

J M Baxi Heavy Private Limited

Standard Operating Policy and Procedures

Revenue and Receivables

Introduction

A **standard operating policy & procedure (SOPP)** is a set of step-by-step activities compiled by an organization to help workers carry out **complex** as well as **standard routine operations**. SOPPs help to achieve **efficiency, quality output and uniformity of performance** while contributing to efforts that lead to **process excellence**.

This SOPP aims to achieve the following objectives:

1. Act as a **guide and reference document** to stakeholders at all levels of the organization
2. Clearly **communicate** activities and help to achieve **consistency** in operational procedures
3. **Create accountability** by assigning responsibilities at each stage of the lifecycle
4. **Aid governance** by documenting **auditable processes** and detailing **control elements** at each stage of the lifecycle.

What is the Lifecycle and Process Tree?

Each SOPP follows the process tree hierarchy and covers a specific entire process.

- A **process** represents logical grouping of sub processes and provides detail at functional level
- A **sub process** represents grouping of similar activities
- An **activity lists** down specific tasks that have/are measurable, time bound, associated risks, mitigating controls and defined owners

The entire business lifecycle consists of several processes. An SOPP is tasked with the coverage of all sub process and activities applicable to a particular process.

Who are the Stakeholders for this SOPP?

This stakeholders for this SOPP shall primarily be activity owners and business units.

1. Activity owners (operating units) – Activity owners shall use this SOPP as a reference document while performing their **activities daily**.
2. Business units – Business units shall use the SOPP as a repository of all activities across the lifecycle. This will aid in identifying **process improvement opportunities**.

Who will use this SOPP?

This SOPP shall be used by stakeholders across the entire organization. Most notable shall be the following:

1. Risk and Governance units – Risk and Governance units shall reference the SOPP to **review existing controls** and test their
2. Auditors – Auditors shall use this SOPP to check **adherence to defined processes** and standards. The SOPP shall help them identify any deviations to defined processes

How do you read the SOPP?

To read this SOPP, it is essential to understand the **process lifecycle and its coverage**. This SOPP is documented in a **chronological order** in line with the sequence of activities performed by activity owners. Therefore, it should be read as such.

This SOPP also provides references to various **organization level policies, checklists, reports** etc. These have been appropriately **referenced** at applicable activities and attached as Annexures to this SOPP.

Each activity has an activity owner assigned to it. An activity also has the following references against it:

- Performer – Person who will execute the activity.
- Frequency – Each activity has defined period.
- Template – Reference to any template (If Any)
- System / Manual reference – Each activity is performed either manually or rooted through system.

Organization structure

The organization structure defined in the SOPP is the structure defined at the functional level. **'Activity owners'** are defined as those who are responsible for **performing the activity**. **'Business Owners'** are defined as those who have **oversight and ultimate ownership** for the activities.

Rules for this SOP

- SOPP will be reviewed every year and necessary changes if any will be updated.
- Any changes in SOPP will be made by Mr Amardeep Gupta and approved by Mr Kushal Roy Chowdhury and Mr Sameer Parikh.

Document review and approval.

Revision history

Version	Created By	Document Approved By	Date Approved	Revision
		Mr Kushal Roy Chowdhury and Mr Samir Parikh		
SOPP Number		1		
Applicable Entities	Entity Type	Entity Name		
	Non-Container	➤ JMB Heavy Private Limited		
Process Owner		Head of Finance		
IT Applications	Entity Name		System	
	JMB Heavy Private Limited		INFOR and SAP Hana	
Guidelines / Policy reference				
SOPP Cross References				

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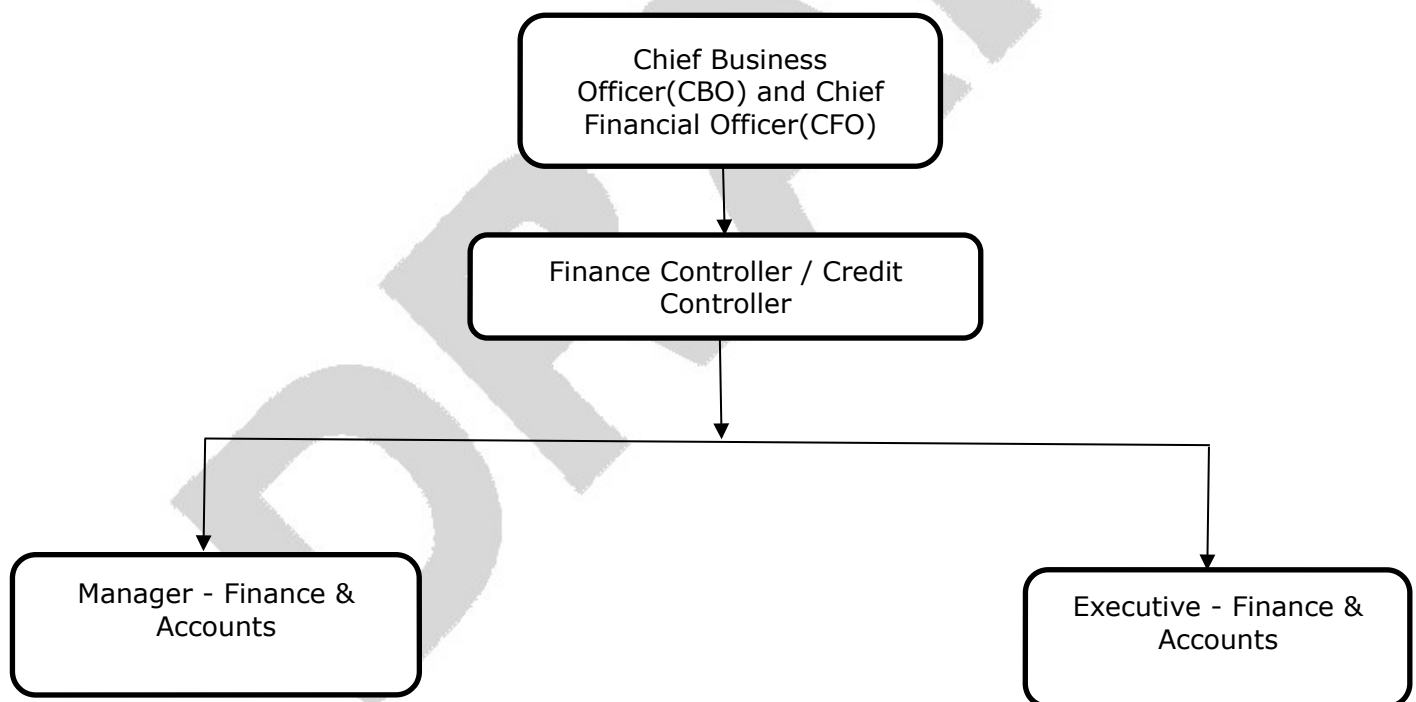
Executive Summary

