

**RAJASTHAN STATE ROAD DEVELOPMENT &
CONSTRUCTION CORPORATION**

MANUAL OF ACCOUNTING

PREPARED BY

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January 2007

PREFACE

Rajasthan State Road Development & Construction Corporation being a Government Company registered under the Companies Act, 1956, has to comply with the requirements of the Companies Act in its functioning and accounting procedures. It has to follow the mercantile system of accounting. At the same time, it has to abide by the directions, guidelines of the State Government and keep in consideration the general financial system and rules of the State Government, being wholly owned by them. The present Manual of Accounting has been prepared in the above backdrop.

This Manual of Accounting describes the accounting procedures to be followed by the Corporation in its working keeping in view the requirement of the Companies Act; Generally Accepted Accounting Principles (GAAP); Accounting Standards prescribed by the Institute of Chartered Accountants of India; Standard accounting practices of mercantile system of accounting; General Financial & Accounts Rules (GF&AR), Public Works Financial & Accounts Rules(PWF&AR) of Government of Rajasthan; Public Works Department(PWD) Manual); the existing Accounting Manual of the Corporation and the accounting procedures prevalent in the Corporation at present.

The Manual has been spread in 13 chapters in a sequential form. Chapter I is on 'Introduction' about the formation & objectives of the Corporation. Chapter II on 'Organisational Set up' mentions the Organisational Structure of the Corporation. Chapter III : 'Accounts Organization', contains responsibilities and functions of the various officers and accounts personnel working in the Corporation. Chapter IV on 'System of Accounting' based on Accounting Standards and standard accounting practices of commercial accounting provides theoretical base for the procedures to be followed for transactions which takes place in the Corporation. Chapter V : 'Keeping of Books of Accounts' describes the

detailed procedures for maintaining the principal books of accounts, i.e. Cash Book, Journal and Ledger including Subsidiary Ledgers on the basis of standard accounting practices of commercial accounting and general instructions contained in GF&AR.

Chapter VI on 'Works, Tenders & Contracts' deals with detailed procedure of inviting / participating in tenders, entering in contracts and execution of construction works based on PWF&AR and PWD Manual. Forms of Agreement for percentage rate tender contracts and Schedule of powers delegated by the Board of Directors to MD and other officers of the Corporation, and check slips for estimates have been appended to the Chapter.. Chapter VII : 'Measurement and Payments' is again based on PWF&AR and PWD Manual and contains detailed instructions on recording and checking of measurements of works, preparation and checking of bills, and making payments. Check Slips for various types of Claims have been appended to the Chapter. A separate chapter on 'Running and Maintenance of Machinery' has been included as Chapter VIII. It contains the guidelines for operation of various machinery of the Corporation on the basis of guidelines given by Ministry of Surface Transport, raising claims of hire charges,etc. Annexures for various formats to be used; guidelines for preparing estimates of R&M; number of machinery available; their economic life; rates of hire charges,etc.have been enclosed to the Chapter. Procedure of preparation of budget estimates, their revision and allotment of provisions keeping in view the existing practices ; and control over expenditure have been dealt in Chapter IX on 'Budgeting'.

Chapter X on 'Monthly Trial Balance and Management Control System' describes the procedures for preparation of monthly trial balance based on existing system. A new system of monthly review and control meetings for monitoring the status and progress of various activities of the Corporation has been introduced for which MIS statements have been devised in the Chapter. The detailed procedure for 'Preparation and Presentation of Annual Accounts' has been stated in Chapter XI

incorporating the requirements of Companies Act, Accounting Standards and standard practices of commercial accounting in the matter. Chapter XII on 'Audit' contains procedure of compliance and cooperation with statutory auditors and detailed guidelines for internal audit. Chapter XIII is exclusively on 'Income Tax Matters' and describes the legal requirements and responsibilities of the REs and Head of Office as drawing and disbursing officers (DDOs) regarding Tax Deduction at Source (TDS) and Fringe Benefit Tax (FBT). Based on Circular No.9/2005 of Income Tax Department on TDS, this chapter has been incorporated to familiarise the DDOs with the recent changes in the system of Tax Deduction at Source and filing of returns.

I acknowledge my sincere thanks to the Managing Director, Chief Accounts Officer, Senior Accounts Officer and other accounts personnel and engineering officers of the Corporation who extended their full support and made available to me the required information and gave their valuable suggestions in preparation of the Manual.

I hope this Manual when brought to use will be helpful in further simplifying, smoothening and standardising the accounting system of the Cooperation which will result in better financial control.

Jaipur

January 21, 2007

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