




Standard Operating Procedures

Cane Payment process - Sankli

Prepared by	Signature
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Date of preparation	27.11.2022

Cane Payment Process

Sub Process: Accounts & Payment
 Cane Accounting - Setts Payment

Process Detail

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Setts Payment	<ul style="list-style-type: none"> Setts plots, for which Doc-10 is done between the given periods is taken as Setts payment process. For the plots selected above, the respective Delivery Order (DO) details are taken. <ul style="list-style-type: none"> DO's supplied value (Loan Amt) is booked as Loan (Seed Loan) for the Receiver ryot. 	Cane Accounts	Plant	CMS → Payments → Payments → Setts Payment	ICMS restricts processing payment to Ryot without completion of Doc-10 of receiver plot in ICMS.	--	--	<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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	<p>Seed cane quantity is consider as per cane advise slip signed by both receiver and supplier grower.i</p> <p>Maximum seed quantity limit based on approved budget</p> <p>Setts rate recommended by Cane HOD and approved by Unit head.</p> <ul style="list-style-type: none"> Supplier's Plot-level/ryot-level loans are taken for the selected ryot based on loan recovery preferences. For the loans that are selected for deduction, interest amount is calculated (if interest rate is available) based on the last Loan transaction date (Deducted date/Loan booked date) and loan code. The loans (balance, interest balance, interest amount) are deducted based on the setts supply proceeds and the net payable to the ryot is arrived at along with the necessary coin adjustment. 	Approved						
		budget copy will be provided by HOD -Cane						
					details available in Ryot master			
					<ul style="list-style-type: none"> Payment cycle will be blocked in ICMS once the payment is completed. for those delivery orders. 			

Process Step	Process Description	Performed By	Location	SAP / ICMS Menu	TCode / ICMS Reference	Accounting Entries	Output Documents Generated	RACI
	<p><u>Controls in ICMS</u></p> <ul style="list-style-type: none"> • This process is run only after all the Doc 10 documents are confirmed for setts receiving Ryots/plots. • Supplier's Plot-level/ryot-level loans, for which preferences are set for that payment season alone, are taken for deduction. • Plot-level/ryot-level loans for loan season/due season/current date (either previous. or current) falls in that particular payment season are taken for deduction. 							

CMS-A&P > 1. Cane Accounting - Transport Payment

Process Detail

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Transport charge update & Payment	<ul style="list-style-type: none"> When the cane is transported to the factory by the transporters. The calculation must be updated based on Transport rate approval in ICMS for the below Distance Rate slab Diesel rate slab TDS %, Retention % etc. This process is done through "Transport Charge Update" in ICMS. This process is done periodically and has to be done before Cane Payment and Transporter Payment. Weightment for which Tare is done between the given periods is taken for process. For the above weightment selected, the Distance is taken from village master and the 	Cane Accounts	Plant	ICMS Payments → Pre Process → Transport Charge Update ICMS Payments → Transporter(pass) → Transport payment	Village master access is with the IT team. Entries in the master are based on approvals from HOD-Cane / Unit Head. Village master edit access is only with the IT team. Any changes made are in accordance with approval from the HOD-Cane / Unit Head for a limited period. Changes are made in case of alternate distance due to some diversions that have occurred	--	--	<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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	<p>Distance slab and Diesel rates will be updated in ICMS..</p> <ul style="list-style-type: none"> • Transport Charge is calculated as, $\text{Transport Charge} = \text{Transport Weight} * \text{Transport Rate}$ • Where $\text{Transport Weight} = (\text{Gross} - \text{Tare})$ • Note: For Tractors and Lorries, if $(\text{Gross} - \text{Tare})$ is lesser than the Minimum Tones given in Distance Slab, then the Minimum Tones is only taken as the Transport Weight as per Transport approval. • For Transport Subsidy Charge is calculated as per approval. • Transport TDS Charge is calculated as, $\text{Transport TDS} = \text{Transport Charges} * (\text{TDS} \%)$ as per ICMS parameter. • TDS % is taken from System Parameters. • Diesel Charges is calculated as, 				<ul style="list-style-type: none"> • Access to modify master details is restricted to Payment processing person • ICMS automatically processes payment against Bank details are available in master. <p>Rate slab with details of rate per kilometre per tonne is uploaded IT team in ICMS during the beginning of the season and if any changing in rates approved by Unit Head.</p> <p>Payment to transporter is calculated based on the above slab and cannot be edited during the time of payment processing</p> <p>Transport approval recommended by</p>			