A Revenue SOPP outlines the steps and guidelines for managing and collecting income within an organization. It ensures consistency in invoicing, fee collection, and financial reporting. The SOPP helps streamline processes, reduce errors, and ensures compliance with financial policies, ultimately supporting accurate revenue tracking and accountability.

The Revenue SOPP aims to:

- Standardizes the process for invoicing and collecting revenue.
- Ensures accuracy and consistency in financial transactions.
- Establishes clear guidelines for revenue recognition and reporting.
- Reduces errors and discrepancies in income management.
- Promotes timely collection of payments and outstanding balances.
- Enhances transparency and accountability in financial operations.
- Ensures compliance with internal financial policies and external regulations.
- Streamlines communication between departments involved in revenue processes.
- Provides a clear framework for tracking and auditing revenue.

Organization Structure

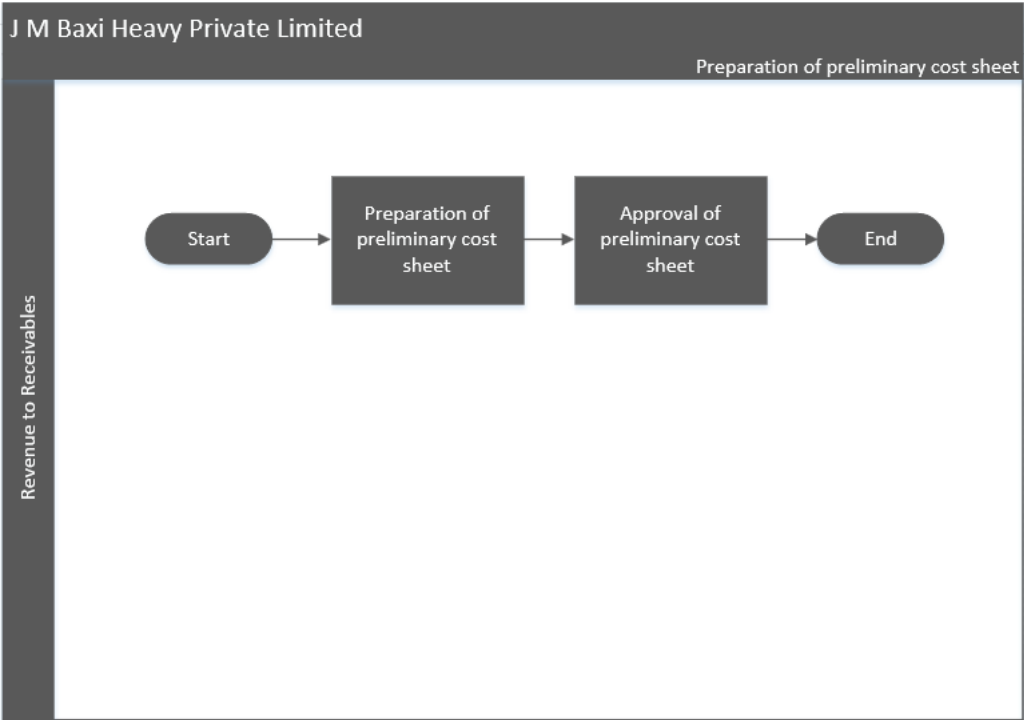


Abbreviations and Definitions

Abbreviations	Details
BDC	Business Development Center
COE	Chief Officer Excellence
COO	Chief Operating Officer
CRF	Customer Registration Form
DC	Delivery Challan
DGM/ AGM	Deputy/ Assistant General Manager
DOA	Delegation of Authority
F&A	Finance and Accounts
FY	Financial Year
GM	General Manager
HO	Head Office
HOD	Head of Department
IRN	Invoice Reference Number
KPI	Key Performance Indicators
KYC	Know your customer
MDM	Master Data Management
MIS	Management Information
HBL	House Bill of Lading
HAWB	House Air Waybill
LR	Lorry Receipt
BH	Business Head
NIT	Notice Inviting to Tender

1. Preparation of Preliminary Cost sheet

Process Flow



Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
1.1 Preparation of Preliminary Cost sheet EXEC/Manager - Sales in collaboration with the Business Head, will prepare the preliminary cost sheet based on Vendor rate and approved Customer rate from the Comparative quote statement.	EXEC/Manager - Sales	Sales Head	As and when	Manual
1.2 Approval of Preliminary Cost sheet User/Sales Head initiates for approval of preliminary cost sheet, rate negotiation, final budgeted cost sheet, change in scope, revision in final budgeted cost based on the estimated agreement value. <i>Refer DOA</i>	User/Sales Head	Business Head	As and when	System

