



# केन्द्रीय विद्यालय संगठन KENDRIYA VIDYALAYA SANGATHAN

शिक्षा एवं प्रशिक्षण आंचलिक संस्थान, मैसूर  
ZONAL INSTITUTE OF EDUCATION AND TRAINING, MYSORE



केवीएस के आंतरिक लेखा परीक्षकों के सामान्य पूल के लिए क्षमता निर्माण कार्यक्रम

CAPACITY BUILDING PROGRAM FOR GENERAL POOL OF INTERNAL AUDITORS OF KVS

22-24 JULY 2024 ZIET MYSURU

**केन्द्रीय विद्यालय संगठन  
शिक्षा एवं आंचलिक संस्थान, मैसूरु  
“आंतरिक लेखा परीक्षकों के सामान्य पूल के लिए 3 दिवसीय  
क्षमता निर्माण कार्यशाला”  
22-24 जुलाई, 2024**

**KENDRIYA VIDYALAYA SANGATHAN  
ZONAL INSTITUTE FOR EDUCATION AND TRAINING, MYSURU  
3 DAYS WORKSHOP ON  
“CAPACITY BUILDING FOR GENERAL POOL OF INTERNAL AUDITORS”  
22<sup>nd</sup> JULY 2024 TO 24<sup>th</sup> JULY 2024**

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**OUR PATRONS**

**CHIEF PATRON**

**MS. NIDHI PANDEY**

**COMMISSIONER, KVS NEW DELHI**



**PATRON**

**MR. SATYA NARAIN GULIA,  
JOINT COMMISSIONER (FINANCE)**



**PATRON**

**MS. CHANDANA MANDAL,  
JOINT COMMISSIONER (TRAINING)**



**PATRON**

**Ms. MENAXI JAIN  
DC & DIRECTOR ZIET MYSURU  
& COURSE DIRECTOR**



**TRAINING TEAM OFFICIALS**

**MR. SATYA NARAIN GULIA,  
JOINT COMMISSIONER (FINANCE)**



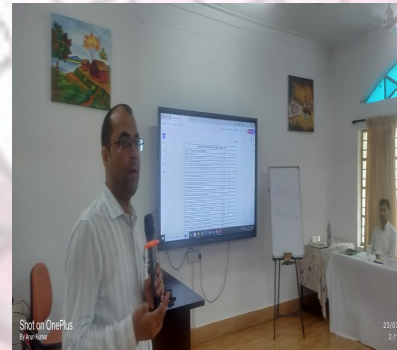
**MR. SANJAY KUMAR  
DEPUTY COMMISSIONER (FINANCE)**



**Mr O S SHEORAN  
ASSISTANT COMMISSIONER (FINANCE)**



**Mr RAVINDRA SINGH  
ADMIN OFFICER KVS RO  
LUCKNOW**



**D K SINGH  
COURSE COORDINATOR**



## FOREWORD

The three-day workshop on 'Capacity Building for General Pool of Internal Auditors' held in this institute from July 22 to July 24, 2024, marks a significant milestone to enhance the professional capabilities and skills of the functionaries who attended the course from five Regional offices namely, Bangalore, Chennai, Ernakulam, Hyderabad and Ranchi.

As in today's dynamic and ever-evolving organizational landscape, the role of internal auditors has become increasingly critical, they not only safeguard organizational assets but also play a pivotal role in ensuring transparency, compliance, and efficiency across all operations. As such, continuous learning and professional development are essential to keep pace with the complexities and challenges of modern audit practices.

This program has been meticulously designed with a range of topics such as GFR provisions, procurement of Goods and Services, M&R, VVN compliances, Compilation of Accounts-Issues, Tally Accounting ERP, Operationalization of Tally Manual, Auditing in KVS, TDS, GST Drafting/Issuing of Audit reports, GeM, etc. have been dealt with for theoretical understanding and practical work and for carrying out the processes of internal audit with an in-depth understanding.

It is with pleasure that I place on record my commendation for the commitment of the training team of Officers from KVS (HQ), New Delhi, namely, Mr. Sanjay Kumar, Deputy Commissioner(Finance) Mr.O. S. Sheoran, Assistant Commissioner(Finance), Mr. Ravindra Singh, Administrative Officer, KVS, RO, Lucknow for their guidance and expertise for the successful conduct of the workshop and a word of appreciation for team ZIET in the able leadership of Ms Menaxi Jain DC & Director ZIET Mysore, and Mr.DK Singh, Training Associate (Library), ZIET Mysore who acted as Coordinator of the course for the smooth conduct of the programme.

I am sure that the information compiled in this manual will be useful not only to the officials/officers associated with Internal Audit but also to all concerned in the day-to-day discharge of their duties in an effective manner in accordance with the systems.

Best wishes and regards



Sh. Satya Narain Gulia  
Joint Commissioner (Finance)  
KVS (HQ)

## समूह गठन / GROUP FORMATION

<b>EDITORIAL COMMITTEE</b>				
S.NO.	NAME OF EMPLOYEE	DESIGNATION	NAME OF KV	NAME OF RO
1	SH. SUDIN M SOMAN	ASO	KV ERNAKULAM	ERNAKULAM
2	SH. AMEER BYJU P M	ASO	KVS RO ERNAKULAM	ERNAKULAM
3	SH RAHUL MEWARA	ASO	KV AFS YELAHANKA	BENGALURU
4	SH C UMAPATHY	SSA	KV MYSORE	BENGALURU
5	SH. O M MADHU	SSA	KVS RO ERNAKULAM	ERNAKULAM
<b>CULTURAL COMMITTEE</b>				
1	MS PRASHANTI JAYANTI	ASO	KVS RO HYDERABAD	HYDERABAD
2	SH. SHAJI B	ASO	KVS RO ERNAKULAM	ERNAKULAM
<b>CERTIFICATE WRITING</b>				
1	MRS. S BHARATHI	SSA	KV ASHOK NAGAR	CHENNAI
2	SH KUMAR MADHUP	ASO	KVS RO RANCHI	RANCHI
<b>FOOD COMMITTEE</b>				
1	MR Y.KARUNAKAR	ASO	KVS RO HYDERABAD	HYDERABAD
2	SH HP PANDEY	SSA	KV NO 1 JALAHALLI	BENGALURU
<b>PHOTOGRAPHY COMMITTEE</b>				
1	SH ARUN KUMAR	ASO	KV NO 2 GOLKUNDA	HYDERABAD
2	MR S. VENUGOPAL RAJU	ASO	GOLCONDA NO.I	HYDERABAD

**PARTICIPANTS LIST “CAPACITY BUILDING FOR GENERAL POOL OF INTERNAL AUDITORS”  
(22<sup>nd</sup>-24<sup>th</sup> JULY 2024); KVS, ZIET MYSORE**

S.NO.	NAME OF EMPLOYEE	DESIGNATION	NAME OF KV	NAME OF RO	GROOUP NAME
1	SH JANAKIRAMAN	ASO	KVS RO CHENNAI	CHENNAI	ARITHMETICA
2	<b>MR ANKUR SINGHAL( ( I/C)</b>	FO	KVS RO ERNAKULAM	ERNAKULAM	
3	MR K M MOHANA LINGA	FO	KVS RO HYDERABAD	HYDERABAD	
4	MR SHIVRAM GUPTA	SO	KVS RO ERNAKULAM	ERNAKULAM	
5	MR SATPAL AISWAL	SO	KVS RO HYDERABAD	HYDERABAD	
6	MR SANJAY KUMAR	SO	KVS RO RANCHI	RANCHI	
7	MR NEERAJ KUMAR	SO	KVS HQ	KVS HQ	
8	MR RANVEER KUMAR	ASO	KVS HQ	KVS HQ	
9	MR.P.T.GIRIDHAR	ASO	KVS RO BENGALURU	BENGALURU	
10	MR.H.K.PRASHURAMA	ASO	KVS RO BENGALURU	BENGALURU	
11	MR.M.MALLIKARJUNA	ASO	KV HEBBAL	BENGALURU	
12	SHRI CHANCHALESH, SSA	SSA	KV MEG & CENTRE	BENGALURU	
13	MR.N.T.BHAT	SSA	KVS RO BENGALURU	BENGALURU	
14	SH RAHUL MEWARA	ASO	KV AFS YELHANKA	BENGALURU	
15	SH L BHASKARA	ASO	KV NO1 MANGALURU	BENGALURU	
16	SH GANAPATASA	SSA	KV NO 1 HUBBLI	BENGALURU	
17	SH HP PANDEY	SSA	KV NO 1 JALAHALLI	BENGALURU	
18	SH SAJU AUGUSTINE	SSA	KV NO1 YELAHANKA	BENGALURU	
19	MR B.JAGANNATHAN	ASO	KV ANNA NAGAR	CHENNAI	ARTHASASTHRA
20	MR RAJENDRAN M.S.	ASO	KV AVADI OCF	CHENNAI	
21	MR S ARUL CHANDRAN	ASO	KVS RO CHENNAI	CHENNAI	
22	MR VIJAI RAJRAO K	ASO	KV CLRI	CHENNAI	
23	MR B PRASHANTHI MURTH	ASO	KV MINAMBAKKAM	CHENNAI	
24	MR PALANI A	SSA	KV IIT CHENNAI	CHENNAI	
25	MR N. RAMESH	ASO	KV NO. 1 MADURAI	CHENNAI	
26	MRS. CHITRA SRIDHAR	ASO	KVS RO CHENNAI	CHENNAI	
27	MRS. S BHARATHI	SSA	KV ASHOK NAGAR	CHENNAI	



28	SH. SHAJI B	ASO	KVS RO ERNAKULAM	ERNAKULAM	DAS KAPITAL
29	<b>SH. AMEER BYJU P M ( I/C)</b>	ASO	KVS RO ERNAKULAM	ERNAKULAM	
30	SH. SUDIN M SOMAN	ASO	KV ERNAKULAM	ERNAKULAM	
31	SH. HARIKUMAR G	SSA	KV ADOOR SHIFT-II	ERNAKULAM	
32	SH. ANIL KUMAR V	ASO	KVS RO ERNAKULAM	ERNAKULAM	
33	SH. OM MADHU	SSA	KVS RO ERNAKULAM	ERNAKULAM	
34	SH. PRAMODAN K	SSA	KV THALASSE	ERNAKULAM	
35	SH. JAYAKRISHNAN T	SSA	KV KANHANGAD	ERNAKULAM	
36	SH. KARTHIKEYAN PT	SSA	KV ERNAKULAM	ERNAKULAM	
37	MR S GANESWAR RAO	ASO	KV WALTAIR	HYDERABAD	
38	MR CH VISWESWARUDU	SSA	KV BOLARUM	HYDERABAD	
39	MR K N LAKSHMI GOPALAKRISHNA	ASO	KV PICKET	HYDERABAD	
40	MR L. RAM MANOHAR RAO	SSA	KVS RO HYDERABAD	HYDERABAD	
41	<b>MR PRASHANTI JAYANTI ( I/C)</b>	ASO	KVS RO HYDERABAD	HYDERABAD	
42	MR CH.RAMAKRISHNA	ASO	KVS RO HYDERABAD	HYDERABAD	
43	MR Y.KARUNAKAR	ASO	KVS RO HYDERABAD	HYDERABAD	
44	MR S. VENUGOPAL RAJU	ASO	KV GOLCONDA NO.I	HYDERABAD	
45	MR M LAKSHMI	ASO	KVS RO HYDERABAD	HYDERABAD	
46	SH ARUN KUMAR	ASO	KV NO 2 GOLKUNDA	HYDERABAD	
47	SH. SATYENDRA PRASAD	ASO	KV RO RANCHI	RANCHI	
48	SH. KUNDAL MEHATA	ASO	KVS RO RANCHI	RANCHI	
49	SH. ASHISH KUMAR SINHA	SSA	KV KODERMA	RANCHI	
50	SH. BRAJESH KUMAR SINGH	ASO	KVS RO RANCHI	RANCHI	
51	SH. ANANT KUMAR	SSA	KV JAMTARA	RANCHI	
52	SH. UPENDRA PRASAD	ASO	KV MAITHON DAM	RANCHI	
53	SH. SURYA BHUSHAN KUMAR	SSA	KVS RO RANCHI	RANCHI	
54	SH KUMAR MADHUP	ASO	KVS RO RANCHI	RANCHI	
55	SH C UMAPATHY	SSA	KV MYSORE	BENGALURU	
56	SH PIYUSH TALYDE	JSA	KV BRBNMPL	BENGALURU	

## **TIME TABLE FOR WORKSHOP ON “CAPACITY BUILDING FOR GENERAL POOL OF INTERNAL AUDITORS”**

**(22<sup>nd</sup>-24<sup>th</sup> JULY 2024); KVS, ZIET MYSORE**

Day	Session	Timings	Topic of Programme	Resource Officer
1 st day	1st	9:30-11:00	Opening of ceremony with a generalized Overview on GFR Sh SN Gulia, JC(F) Provisions and session on Procurement of Goods & Services.	Sh SN Gulia, JC(F)
22.07.2024	2nd	11:30-13:00	GFR Continues...Contract Management, Inventory Management- Sh SN Gulia, JC(F) Stock registers, Log Books etc.	Sh SN Gulia, JC(F)
	3rd	14:00-15:30	VVN Compliances-Variou provisions on expenditure related Sh Sanjay Kumar, DC(F) Works, M&R, Goods/Services etc.	Sh Sanjay Kumar DC Finance
	4th	16:00-17:30	VVN Compliances continued-Financial Powers, Ceilings, Sh Sanjay Kumar, DC(F) Provisions on TDS/GST, TRACES etc.	Sh Sanjay Kumar DC Finance
2nd day	1st	9:30-11:00	Talk on SAR observations by JC(F), followed by session on Compilation of Accounts-issues related thereto, Separate Audit Report compliances.	Sh SN Gulia, JC(F)
23.07.2024	2nd	11:30-13:00	Tally Accounting ERP-Cash Book, Subsidiary Books, BRS etc.	Sh Sanjay Kumar DC Finance
	3rd	14:00-15:30	Operationalization of Tally Manual, MS Excel -Formulae, Pivot table, Linking of Excel Sheets etc. and provisions on procurement of Outsourced services.	Sh Ravinder Singh
	4th	16:00-17:30	Tally Manual, MS Excel -Formulae, Pivot table Cont'd....	Sh Ravinder Singh
3rd day	1st	9:30-11:00	Auditing in KVS -An Overview by JC(F), followed by session on Drafting/Issuing of Audit Reports-Serious paras, Other irregularities, para numbering etc.	Sh SN Gulia, JC(F) & Sh O S Sheoran AC(F)
24.07.2024	2nd	11:30-13:00	Drafting/Issuing of Audit Reports ..discussion on processing of Sh OS Sheoran, AC(F) audit reports.	Sh O S Sheoran AC(F)
	3rd	14:00-15:30	GeM-Intricacies in Bids, Contract Management, Outsourcing of Smt Shivani Suneja, FO Delhi Services etc. and observations there upon.	Sh Ravinder Singh AO
	4th	16:00-17:30	Valedictory impressions & concluding blessings by JC(Fin).	Valedictory

## Day 1 Report

BY Group : Arithmetica

### Report on proceedings of 22 July 2024 during Capacity Building Programme for GPIA at ZIET Mysuru

KVS HQ has organized a Capacity Building Programme for the General Pool of Internal Auditors at ZIET Mysuru from 22-07-2024 to 24-07-2024. A total of 56 participants from five Regions, i.e. Ernakulam, Chennai, Bengaluru, Hyderabad & Ranchi attended the same.