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	<p>Diesel Charges = Diesel Qty * Diesel Rate. Due to daily changes in Diesel Prices .</p> <p>Diesel from out side bunks: Diesel bills are submitted by out side bunks along with transporter wise and period wise diesel amount details. Before transport bill process accounts team will debit the transporter wise diesel amount and credit to Diesel supply vendors. Transport retention 5% bill will be processed and paid after crushing season completed.</p>				Cane HOD/Unit Head approved by CFO /MD			

CMS-A&P > 2. Cane Accounting – Loan Recovery Preferences

Process Detail

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	R/ACI								
Loan Recovery preferences	<p>a. Before running any of the payment processes, the loan recovery preferences need to be set in ICMS.</p> <p>b. The payment processes will pick up the loan preferences mentioned in the order of priority, deduct and adjust the payments to those loans and also book loans the same to the concerned Ryot/GL/Pass, finally the payable amount will be arrived at.</p> <p>The recovery option given to all the loans types which are available. The loans that need to be recovered from the payment process to be run are marked and saved. When the payment process is run, these marked items will be considered for recovery.</p>	Cane Accounts	Plant	ICMS → Masters → A/c Related Masters → Loan → Loan Recovery Preference	At the beginning of the season/Before 1 st bill process loan preferences are need to set in the system by the accounts team.	--	--	<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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Cutting Labour Payment	<ul style="list-style-type: none"> GL Master is maintained for each GL to capture the approved rate in the system. The Cutting Charges is booked as loan to the corresponding Ryot cane weignment . Payable (Weignment Proceeds) is arrived for each cane weignment net Qty. GL loans are taken for the selected GL based on loan recovery preferences. For the loans that are selected for deduction, interest amount is calculated (if interest rate is available) based on the last Loan transaction date (Deducted date/Loan booked date) and loan code. The loans (balance, interest balance, interest amount) are deducted based on the GL supply proceeds and the net payable to the GL is arrived at along 	Cane Accounts	Plant	ICMS Payments → Payments → GL Payment	<ul style="list-style-type: none"> Payment to GLs are made based on quantity recorded as per wightment entry. Rate per net quantity is automatically taken from the GL Rate master. Access to modify GL master details is restricted to Payment processing person ICMS automatically processes payment against Bank Account number details entered during creation of GL Master. Loans/advance are automatically deduct from GL payment processing. Harvesting rates for the season are recommended by the 		--	<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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	with the necessary coin adjustment.					HOD Cane approved by Unit head and captured in the GL (harvester) master by the IT team based on information received from Cane team. For local carts and Mini tractors rates are approved by Cane HOD.										
Cutting Labour Incentive Payment	<ul style="list-style-type: none"> GL gangs incentive rate per tonne will be fixed in rate master based on approval note. From every GL bill GL incentive negative loan will book in to GL account after recovery from Ryot account. GL Incentive bill will process period wise and make payment to them after their loans recovery as per loans recovery preferences. The loans (balance, interest balance, interest amount) are deducted based on the GL 	Cane Accounts	Plant	ICMS → Weights and Payments → GL Payment		GL incentive bill gross value will match with what ever commission amount deducted from every bill as GL incentive. Payment cycle will be blocked automatically in ICMS once the payment cycle period is completed.	--	<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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	incentive bill and the net payable to the GL is arrived at along with the necessary coin adjustment.							

CMS-A&P > 4. Cane Accounting – Cane Payment

Process Detail

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI
Cane Payment	<ul style="list-style-type: none"> Ryot Cane bill processing is based on the daily cane weightment 	Cane Accounts	Plant	ICMS → Payments				R Cane (Accts)