2. Customer Onboarding

Process Flow



Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
2.1 Customer identification Sales Head identifies potential new customers through market research and as per the sales planning strategies incorporated time to time.	EXEC/Manager - Sales	Sales Head	As and when	Manual
2.2 Agreeing the Commercials Based on the discussion and negotiations with customers, Sales Head finalizes the commercials with the customer and routes the same for approval. <i>Refer DOA</i>	EXEC/Manager - Sales	Sales Head	As and when	Manual
1 2 2.1 2.2 2.3 Collection of KYC details User collects the KYC details such as PAN, GST certificate, Billing address, CIN Number, etc. from the customer over email.	EXEC - User	Manager - User	As and when	Manual
2.4 Verification of KYC details User reviews and verifies the following documents and initiates process of customer code creation in case of onboarding of new Customers: a) KYCs Details (PAN, GSTN, CIN, Billing Address etc.)	EXEC - Marketing & BDC	Manager – Marketing & BDC	As and when	Manual
2.5 Contract Execution Sales Head finalizes the agreement and shares with Legal team for vetting as applicable. Agreement will be signed by the Business Head and the Customer based on the approvals as per the DOA. <i>Refer DOA.</i>	EXEC/Manager - Sales	Sales Head	As and when	Manual
2.6 Initiation for customer onboarding	EXEC / Manager –	-	As and when	Manual

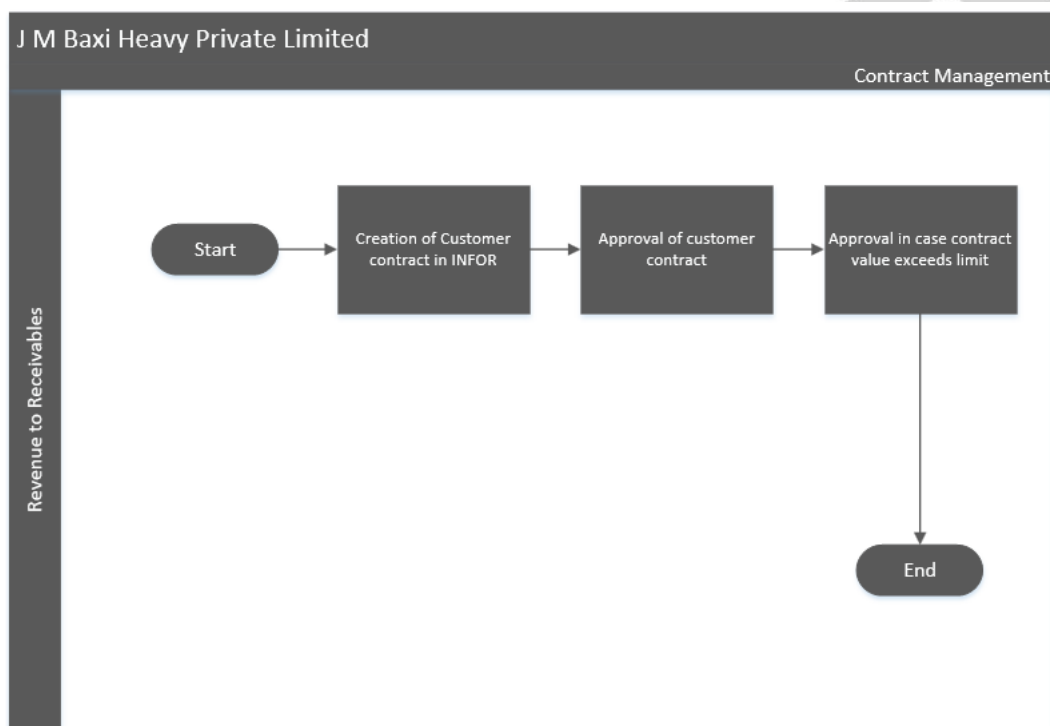
Post verification of KYC Documents, EXEC / Manager – Finance & Accounts will update the Customer Template and shares with MDM Team for Customer code creation in SAP. Once a Customer code is created, MDM Team shares the Customer code and the code is updated in INFOR by EXEC / Manager – Finance & Accounts.	Finance & Accounts			
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Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Accuracy of KYC verification	Verify KYC details accurately and efficiently for 100% of customers.	XX	XX	XX
Agreement Completion Rate	Ensure all customer agreements are completed accurately and promptly.	XX	XX	XX