The Training Programme started with lighting of the lamp by Shri. Satya Narain Gulia, Joint Commissioner, Finance, KVS HQ, Ms Menaxi Jain, Director, ZIET Mysuru & Shri. Sanjay Kumar, Deputy Commissioner, Finance, KVS HQ, followed by KVS Prayer.

The Dignitaries, Participants and Associates from ZIET were welcomed by Shri. D K Singh, Course Co-Ordinator, Training Associate, Library, ZIET Mysuru. The Director, ZIET Honoured, JC Finance & DC Finance by presenting Shawl.

The Participants and Associates of ZIET introduced themselves. Shri. Sanjay Kumar, DC Finance, deliberated the objectives of the Programme and highlighted the importance of the training to improve the quality of Internal Audit of KVS by forming a General Pool of Internal Auditors, consisting of 250 staff from all Regions.

Smt. Rumma Raina, Training Associate Economics conveyed the message from Smt. Nidhi Pandey, IIS, Commissioner, KVS. She emphasized that this training programme is a testament to our commitment to continue professional development and excellence in our audit practices.

Ms Menaxi Jain, Director, ZIET Mysuru addressed the participants and shared her views on Internal Audit in KVS.

The Annual Accounts for the financial year 2023-24, prepared through Tally and conventional method in respect of KVS HQ (Unit), RO Lucknow, KV Nanpara Bahaich was released by the Dignitaries. JC Finance appreciated the efforts of DC Finance, Nodal Officer, Tally and his team for successful preparation of Annual Accounts in Tally.

The Key note address was delivered by the Joint Commissioner, Finance. He started with the phrase 'You get what you deserve' and stated that the GPIAs were selected from among the large group of KVS family, based on their capabilities. He stated that this training is aimed to enhance the quality of Internal Audit, and also to improve the overall quality at work place at all levels.

The Inaugural ceremony concluded with the reflections by Sh. D.K.Singh.

The forenoon session of the first day started with deliberations on GFR Provisions on Budgeting, Accounting, Recording, Classifying, Summarising and Auditing.

The following important Chapters 6, 7 and 8 were deliberated upon:

Chapter 6 – Procurement of Goods and Services.

Under this one of the most important Rule, i.e. 21 of GFR 2017, regarding Financial Propriety was explained in detail along with Rule 144 – Public Procurement, 149 - Mandatory Procurement through GeM, 151 – Debarment of Bidder, 153 – Preferential Purchases, 154 - Certifying, 155 – Purchase Committee, 161, 162 & 166 – Regarding different types of Tenders, 169-Maintenance Contract and 192-QCBS (Quality & Cost based Selection),

Chapter 7 – Inventory Management

Following Rules were explained under this chapter – Rule 208 - Receipt of Goods & Materials, 211 - List & Accounts, 213 - Physical Verification, 217 – Disposal of Goods.

And under Chapter 8, Contracts, Rule 225 – General Principles of Contract were deliberated.

The afternoon Session was taken by Sh.Sanjay Kumar, DC (Finance), starting with Introduction to Auditing – Pre-audit and Post-audit

He explained in detail, what Auditors are expected to report, i.e.:

Embezzlements/misappropriation, Loss to the exchequer wherever possible, Overpayments, fee and other income not accounted/realized and among other areas.

He then explained on the importance of Drafting of Audit Report and Exit Conference with Principal. He also stated that the Auditors are expected to verify whether the DDO is complying with the instructions given by KVS vide letters dated 2.8.2022 and 20.11.2023.

He also stated the importance of verifying the electronic data available in the GeM portal and discrepancies if any, need to be recorded in the report.

After Tea Break, DC Finance explained the Sections and their applicability of TDS as per the Income Tax and GST.

The mandatory requirement of surrendering individual PAN of KVs, if any, to I Tax Dept. was emphasized by JC Finance, since PAN is allotted to KVS HQ as a unit. Each unit of KVS is expected to maintain only TAN for the purpose of Tax deduction.

At the end of the session, JC Finance reiterated that all the participants should involve in one or other activity in this training.

The First day's session ended with reflections by Sh. Ameer Byju P M., ASO, KVS RO Ernakulam.

## **REPORT OF DAY-2 PROCEEDINGS OF GPIA (23.07.2024)**

**BY Group : Arthasasthra**

The day started with morning prayer and the report of Day 1 was read out by Sri Ameer Byju PM, ASO KVS RO Ernakulam.

Further Joint Commissioner(Finance), Sri S.N Gulia was invited by Sri D.K Singh , Course Co-coordinator to address the participants.

Sir has left no stone un-turned by starting the Day -2 with a read, recall review concept of the deliberations on various topics LIKE GFR, Budget, TDS on GST, GeM procurement , contract Management, AMC etc.

JC sir further emphasized on the fact that as an auditor we have to adopt middle path; whether in KV/ZIET/RO or Hqrs, as auditors we should not interpret all the matters negatively. During audits we have to behave as responsible officers and use our common sense and wisdom effectively.

Sir has told that if we are signing any document then we are fully aware of what we are doing. Hence signatures are not autographs. They should be appended only after exercising due prudence.

Further Joint Commissioner(Fin) has emphasized on the fact that the purpose of this programme is that 250 auditors are identified and trained to audit 1250 KVs across the country.

Write Paragraphs using clear and concise language mentioning specific rule violated by the school.

Regarding GeM procurement it was reiterated that no purchase should be made using "Links" and in case of identification of such a deviation "the same would form a part of serious irregularity in Audit Reports"

The next session was regarding SAR- Separate Audit Report. The types of audit, compliance , certificate audit and performance audit were discussed in detail during the session.

He enlightened the participants about adjustment entries, importance of time compilation of Annual Accounts and Financial statement, R& P a/c, I&E a/c and Balance shetts were discussed in detail.

Depreciation values, specific Grant like Atal & PM shri , depiction of ledger heads, difference between cash based & accrual accounting were taken up.

Post tea Sri Sanjay Kumar, DC finance discussed at length on the benefits of maintenance of Accounts on cloud using Tally package.

The maintenance of cash book, ledger & subsidiary books, generation of correct Annual Accounts, generation of expenditure statements on real time basis and timely submission of consolidated accounts to CAG, formed a part of the session. DC sir in his deliberation emphasized on the various parameters that auditors need to focus on pertaining to tally during Audit.

Post lunch started the brain storming session on intricacies of Tally by Shri Ravindar, AO, KVS(RO) Lucknow.

He has explained or rather connected Annual Accounts & entries in Tally . Sir has explained about debit entries, credit entries and various companies of Tally existing in KVS and has shown entries using Tally for certain typical transactions like:

1. Depreciation.
2. Work in progress
3. Deposit with construction Agency.
4. Specific grant/CCA Grant .
5. Entries pertaining to PM Shri.
6. Entries pertaining to Fees were also shown.
7. Last but not the least the importance of checking trial balance during audit was explained to the potential Auditors.

Thus Day 2 had exhaustive, effective and interactive sessions which are very important in the process of capacity building of potential auditors.

**REPORT OF DAY-3 PROCEEDINGS OF GPIA (24.07.2024)**

**BY Group : Das Capital**

A schedule of 03 days Capacity Building Programme for General Pool Internal Auditors (GPIA) is conducted at ZIET Mysore w.e.f. 22/07/2024 to 24/07/2024 covering fifty participants from five different Regional offices of KVS.

The 3<sup>rd</sup> day programme started with the morning assembly in holy atmosphere by Group –C (Das capital) followed by the morning assembly report for 2<sup>nd</sup> day presented by Mrs. Prashanti Jayanti, ASO, KVS, RO Hyderabad Region in a very wonderful manner.

After concluding the reports by Mrs. Prashanti Jayanti, Mr. D K Singh, TA(Library),ZIET Mysore cum our course coordinator deliver his thanks to Mrs. Prashanti Jayanti.

Our third day session started with the topic “Auditing in KVS-An Overview by Mr.S N Gulia, Joint Commissioner (Finance) and discuss on following points:-

- \* Observation should be as per rule.
- \* Auditor may suggest the DDO regarding long pending paras and A.G. Audit Paras.
- \* Try to minimize the disturbance of teaching learning process during Audit period.
- \* Entry Conference and Exit Conference etc.

After the fruitful discussion a short break was made for refreshment with a cup of tea and snacks followed by session on drafting / issuing of Audit Reports-Serious paras, other irregularities, para numbering etc. and was discussed by Mr. O S Sheoran, Asstt. Commissioner (Finance.) during this discussion Joint Commissioner (Finance) has also pointed out/discussed the following points:-



- \* Significant Findings
- \* Other Findings
- \* How audit para may be made on the basis of rule position etc.

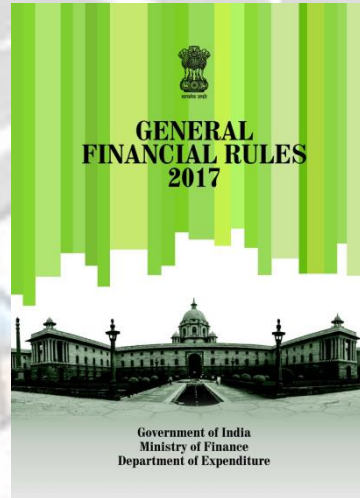
After the lunch break all participants gathered and discussed on the topic GeM-Intricacies in Bids, Contract management and same topic was again discussed by Mr. O S Sheoran, Asstt. Commissioner (Finance) during this discussion Joint Commissioner (Finance) has discussed on following points:-

- \* Bid / Reverse Auction
- \* GeM disclaimer

Before concluding the above session the resource personnel collected the views of the participants on salary package and Audit reports and participants gave their valuable suggestions to improve the same and the resource personnel assured them that they will try to implement the same with the help of UBI personnel and higher officers.

Finally day 3<sup>rd</sup> ended with the most important topic i.e. Outsourcing of services etc. and observation thereupon and the same was explained by Mr. Ravinder Singh, Administrative Officer, Lucknow Regional office. The following points were discussed:-

- \* Procurement of watch and ward / housekeeping / Gardener services
- \* Obligations / responsibilities of Agency / Firm
- \* UAN No. of employee, ERF & ESI Recovery.



# General Financial Rules

**SN Gulia**

**Joint Commissioner (Fin)**

**Kendriya Vidyalaya**

**Sangathan**

## **General Financial Rules 2017 (GFR)**

- **The Department of Expenditure, Finance Ministry has issued the GFR**
- **First introduced in 1947 as a set of executive instructions**
- **Subsequently modified in 1963 and issued as GFR**
- **Earlier revised in 2005**
- **Latest GFR 2017**
- **GFR is a set of executive instruction to be followed by government department and autonomous bodies**

## **General Financial Rules,2017-Important chapters**

- **Chapter 2: General system of Financial Management**
- **Chapter 3: Budget formulation and implementation**
- **Chapter 4: Government accounts**
- **Chapter 5: Works**
- **Chapter 6: Procurement of Goods and services**
- **Chapter 7: Inventory Management**
- **Chapter 8: Contract Management**
- **Chapter 9: Grants in Aid and Loans**
- **Chapter 10: Budgeting and accounting of external projects**

## **Chapter 6 :Procurement of Goods and services**

- Procurement of Goods
- Procurement of Services
  - 1.Consulting services
  - 2.Outsourcing services

### **General Financial Rules (GFR)**

- Standards of Financial Propriety, Rule 21:
- Every officer incurring or authorizing expenditure from public money should be guided by high standards of financial propriety. Main principles are:
  1. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a man of ordinary prudence would exercise of his own money.
  2. The expenditure should not be more than the prima facie the occasion demands
  3. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
  4. Expenditure from public money should not be incurred for the benefit of a particular person or a section of the people unless a claim for the amount could be enforced in a Court of Law or the expenditure is in pursuance of a recognized policy or custom.

## **Fundamental principles of public buying**

- **Rule 144: Public Procurement procedure to ensure efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. To achieve the same, the following key areas should be addressed:**
- **The description of the subject matter of procurement to the extent practicable should - a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.**
- **not indicate a requirement for a particular trade mark, trade name or brand**
- **the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure**

## **Debarment from Bidding**

### **Rule 151**

**(i) A bidder shall be debarred if he has been convicted of an offence—**

**(a) under the Prevention of Corruption Act, 1988; or**

**(b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract**

## Rule 149 –Government E Market Place

The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM.

Upto Rs.50000/-

through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.

Above Rs.50,000/- and up to Rs.10,00,000

through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period

above Rs.10,00,000

through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM

## General Financial Rule 153 Reservations for Procurement of Goods

All items of  
Handspun and  
Handloom Textiles

- Khadi Village Industries Commission (KVIC)
- 20% of total requirement compulsory

All items of  
Handloom Textiles

- Association of Corporations and Apex Societies of Handlooms (ACASH) and/or KVIC (20% of total requirement compulsory)

MSMEs

- Ministry of Micro, Small and Medium Enterprises (MSME) have notified procurement policy under section 11 of the Micro, Small and Medium Enterprises Development Act, 2006 ( as per MSME act items are made compulsory in progressive way)

## Purchase of goods without quotation

- Rule 154: Purchase of goods without quotation
- ✓ Purchase of goods up to the value of Rs 50,000 only on each occasion may be made without *inviting* quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.

