

Sub.: Master circular - Standard operating procedure.

The following standard procedure shall be adopted by all accountants. Most earlier circulars and internal memos are been cancelled and consolidated into a single master circular.

1. Proof of cash receipt from staff: Cash is being paid to accountants for repayment of personal loans, for reversal of petty cash payments, etc., for which there is no proof of payment by staff to the accountant. Therefore, to correct the situation hereafter a credit voucher to be made in tally and a signed copy of it to be given to staff making the cash payment. Staff members must ensure that they collect a copy of the voucher.
2. Corrections to booking form & receipts: Do not make any corrections to booking forms or receipt. Make a fresh booking form or receipt in case of corrections and collect the old booking form and receipt. The cancelled booking form/receipt must be stapled to the duplicate copy of the booking form/receipt.
3. Nomenclature for FD: All accountants must make a fixed deposit account, bank wise in their books of accounts. Narration in the voucher should be as follows: “Being cheque issued towards FD, HDFC bank, FDR No. ____, Term ____, maturity date ____, interest rate ____.” Whenever an FD is cancelled, the narration should be as follows “Being FD cancelled no. ____”. When FD is matured ‘being FD matured, FD No. ____’. Interest and TDS on fixed deposit must go to separate account heads. In that manner the FD statement can be reconciled with BRS every fortnight. Further a printout of FDs ledger will give details of existing and matured FDs.
4. On a/c. payments & petty cash payments: Limits for these payments specified in Circular 208(d) (to be revised). These limits to be strictly followed. These payments can be made if payments authorization form is duly filled and approved.
5. Happay card: instead of paying cash for day to day expenses, amount is to be transferred to respective employee, project through Happay card. Standard operating procedure for using the Happay card is given in circular no. 217(a).
6. Submission of accounts relating to petty cash/on a/c. payments: Accountants must collect details of on a/c. payments and petty cash details from staff before the end of the succeeding weekend. That is if petty cash or on a/c. payments are made from Monday to Saturday the accounts must be collected before the following Friday/Saturday. Any delay in submission of accounts by staff must be penalized @ of Rs. 100/- per day of delay. Prabhakar Reddy shall be given additional 7 days for submission of accounts. Sales and promotions team must submit accounts of exhibition/out station trip within 3 working days of exhibition/trip. The same procedure shall also apply for submission of accounts related to Happay cards – however, it shall be as per deadlines given in the happay card circular.
7. Reversal of petty cash/ on a/c. payments: Vouchers may be taken at face value and accounted in tally before approval from authorized person. In case such vouchers are not approved the account can be reversed and debited to on a/c. / petty cash pending. Separate file for such up-approved vouchers to be maintained.

8. Maintenance of cash balance: Most cash payments have now been routed through Happay card. Therefore the maintenance of cash balance in each active account shall be reduced as given under. A separate cash a/c. called 'Cash a/c. 2' with Rs. 1 lakh balance is being maintained. Borrow cash from this a/c. till such time cash withdrawal can be made from the bank.
- a. Active projects - Rs. 10,000/-
 - b. In active projects - Rs. Nil
 - c. In active projects where temporary short term work is taken up – Rs. 10,000/-
 - d. Accounts of individuals - Rs. 5,000/-
 - e. Tejal Modi A/c. - Rs. 25,000/-
9. Format for receipts: Other receipts issued for payments not forming a part of sale consideration of flats/villas must be given as per format given in internal memo 904/15 dated 17.01.2011.
10. Booking declaration form: Accountants can accept booking only when accompanied by the booking declaration form and letter of confirmation for all special schemes. The booking declaration form to be sent for MDs approval only after approval of sales manager and accountant. Booking declaration form may be updated from time to time. Check discount given with approved discounts. Discount structure to be emailed to senior accountants.
11. Blocking of flats & villas: After initialization of database the change in the status of flats/villas i.e., vacant. Sold, mortgaged or blocked can be changed only after receipt of booking form/ booking declaration form. Any other change can be made only after written authorization from MD.
12. VAT & service tax: Database must be upto date for determining liability of VAT & service tax. Debits of VAT and service tax to be made in database only after approval from accounts manager. Service tax to be debited quarterly in buyer info database and tally after approval of statement by accounts manager. VAT to be debited at the time of payment of VAT (generally at the time of executing sale deed). Possession authorisation form must not be approved until VAT & ST details are uploaded on database.
13. Payment of VAT & service tax: Vat to be paid at the time of registration of sale deed of each flat or villa. For service tax, the buyer info database must be upto date, calculate total receipts from sales for the last one week i.e., from Friday to Thursday and pay service tax on the 70% of the receipt at the applicable rate of 15% with abatement of 70% (i.e., @ 6% subject to change) and the said amount to be paid every Saturday. The balance amount to be paid at the end of the quarter. Payment of service tax by this procedure shall only be applicable to projects paying service tax under construction of complex services. Not applicable to MNM, VSC, SOB, KNM.
14. Certification of vouchers for payment: Strictly follow details given in internal memo. 904/27.
15. Contractor statement : Contractor statement must be made before 20th of each month at the end of each quarter. Guidelines given in internal memo no. 904/20 dated 23.04.2012 must be followed.