3. Contract Management

Process Flow



Process Narrative

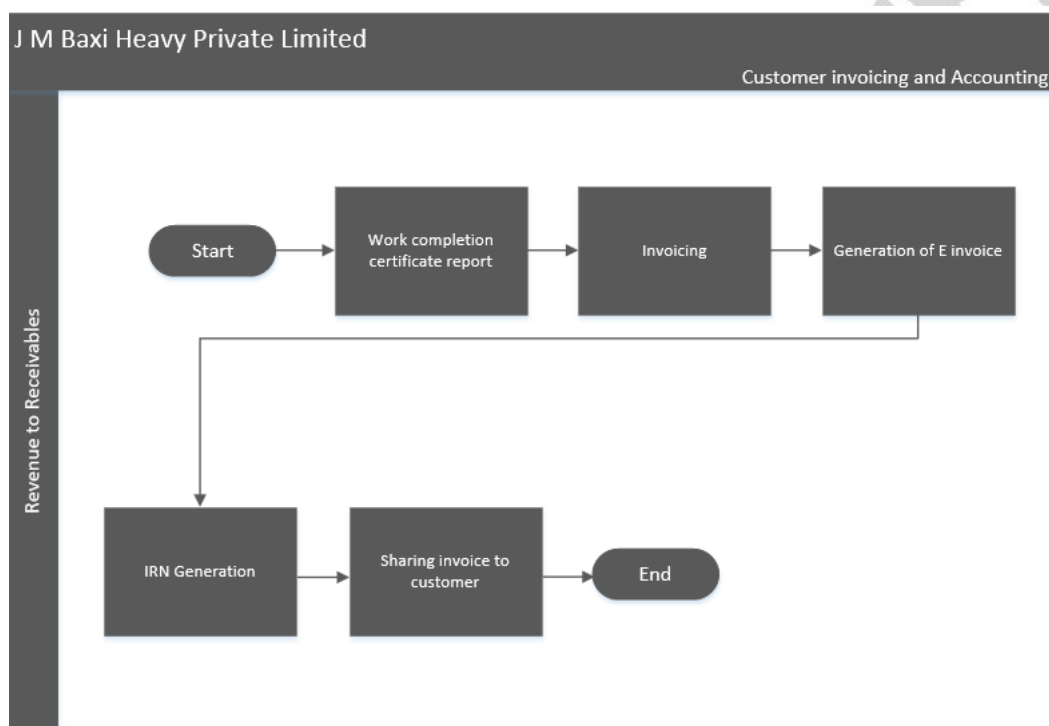
Description	Responsibility	Accountability	Frequency	System / Manual
3.1 Creation of Customer contract in INFOR EXEC / Manager – Finance & Accounts creates creation of the Customer Contract in INFOR based on the approved Bid Template.	EXEC – Finance & Accounts	Manager – Finance & Accounts	As and when	System
3.2 Approval of Customer Contract Finance Controller will approve the created Customer Contract in INFOR .	EXEC / Manager – Finance & Accounts	Finance Controller	As and When	System
3.3 Approval in case Contract value exceeds limit Authorized Representative as per the Board Resolution approves the bid. <i>Refer DOA.</i>	Finance Controller	Authorized Representative as per Board	As and When	Manual

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Creation of customer contract	Ensure timely creation of customer contract INFOR	XX	XX	XX

4. Customer Invoicing and Accounting

Process Flow



Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
4.1 Types of Invoices Below are the major heads of revenue: <ul style="list-style-type: none"> - Transportation Income - Equipment hire Income - Port Handling Income - Load In -Loadout/Internal Shifting - Barge Hire Income - Ocean Freight Income 	Executive – Finance & Accounts	-	As and when	Manual
4.2 Work Completion Certificate Report EXEC - Operations provides all the supporting documents	Executive – Operations	HOD – Operations(HL), Business Head(PF)	As and when	Manual
4.3 Invoicing EXEC/MANAGER - Finance & Accounts, based on the email received from operations, inputs the details in INFOR where the customer Account is already available, and the Invoice is generated based on the completion of milestone/Contract.	Executive - Finance & Accounts	Manager – Finance & Accounts	As and when	System
4.4 Generation of E - Invoice. The Executive - Finance & Accounts generates an invoice in INFOR, the invoice is forwarded for the generation of the Invoice Reference Number (IRN).	Executive – Finance & Accounts		As and when	System

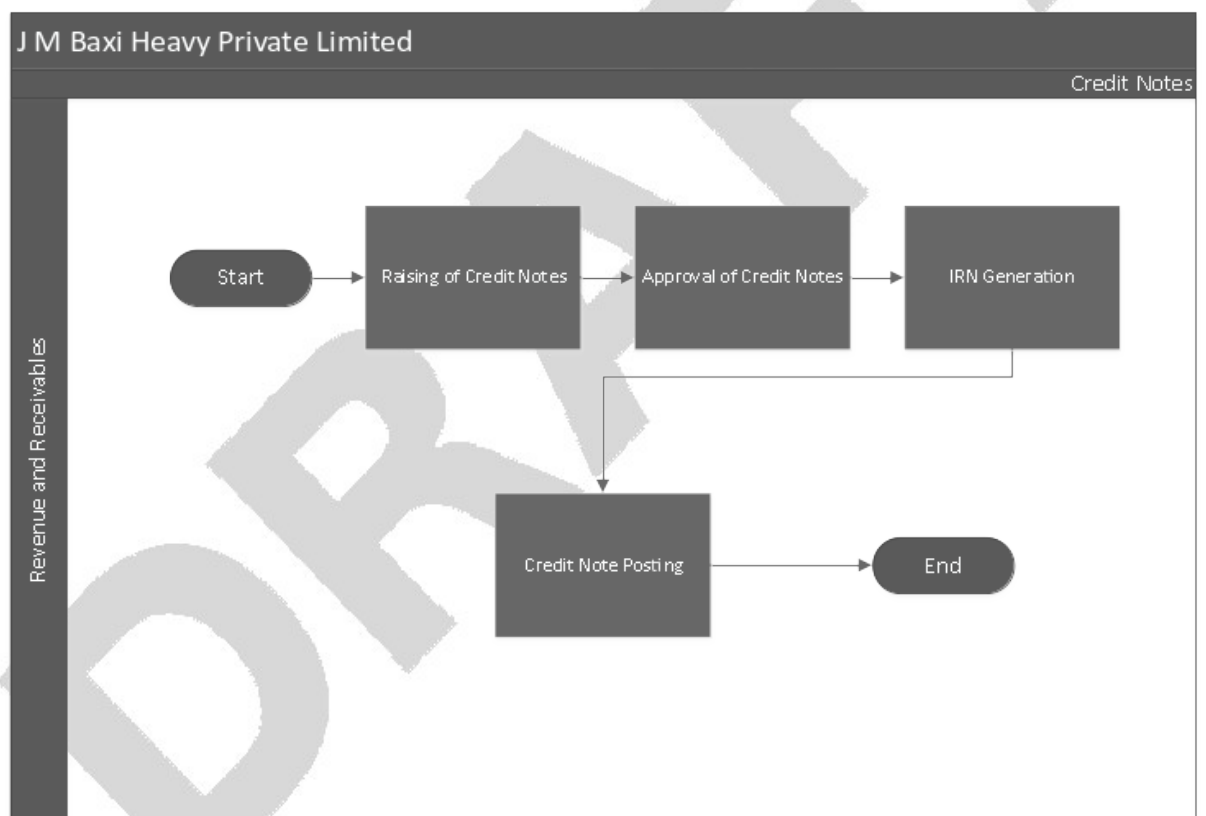
4.5 IRN generation EXEC / MANAGER - Finance & Accounts generates IRN. The invoice flows back to SAP.	Executive – Finance & Accounts	Credit Controller	As and when	System
4.6 Sharing invoice to customer Invoices are auto mailed to respective customer email ids through SAP or EXEC / MANAGER - Finance & Accounts shares the invoice over email with customer.	Executive – Finance & Accounts	Credit Controller	As and when	System