*"I,-----, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."*

## Purchase of goods by purchase committee

- Rule 155
- ✓ Purchase of goods costing above Rs 50,000 only and up to Rs 5,00,000 only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The Committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier.

Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under.

*"Certified that we, -----, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."*



## Limited tender Enquiry

- Rule 162
- ✓ May be adopted when the estimated value of the goods to be procured is up to Rs 50 Lakh
- ✓ Tender Enquiries are to be sent by speed post/registered post/courier/e-mail to the firms which are borne on the list of registered suppliers for the goods in question
- ✓ The number of supplier firms in Limited Tender Enquiry should be more than three.

**Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement in case of value more than Rs.50.00 lakhs in the following cases**

- The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency
- There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry
- The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.

## Single Tender Enquiry

- Rule 166. Single Tender Enquiry
- ✓ Procurement from a single source may be resorted to in the following circumstances
- 1. Only a particular firm is the manufacturer of the required goods
- 2. In a case of emergency, the required goods are necessarily to be procured from a particular source
- 3. For standardization of machinery or spare parts to be compatible to the existing sets of equipment, the required item to be purchased only from a selected firm

**NB: In circumstances 1 and 3 above, Proprietary Article Certificate (PAC) is to be provided by the user department**

# Advertised Tender Enquiry

Rule 161

Invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 50 lakhs (Rupees Fifty Lakh) and above.

Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at [www.eprocure.gov.in](http://www.eprocure.gov.in) and on GeM

An organisation having its own website should also publish all its advertised tender enquiries on the website

## Advertised Tender Enquiry, Time limit for submission of tender

- The minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later.
- Where the Department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

## E-publishing and E-Procurement

It is mandatory for all Ministries/ Departments of the Central Government, their attached and Subordinate Offices and Autonomous /Statutory Bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP).

It is mandatory for Ministries/ Departments to receive all bids through e-procurement portals in respect of all procurements

## **Two bid system**

For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under :

- **Technical bid consisting of all technical details along with commercial terms and conditions; and**
- **Financial bid indicating item-wise price for the items mentioned in the technical bid.**
- **The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed**

## **Two-Stage Bidding**

**(Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids)**

- **It is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or**
- **The character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or**
- **Ministry/Department seeks to enter into a contract for the purpose of research, experiment, study or development.**
- **The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement**

# Maintenance Contract

- Rule 169
- ✓ Depending on the cost and nature of goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter

# Electronic Reverse Auction

Electronic Reverse Auction means an online real-time purchasing technique utilised by the procuring entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids.

# Contents of Bidding Document

- All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below:-
  1. Chapter 1, Instruction to Bidders
  2. Chapter 2, Conditions of Contract
  3. Chapter 3, Schedule of Requirements
  4. Chapter 4, Specifications and allied Technical Details
  5. Chapter 5, Price Schedule, to be utilized by the bidders for quoting their prices

6. Chapter 6, Contract Form

7. Chapter 7, Other Standard Forms, if any, to be utilized by the purchaser and the bidder

[Rule 155 of GFR]

## Bid Security

- Rule 170
- ✓ Required to safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry [also known as Earnest Money]
- ✓ To be obtained from the bidders except those
  - ❖ Registered with the Central Purchase Organization,
  - ❖ MSE
  - ❖ the concerned Ministry or Department
  - ❖ Start ups registered with DIPP
  - ❖ Due to covid EMD NOT REQUIRED VALID TILL 31.12.2021
  - ❖ The Bid Security ordinarily range between two percent to five percent of the estimated value of the goods to be procured.
  - ❖ The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects
  - ❖ is to normally remain valid for a period of 45 days beyond the final bid validity period
  - ❖ Bid Securities of the unsuccessful bidders should be returned to them at the earliest after the expiry of the bid validity and latest on or before the 30<sup>th</sup> day after award of the contract

- ❖ In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids

## Performance Security

- Rule 171 of GFR
- ✓ To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder for winning the contract, irrespective of their registration status
- ✓ Amount should be 5 to 10% of the value of the contract to be awarded.

( DUE TO COVID 3% BID SECURITY valid till 31.12.2021)

- ✓ Acceptable forms: A/c Payee DD, FDR or BG from a Commercial Bank in an acceptable form or online payment in an acceptable form safeguarding the purchaser's interest in all respects
- ✓ Validity: Should remain valid for a period of 60 days beyond the date of completion of all contractual obligations of the supplier including warranty obligations
- ✓ Bid Security should be refunded to the successful bidder on receipt of the performance security

## Advance Payments to Suppliers (Rule 172)

- Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered
- Advance payment may be necessary by firms holding maintenance contracts for servicing air conditioners, computers or other costly equipment etc
- Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.

## Advance Payment to Suppliers

- **Limits**

- ✓ **30% of the contract value to private firms**
- ✓ **40% of the contract value to a State or Central Government Agency or a PSU, or**
- ✓ **In case of maintenance contract, the amount payable for 6 months under the contract**
- ✓ **Ministries/Departments may relax the ceilings in consultation with the FA**
- ✓ **Adequate safeguard in the form of BG etc should be obtained from the firm**

## **Transparency, competition, fairness and elimination of arbitrariness in the procurement process ( Rule 173)**

**purchases should be made in a**

- **transparent,**
- **competitive**
- **and fair manner,**
- **to secure best value for money.**
- **Bidding Documents should include a clause that “if a firm quotes “NIL” charges / consideration, the bid shall be treated as unresponsive and will not be considered”.**

- **Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.**

**Lack of competition shall not be determined solely on the basis of the number of bids. Even when only one Bid is submitted, the process may be considered valid provided following conditions are satisfied:**

- a. The procurement was satisfactorily advertised and sufficient time was given for submission of bids.**
- b. The qualification criteria were not unduly restrictive; and**
- c. Prices are reasonable in comparison to market values when a limited or open tender results in only one effective offer, it shall be treated as a single tender contract.**

## **General Financial Rule 176**

### **Buy Back Offer**

- **If it is decided to replace an existing old item with a new and better version – the department may trade the existing old item while purchasing the new one**
- **A suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders can formulate their bids accordingly**
- **The time as well as the mode of handing over the old item to the successful bidder to be suitably incorporated in the bidding document**
- **Provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the old item, while purchasing the new one**



# **PROCUREMENT OF SERVICES**

## **CONSULTING SERVICES**

- **Consulting Service" means any subject matter of procurement (which as distinguished from 'Non- Consultancy Services' involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not include direct engagement of a retired Government servant.**
- **These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.**

## **Rule 183 – consultancy services**

- **Where the estimated cost of the consulting service is up to Rupees twenty-five lakhs, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organizations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc.**
- **Where the estimated cost of the consulting services is above Rupees twenty-five lakhs, in addition to(i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on Central Public Procurement Portal (CPPP) at [www.eprocure.gov.in](http://www.eprocure.gov.in) and in the website of the organization.**

## **Rule 192-Quality and Cost Based Selection (QCBS):**

- In QCBS initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further.
- After opening and scoring, the Financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weight ages for the score of quality of the technical proposal and the score of financial proposal.
- The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weight ages to be given to the quality and cost. The weight age of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

## **Least cost system-Rule 193**

LLCS is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well established methodologies, practices and standards exist. Unlike QCBS, there is no weight age for Technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

## **OUTSOURCING OF SERVICES**

### ***"Non-Consulting Service:***

"Non-Consulting Service" means any subject matter of procurement (which as distinguished from 'Consultancy Services'), involve physical, measurable deliverables/ outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.

## **Invitation of Bid**

- **For estimated value of the non consulting service up to Rupees ten lakhs or less:**

**Identify potential service providers and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three.**

- **For estimated value of the non consulting service above Rs.10 lakhs:**

**The Ministry or Department should issue advertisement in such case should be given on Central Public Procurement Portal (CPPP) at [www.eprocure.gov.in](http://www.eprocure.gov.in) and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website.**

## **Single Source Selection/Consultancy by nomination-Rule 194**

**The selection by direct negotiation/nomination, on the lines of Single Tender mode of procurement of goods, is considered appropriate only under exceptional circumstances like**

- 1. Continuation of previous works**
- 2. Emergency situations due to natural calamities**
- 3. Proprietary nature or requisite experience**

# **Chapter 7 – Inventory Management**

## **Rule 208-Receipt of goods and materials from private suppliers.**

- **All materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or deficiency in the materials.**
- **Details of the material so received should thereafter be entered in the appropriate stock register, preferably in an IT-based system.**
- **The officer-in-charge of stores should certify that he has actually received the material and recorded it in the appropriate stock registers.**

## **Rule 211- List and Accounts**

**The Officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances.**

**Separate accounts shall be kept for**

- (a) Fixed Assets such as plant, machinery, equipment, furniture, fixtures etc. in the Form GFR-22.**
- (b) Consumables such as office stationery, chemicals , maintenance spare parts etc. in the Form GFR-23.**
- (c) Library books in the Form GFR 18**
- (d) Assets of historical/artistic value held by museum/government departments in the Form GFR-24**

## **Physical verification of Fixed Assets-Rule 213**

- **Fixed assets should be verified at least once in a year and the outcome of the verification recorded in the corresponding register.**
- **A physical verification of all the consumable goods and materials should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register.**
- **Complete physical verification of books should be done every year in case of libraries having not more than twenty thousand volumes.**
- **For libraries having more than twenty thousand volumes and up to fifty thousand volumes, such verification should be done at least once in three years**

## **Disposal of goods-Rule 217**

- **An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department.**
- **For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the competent authority**
- **Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by**
  - **obtaining bids through**
  - **Advertised tender or**
  - **public auction**
- **The amount of bid security should ordinarily be ten per cent for disposal**
- **The bid of the highest acceptable responsive bidder should normally be accepted.**

# Chapter -8 Contract Management

1. All contracts shall be made by an authority to do so by or under the orders of the President in terms of Article 299(1) of the Constitution of India
2. All the contracts and assurances of property made in the exercise of the executive power of the Union shall be executed on behalf of the President. The words "*for and on behalf of the President of India*" should follow the designation appended below the signature of the officer authorized in this behalf.

## General Principles of contract

- Rule 225
- ✓ The terms of a contract must be precise, definite and without any ambiguities
- ✓ Standard forms of contracts should be adopted wherever possible, with such modifications as are considered necessary in respect of individual contracts. The modifications should be carried out only after obtaining financial and legal advice
- ✓ In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the clauses in the contract

## Contract agreement

- A Ministry or Department may, at its discretion, make purchases of value up to Rupees two lakh and fifty thousand by issuing purchase orders containing basic terms and conditions:
- In respect of Works Contracts, or Contracts for purchases valued between Rupees one lakh to Rupees ten lakhs, where tender documents include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and scope of work, the letter of acceptance will result in a binding contract.

- In respect of contracts for works with estimated value of Rupees ten lakhs or above or for purchase above Rupees ten lakhs, a Contract document should be executed, with all necessary clauses to make it a self contained contract.
- Contract document should be invariably executed in cases of turnkey works or agreements for maintenance of equipment, provision of services etc.
- Contract document, where necessary, should be executed within 21 days of the issue of letter of acceptance. ting a contract by the Contractor or Supplier would constitute Non fulfilling this insufficient ground for annulment of the award and forfeiture of Earnest Money Deposit.

## Contracts Management

- ✓ **Cost Plus Contracts:** A Cost Plus Contract means a contract in which the price payable for supplies or services under the contract is determined on the basis of actual cost of production of the supplies or services concerned plus profit either at a fixed rate per unit or at a fixed percentage on the actual cost of production
  - Should normally be avoided
  - May be resorted to, where unavoidable, duly recording full justification and should be made firm and fixed price contract at the earliest.

## Contracts Management Guiding principles

- The terms of a contract including the scope and specifications, once entered into, should not be materially varied
- Whenever material variation in any of the terms or conditions in a contract becomes unavoidable; the financial and other effects should be examined and recorded and specific approval of the authority competent to approve the revised financial and other commitments obtained, before varying the conditions

# Contracts Management

- All changes to a contract should be in the form of an amendment to the contract, duly signed by all parties to the contract
- Normally, no extension of the scheduled delivery or completion dates should be granted except where events constituting Force Majeure, as provided in the contract, have occurred or the terms and conditions include such a provision for other reasons
- All contracts shall contain a provision for recovery of liquidated damages for defaults on the part of the contractor
- A warranty clause should be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defect. Any goods repaired/replaced by the supplier shall be delivered at the buyer's premises without costs to the buyer
- All contracts for supply of goods should reserve the right to the Purchaser to reject goods which do not conform to the specifications
- Implementation of a contract should be strictly monitored and notices issued promptly whenever a breach of provisions occur
- Proper procedure for safe custody and monitoring of Bank Guarantee or other instruments should be laid down. Monitoring should include a monthly review of all Bank Guarantees or other instruments expiring after three months, along with a review of the progress of supply or work. Extensions of Bank Guarantees or other instruments where warranted, should be sought immediately
- Wherever disputes arise during implementation of a contract; legal advice should be sought before initiating action to refer the dispute to conciliation and/or arbitration as provided in the contract or to file a suit where the contract does not include an arbitration clause. The draft of the plaint for arbitration should be got vetted by obtaining legal and financial advice.