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI						
	<p>transactions for particular cane supply period..</p> <ul style="list-style-type: none"> • Payable is arrived for each weightment net weight as per daily weightment report. • Payable = (Net weight * (FRP+ADHOC) as per cane price approval <p>CDCF charges are deducting as applicable and paying to Assistant Cane Commissioner, CDC account.</p> <p>If any burnt cane supplies burnt cane loan will book as per lab report values (CCS & Day recovery) accounts will enter in ICMS to book the loan which will be recovered from cane supply bills.</p> <p>Loading charges at Purchase centres will be deducted from cane bill based on approval.</p> <p>Cane cutting charges will be deducted from cane bills as per</p>			<p>→ Payments</p> <p>→ Cane Payment</p>	<p>Payable is arrived for each weightment net weight as per daily weightment report.</p> <p>Details of loan amount taken by Ryot is captured against the Ryot loan account is automatically deducted and adjusted against payment processed in ICMS</p> <p>CMS automatically processes payment against Bank Account number details entered as per Ryot Master.</p> <ul style="list-style-type: none"> • Access to modify bank account details is restricted to Payment processing person. 			<table border="1"> <tr> <td>A</td> <td>HOD(F)</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	A	HOD(F)	C		I	
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	<p>GL(Gang leader) rate master.approval</p> <p>Cutting charges will not deduct for own harvesting cane supply loads</p> <ul style="list-style-type: none"> Transport charges will be deducted from cane bills as per Transport rate master approval Transport subsidy (if available) is booked as negative Loan (Transport Subsidy) to the ryot. As per transport approval. For the all other loans are selected for deduction, interest amount is calculated (if interest rate is available) based on the last Loan transaction date (Deducted date/Loan booked date) The loans (balance, interest balance, interest amount) are deducted partially or fully based on the weightment proceeds and the net payable to the ryot is arrived at along with the necessary coin adjustment. 					<ul style="list-style-type: none"> Payment amount details are automatically calculated based on cane receipt and cane price details are entered in ICMS. Access to modify rate, quantity and amount is restricted to the Payment processing person Payment processing is done on every cycle period. payment cycle is blocked in ICMS once payment is completed Cane rates for the season are fed in a Rate Master in ICMS. Access to edit/modify 		

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	R/CI
	<p>Cane price will be paid as per management approval..</p> <p>Cane payment is run based on supply period.</p> <p>There is no link to plot over.</p>				<p>rate is not available with Payment processing person</p> <p>Loans/advance details captured against Ryot after DOC40 is automatically deducted against Ryot account during payment processing.</p> <p>The cane price updated in the rate master by the IT team.</p> <p>The price proposal by the Cane HOD recommended by Unit head and approved by the CFO/MD.</p> <p>Loan recovery entry based on the ICMS payment processing is prepared by the Cane Accounts. Accounting</p>			

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI
					entry will be passed in the SAP system. Loan status is reconciled on a monthly basis between ICMS and SAP.			
					Once payment run is over after verification of bill details will send with plant fiancé head approval to Reginal Finance head for final approval . After getting approval will make payment through Treasury HO to net payment holders either way of Bill Discounting payment OR Direct(own) payment.			
Interest	Interest will be calculated on ryot loans , GL loans and Transport	Cane Accounts				Interest rate will be deducted from loan master from ICMS.		

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	advances in ICMS based on approvals. For any change in interest rate approval from CFO has to be obtained.															
Seed loan	Seed loan process will start after Delivery order entered by Cane officer and Doc.10 confirmed by Zonal head The seed loan will book to seed receive grower after processing of setts bill (After Doc.10 confirmation for the particular plot) per MT * setts rate in the rate master.	Cane Accounts	Plant	ICMS → Cane accounts Loans → Loan position view	Seed loan will book after Doc.10 confirmation of receiver grower Seed loan limit per acre is recommended by cane team/Unit head approved by CFO. After setts bill process confirmation, can check and match new seed loan booked with supplier gross amount. Setts rate recommended by Cane HOD and approved by Unit head.			<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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Fertilizer loan	The Fertilizer loan as per eligibility plot wise request slip will generate from ICMS.	Cane Accounts	Plant	ICMS → Cane accounts	Fertilizer loan limit per acre and plot wise slip			<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C			
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	<p>Based on fertilizer request slip Cane team will sign on the slip hand over to grower to collect fertilizers from nearest Managomor centres (CIL). MGC centres will submit bills to accounts with soft copy on periodic basis.</p> <p>Fertilizer loan limit is fixed as mentioned in the approved budget</p> <p>Accounts team will verify bills and upload plot wise in to ICMS through bulk loan upload.</p>				Loans → Loan position view		generation more than one copy is restricted in ICMS		I
Crop loan	<p>Crop loans are issuing for crop maintenance support to growers as per eligibility and crop condition certifying by cane team.</p> <p>Crop loan application will be prepared by cane team and submit to finance for processing.</p> <p>Promissory note, Plantation certificate should be enclosed with loan application.</p>		Cane Accounts	Plant	ICMS → Cane accounts → Loans → Loan position view				R Cane (Accts) A HOD(F) C I