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
E-Invoice Generation Time	Minimize the time taken to generate e-invoices to improve billing efficiency and compliance	XX	XX	XX
IRN Generation Accuracy	Ensure accurate and timely generation of Invoice Reference Numbers (IRNs) to maintain compliance and financial accuracy.	XX	XX	XX
Invoice Sharing Time	Minimize the time taken to share invoices with customers to ensure prompt payment and customer satisfaction.	XX	XX	XX

5. Credit Note

Process Flow



Process Narrative

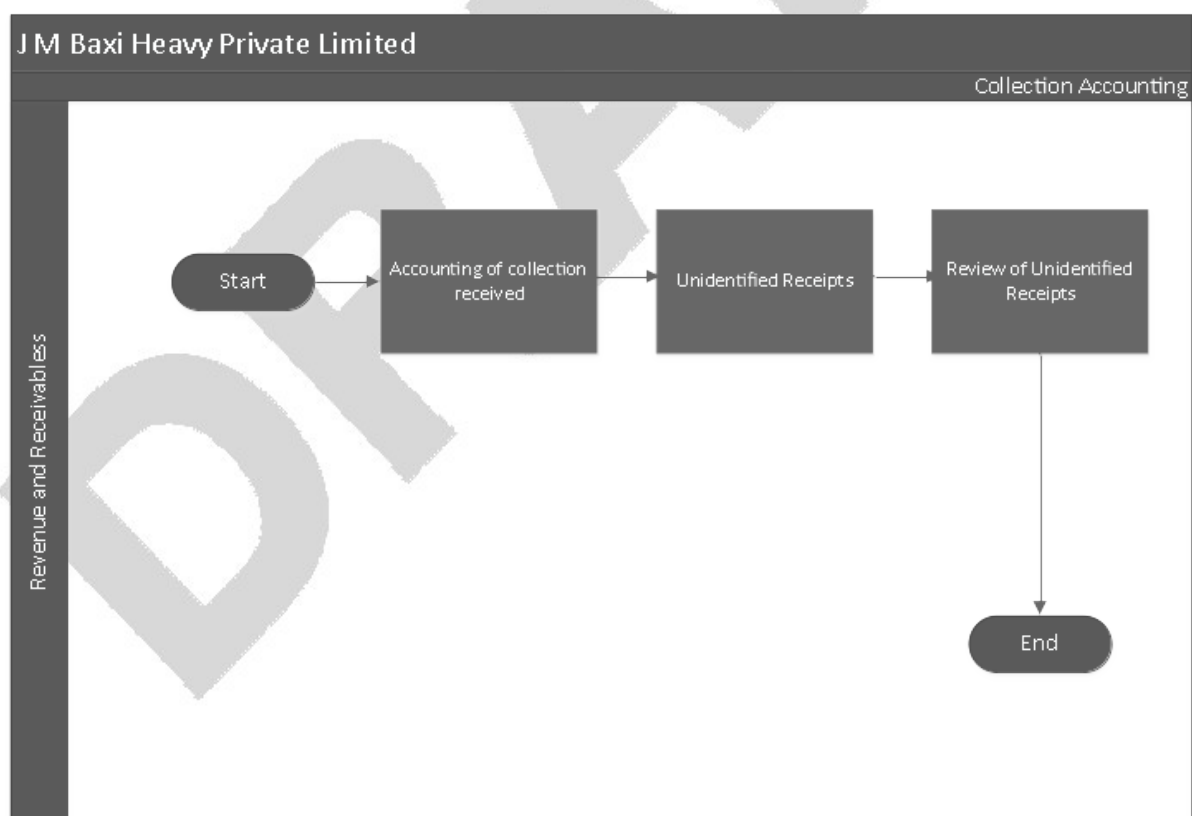
Description	Responsibility	Accountability	Frequency	System / Manual
5.1 Approval of Credit Notes EXEC – Finance & Accounts sends an email with the justification for the credit note and requests approval in accordance with the DOA (Delegation of Authority). Credit controller approves the credit note is issued due to any incorrect invoicing etc, <i>Refer DOA</i>	Executive – Finance & Accounts	Credit Controller	As and when	Manual
5.2 Raising of Credit Notes Once approved, EXEC – Finance & Accounts raises a credit note in SAP Hana for, incorrect invoicing.	Executive – Finance & Accounts	Credit Controller	As and when	System
5.3 IRN generation Once the credit note is raised in SAP Hana, EXEC – Finance & Accounts submits it for the generation of the IRN.	Executive – Finance & Accounts	Credit Controller	As and when	System
5.4 Credit Note Posting Once the IRN is generated, Credit note is posted in SAP.	Executive – Finance & Accounts	Credit Controller	As and when	Manual