## “Deposit With Construction Agency” for Construction Work.

Event	Accounting Treatment
Amount deposited with Cont. Agency	<ol style="list-style-type: none"><li>1) Pass entry under the head -“Deposit With Construction Agency”</li><li>2) Make entry in the Register maintained for Deposit with construction Agency.</li></ol>
Progress Report obtained from the Agency.	<ol style="list-style-type: none"><li>1) Transfer equivalent amount( as shown in Progress Report ) from Deposit With Construction Agency to “Capital Work In Progress”. Pass the Journal Entry and complete the Register.</li></ol>
Final Expenditure Statement obtained	<ol style="list-style-type: none"><li>1) Transfer equivalent amount( as shown in the Report ) from “Capital Work In Progress” to “Building”. Pass Journal Entry to this effect and complete the Register.</li></ol>

## **VVN COMPLIANCE – PROVISIONS RELATED TO GOODS AND SERVICES**

- **Purposes for which VVN may be utilized (Revised Chapter 21-VVN)**
- **Provisions should be in the VVN Budget.**
- **Decision of specifications in writing, before placing an order, by appropriate committee/authority in accordance with Rule-144 of GFR-2017.**
- **100% procurement through GeM**
- **Procurement other than GeM will be treated as Serious Irregularity.**
- **Fundamental principles of procurement. (Rule 144 of GFR)**
  - **Transparency**
  - **Competition**
  - **Value for Money**
  - **Accountability**
- **KVS, HQ instructions as mentioned in letters dated [2.8.2022](#) and [20.11.2023](#) has to be followed.**
- **Advance out of VVN in exceptional circumstances only.**
- **Annual Accounts of VVN**
- **Financial ceiling under revised Chapter 21-VVN**

## **Government E-Market Place**

- **Ascertainment of reasonableness. A certificate to this effect is required to be prepared and uploaded on GeM with the signature of the procuring authority.**
- **After ascertainment of reasonableness, on the basis of the estimated rate, the process of purchase (direct/bid/boq based bid) is required to be decided.**
- **No purchase through Proprietary Article Certificate (PAC).**
- **Maximum golden filter selection while making comparison/bid.**
- **Comparison Sheet, in case of direct purchase, duly signed by the competent authority is required to be uploaded in the financial approval column.**
- **In case, after the selection of golden filters or non-satisfaction of reasonableness, the process may be resorted to Bid/RA, even in cases of limited value transactions up to Rs 10 Lakh on GeM to ensure the best rates.**
- **From the process of taking requisition to payment, all steps are required to be followed on file through proper note-sheet.**
- **Particulars of Stock Entry in CRAC are to be recorded.**
- **Without a CRAC (Consignee Receipt and Acceptance Certificate) report, payment should not be made.**
- **After making payment, the details of payment are to be updated on GeM through Paying Authority ID.**
- **Bids are not to be rejected arbitrarily without adducing sufficient well-explained reasons. Grounds of rejection are required to be incorporated in the Bid Document in advance.**
- **Technical evaluation by an appropriate committee consisting VP and Teacher(s) of the concerned department.**
- **Recommendations of the committee to reject any bidder are required to be cleared and self-explanatory to maintain transparency. Such recommendation is also required to be countersigned by the Principal in token of agreement. Such evaluation is required to be uploaded on the GeM portal.**
- **Procurement of Services through GeM only.**

- **GeM Availability Report and Past Transaction Summary for procurement from outside the GeM.**
- **Uploading of payment details on GeM through Paying Authority ID.**

## **Finalization of Golden Parameters for Bidding**

- **The specifications on all/major Golden parameters will be approved by the Principal on a separate note-sheet and before placing the order on GeM through the Buyer id, the Comparison Sheet containing all details of Golden parameters, specifications, L1/bidding rates etc., be got printed and signed by the Principal in token of approval which will then be placed in the column of Financial Approval.**
- **Details on GeM portal as such and thereby owning the whole responsibility of the said financial transaction in the capacity of DDO as defined under Article 52 of KV Accounts code.**
- **No purchases under proprietary Article Certificate(PAC) mode on GeM will be effected as a matter of routine. Any such attempts of purchasing generic items under the disguised PAC mode on GeM will be treated as serious financial irregularity.**

**TDS UNDER INCOME TAX ACT, 1961 &**  
**TDS UNDER GOODS AND SERVICES ACT (GST)**

**Sh. Sanjay Kumar**  
**Deputy Commissioner (Fin)**  
**KVS(HQ) New Delhi**

## TDS- INCOME TAX

- Relevant Sections
- Section 192--- Salary
- Section 194C ---Payments to contractors.
- Section 194J--- Fees for professional or technical services

### SECTION 194C ---Payments to contractors

Applicability:-

- ❖ Work Contract
- ❖ Labour Contracts

Work contract includes

- (a) advertising;
- (b) broadcasting and telecasting
- (c) carriage of goods or passengers by any mode of transport
- (d) catering;
- (e) manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from such customer.

- ❖ Not applicable to purchase /sale contract.

Example:-

Payment made towards purchase of furniture.

### Rate of Tax

- ❖ 1% Payment to individual or a Hindu undivided family.
- ❖ 2% Payment to person other than an individual or a Hindu undivided family.
- ❖ 20% if no PAN is submitted.
- ❖ No cess or surcharge

**When tax is not required to be deducted:-**

1. No deduction, if sum credited or paid or likely to be credited or paid does not exceed Rs. 30000/-

2. However where the aggregate of the amounts of such sums credited or paid or likely to be credited or paid during the financial year exceeds Rs. 1 Lakh , tax will be deducted on entire amount.

### Examples:- Financial Year 2023-24

Date of Payment	Payment made to X contractor	Whether Tax has to be deducted
14.07. 2023	Rs. 30000/-	No
20.10.2023	Rs. 25000/-	No
15.11.2023	Rs. 25000/-	No

Date of Payment	Payment made to X contractor	Whether Tax has to be deducted
14.07. 2023	Rs. 30000/-	Yes
20.10.2023	Rs. 25000/-	Yes
15.11.2023	Rs. 45001/-	Yes
Total	1,00,001	

## **194J- Fees for professional or technical services**

### **Applicability :-**

**When payment/credit is made for the following:-**

- a) fees for professional services, or**
- (b) fees for technical services, or**
- (ba) any remuneration or fees or commission by whatever name called.**
- (c) royalty**

**For the purposes of this section,—**

**(a) "professional services" means**

**services rendered by a person in the course of carrying on legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or advertising or such other profession as is notified by the Board for the purposes of section 44AA or of this section**

**" fees for technical services " means**

**any consideration for rendering of any managerial, technical or consultancy services but does not include consideration for any construction, assembly, mining or like project undertaken by the recipient or consideration which would be income of the recipient chargeable under the head "Salaries";**



## **Rate of TDS:-**

- ❖ 2% - Payment towards Technical services
- ❖ 10% -In other cases (professional services etc.)
- ❖ 20% if PAN is not submitted.
- ❖ No cess or surcharge

## **When Tax is not required to be deducted:-**

- ❖ If the aggregate of the amount to be paid or credited during the financial year does not exceed Rs.30000/-

## **Fee/Penalty for late filing of TDS Return**

- Fee(Sec 234E): Rs.200 per day . Maximum up to total amount of TDS deducted .
- Penalty (Sec 271H): Minimum of Rs.10,000 which may extended to Rs.1,00,000 subject to other provisions of this section.

## **Time-Limit for Issue of TDS Certificate Form 16A**

- ❖ Form 16A should be issued within 15 days from the due date for furnishing the statement of tax deducted at source.
- ❖ Rs 100 per day for each certificate –Maximum up to TDS amount of quarter.

## **OTHER INCOME TAX RELATED MATTERS**

- Surrender of PAN.
- Income Tax demand raised by IT Department
- Proper reply to IT Department
- Section 10(23C)(iiiab) Income Tax Act and rule 2 BBB of Income Tax rules

# **TDS UNDER GOODS AND SERVICES ACT (GST)**

## **GST- Introduction**

❖ Goods and Services Tax (GST) concept has been introduced by Govt. of India w.e.f. 1<sup>st</sup> July, 2017. GST replaced a good number of indirect taxes levied by Central Govt. and State Govt. including the following main indirect taxes.

- a) Central Excise Duty
- b) Service Tax
- c) State VAT
- d) Central Sales Tax

❖ GST is applicable on “supply” of goods and services and is regulated as per the following Acts.

- Central Goods and Services Tax (CGST) Act, 2017
- Integrated Goods and Services Tax (IGST) Act, 2017
- State Goods and Services Tax (SGST) Act, 2017
- Union Territory Goods and Services Tax (UTGST) Act, 2017

## **TDS Provisions under GST.**

❖ As per Section 51 of CGST Act, 2017, *the Government may mandate the TDS provisions for the following:-*

- (a) a department or establishment of the Central Government or State Government; or*
- (b) local authority; or*
- (c) Governmental agencies; or*

*(d) such persons or category of persons as may be notified by the Government on the recommendations of the Council*

Notification No. 50/2018 – Central Tax New Delhi,

Dated 13th September, 2018

❖ TDS provisions made applicable for the following w.e.f. 1<sup>st</sup> October, 2018

(a) an authority or a board or any other body, -

(i) set up by an Act of Parliament or a State Legislature; or

(ii) established by any Government,

with fifty-one per cent. or more participation by way of equity or control, to carry out any function;

❖ (b) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);

❖ (c) public sector undertakings.

### **When Tax deduction is required under GST.**

❖ Tax is required to be deducted from the payment made / credited to a supplier, if the total value of supply under a contract in respect of supply of taxable goods or services or both, exceeds Rs. 2,50,000/-

❖ This value shall exclude the taxes leviable under GST (i.e. 'Central tax', 'State tax', 'UT tax', 'Integrated tax' & Cess).

### **TDS Rate under GST.**

❖ 2% irrespective of the amount of GST charged in bill

❖ Either IGST or CGST along with SGST/UGST to be deducted.

❖ In case of Intra-state supply,

CGST -1% and SGST/UGST-1%

❖ In case of inter-state supply

IGST-2%

❖ Inter-state supply means:-

Location of supplier and place of supply are in different state.

❖ Intra-state supply means:-

Location of supplier and place of supply are in same state.

## **When Tax is not required to be deducted under GST**

- 1) Total value of taxable supply  $\leq$  Rs. 2.5 Lakh under a contract.
- 2) Contract value  $>$  Rs. 2.5 Lakh for both taxable supply and exempted supply, but the value of taxable supply under the said contract  $\leq$  Rs. 2.5 Lakh.
- 3) Receipt of goods which are exempted.
- 4) Goods on which GST is not leviable. For example petrol, diesel, petroleum crude, natural gas, aviation turbine fuel (ATF) and alcohol for human consumption.
- 5) Where a supplier had issued an invoice for any sale of goods in respect of which tax was required to be deducted at source under the VAT Law before 01.07.2017, but where payment for such sale is made on or after 01.07.2017.
- 6) Where the location of the supplier and place of supply is in a State(s)/UT(s) which is different from the State / UT where the deductor is registered.
- 7) All activities or transactions specified in Schedule III of the CGST/SGST Acts 2017, irrespective of the value.
- 8) Where the payment relates to a tax invoice that has been issued before 01.10.2018.

9) Where any amount was paid in advance prior to 01.10.2018 and the tax invoice has been issued on or after 01.10.18, to the extent of advance payment made before 01.10.2018.

10) Where the tax is to be paid on reverse charge by the recipient i.e. the deductee.

11) Where the payment is made to an unregistered supplier.

12) Supply takes place between the following persons :

(Notification no. 73/2018, dated 31<sup>st</sup> Dec, 2018)

*(a) a department or establishment of the Central Government or State Government; or*

*(b) local authority; or*

*(c) Governmental agencies; or*

*(d) an authority or a board or any other body, -*

*(i) set up by an Act of Parliament or a State Legislature; or*

*(ii) established by any Government,*

*with fifty-one per cent. or more participation by way of equity or control, to carry out any function;*

*(e) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);*

*(f) public sector undertakings.*

13) Exempted services- notification no.12/2017 dated 28<sup>th</sup> June, 2017 (sl. no.66)

The relevant extract of this notification is re produced below:-

*“ Services provided,-*

*(a) by an educational institution to its students, faculty and staff;*

*(b) to an educational institution, by way of,-*

*(i) transportation of students, faculty and staff;*

*(ii) catering, including any mid-day meals scheme sponsored by the Government;*

*(iii) security or cleaning or house-keeping services performed in such educational institution;*

*(iv) services relating to admission to, or conduct of examination by, such institution; up to higher secondary.*

*Provided that nothing contained in clause (b) of this entry shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent*

## **Registration under GST for TDS Purpose.**

- ❖ A TDS deductor has to compulsorily register under GST for **TDS purpose**
- ❖ For registration, PAN is not required. TAN issued under the Income Tax Act, 1961 is required.
- ❖ On line Registration - Goods and Service tax web site <https://reg.gst.gov.in/registration/>
- ❖ GST REG 07 form will be filled up.

# MAIN FUNCTIONS OF FINANCE DIVISION

## 1. BUDGETING

Timely sanction and release of grants.

## 2. ACCOUNTING

Compilation and then Certification of Accounts by C&AG.

Submission of Accounts to MoE for laying it in Parliament.

## 3. AUDITING

Pre-Audit.

Post Audit.

## 4. FINANCIAL PLANNING

To ensure availability of funds throughout the year.

