by an unaided recognised schools by way of fees shall be utilised 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 utilised by its managing committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely :-

- a. award of scholarships to students;
- b. establishment of any other recognised school, or

- c. 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.**
- 2. The savings referred to in sub-rule (1) 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 saving.**
- 3. 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-rules (2).**
- 4. 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 are administered.**

**Section 178 : Amount received for scholarships to be spent for that purpose**

Every amount received by the managing committee of any school, whether aided or not, for payment of scholarships to the students shall be utilised solely for payment of such scholarships and proper receipts shall be obtained from the student to whom scholarship

are paid and shall be preserved by the managing committee for the inspection of the Director or any officer authorised by him in this behalf.

**Section 180 : Unaided recognised schools to submit returns**

1. Every unaided recognised private school shall submit returns and documents in accordance with Appendix II.
2. Every return or document referred to in sub-rule (1) shall be submitted to the Director by the 31st day of July of each year.
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 any officer authorised by the Comptroller and Auditor General of India.

NUEPA DC  


D10942