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Credit Note Generation Time	Minimize the time taken to raise credit notes to improve billing efficiency and customer satisfaction.	XX	XX	XX
Credit Note Approval Time	Streamline the approval process for credit notes to prevent delays.	XX	XX	XX
IRN Generation Accuracy	Ensure accurate and timely generation of Invoice Reference Numbers (IRNs) for credit notes to maintain compliance and financial accuracy.	XX	XX	XX
Credit Note Posting Accuracy	Ensure accurate and timely posting of credit notes to maintain financial records and customer satisfaction.	XX	XX	XX

6. Collection Accounting

Process Flow



Process Narrative

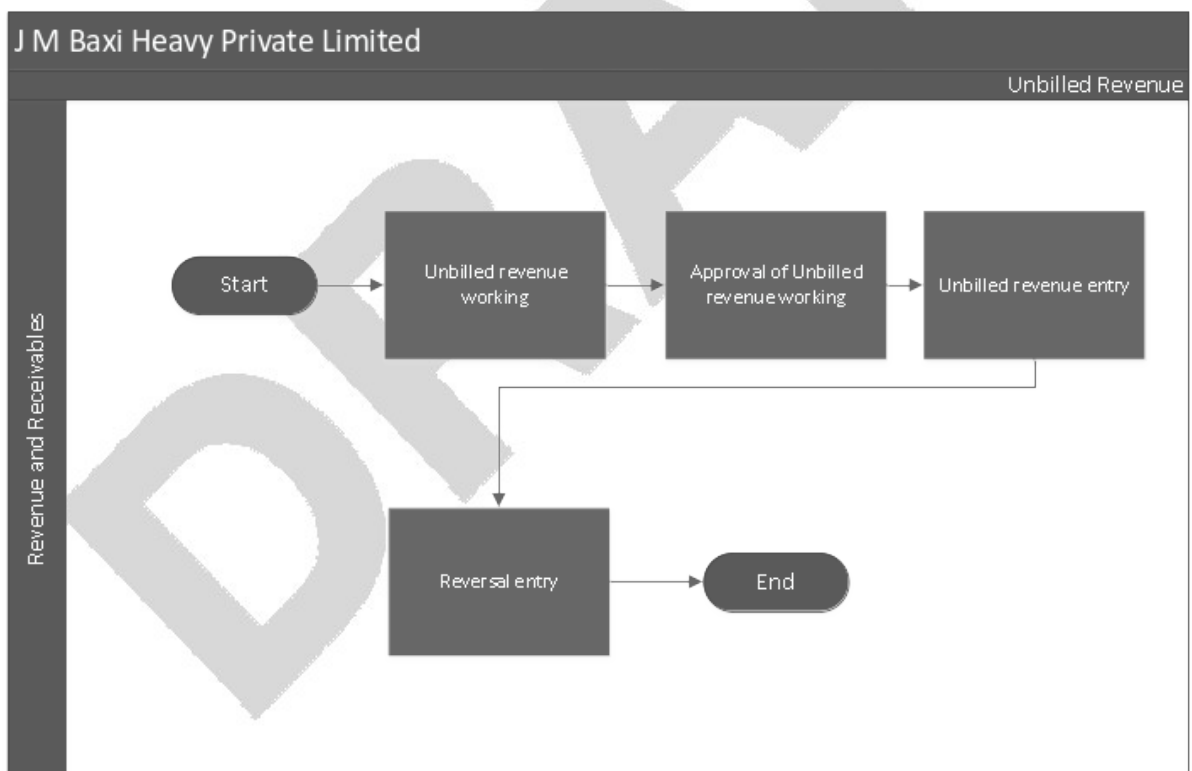
Description	Responsibility	Accountability	Frequency	System / Manual
6.1 Accounting of collection received. EXEC – Finance & Accounts reviews the bank statement daily, and once the balance is reflected in the bank, the receipt entry is recorded in SAP Hana. Invoice-wise outstanding amounts are cleared based on the details received from the customer. <i>Refer DOA</i>	Executive – Finance & Accounts	Credit Controller	As and when	System
6.2 Unidentified Receipts In the event of any transactions that are unidentified in the bank, the EXEC / MANAGER – Finance & Accounts undertakes the following actions: <ul style="list-style-type: none"> • Cross-check internal records, including invoices, to determine if the unidentified receipt corresponds to any outstanding customer payments. • Contact the bank for further details if the payment lacks clear references. • Reach out to the customer associated with the payment for clarification. 	Executive / Manager – Finance & Accounts	Credit Controller	As and when	Manual
6.3 Review of Unidentified Receipts On a monthly basis, Credit Controller, CFO and CBO conduct a thorough review of any unidentified receipts.	Credit Controller	CFO and CBO	Monthly	Manual

Attribute	Objective	Base Line	Target	Action Plan
Collection Monitoring Accuracy	Ensure accurate and timely monitoring of collections received to maintain financial records.	XX	XX	XX
Receipt Verification Accuracy	Ensure accurate and timely verification of receipts to maintain financial accuracy.	XX	XX	XX

Key Performance Indicators (KPI's)