16. Cash receipts for sale consideration, rent & maintenance charges: Procedure given in internal memo 904/21/a to be strictly followed.
17. Payment of PF & ESI: Bank accounts have been opened in SBH for these payments. Deadline for payment is 15th of every month. Amount for payment of PF & ESI for employees is to be finalized before 5th of each month. Accountants to transfer amounts related to ESI & PF along with salaries to SBH account. ESI & PF payable for labours of contractors – admin to give details of payment by Friday preceding 15th of the month. PF & ESI must be paid on Saturday preceding 15th of each month.
18. Payment of Professional tax: Deadline for payment is 10th of every month. Amount for payment of PT for employees is to be finalized before 5th of each month along with salary statement. Cheques for payment of PT to be made along with salaries.
19. Original bills: Accountants are responsible for maintaining the original copies of all bills along with DC, voucher for payment, purchase order and requisition. In case purchase or admin or other divisions require bills for verification, only a copy of bills can be given. Originals must be maintained with accountants. MDs permission is required if original is to be handed over. In such a case a copy of the documents must be maintained with accounts.
20. Schedule of weekly, monthly & quarterly tasks:
- a. Weekly Tasks:
 - i. Monday – Update verify bills of suppliers, contractors, labourers, etc. All vouchers/JVs for payments made, payments received, bills, interest, TDS, loans, etc., must be completed by end of the day. Supplier and contractor payments.
 - ii. Tuesday – 10 am to 11 am desk cleanup. Filing. Attend monthly tasks.
 - iii. Wednesday – 10 am to 11 am verify receipt books, approved booking declaration forms. Attend to monthly & quarterly tasks.
 - iv. Thursday – Cash book verification. Attend to monthly & quarterly tasks.
 - v. Friday – send details of contractors balances to site. Preparation of weekly statement.
 - vi. Saturday – preparation of cheques and vouchers for labours, contractors and supplier payments. Updating these payments on tally.
 - b. Monthly tasks:
 - i. Salary, PF & ESI and PT payments. By 4th – 1 Hr.
 - ii. TDS statement. by 5th – 2 Hrs.
 - iii. Service tax (Pvt. Ltd. Only). By 5th – 1 Hr.
 - iv. BRS for second half of previous month. By 8th – 2 Hrs.
 - v. Supplier a/c. reconciliation for preceding month. By 10th – 4 Hrs.
 - vi. VAT statement. By 14th – 1 Hr.
 - vii. Customer a/c. reconciliation for preceding month. By 16th – 4 Hrs.
 - viii. PDF format of bank book, cash book and buyer info database receipts, pertaining to previous month to be sent in PDF format to jayaprakash@modiproperties.com by 17th – 1 Hr.
 - ix. BRS for first half of current month – by 22nd – 2 Hrs.
 - x. Maintenance charges reconciliation – by 25th – 2 Hrs.
 - xi. Petty cash, salary advance & staff loan statement. By 29th – 1 Hr.
 - c. Quarterly tasks:

- i. CRS. By 2nd – 2 Hrs.
 - ii. Service tax statement. By 5th – 4 Hrs.
 - iii. E TDS. By 15th - 4 Hrs.
 - iv. Contractor statement reconcile with billing database. By 20th – 4 Hrs.
21. Supplier a/c. reconciliation: Prepare a statement of advances paid to suppliers against PO/WO/RO or otherwise in the following format. SI No., Supplier, Advance paid, Advance date, PO no., PO date, Remarks. All advances paid which are more than 15 days old for which bills are not received must be shown in the statement. Sort by date of payment. One supplier can have several advances against different POs/WOs, therefore make multiple entries for advances paid. Statement to be sent to accounts manager, MD & purchase.
22. Verification of receipt books: Receipt books for collection of maintenance charges and booking amount have been given to admin officers at site and sales managers respectively. These receipt books are to be verified on a weekly basis by the accountants. On verification the back of the receipt must be counter signed by the accountants. These receipt books must be shown to Kanaka Rao on Friday's at the time of cash book verification. To ensure that this process is strictly followed accountant shall maintain two receipt books for the Owners Association and sales. Sales managers shall surrender their receipt books every Wednesday to the accountants in exchange for the other receipt book. Similarly, admin officers at site shall surrender their existing receipt book every Saturday in exchange for the other receipt book. No other person shall be authorized to issue receipts or keep receipt books in their custody. Accountant to maintain un-used new receipt books in their custody under lock and key.
23. Monthly maintenance charges – online database: A online database is made for MMC. Database shall be updated by admin at site and verified by accountant once a month. Admin should also update occupied/un-occupied, possession flat/villas. Details given in internal memo 904/24.
24. Utility bills: Accountants shall maintain a list of due dates of payments for utility bills (water, electricity, telephone, modem), rents, MMC and EMIs. They must prepare a statement and update it once a year (to be approved by accounts manager, admin manager & MD). Word format for the same is available on staff login page. Statement must be used every Friday to make provisions for payments due over the next week.
25. Collection of Utility bills and payment of bills: Admin shall be responsible for ensuring that these bills are collected from respective service providers or printed from online facilities provided by the service providers. Utility bills shall also be paid by Admin at HO or site. Accountants must issue the cheque atleast 3 working days in advance. Only in rare instances where utility bill could not be obtained despite several efforts, adhoc payment based on previous payments can be made to avoid disconnection (admin to recommend).
26. Petrol, Diesel & conveyance charges: All employees and sites are been provided with a petro card. Do not make or approve any cash payments for the same.
27. AOS authorization form: Authorisation form for making agreement of sale must be approved by accountant. For that purpose a pre-approved list (approved by CR & MD) of boundaries for every flat/villa in the project must be available with accounts.

28. Common expenditure: Sharing of common expenses across projects is given in internal memo of Admin (and revised from time to time). Further, payments like VAT, service tax, registration charges, PF, ESI and professional tax are being paid from accounts of MPIPL and MHPL in SBH bank. From 1st October, 2016 common expenditure given in the said memo along with the statutory payments and TDS shall be made from accounts of MHPL and MPIPL respectively. Statutory payments to be made from bank accounts at SBH (online) and other expenditure from bank accounts at Axis bank. These accounts to be squared off at the end of each month. Appropriate deposit to be made from each project to meet monthly expenditure.
29. TDS: from 1st October, 2016 payment of TDS will be directly implemented from the TDS module in tally. A master file of scanned pancards of all staff, service providers, contractors and suppliers to be maintained on office server (nomenclature of scanned file <name of contractor>, <surname and initials>, <work type>) – to be reviewed.
30. Weekly payments: Vouchers for weekly payment for labour and building material are being prepared by site. They are to be scrutinized and approved by respective accountants & accounts managers as per guidelines given under. Vouchers must be sent to HO by 9.30 am on Saturday.
- Payment to be made only if labour contractors have minimum credit balance and for that purpose the voucher must clearly mention bill date, bill amount and email sent date against which payment is being issued. In case the bill is lying with Nagalaxmi or purchase, accounts managers can approve the voucher and accountants can take signature on the cheque, however release it only on receipt from Nagalaxmi or purchase.
 - For job work payments the job work sheet must be scanned and sent to the accountant before 4 pm on each day – do not make payments if scanned copy is not received on time.
 - Job work is work for which payment is made based on quantity of work x rate. Job work sheet must contain quantity and rate. Project managers at their discretion can pay amounts more or less than the estimated amount. However, job work payment is not to be made without the estimate being mentioned in the job work sheet.
 - Do not approve job work payment if quantity in the job work sheet is no. of workers and rate is the approved daily wages. Do not pay job work charges when departmental payment is disguised as job work.
 - At times the attendance value of job work is far less than the job work value. Such bills may be cleared if the attendance is atleast 60% of job work value for labour work only and atleast 40% for job work involving material/equipment.
 - Departmental payment per week cannot exceed the limits given in internal memo as updated from time to time.
 - Building material vouchers must be accompanied by photograph, VAT bill of supplier. Compare rates with approved rates given by purchase. Vehicle used for supply of building material must also be approved by purchase in advance. Cheque can be prepared and signed without VAT bill, however issue it only after receipt of bill.
 - Building material – wherever purchased in CFT – check photographs for full load.
 - Building material – whenever purchased by weight – check weightment slips.
 - Building material – stone dust, manufactured sand, 6/12/20/40mm metal/chips, sand – must be accompanied by waybill of mining department. Waybills will not be

available for hand cut 40mm metal, granite, solid blocks, red bricks, red mud, debris, morrum – are exempt from producing waybills.

