SOP of Finance

Purpose:-

This SOP defines the standard process for recording, approving, and reporting all income and expense transactions, from the receipt of a source document (customer invoice, vendor bill, receipt, or voucher) through to posting in the general ledger and reflection in the financial statements. It aims to ensure transactions are complete, accurate, properly authorized, and recorded in the correct accounting period.

Revenue

Gypsum

- Invoice issued by respective Area Managers
- Verified by Sr. M (Mktng)
- Sr. M(Mktn) inform for any discrepancy, against which debit/ credit note issued by M(F)
- Recording of invoices through import in our software by A.M (Technical) on receipt of data by M(F)
- Sr.M (Mktng) will follow up for clearing our dues

Exploration/Testing

- Details for preparation of invoice is received from Project Section
- M(F) prepare invoice and record transaction by making temporary voucher. Checked by Sr. M(F), approved by G.M. Upon receipt of approval, voucher posted as permanent by M(F)
- Sent through email by M(F) Project Section for follow up and payment
- Sr.M (Project) will follow up for clearing our dues

Rental Income

- As per Lease Deed, invoice is issued by M(F)
- Sent through email by M(F) to technical department for follow up and payment
- On receipt of payment in bank account, Temporary voucher for receipt of such amount is prepared by M(F), approved by General Manager. Upon receipt of approved voucher such voucher is posted as permanent by Manager (Finance).
- A.M (Technical) and A.G.M (Commercial) will follow up for clearing our dues

Security/EMD forfeiture, LD

- Note mentioning details of Security/EMD forfeiture received by concerned departments. Concurred and vetted by M(F) &/or Sr.M(F) then it will be approved by competent authority.
- Temporary Voucher prepared by A.M (Accounts), checked by Sr.M(F) and approved by G.M. Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts).

Deposits

- Identification of Surplus funds. Preparation of fund position note specifying amount, tenure
- Calling of Rate from Banks as per approved policy
- Receipt and tabulation of quotes ranking H1, H2, H3…
- Offer revision opportunity to all banks to quote rate higher than H1 rate
- Finalization of new H1 (if revised) and allocation as per approved policy
- Note for sanction prepared by A.M (Accounts), checked by M(F) &/or Sr. (F), approved by competent authority
- Placement of funds and receipt of FDR. Safe custody of FDR by A.M (Accounts)
- Maturity tracking, renewal /encashment reviewed and initiated by A.M (Accounts) for further action.

Expenditure

Employee Benefit Expenses

TA/DA, Medical and other benefits

-Note mentioning details of eligibility and expense to be incurred related to employees received from Personnel Department
-Checked by M(F) &/or Sr.M (F)
-Approval by competent authority.

- On receipt of Inter Office Memo/Approved bills by Personnel Department temporary voucher for payment prepared by A.M (Technical)
-Checked by Sr.M (F)
-Approved by G.M

–Upon receipt of approved voucher such voucher is posted as permanent by A.M (Technical)

Payroll and EL Encashment

-Attendance received from Personnel Department
-For EL Encashment, details of leave to be enchased is received from Personnel Department

-Temporary Voucher is prepared by A.M (Technical)
-Checked by Sr. M(F)
-Approved by G.M.

–Upon receipt of approved voucher such voucher is posted as permanent by A.M (Technical)

Mining Contractor

Proposal after comments of Mining section and Technical section submitted to Finance deptt.

-Concurred and vetted for budget by M (F) &/or Sr.M (F)
- Approval by Competent authority

For payment
-Checklist along with verified bills by Area Manager/Consignee received by D.G.M (Mining) which after verification submitted to Finance department.

-A.M (Accounts) after checking statutory compliances prepare temporary voucher,
-Checked by Sr. M(F)

Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts).

Purchase of Gypsum and transportation

Proposal after comments of Marketing section & Technical section submitted to Finance deptt.

-Concurred and vetted for budget by M (F) &/or Sr.M (F)
- Approval by Competent authority

For payment
-Checklist along with verified bills by Consignee received by Sr.M Mktng.) which after verification submitted to Finance department.

-A.M (Accounts) after checking statutory compliances prepare temporary voucher,
-Checked by Sr. M (F)

Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts)

Inventory/Other expenses

Proposal after comments of indenting &/or Technical section submitted

-Concurred and vetted for budget by M (F) &/or Sr.M (F)
- Approval by Competent authority

For payment
-Verified bills by Consignee/Area Manager received by various departments which after verification submitted to Finance department.

-A.M (Accounts) after checking statutory compliances make temporary voucher,
-Checked by Sr. M (F)
-Approved by G.M.

Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts)

Manpower Contractor

Proposal after comments of Personnel Department & A.G.M(Commercial) submitted to Finance deptt.

-Concurred and vetted for budget by M (F) &/or Sr.M (F)
- Approval by Competent authority

For payment
-Verified bills by Consignee received by A.M (Personnel)/Sr.M (Personnel)/A.G.M(P &A) which after verification submitted to Finance department.

-A.M (Accounts) after checking statutory compliances make temporary voucher,
-Checked by Sr. M (F)
-Approved by G.M.

Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts)

Imprest

-Verified bills by Area Managers received by D.G.M (Mining) which after verification (includes individual budget of mines) submitted to Finance department.

-Concurred and vetted for budget by M (F) &/or Sr.M(F)
- Approved by G.M

For payment
- A.M (Accounts) after checking statutory compliances prepare temporary voucher
-Approval of voucher.

Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts)

Assets

Proposal after comments of indenting section and A.G.M (Commercial) submitted to Finance department

-Concurred and vetted for budget by M (F) and/or Sr.M (F)
- Approval by Competent authority

Verified bills alongwith SRV from A.G.M (Commercial) submitted to Finance department.

For payment
-A.M (Accounts) after checking statutory compliances make temporary voucher,
-Checked by Sr. M (F)
-Approved by G.M.

Upon receipt of approved voucher such voucher is posted as permanent by A.M (Accounts)

Fixed Asset register is updated accordingly