7. Unbilled Revenue

Process Flow



Process Narrative

Description	Responsibility	Accountability	Frequency	System /
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				Manual
7.1 Unbilled revenue working At the end of month, EXEC – Finance & Accounts prepares Unbilled revenue working based on Ind AS 115/ contract milestone.	Executive – Finance & Accounts	Credit Controller	Monthly	Manual
7.2 Approval of Unbilled revenue working The EXEC – Finance & Accounts shares the unbilled revenue working, which will be approved as per the Delegation of Authority (DOA). Any unbilled revenue balance beyond 90 days at quarter end is reported to Group CFO for approval. <i>Refer DOA</i>	Executive – Finance & Accounts	Credit Controller	Monthly	Manual
7.3 Unbilled revenue entry Once approved, the EXEC – Finance & Accounts records the entry in SAP, which is subsequently approved by the Finance Controller. <i>Refer DOA</i>	Executive – Finance & Accounts	Manager – Finance & Accounts	Monthly	System
7.4 Reversal entry On the first day of the following month, EXEC – Finance & Accounts will record a reversal entry for the unbilled revenue, which will be approved by the Finance Controller. <i>Refer DOA</i>	Executive – Finance & Accounts	Manager – Finance & Accounts	Monthly	System

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Unbilled Revenue	Ensure accurate and timely	XX	XX	XX

Recognition Accuracy	recognition of unbilled revenue to maintain financial accuracy and compliance.			
Unbilled Revenue Entry Accuracy	Ensure accurate and timely entry of unbilled revenue to maintain financial records and revenue tracking.	XX	XX	XX
Reversal Entry Accuracy	Ensure accurate and timely processing of reversal entries to maintain financial accuracy and correct any discrepancies.	XX	XX	XX

8. Ageing review of customers

Process Flow



Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
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8.1 Generation of Ageing Report On monthly basis, EXEC – Finance & Accounts generates the Customer Ageing Report from the SAP system and shares it with the Finance Controller / Credit Controller for review.	EXEC – Finance & Accounts	Finance Controller/Credit Controller	Monthly	System
8.2 Follow-up with Customers Customer follow-ups are conducted regularly via emails and phone calls to support the recovery of outstanding receivables. For receivables outstanding up to 7 days, Manager – Finance & Accounts will follow up with the customer directly. For receivables outstanding beyond 7 days, MANAGER – Finance & Accounts will inform Credit Controller who will then initiate the follow-up with the customer.	Manager - Finance & Accounts	Finance Controller/Credit Controller	Monthly	Manual

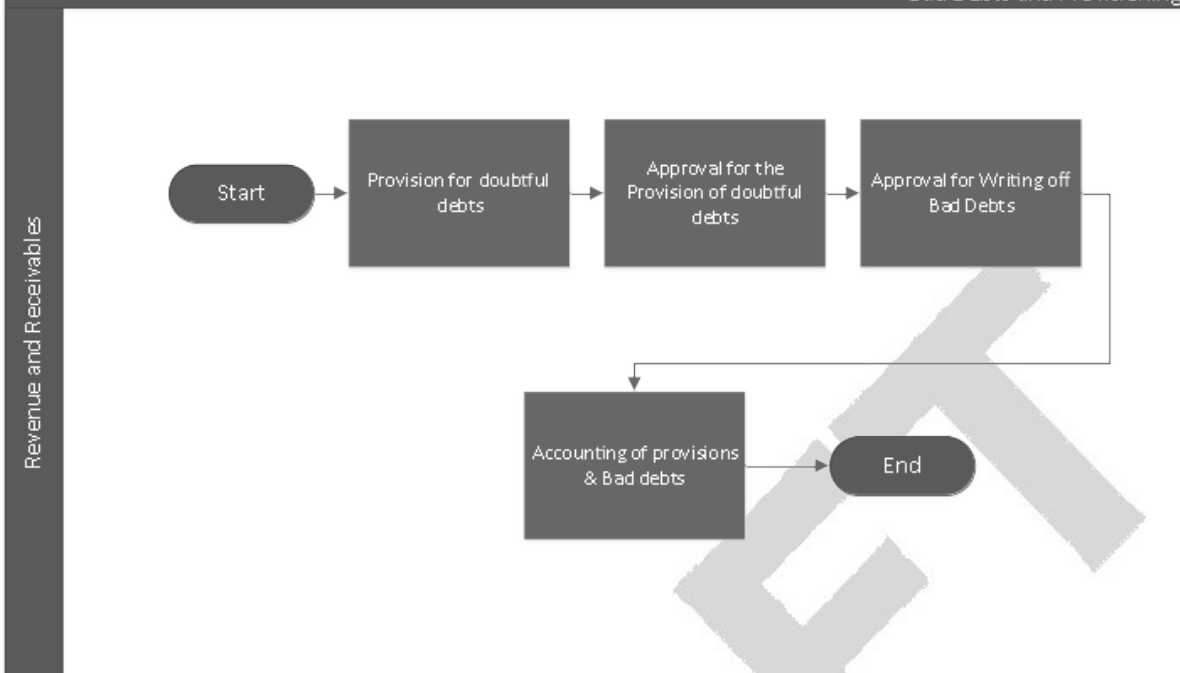
Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Ageing Report Generation Accuracy	Ensure accurate and timely generation of ageing reports and follow-up actions to maintain effective credit control.	XX	XX	XX

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9. Bad Debts & Provisioning

Process Flow



Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
9.1 Provision for doubtful debts In compliance with Ind AS 109, the Manager - Finance & Accounts prepares ECL provisioning @ 1% of monthly revenue for any risk/ non recoveries. Furthermore, a customer-specific analysis is performed to identify and account for any specific provisions related to bad debts.	Manager – Finance & Accounts	Credit Controller	Yearly	Manual
9.2 Approval for the provision of doubtful debts Manager – Finance & Accounts finalizes the calculation for the provision of doubtful debts, which is then submitted for approval in accordance with the Delegation of Authority (DOA). <i>Refer DOA</i>	Manager – Finance & Accounts	Credit Controller	Yearly	Manual