# AUDITING

❖ PRE-AUDIT

❖ POST-AUDIT

(1) Personal Claims of staff of KVs

(2) Internal Audit of KVs

(3) Special Audit of KVs

## **EXPECTATIONS FROM AUDITORS**

### **❖ POINT OUT**

- **Embezzlement/misappropriation of funds etc.**
- **Loss to the exchequer, wherever feasible**
- **Overpayments**
- **Fee and other income not accounted/realized**
- **Guide in settlement /preparation of Reply to AG audit paras**
- **Timely settlement of audit paras**
- **Drafting of Audit Report**
- **Timely issuance of Audit Report**
- **Exist conference with PPL**

### **❖ AUDITORS SHOULD MAKE OBSERVATIONS ON**

- **Maintenance of various records**
- **Cash book and other subsidiary records**
- **Old debit/credit entries in BRS**
- **Tally Generated Vouchers**
- **Payment mode – cheque/NEFT, Authority letter**
- **No payment through PFMS at KV level**



- Procurement of goods and services only through GeM
- Nature of irregularities-Procedural lapses/ Serious irregularities
- Maintenance of service records
- Non-production of records
- Maintenance of Annual Accounts
- Settlement of various Advances including old advances
- VVN Budget
- Financial ceilings
- Financial powers
- Tax deduction at source under Income Tax Act and GST
- Uploading of NPS subscription in case of Audit of RO
- Compliance of Separate Audit Report(SAR)
- Physical verification of assets

**VVN COMPLIANCE - PROVISIONS RELATED TO WORKS**

- Timely deposit of funds with construction agency.
- GFR 139 deals with Works
- Limited tender for works less than Rs.5 Lakh
- Open tender Rs. 5 Lakh to Rs.30 Lakh
- Maintenance of proper records
- Proper Accounting



**Observation of Separate Audit Report 2022-23**  
**by Comptroller & Auditor General of India**

**SH. SN Gulia**  
**Joint Commissioner (F)**  
**Kendriya Vidyalaya Sangathan**

## The Financial Statement was consisting of:

1. 25 Regional Offices of KVS covering 1253 (One Non Functional) Kendriya Vidyalayas (KVs)
2. 5 Zonal Institutes of Education & Training (ZIET).
3. KVs at Moscow, Tehran, Kathmandu
4. Kendriya Vidyalaya Sangathan (HQ) accounts.
5. GPF/ CPF/ NPS/ EWS/ NSCB & Bharat Scout Guide

**SAR issued to KVS includes the observations on the accounts of following unit:**

<b>Name of the Units</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Regional Office</b>	<b>10</b>	<b>11</b>
<b>Kendriya Vidyalayas</b>	<b>44</b>	<b>27</b>
<b>ZIETs</b>	<b>02</b>	<b>02</b>
<b>HQ</b>	<b>01</b>	<b>01</b>

**Therefore, accounts of each and every unit is of utmost importance.**

## Important Observations

1. Classification of building- Free hold/ Lease hold/ Rented/ Self Occupied/ Superstructure on land not belonging to entity ( School building provided by the sponsoring agency).
2. Physical verification of fixed assets and inventories by 31st March of each Financial Year.
3. Regular payment of all statutory dues by 31st March of each Financial Year
4. Settlement of all the outstanding Paras of Internal Audit/ AG Audit .
5. Understatement of Current Liabilities and Provision and overstatement of Capital Fund. To avoid such condition, the following action needs to be taken:
  - (i) Timely deposit of NPS liability to NSDL which is deducted from the Salary of the employees.
  - (ii) Provision of salary for the month of March of each year needs to be made.
  - (iii) Provision of recurring expenditure for the respective Financial Year.
  - (iv) Adjustment non-claimed EMD for more than 03 Financial Year

Depreciation of fixed asset not calculated despite completion of work- On the basis of work completion report from construction agencies, asset needs to be created of the completed work and accordingly depreciation needs to be calculated. Adjustment of Work in Progress in to building- The adjustment needs to be supported by proper document such as Form 65 by the construction agency, work completion report and

Handing Over/ Taking Over Certificate. Balance available in stock should be reflected in the current asset as per the guidelines of Ministry of Education.

The amount deposited with the construction agency for repair and maintenance should be adjusted as expenditure under Maintenance & Repair after obtaining the progress report from the respective construction agency. In case of asset created out of specific fund, necessary entries in the register should be made under the said specific fund such as ATL, PM Shree etc as per the guidelines issued for the specific fund. The same should also be reflected in the notes of account of respective KVs/ ROs. Proper head wise entries should be recorded in the ledger in accordance with accounts prepared. There should be no deviation between annual account and amount depicted in the ledger heads

In case amount is transferred for acquisition of land or the amount has been transferred by any association ( parent teacher association or MP Fund), the same should be suitably reflected in the Annual Accounts. The fact should also be mentioned in the notes to accounts. In case an arbitration results in award of additional payment to the construction agency in respect of KV building, the same should be suitably capitalized and consequently depreciation should also be calc

Depreciation on building should be charged from the date/ year of completion of the building. Deprecation should be charged on the building amount as on 31 March irrespective of the date of completion of the building or its possession As per the progress report of the construction agency, the amount should be adjusted from deposit to work in progress.

Accounts are prepared in accrual basis, the amount of expenditure accrued for the respective financial year should be booked under expenditure and simultaneously provisions for current liability should be made.

Recently CAG has also started making observations in regard to expenditure incurred in the current year which pertains to previous year under prior period expenses. The same can be avoided, if suitable provisions are made. For all advances and liabilities, age wise, breakup should also be maintained in case auditors demand, the same should be furnished.

For all advances and liabilities, age wise, breakup should also be maintained in case auditors demand, the same should be furnished.

# GeM PRCHACE PROSEDURE AND SALIENT POINTS TO BE NOTED

**OS SHEORAN  
ASSTT COMMISSIONER (FIN)  
KVS HQ (New Delhi)**

## Disclaimer as per GeM

The additional terms and conditions have been incorporated by the Buyer after approval of the Competent Authority in Buyer Organization, whereby Buyer organization is solely responsible for the impact of these clauses on the bidding process, its outcome, and consequences thereof including any eccentricity / restriction arising in the bidding process due to these ATCs and due to modification of technical specifications and / or terms and 7 / 8 conditions governing the bid. Any clause(s) incorporated by the Buyer regarding following shall be treated as null and void and would not be considered as part of bid:-

1. Definition of Class I and Class II suppliers in the bid not in line with the extant Order / Office Memorandum issued by DPIIT in this regard.
2. Seeking EMD submission from bidder(s), including via Additional Terms & Conditions, in contravention to exemption provided to such sellers under GeM GTC.
3. Publishing Custom / BOQ bids for items for which regular GeM categories are available without any Category item bunched with it.
4. Creating BoQ bid for single item.
5. Mentioning specific Brand or Make or Model or Manufacturer or Dealer name.

6. Mandating submission of documents in physical form as a pre-requisite to qualify bidde
7. Floating / creation of work contracts as Custom Bids in Services.
8. Seeking sample with bid or approval of samples during bid evaluation process.
9. Mandating foreign / international certifications even in case of existence of Indian Standards without specifying equivalent Indian Certification / standards.
10. Seeking experience from specific organization / department / institute only or from foreign / export experience.
11. Creating bid for items from irrelevant categories.
12. Incorporating any clause against the MSME policy and Preference to Make in India Policy.
13. Reference of conditions published on any external site or reference to external documents/clauses.
14. Asking for any Tender fee / Bid Participation fee / Auction fee in case of Bids / Forward Auction, as the case may be.

#### **A. Direct Purchases Upto 50000/-**

GFR rule 149 allows direct on-line purchases on GeM up to INR 50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. However, this is subject to procuring authorities certifying the reasonability of rates. While making such direct on-line purchase below INR 50,000/-, the buyer should have approval of



competent authority and should also record reasons for selecting the specific product in case lowest priced products are not being accepted / ordered.

Tools have been deployed on GeM portal to show the price of compared products on other ecommerce sites (wherever available) and also the rates at which orders have been placed on GeM for such items in recent past. While taking decision on reasonableness of price, the buyers may also take into account the discount over MRP; Last Purchase Price (LPP) on GeM, Department's own Last Purchase Price; rates on other ecommerce websites etc.

The prices on e-commerce site give a broad idea and its terms and conditions may be different. If it is found that the price available on GeM marketplace is not reasonable or is substantially higher than e-commerce sites or LPP, the GeM Portal provides tools for online bidding or reverse auction which can be used by the Buyers to get better competitive rates and then satisfy themselves about reasonableness of the price as per GFR -2017 before placement of contract. Bidding should be considered as the preferred mode of procurement above INR 50,000.

**B. L1 / Comparison upto 10 Lakh According to the provisions of Rule 149 (ii) of GFR, 2017,**

GeM shall be utilized by Government buyers for direct on-line purchases above INR 50,000/- and up to INR 10,00,000/- however such purchase has to be through the Seller having the lowest price (L-1) amongst the available Sellers on the GeM. In order to ensure that buyers select only L-1 available offer, the GeM portal enables buyer to first compare all the

product options available on GeM to ensure that it meets its requirements/ specifications. While comparing, care should be taken by the Buyer that comparison has to be done between products of at least three different Manufacturers / OEMs. For L-1 buying, comparison has to be made between products of at least three different OEMs, as per GFR. If Buyer General Terms and Conditions on GeM 4.0 (Version 1.13) dt 29th November 2023 wants to buy any specific OEM's product then he has to go for Proprietary Article Certificate (PAC) buying after obtaining necessary approvals of competent authorities for PAC buying as per GFR-2017, as amended from time to time or the Procurement Guidelines of the respective Organisation as the case may be.

**C. Bidding In bid documents, Buyers can incorporate suitable eligibility criteria and additional terms and conditions only using various filters and ATC module available in e-bidding / RA modules of GeM.**

Buyers are not allowed to incorporate eligibility criteria and / or additional / special terms and conditions exterior to the GeM portal by making reference to any other website / documents etc General Terms and Conditions on GFR.

General Terms and Conditions on GeM 4.0 (Version 1.13) Sellers shall offer minimum discount of 10% on the Maximum Retail Price (MRP) mandatorily (unless otherwise specified for offering their products on GeM). Sellers are free to offer higher discounts. The Seller must offer its best possible lowest price on GeM and undertake that it would not sell or offer to sell the same product outside GeM in comparable quantity on similar terms and conditions at a price lower than Offer Price on GeM. In case

any such infringement by Seller is noticed, the Seller shall be liable to be removed / debarred from the GeM.

Sellers shall ensure uploading of their product / service in the correct category in all respects. Any offering of wrong and misleading product(s) or service(s) in any of the category will be removed by GeM from the portal when noticed without making any reference to the seller(s). The seller(s) will also be liable for any other General Terms and Conditions on GeM 4.0 (Version 1.13) dt 29th Nov 2023 Administrative action as deemed fit by GeM for uploading wrong product(s) or service(s) in any category. If any such infringement made by Seller leads to placement of a contract by any Buyer for such inappropriately offered product(s) / service(s) by the Seller, such contract shall be treated as null and void.

No claim whatsoever against such contract shall be admissible and entertained. In case, two or more acceptable bidders are found to have quoted identical lowest bid price, if the multiple L-1 bidders have quoted the lowest allowed price for that service, Buyer shall place the Contract by selection of a bidder amongst the L-1 bidders through a Random Algorithm executed by GeM system. i.e Auto Run Mode Except Exempted categories , GeM recommends quantum of Bid Security @ 1% of estimated value of procurement. The Buyer also has the option to select Bid Security between 0.5% to 5%. The same should be valid for 45 days beyond the bid validity. No interest shall be payable upon the Bid Security / EMD or any other amounts payable by the Seller to the Buyer under the Contract. No EMD to be taken from exempt category of sellers even by way of specific clauses mentioned in ATC / STC. Such clauses which are against the GeM GTC, will be treated as null and void. Buyer's responsibilities on GeM portal are as under:

(i) The Buyers are responsible to ensure that the procurement done by them are in compliance of General Financial Rules and / or Rules Governing Public Procurement in respect of their organization, all GeM terms and conditions and other procurement Policies / Guidelines notified by the government from time to time, including timely payments as per GeM terms and conditions.

(ii) While making procurement on GeM, the Buyers shall judiciously search and shortlist items using filters such as quantity, technical parameters, delivery period, warranty period, consignee location(s), Seller's eligibility etc. as per their approved requirements. Placement of contract for a product / service uploaded by the Seller in any wrong/inappropriate product category is strictly prohibited and such contracts shall be treated as null and void

(iii) The Buyers shall satisfy themselves that the price of the selected offer is reasonable

(iv) Buyers are not allowed to place any order at GeM prices outside GeM. The prices on GeM are only applicable if the procurement is made through GeM portal. Using GeM prices for procurement outside GeM portal is strictly prohibited. Further, Buyers are not allowed to place any off-line contract to the Seller directly based on the outcome of e-Bidding / RA conducted on GeM. All such contracts shall be treated as null and void and GeM reserves the right to delete all data related to such transactions from GeM database besides taking suitable actions against such Buy .

(v) The on-line bill form / invoice generated on GeM is not a replacement for the GST invoice. The proper GST invoice as per requirements of GST rules shall be sent by the seller to the buyer / consignee directly along with the Goods / Services as and when deliveries are made to the consignee.

(vi) ATC request for making part of GeM bid through corrigendum. Each such request has to be made only after due approval of the Competent Authority in Buyer Organization confirming that the request has been made with the approval of the Competent Authority. Buyer organization shall be solely responsible for the impact of the requested clauses on the bidding process and its outcome.

(vii) Integrity Pact: All the Users in GeM i.e. Seller as well as Buyer agree not to indulge in any corrupt practices including without limitation any activity or action to influence the transaction on any aspect of contract and commit to take all measures necessary to prevent corruption maintaining complete transparency and fairness in all activities related to GeM. Users agree to follow and adhere with the Integrity Pact guidelines provided on GeM Portal.

(viii) In Q3 and Q4, in case of re-sellers, if the reseller has not been approved as an authorized reseller by the OEM on GeM, the re-seller is required to give an undertaking as under while uploading the product, while accepting any order and while participating in any bid:

“I hereby undertake that I have made arrangements for getting the stores from authorized distributor / dealer / channel partner of the OEM of the offered product. At the time of delivery of goods, I will provide necessary chain documents to prove that the supplied goods are genuine and are being sourced from authorized distributor / dealer / channel partner of the OEM. In case of any complaint from the Buyer / Consignee about genuineness of the supplied products, I shall be responsible for providing genuine replacement supplies.”

# TALLY ON CLOUD ACCOUNTING PACKAGE

Sh Ravinder Singh  
Administrative Officer  
KVS(RO) Lucknow

- Offline mode
- Online mode-Tally on cloud Accounting Package
- Benefit of online mode
- Access from anywhere
- User-friendly and more convenient
- Modification in charts of accounts can be done in one go
- Facilities of monitoring from ROs and HQ
- Consolidation of accounts.