31. Contractor signature on bills: Sites have been advised to send the contractor bills by email to ensure that they are not lost in transit. These bills are to be sent to nagalaxmi@modiproperties.com. From hereon bills must be signed by respective contractor before they are scanned and sent to HO. Originals to be maintained at site.
32. Supplier bills: Accountants may clear supplier bills upto a limit of Rs. 10,000/- Above that limit approval of Accounts Managers is required. The following must be thoroughly checked.
 - a. Original office copy of PO is attached.
 - b. Original bill with purchase inward stamp is attached.
 - c. DC or bill must have site inward and MRN no.
 - d. Wherever material is brought by weight original weighment slip must be attached.
 - e. Purchase advice for credit to supplier must be attached.
 - f. Original requisition must be attached.
 - g. All quantities and amounts must tally. Explanation for difference if any must be in writing.
33. Maintenance of Cash book: Accountants must maintain cash book and reconcile cash at the end of each day. Cash book must be verified by Kanaka Rao once a week (Thursday). All cash vouchers must be approved by Kanaka Rao and cash vouchers above limits specified herein shall also be approved by MD (Saturday).
34. Maintenance of bank book:
 - a. Maintenance of physical bank book is no longer required. However, for the account balance in tally to be reliable every cheque must be printed only after entry in tally. BRS must be done once in 15 days.
 - b. Every cheque issued or cash withdrawal shall be accompanied by a voucher prepared in tally.
 - c. All cheques other than routine cheques being sent to partners must be accompanied by request letter.
 - d. A log book for cheques received and deposited must be maintained by each team. Counter sign against every cheque on receipt and when sent for deposit must be made.
35. Bills from purchase & request for payment:
 - a. Accountants must sign the advice for credit for supplier / contractor after thoroughly verifying PO / WO (must be in original), bill (must be original), DC (original must have stamp of security & MRN no.), etc., before giving credit in tally.
 - b. Caution must be exercised to distinguish between payments from the project and the association.
 - c. Guidelines for clearing specific type of bills:
 - i. Steel, cement blocks & RMC bills must be accompanied by site receipt report. Site receipt report must have totals indicating total quantity and excess/shortfall received.
36. Scanning:
 - a. Scanning of utility bills, challans for statutory payments, acknowledgements for returns filed for TDS, VAT, ST, GST, IT, TT, etc., must be done as per circular no. 204(b).

37. Officer hours on Saturday: office hours on Saturday shall be from 9.30 am to 2.30pm. Accountants may leave HO at 2.30pm only if their work is completed and they must inform accounts managers before leaving (permission not required).
38. Bank charges reversal – We are ‘Preferred’ customers at HDFC Bank. Accordingly, HDFC Bank has agreed to not to levy any bank charges on any of our accounts. In case bank charges are levied, accountants may please send a representation to HDFC Bank as per the enclosed draft. Draft is available in draft folders on the server. Accounts in other bank which are not being used, must be closed on or before 17/09/05. Draft letter is enclosed – to be revised
39. Procedure for booking – booking form & booking amount – details given in circular no. 207(a) of Accounts.
40. On line payments through website – details are given in internal memo no. 904/31 of Accounts.
41. Bank A/c. for common expenditure – promotions expenses, happay and petro card and bank a/c. for common expenditure like registration charges, taxes has been opened in the name of MPPL and MHPL. Guidelines for operating these accounts are given in circular no. 217(a).
42. Payment of advance against PO/WO: Advances paid for purchase of material, consultants and other payments which can be paid over the next few days must be dated on the succeeding Monday so that funds can be arranged on Saturday. Any request for payment before Monday must give reasons for making payment on earlier date.
43. Payment by RTGS: Labour payments to all regular labour contractors can be made through RTGS every Saturday or Monday morning. Signatures of partners must be taken on Saturday for these payments. Payments for supplier bills, hire charges and building material should be made at the earliest possible but can be de-linked with labour payments. Payment to contractors like B. Anand, Karunakar Reddy, Ashok must be made by RTGS on Saturday.
44. Complaints & suggestions: All accountants are required to send complaints and suggestions by email to MD about clarifications on accounts, equipment not working, reports not received, non-cooperation from staff, missing documents, standard operating procedures not being followed, etc. wherever required mark copy of accounts managers or other staff members.
45. GST bills of contractors: weekly payment vouchers for department and job work payments must be accompanied by GST bills of contractors – policy to be finalized.
46. Separate guidelines and internal memos are to be issued after discussion for the following:
- Bills received late
 - Accounting of division of expenses between owners association and project. Covered by Internal memo no. 901/36/a of admin.
 - Loan being given to customers – covered in circular no. 462(a) of CR.

- d. Payment of advance against PO/WO.
- e. Receipts of rent and maintenance charges through RTGS/NEFT/wire transfer.
- f. Bills reference nos. in tally.
- g. List of standard ledgers to be created in Tally.
- h. Purchase of fixed assets and deprecation – treatment of account.
- i. Cash accounts – standard operating procedure.
- j. Nomenclature for vouchers.