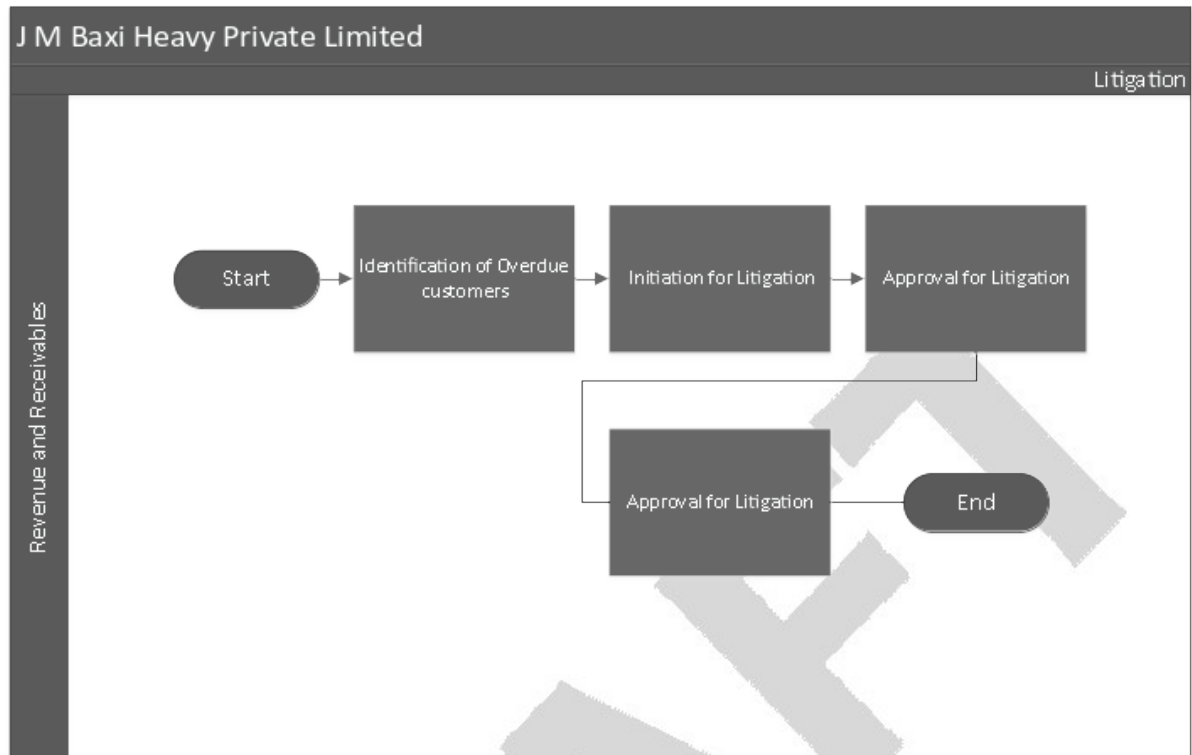
9.3 Approval for Writing off Bad Debts If any receivables are deemed unrecoverable, the provision for bad debt will be written off. Finance Controller/Credit Controller will seek approval for the write-off in accordance with the Delegation of Authority (DOA). <i>Refer DOA</i>	Manager – Finance & Accounts	Finance Controller / Credit Controller	Yearly	Manual
9.4 Accounting of Provision & Bad debts Once the approvals are obtained, the EXEC – Finance & Accounts records the Journal Entry (JE) for the provision and write-off in SAP, which is then approved in accordance with the Delegation of Authority (DOA). <i>Refer DOA</i>	Executive – Finance & Accounts	Credit Controller	Yearly	System

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Doubtful Debt Provision Accuracy	Ensure accurate and timely provisioning for doubtful debts to maintain financial accuracy.	XX	XX	XX
Bad Debt Write-off Accuracy	Ensure accurate and timely write-off of bad debts to maintain financial records.	XX	XX	XX

10. Litigation (Resolution of Customer Issues)

Process Flow



Process Narrative



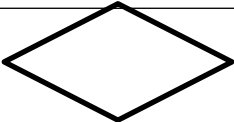

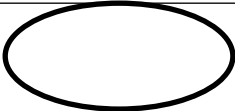



Description	Responsibility	Accountability	Frequency	System / Manual
10.1 Resolution of Customer issues All customer complaints resolutions related to Invoicing; delayed collections must be routed as per the authority matrix. Records should be maintained for at least 12 months for auditing purposes and for resolving potential future disputes. <i>Refer DOA</i>	Executive – Finance & Accounts	Credit Controller	As and when	Manual
10.2 Identification of Overdue customers Credit Controller generates the Customer Ageing Report from SAP for outstanding customers over 360 days and shares it with the CFO and CBO.	Credit Controller	-	As and when	Manual

10.3 Initiation for Litigation Based on the details provided by Credit Controller, CFO in consultation with CBO identifies customers for potential legal action, which is then forwarded for approval as per DOA. <i>Refer DOA</i>	Credit Controller	CFO and CBO	As and when	Manual
10.4 Approval for Litigation CFO and CBO approve the identified customers for litigation. Once approved, the list of customers and relevant details are sent to the Legal team for further action.	CFO and CBO	-	As and when	Manual

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Customer issue resolution turnaround time (TAT)	Measures average time taken to resolve customer issues or disputes from the time of logging.	XX	XX	XX
Average resolution cost per issue	Helps in tracking the efficiency of the support team and allocating resources.	XX	XX	XX
Number of repeat issues per customer	Highlights root cause issues and helps with long-term fixes.	XX	XX	XX

Symbols/ legends used in flowcharts.

	Start/End
	Manual process activity
	Decision/possibility/alternative
	Alternate process
	Process connecting in same page
	Process connecting in other page
	Output document
	Flow direction