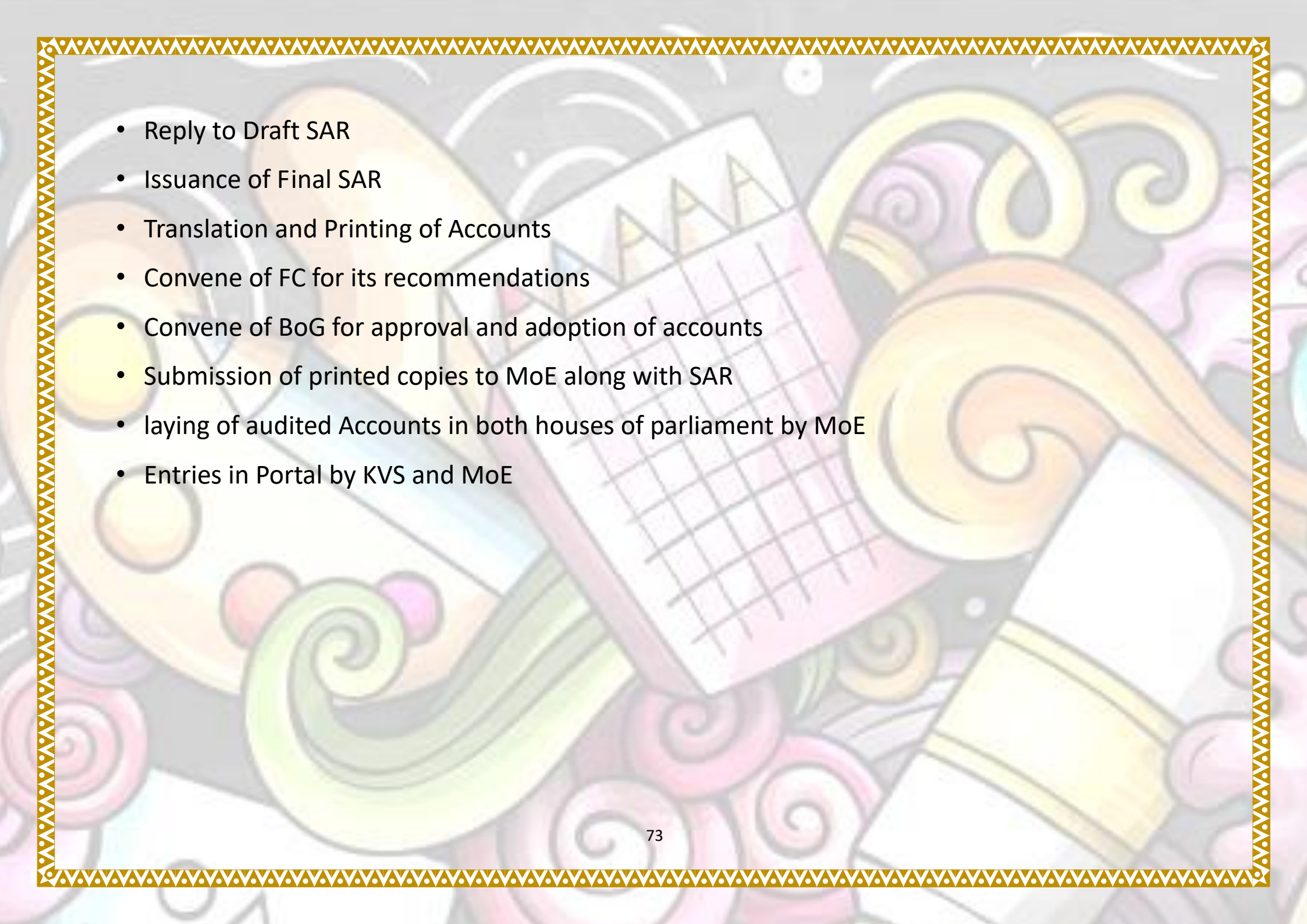
- All KVs, ROs, ZIETs and HQ have Tally online accounting package
- Functioning requirement of Tally Package
- Creation of companies – Already created by HQ
- Each KVs has Two Companies –(1) SF Company (2) VVN Company
- Each RO has 5 companies –Main fund, RO unit account, RSCB, BS&G, VVN
- Group Companies have already been created for consolidation purposes
- Creation of Ledgers- Uniform ledgers (Chart of Accounts) already created and installed in each company
- Ledgers cannot be modified at any level
- Login IDs and Password for Login on “ Cloud” and Tally have already been provided to all ROs, KVs, ZIETs and HQ
- View facilities through Login IDs and Passwords have been provided to ROs and HQ
- MIS is also available on the cloud, Login IDs and Passwords have already been provided to all the units of KVS
- MIS has Financial Statements of each unit and consolidated accounts of RO

- Tally helpdesk is also available for the smooth functioning of the Tally Package
- Tally Manual is also available on 'Cloud'

### **PURPOSE OF TALLY ON CLOUD ACCOUNTING PACKAGE**

- Maintenance of Cash Book, Ledger and other subsidiary books.
- Generation of correct Annual Accounts
- Generation of Expenditure Statements on a real-time basis
- Timely submission of Consolidated Accounts to C&AG.
- The ultimate purpose is to lay down the Accounts of KVS in both the houses of Parliament within the **prescribed time limit**. Tally Package helps in this process.
- Consolidations of accounts
- Convene of FC meeting for its recommendations
- Convene of BoG meeting for approval of Accounts
- Submission of Accounts to CAG before 30<sup>th</sup> June in any case
- Certification Audit by CAG
- Draft SAR



- 
- The background features a central icon of a document with a grid, surrounded by colorful, swirling patterns in shades of yellow, orange, pink, and green. The entire content is framed by a decorative border with a repeating geometric pattern.
- Reply to Draft SAR
  - Issuance of Final SAR
  - Translation and Printing of Accounts
  - Convene of FC for its recommendations
  - Convene of BoG for approval and adoption of accounts
  - Submission of printed copies to MoE along with SAR
  - laying of audited Accounts in both houses of parliament by MoE
  - Entries in Portal by KVS and MoE

## DATA ENTRY IN TALLY ON CLOUD ACCOUNTING PACKAGE

- Login to 'Cloud' – kvsaccounts.in with the Login ID and password
- Thereafter click on the tally icon and select the company as shown in screenshot in the next slides
- Login to the company with the login ID and password as shown in the screenshot in next slides
- Now from the Gateway of Tally, click on the button – Voucher entry
- From the gateway of tally, through the Display button, various ledgers etc can be accessed

**Tally.ERP 9**

Gateway of Tally

Current Period      Current Date

**List of Selected Companies**

Name of Company      Date of Last Entry

**Company Info.**

Select Company

Login as Remote User

Create Company

Backup

Restore

Quit

<b>Product</b>  POWER OF SIMPLICITY Tally.ERP 9	<b>Version &amp; Updates</b> Series A Release 6.2 Series A Release 6.6.3 Available TDLs: 10 of 10 loaded	<b>License &amp; Services</b> Serial Number: 775482030 Gold TSS expired on: 31-Dec-2017 Account Id: kvstally2023@gmail.com Site Id: kvs	<b>Configuration</b> Gateway	<b>Calculator</b>
Tally MAIN --> Company Info.			(c) Tally Solutions Pvt. Ltd., 1988-2017	Sat, 20 Jul, 2024

18:14:29

Remote App

Tally.ERP 9
Ctrl + M

P: Print
E: Export
M: E-Mail
O: Upload
S: TallyShop
G: Language
K: Keyboard
K: Control Centre
H: Support Centre
H: Help
S: Server Data Loc.

Select Company

Current Period

List of Selected Companies

Name of Company

**Select Company**

Path : DATA:

Name : [REDACTED]

List of Companies		
Agra GRP	(65099)	Group Company
Agra PRJ GRP	(65095)	Group Company
Agra SF GRP	(65096)	Group Company
Agra VVN GRP	(65097)	Group Company
Ahmedabad GRP	(11099)	Group Company
Ahmedabad PRJ GRP	(11095)	Group Company
Ahmedabad SF GRP	(11096)	Group Company
Ahmedabad VVN GRP	(11097)	Group Company
Bengaluru GRP	(14099)	Group Company
Bengaluru PRJ GRP	(14095)	Group Company
Bengaluru SF GRP	(14096)	Group Company
Bengaluru VVN GRP	(14097)	Group Company
Bhopal GRP	(17099)	Group Company
Bhopal PRJ GRP	(17095)	Group Company
Bhopal SF GRP	(17096)	Group Company
Bhopal VVN GRP	(17097)	Group Company
Bhubaneswar GRP	(20099)	Group Company
Bhubaneswar PRJ GRP	(20095)	Group Company
Bhubaneswar SF GRP	(20096)	Group Company
Bhubaneswar VVN GRP	(20097)	Group Company
Chandigarh GRP	(29099)	Group Company
Chandigarh PRJ GRP	(29095)	Group Company
Chandigarh SF GRP	(29096)	Group Company
Chandigarh VVN GRP	(29097)	Group Company
2898 more ...		

Company Info.

Select Company

Login as Remote User

Create Company

Backup

Restore

Quit

Q: Quit
Ctrl + Alt + T
Ctrl + Alt + I
Ctrl + Alt + F
Ctrl + N

**Tally**

POWER OF SIMPLICITY

**Tally.ERP 9**

Version & Updates

Series A Release 6.2

Series A Release 6.6.3 Available

TDLs: 10 of 10 loaded

License & Services

Serial Number 775482030 Gold

TSS expired on 31-Dec-2017

Account Id kvstally2023@gmail.com

Site Id kvs

Configuration Gateway

AargusDATA:9999

Calculator

8 FUNCTION: 'LedgerImportXLLedgerGRP'

9 LABEL: 12600 : Action execution failed!

10 FUNCTION: 'LedgerImportXLLedgerGRP'

11 LABEL: : Action execution failed!

S: blank

Tally MAIN --> Company Info. --> Select Company
(c) Tally Solutions Pvt. Ltd., 1988-2017
Sat, 20 Jul, 2024
18:20:32

Tally.ERP 9
- □ ×

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help S: Server Data Loc.

Select Company Ctrl + M

Current Period

List of Selected Companies

Name of Company

**Select Company**

Path : DATA:

Name : 10025

List of Companies	
KVS HQ Unit	(10025) 1-Apr-2023 to 31-Mar-2024

Company Info.

Select Company

Login as Remote User

Create Company

Backup

Restore

Quit

Q: Quit

**Tally**

POWER OF SIMPLICITY

**Tally.ERP 9**

Version & Updates

Series A Release 6.2

Series A Release 6.6.3 Available

TDLs: 10 of 10 loaded

License & Services

Serial Number 775482030 Gold

TSS expired on 31-Dec-2017

Account Id kvstally2023@gmail.com

Site Id kvs

Configuration Gateway

Calculator

AargusDATA:9999

8 FUNCTION: 'LedgerImportXLLedgerGRP'

9 LABEL: 12600 : Action execution failed!

10 FUNCTION: 'LedgerImportXLLedgerGRP'

11 LABEL: : Action execution failed!

Tally MAIN --> Company Info. --> Select Company
(c) Tally Solutions Pvt. Ltd., 1988-2017 Sat, 20 Jul, 2024 18:21:56

Tally.ERP 9
- □ ×

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help
Ctrl + M

Company Login

Current Period

List of Selected Companies

Name of Company

Select Company

Path : DATA:

Name : KVS HQ Unit

**Company : KVS HQ Unit**

Name of User : XXXXXXXXXX

Password (if any) :

Company Info.

Select Company

Login as Remote User

Create Company

Backup

Restore

Quit

Q: Quit

 <b>POWER OF SIMPLICITY</b> <b>Tally.ERP 9</b>	<p><b>Version &amp; Updates</b> Ctrl + Alt + T</p> <p>Series A Release 6.2                  Series A Release 6.6.3 Available                  TDLs: 10 of 10 loaded</p>	<p><b>License &amp; Services</b> Ctrl + Alt + L</p> <p>Serial Number 775482030 Gold  <i>TSS expired on 31-Dec-2017</i>                  Account Id kvstally2023@gmail.com                  Site Id kvs</p>	<p><b>Configuration</b> Ctrl + Alt + F</p> <p>Gateway AargusDATA:9999</p>
--	---	--	---

8 FUNCTION: 'LedgerImportXLLedgerGRP'  
9 LABEL: 12600 : Action execution failed!  
10> FUNCTION: 'LedgerImportXLLedgerGRP'  
10> LABEL: : Action execution failed!

S: blank

Tally MAIN --> Company Info. --> Select Company --> Company Login
(c) Tally Solutions Pvt. Ltd., 1988-2017 Sat, 20 Jul, 2024 18:22:50

Tally.ERP 9
Ctrl + M

P: Print
E: Export
M: E-Mail
O: Upload
S: TallyShop
G: Language
K: Keyboard
K: Control Centre
H: Support Centre
H: Help

Current Period  
1-4-2023 to 31-3-2024

Current Date  
Sunday, 31 Mar, 2024

List of Selected Companies

Name of Company	Date of Last Entry
KVS HQ Unit	31-Mar-2024

**Gateway of Tally**

**Masters**  
Accounts Info

**Transactions**  
Accounting Vouchers

**Utilities**  
ImpOrt Data  
BaNking

**Audit**  
Audit & Compliance

**Reports**  
Balance Sheet  
Income & Expense A/c  
Ratio Analysis

**Display**  
CUstomized Report  
CuStomized Speical Report  
CusTomized Corpus Report  
Multi Account Printing

**Ledger Import Module**  
Quit

F1: Select Cmp

F1: Shut Cmp

F2: Date

F2: Period

F3: Company

F3: Cmp Info

F4: Connect

F4: Disconnect

O: Synchronise

Y: Sync Selected

Product  
**Tally**  
POWER OF SIMPLICITY  
**Tally.ERP 9**

Version & Updates  
Series A Release 6.2  
Series A Release 6.6.3 Available  
TDLs: 10 of 10 loaded

License & Services  
Serial Number 775482030 Gold  
TSS expired on 31-Dec-2017  
Account Id kvstally2023@gmail.com  
Site Id kvs

Configuration  
Gateway  
AargusDATA:9999

Calculator  
8 FUNCTION: 'LedgerImportXLLedgerGRP'  
9 LABEL: 12600 : Action execution failed!  
10 FUNCTION: 'LedgerImportXLLedgerGRP'  
10 LABEL: : Action execution failed!

Tally MAIN --> Gateway of Tally
(c) Tally Solutions Pvt. Ltd., 1988-2017
Sat, 20 Jul, 2024
18:23:51

## **DATA ENTRY IN TALLY ON CLOUD ACCOUNTING PACKAGE**

- Voucher creation – Payment (F5)- For all payments
- Voucher creation-Receipt(F6) – For all Receipts
- Voucher creation-Contra(F4)- For transfers of amount in bank accounts or cash deposit or withdrawal
- Voucher creation-Journal(F7)- For all Journal entries

### **DATA ENTRY – JOURNAL ENTRIES (F7)**

- Outstanding expenditure/ liabilities
- Accrued Interest/ Accrued income
- Prepaid expenditure
- Advance Settlement
- Depreciation entry
- Transfer of “Income and Expenditure Account” balance to the capital fund
- Adjustment entries
- Other entries- written of liabilities, profit or loss on disposal of assets etc.