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	<p>After verification by accounts will send for payment.</p> <p>Crop loan limit as per approved budget.</p> <p>If any special case (more than the limit) will take Unit head approval.</p>															
ADVANCE AGAINST BILL- RYOT	<p>Providing advances against supply (un billed) for Own/NOC supply growers.</p> <p>As per cane team requirement with Unit Head approval need to pay NOC growers supply payments weekly/ twice in a week/Day by Day based on the need</p> <p>The above advances are need to be processed as the billing cycle will be done once in a 10 days.</p> <p>After advances issue debiting to concern growers and recovering from cane bill processing.</p>	Cane Accounts	Plant	ICMS → Cane accounts → Loans → Loan position view	Advances are providing only against supply Qty.as per ICMS ryot supply report.			<table border="1"> <tr><td>R</td><td>Cane (Accts)</td></tr> <tr><td>A</td><td>HOD(F)</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Cane (Accts)	A	HOD(F)	C		I	
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Burnt cane loan	Burnt cane loan will be booked based on the burnt cane supply weighments Sample analysis done in lab, weighment wise report is taking before bill process. Accounts will update burnt cane CCS value and day recovery details in ICMS screen. While bill process time amount will deduct as a burnt cane loan.	Lab Cane Accounts	Plant	Weightment → General → Burnt cane analysis	Burnt cane loan will be booked only for Burnt cane trip sheets in ICMS.			
Other loans	Other loans like ploughing, seed transport, bio compost, Harvesting, Roads development loans, LIS loans, loan transfers, etc., providing as per requirement of growers and recommendation from cane team and recovering from their supplies.	Cane Accounts	Plant	ICMS → Cane accounts Loans → Loan position view	All loans are providing against season plot and same is recovering from their supplies. There is control available for maximum loan to be issued in ICMS (Minimum and Maximum)			R Cane (Accts) A HOD(F) C I
CHL advances	Cane harvesting labor (CHL) advances being processed in three stages as per Budget approvals. 1. Pre Pongal,	Cane Accounts	Plant		Advance payment will be processed after recovering of outstanding based on approval.			

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	<p>2. Post Pongal and</p> <p>3. After Ugadi festival CHL will be identified by the H&T team and send for advance payment along with the following documents:</p> <ol style="list-style-type: none"> 1.Loan application form 2. Promissory note 3.Blank cheques 4.ID proof 5.Property documents (if available) <p>6.Two Surety's (If Single surety special approval taking from unit head and Head operations.</p> <p>Local labor: local labor will be identified by the Cane /H&T team and send for advance payment along with the following documents:</p> <ol style="list-style-type: none"> 1.Loan application form 2.Promissory note 3.ID proof 4..Two Surety's (If Single surety special approval taking from unit head and Head operations. 					CHL budget approved by CFO/MD		

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	<p>Mechanical Harvesters: Advances are extending to Mechanical harvesters as per approval and collecting following documents.</p> <ol style="list-style-type: none"> 1. Agreement copy 2. Promissory note 3. ID proof 4. Blank cheques <p>Weekly advances are giving to gangs (irrespective of loan outstanding) for their maintenance, food expenses on their weekly earnings and as recommended by H & T team and approved by HOD-Cane.</p> <p>Gang leader (GL) Commission is paying as per rate approval note.</p> <p>Mobilization amount deducting from GL bill as per CHL approval.</p>							
Transport Advances	<p>Transport advances are providing as per approval and recovery from their earnings.</p> <ol style="list-style-type: none"> 1. Agreement copy 2. Promissory note 3. ID proof 4. Blank cheques 	Cane Accounts	Plant				Advance payment will be processed after recovering of outstanding based on approval	

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Credit bills - Ryot, Harvester & Transporters	<p>Manual Debit and Credit entries will be posted based on the proposals /letters received from cane team approved by HOD Cane.</p> <p>Credit entries of ryot / CHL / Transporters will be posted for loan transfers, cash collection, from sureties</p> <p>For the loans that are selected for deduction, interest amount is calculated (if interest rate is available) based on the last Loan transaction date (Deducted date/Loan booked date) and loan code.</p> <p>The loans (balance, interest balance, interest amount) are deducted partially or fully based on the credit entry value and the net payable to the ryot is arrived at along with the necessary coin adjustment.</p>	Cane Accounts	Plant			<ul style="list-style-type: none"> Payment cycle will be blocked in ICMS once payment completed for the period. 		

Process Step	Process Description	Performed By	Location	SAP TCode / ICMS Menu	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI
PHI bill	<p>Post harvesting incentive is eligibility will be calculated based on parameter as per approval.</p> <p>The loans (balance, interest balance, interest amount) are deducted partially or fully based on the weighment proceeds and the net payable to the growers is arrived at along with the necessary coin adjustment</p>	Cane Accounts	Plant	Payments → Farmer related → PHI payment	PHI scheme is approved by CFO/MD Incentive eligible amount will calculate on respective season plot supply in ICMS. ● Payment cycle will be blocked in ICMS once payment completed for the period			