## EXPECATIONS FROM AUDITORS

- Check whether KV is doing data entry regularly
- All required Journal entries have been passed or not
- Ledger scrutiny can be done easily through the Tally Package
- Whether Annual Accounts have been generated through the Tally Package
- Check whether the printout of Tally generated voucher is taken and kept in records as per the directions of HQ
- Whether proper heads of accounts have been selected while passing the entries in the Tally Package
- Guide the staff for doing correct data entries

### POINTS TO BE NOTED

- Chart of Accounts already installed.
- Recording of entries.
- All the bill/claims/ supporting documents be enclosed with the signed copy of tally generated vouchers.
- Reminder letters issued vide letter dated 10.04.2023, 02.05.2023, 15.05.2023, 05.06.2023, 28.06.2023, 10.07.2023, 07.11.2023 and 09.04.2023.
- Generation/consolidations of Annual Accounts.
- **Even failure of a single unit may spoil the entire efforts of KVS for preparing the consolidated Annual Accounts of the year 2023-24 through online Tally Package.**

## OUTSOURCING/PRIVATISATION OF WATCH AND WARD/ HOUSEKEEPING/ GARDENING SERVICES

Procurement of Watch and Ward/ Housekeeping/ Gardening Services in KVS

- The following three tasks were introduced to be outsourced vide KVS Hq Memorandum no. F.12-13/99-KVS(Admn.-I) dated 10.12.1999;
  - (a) Watch and Ward duties
  - (b) Cleaning of Schools Building and premises
  - (c) Proper Maintenance of Gardens
- Defined in Article-183-A of Accounts code for KVs.
- General Terms and Conditions of Contract : Appendix-I/II/III
- Earlier Procurement was used to be made through Limited Tender Enquiry/Advertised Tender Enquiry in accordance with the prevailing norms of General Financial Rules 2005 and 2017.
- GeM was introduced in August 2016.
- Watch and Ward, Housekeeping and Gardening Services were made available on GeM.
- Procurement of Services is mandatory to be made on GeM.
- Rule-149 of GFR-2017 read with relevant rules : Procurement of Goods and Services is mandatory on GeM.

Direct Purchase	:	Upto Rs.50,000/-
Direct Purchase (L1)	:	Rs.50,001/- to Rs.10,00,000/-
Bid	:	Above Rs.10,00,000/-

\* System defined T&C, SOW and SLA for Direct Purchase and Direct Purchase (L1)

**Statutory Compliances of various Acts while making Bid :-**

- EPF MP Act 1952 (Employees Provident Funds and Miscellaneous Provisions Act 1952)
- Employees' State Insurance Act 1948
- The Contract Labour (Regulation and Abolition) Act 1972
- Minimum Wages Act 1948
- Private Securities Agencies (Regulation) Act 2005
- *\*Relevant Act of State(s) regarding registration of establishment in that particular state(s)*
- *\*Any other Act, if otherwise, applicable*

**Roles :-**

- Kendriya Vidyalaya – Principal Employer
- Agency – Employer
- Outsourced staff - Employees

**Wage Limits (Monthly) for coverage under EPF and ESI-**

- EPF – Rs.15000/- w.e.f. 01.09.2014 (Ref.- EPFO Letter dated 29.08.2014)
- ESI – Rs.21000/- w.e.f. 01.01.2017 (Ref. - <https://www.esic.in/web/esic/coverage>)

### **Rates of EPF and ESI :-**

- ESI (w.e.f. 01.07.2019)
  - ESI Employer's share – 3.25%
  - ESI Employee's share – 0.75%
- EPF Employee's Share (EE) – 12%
- EPF Employer's Share -- 13% (EPS-8.33%, ER-3.67%, Admn. Charges-1%)

### **Obligations/Responsibilities of Agency/Firm:-**

- Submission of the following supporting documents along with the Invoice:-
  - (a) Details of disbursement of salary to the staff.
  - (b) Proof of payment of statutory obligations viz – EPF (Receipt and ECR), ESI etc of the previous month.
- Responsibility lies with the agency/firm concern in case of loss, theft/sabotage caused by/attribution to the personnel deployed and hence, KVS reserve the right to claim and recover the damages from the agency/firm.
- Placing biometric machine for attendance of the deployed personnel.

### **Obligations/Responsibilities of KVS Unit/Principal Employer:-**

- To sign the work contract in the prescribed format.
- Maintain separate attendance record of the employees.
- Constitute a monitoring/screening committee to assess the work in the unit.

- To check the documents pertaining to electronic payment of remuneration to the employees, EPF (TRRN verification) and ESI contribution before making payment to the agency.
- Ensuring that UANs (with mobile number) are active in respect of all deployed personnel.
- Ensure that the agency has provided ESIC card, if applicable, to all deployed personnel.
- Obtain copy of bank passbook reflecting the monthly salary of deployed personnel from time to time.
- **GST Applicability in KVs (Updation of T&C on GeM):-**
  - The buyer organization is an institution eligible for concessional rates of GST as notified by the Government of India. The services for which bids have been invited fall under classification of GST concession and the conditions for eligibility of concession are met by the institution. A certificate to this effect will be issued by Buyer to the Seller after award of the Contract. Sellers are requested to submit their bids after accounting for the Concessional rate of GST.
  - Applicable Concessional rate of GST : 0%
  - Notification No.and date : MoF DoR Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017

### **Terms & Conditions of GeM Bid:-**

- Selection of system defined T&C and scope of work, as per applicability.
- Additional Terms & Conditions, Scope of Work and Service Level Agreement can be added by the buyer while initiating bid. (text typing or pdf/doc file uploading).

## INTERNAL CONTROLS AND INTERNAL AUDIT IN AUTONOMOUS BODIES

**Sh. SN Gulia**  
**Joint Commissioner (Fin)**  
**KVS (HQ) New Delhi**

### CONTROL

- \* Controlling is one of the managerial functions and it is an important element of the management process.
- \* After planning, organizing, staffing and directing have been carried out, the final managerial function of controlling assures that the activities planned are being accomplished or not.
- \* Function of controlling helps to achieve the desired goals by planning.
- \* What is control?
- \* Why control?
- \* How control?



## TYPES

### \* **Internal Control**

**Process carried out by the organization itself internally whether the organization achieved the objective.**

### \* **External Control**

**Process carried out by the external team and reporting to the shareholders whether the organization achieved the objective.**

## **INTERNAL CONTROL**

Internal control means all the policies and procedures adopted by the management to assist in achieving management's objective of ensuring as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, safeguarding its assets, the prevention and deduction of error, accuracy and completeness of accounting records and timely preparation of financial information.

### NEED FOR INTERNAL CONTROL

- ❖ Size and scale of operation
- ❖ Public accountability of being a governmental organization.
- ❖ Delivering a responsive and quality service to the customers.
- ❖ Transparency and rule of law.
- ❖ Standards of Probity, Prudence and Ethics.

### LIMITATION OF INTERNAL CONTROL

- \* Internal control provides only reasonable assurance and not absolute assurance.
- \* It provides only information about the progress or lackness towards the objective and cannot change the system to good.
- \* Human errors and flaws in the design may cause damage.

### INTERNAL AUDIT ACTIVITY

The internal audit activity should evaluate organization's governance, operation and information system regarding

- \* Reliability and integrity of financial and operational information
- \* Effectiveness and Efficiency of operations
- \* Safeguarding of assets
- \* Compliance with laws, regulation and contracts

### INTERNAL AUDIT STRATEGY

- \* Evaluation of internal control methodology for adequacy
- \* Testing of internal control by verifying the records, manuals, samples and process.
- \* Periodic testing
- \* Levels of testing

## TECHNIQUES OF INTERNAL AUDITOR

- \* Observation
- \* Interviewing / Inquiry
- \* Analysis
- \* Verification
- \* Re-Performance
- \* Test Report

## FOCUS AREAS OF AUDIT IN TYPICAL GOVERNMENTAL ORGANIZATION

- \* Cash Management
- \* Budgeting & Expenditure Control
- \* Accounting
- \* Personal Administration
- \* Purchase
- \* Academics & Student Affairs
- \* Stores and Inventory
- \* Estate & Maintenance
- \* Policy Matters

# **TALLY.ERP9- NOTES FOR AUDITORS**

**Sh. OS SHEORAN  
ASSTT COMMISSIONER(FIN)  
KVS HQ( New Delhi)  
&  
Sh. Ravinder Singh  
Administrative Officer  
KVS(RO) Lucknow**

## **Implementation**

- ▶ All KVs across India are on online Tally Module.
- ▶ New KVs to be opened will also be covered after due approval of the competent authority.

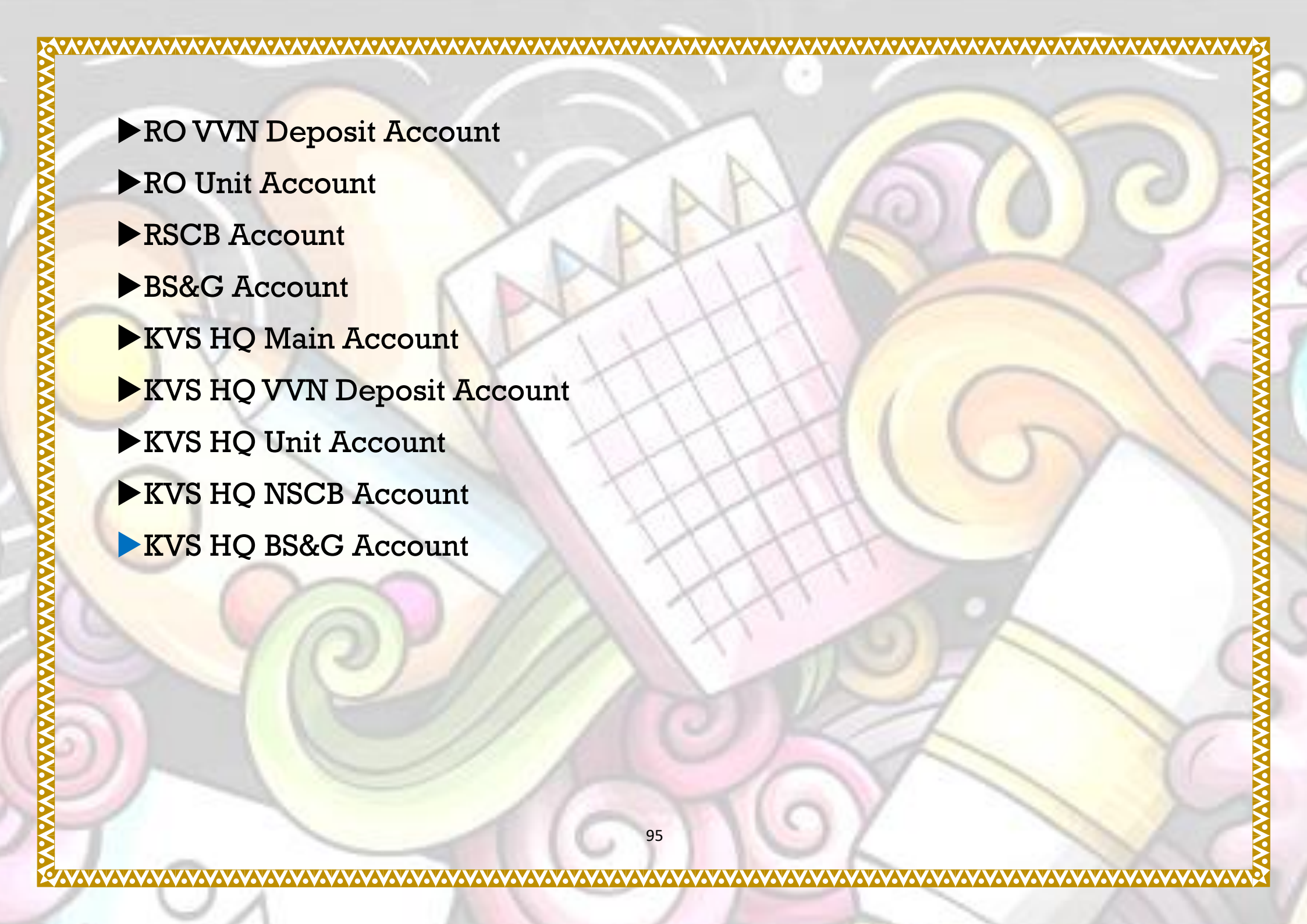
Ensure that all KVs under jurisdiction of regional office are aware about Tally and having login credentials to operate the Tally module.

## **URL and Login**

- ▶ URL : <http://kvsaccounts.in/>
- ▶ Two steps of Login:-
  - First :- Cloud Login
  - Second :- Company (SF, VVN, Project etc) Login
- ▶ Employee code is User name usually.
- ▶ User credentials are specific and to be used by the individual only.
- ▶ In case of transfer of user, intimation is required to be given to the vendor for deactivation the old user and activation of new user.

## **Companies in Tally**

- ▶ School Fund of Civil KV
- ▶ School Fund of Project KV
- ▶ Vidyalaya Vikas Nidhi
- ▶ RO Main Account

- 
- The background features a large, stylized grid with a decorative border at the top. The grid is overlaid on a background of colorful, swirling patterns in shades of yellow, orange, pink, and green. The grid itself is white with a pink border and contains a grid of lines. The overall style is colorful and decorative.
- ▶ **RO VVN Deposit Account**
  - ▶ **RO Unit Account**
  - ▶ **RSCB Account**
  - ▶ **BS&G Account**
  - ▶ **KVS HQ Main Account**
  - ▶ **KVS HQ VVN Deposit Account**
  - ▶ **KVS HQ Unit Account**
  - ▶ **KVS HQ NSCB Account**
  - ▶ **KVS HQ BS&G Account**

## Salient Points from User Manual

<b>Types of Accounts' heads/groups</b>	<b>Default Nature (Dr/Cr)</b>
Capital / Corpus / Fund (Designated or Restricted)	Cr
Liabilities and Provisions	Cr
Accumulated Depreciation	Cr
Current Assets (Cash / Bank)	Dr
Advances / Accrued income	Dr
Fixed Assets	Dr
Capital Work in Progress	Dr



## **Transactions:-**

- ▶ Fees and Fines, Other Income, Land and Buildings, Bank Interest (Credit and Debit)
- ▶ Staff Payment and Benefits, Academic Expenses, Administrative and General Expenses, Repair and Maintenance (Debit and Credit)
- ▶ Fund Transfer between RO and KV (Credit and Debit)
- ▶ Fund Transfer between KVSHQ and RO (Credit and Debit)
- ▶ VVN:- Nomenclature of heads of Income and Expenditure is suffixed by 'Sch.2'
- ▶ Project SF:- Nomenclature of heads of Income and Expenditure is suffixed by 'Sch.2A'

## **Advances:-**

- ▶ Common heads for all companies
- ▶ Default nature of Advance is 'Dr'
- ▶ Payment of Advance through 'Payment Voucher'
- ▶ Settlement/Adjustment of advance through 'Journal Voucher'
- ▶ Bank transactions are allowed in 'Journal Voucher'
- ▶ Credit Balance of Advance (Negative Balance of Advance)

## **Liabilities:-**

- ▶ Common heads for all companies
- ▶ Default nature of Liabilities is 'Cr'
- ▶ Liabilities raised/settled through Salary /correction/adjustment Journal Voucher
- ▶ Liabilities raised/settled through bank transaction- Receipt/Payment Voucher
- ▶ Debit Balance of Liabilities (Negative Balance of Liabilities)

## **Deposit Work :-**

- ▶ Payment of advance to Construction Agency:- Debit the concerned head of Advance and Credit the concerned head of Bank.
- ▶ Expenditure Report- Debit the concerned head of 'Capital work in Progress' and Credit the concerned head of Advance.
- ▶ Building Handover- Debit the concerned head of 'Building' (under Fixed Assets) and Credit the concerned head of 'Capital Work in Progress'

## **Fixed Assets :-**

- ▶ VVN Trial Balance –Fixed Assets purchased under heads (11201-11214) under sub group 11200 - Capital Exp.-Fixed Assets (Sch2).
- ▶ Fixed Assets purchased from **VVN** Account should be booked under the concerned heads of Fixed Assets in **School Fund** Account to complete Sch.4 on the same day.

- ▶ Eg. – Payment from **VVN** Rs.6000/- in '11212 - Other Fixed Assets (Sch2)' on 11/03/2024, then Journal Entry in **SF (Civl/Project)** will be :-

Dr - 20812 - Other Fixed Assets-VVN - Rs. 6000

Cr - 10103 - Assets created out of VVN,  
RSCB/NSCB, BSandG (Sch1) - Rs. 6000

- ▶ Fixed Assets purchased from SF (Project KV) – No additional entry will be passed for Sch.4 as fixed assets created out of Fund provided by Project is not a part of Balance Sheet of Kendriya Vidyalaya.
- ▶ Fixed Assets purchased from RO VVN / RSCB / BS&G – Necessary entry to complete Sch.4 will be make in **RO Main Account** (not in RO Unit A/c).

- ▶ **Current Year's Depreciation:-** Debit the concerned head of depreciation (45101-45113) and Credit the concerned head of Accumulated Depreciation.

### **Fixed Assets Write-Off/Condemnation :-**

- ▶ Debit the concerned head of Accumulated Depreciation and Credit the concerned head of Fixed Assets (Gross Block).
- ▶ Difference of both of the heads i.e. loss will be booked under '40516 - Loss on disposal of Fixed Assets'.
- ▶ Condemnation Entry should be made on 31<sup>st</sup> March.

### **Mandatory Check Points for Auditors/Checkers**

- Closing Balance of Bank/Cash/Permanent Imprest.
- Entry of Fixed Assets created out of VVN should be made in School Fund to complete Sch.4.


- Closing Balance of each Fixed Asset (Gross Block) of every fund (SF/VVN/CCA/Specific)
- Current Year's Depreciation Entry in School Fund as on 31st March.
- Depreciation Block (Accumulated Depreciation – Credit Balance) of each fixed assets of every fund (SF/VVN/CCA/Specific).
- In School Fund:- Matching of 'Excess of Income over Expenditure' or 'Excess of Expenditure over Income' with the I&E statement of last year's Annual Accounts.
- Closing Balance of subgroup 10100 - Corpus or Capital Fund (Sch-1), 10200 -Designated or Earmarked Fund (Sch-2), 12500 - Restricted Fund (Sch-2A) should be matched with Annual Accounts.
- Closing Balances of each head of Current Liabilities and Advances should not be negative.
- Write-Off/Condemnation Entry of Fixed Assets.
- Dr/Cr of Profit and Loss Account through Special Journal Voucher,

## Amendments in COA

<b>15400 - Unutilised CCA or Specific Grants</b>	<b>15400 - Unutilised CCA or Specific Grants</b>
15401 - Unutilised CCA Grant (Sch3A)	15406 - Refunded - CCA Grant (Sch3A)
15402 - CCA Grant-Computerisation (Sch3A)	15407 - CCA -Other Adjustments (Sch3A)
15403 - CCA Grant-Construction (Sch3A)	15408 - CCA Grant- Utilised for Revenue Exp (Sch3A)
15404 - Other Specific Grant (ATL, PMSHRI, Skill Hub etc) (Sch3A)	15409 - CCA Grant - Utilised for Fixed Assets (Capital Exp.) (Sch3A)
15405 - CCA -Interest on Bank account (Sch3A)	15410 - CCA Grant - Utilised for Deposit Works (Capital Exp.) (Sch3A)
<b>15400 - Unutilised CCA or Specific Grants</b>	<b>15400 - Unutilised CCA or Specific Grants</b>
15411 - Specific Grant -Interest on Bank account (Sch3A)	15416 - Specific Grant - Utilised for Deposit Works (Capital Exp.) (Sch3A)
15412 - Refunded - Specific Grant (Sch3A)	15417 - Unutilised Specific Grant (Sch3A)
15413 - Specific Grant -Other Adjustments (Sch3A)	
15414 - Specific Grant- Utilised for Revenue Exp (Sch3A)	

15415 - Specific Grant - Utilised for Fixed Assets (Capital Exp.) (Sch3A)	
Under : 15100 - Current Liabilities	Under : 23300 - Advances
15116 - Deposit from supplier (EMD etc) (CCA)	23311 - Adv-Deposit with Constr. Agency- Construction work (Specific Grant)
15117 - Statutory Liabilities (TDS etc.) (CCA)	23312 - Adv-Others (CCA)
15118 - Liability towards other remittances (CCA)	23313 - Adv-Others (Specific Grant)
15119 - Deposit from supplier (EMD etc) (Specific Grant)	
15120 - Statutory Liabilities (TDS etc.) (Specific Grant)	
15121 - Liability towards other remittances (Specific Grant)	





# PHOTO GALLERY

## LIGHTING OF LAMP BY DIGNITARIES





# MORNING PRAYER



## HONOURING DIGNITARIES





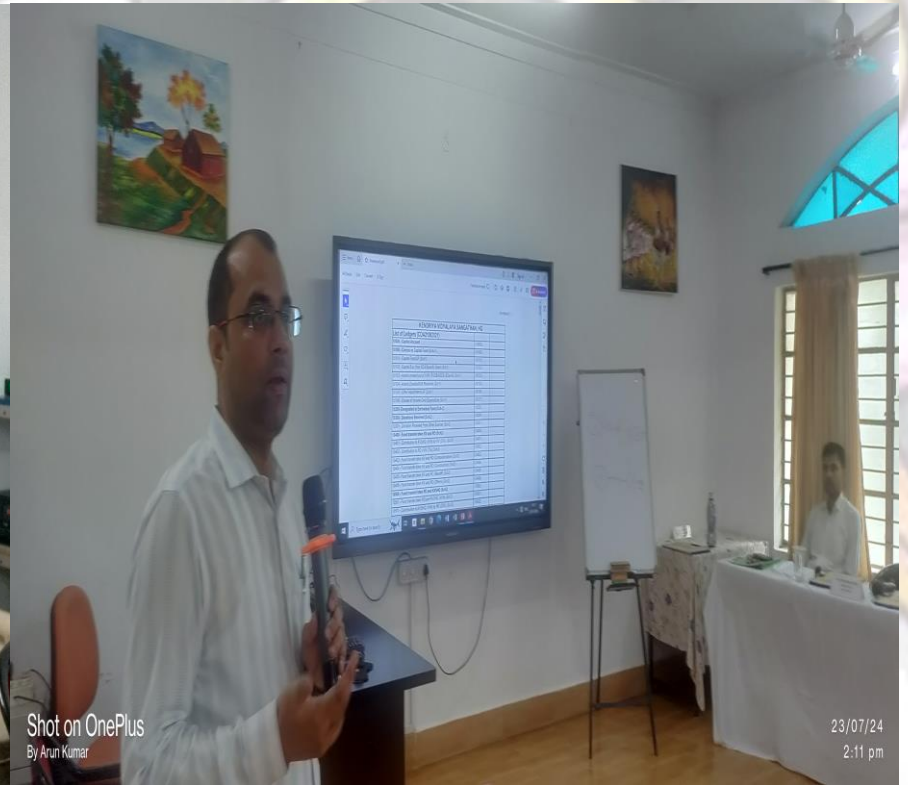


**RELEASING ANNUAL ACCOUNTS FOR THREE UNITS  
TALLY BASED & TRADITIONAL METHOD**





## INTERACTIVE SESSIONS









Shot on OnePlus  
By Arun Kumar

23/07/24  
9:17 am



**DAY WISE PRESENTATIONS**



Shot on OnePlus  
By Arun Kumar

23/07/24  
9:05 am

## Valedictory Function and certificate distribution











**KVS, ZONAL INSTITUTE OF EDUCATION AND TRAINING, MYSURU**  
**WORKSHOP ON “CAPACITY BUILDING FOR GPIA” HELD FROM 22.07.24 TO 24.07.24**

- Sitting Row (L-R) :** 1. Gopal Kalasad, 2. M. Rajendran, 3. D. Sreenivasulu, 4. Rumma Raina, 5. Ms. Menaxi Jain (Director), 6. Mr. S N Gulia (JC Finance), 7. Mr. Sanjay Kumar (DC Finance), 8. D K Singh (CC), 9. P. Selvamani, 10. Dinesh Kumar, 11. B. K. Jha, 12. S. M Naikar
- Standing Row I (L-R) :** 1. S Ganeswar Rao, 2. S. Venugopal Raju, 3. HP Pandey, 4. N.T. Bhat, 5. Chitra Sridhar, 6. S. Bharathi, 7. Prashanti Jayanti, 8. M Lakshmi, 9. B S Prashanthi Murthy, 10. K N Lakshmi Gopalakrishna, 11. Saju Augustine, 12. Sudin M Soman, 13. N S Sanal Kumar, 14. Karthikeyan P
- Standing Row II (L-R) :** 1. Y. Karunakar, 2. Bhaskara L, 3. Ch. Ramakrishna, 4. Ranveer Kumar, 5. K M Mohana Linga, 6. M. S Rajendran, 7. Shiv Ram Gupta, 8. Arun Kumar K, 9. Ankur Singhal, 10. C Umapathy, 11. PT Giridhar, 12. Chanchalesh Pal, 13. Satyendra Prasad
- Standing Row III (L-R) :** 1. Ameer Byju P M, 2. Kundal Mehata, 3. A Palani, 4. N. Ramesh, 5. B. Jegannathan, 6. H. K. Parashurama, 7. K Vijai Raj Rao, 8. Anant Kumar, 9. Jayakrishnan T, 10. Shaji B, 11. Harikumar G
- Standing Row IV (L-R) :** 1. L. Ram Manohar Rao, 2. Piyush Tayde, 3. Brajesh Kumar Singh, 4. Pramodan K, 5. M. Mallikarjuna, 6. Upendra Prasad, 7. O M Madhu, 8. Anil Kumar, 9. Kumar Madhu P, 10. C H Visweswarudu
- Standing Row V (L-R) :** 1. S. Arul Chandran, 2. Surya Bhushan Kumar, 3. Ashish Kumar Sinha, 4. Ganapatasa, 5. Rahul Mewara, 6. Janakiraman S, 7. Sanjay Kumar, 8. Satpal Aiswal

## COURSE MATERIALS

RESOURCE OFFICERS	<u>MATERIALS</u>
SATYA NARAYAN GULIA, JC Finance	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">             GFR-PPT.pptx         </div> <div style="text-align: center;">             Internal control &amp; Audit.pptx         </div> </div> <p style="text-align: center;"><a href="https://drive.google.com/drive/folders/1OXstPyUff77qWpti9FT_S9TpHT6xv03e?usp=sharing">https://drive.google.com/drive/folders/1OXstPyUff77qWpti9FT_S9TpHT6xv03e?usp=sharing</a></p>
SANJAY KUMAR DC Finance	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">             PPT 22.7.2024 - tally.pptx         </div> <div style="text-align: center;">             PPT 22.7.2024.pptx         </div> </div> <p style="text-align: center;"><a href="https://drive.google.com/drive/folders/14juvsntxwtTc1SowaOouydAmC4wMyloj?usp=sharing">https://drive.google.com/drive/folders/14juvsntxwtTc1SowaOouydAmC4wMyloj?usp=sharing</a></p>
O S SHEORAN AC Finance	<div style="text-align: center;">             GFR PPT-AC FIN.pptx         </div> <p style="text-align: center;"><a href="https://drive.google.com/drive/folders/1GVeT7TUCOK5cAemnjggE2CUsc-Cce5qv?usp=sharing">https://drive.google.com/drive/folders/1GVeT7TUCOK5cAemnjggE2CUsc-Cce5qv?usp=sharing</a></p>
RAVINDRA SINGH AO	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">             Tally Matters PPT-For Auditors (14         </div> <div style="text-align: center;">             GeM-GPIA PPT (24.07.2024).pptx         </div> <div style="text-align: center;">             Outsourcing of Services in KVS PPT (         </div> </div> <p style="text-align: center;"><a href="https://drive.google.com/drive/folders/1USn8KkuvOmkDfKZ-kXJ3bM34Ro68T8Bq?usp=sharing">https://drive.google.com/drive/folders/1USn8KkuvOmkDfKZ-kXJ3bM34Ro68T8Bq?usp=sharing</a></p>



**THANK YOU**