

## Order to Cash (OTC) - 2022

### Sugar – Retail, Trade & Institutional

# Standard Operating Procedures



Description	Name	Signature
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Approved by	Mr. Balaji Prakash	
Date of approved		07-10-2022

# Introduction

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## OTC Process Listing

### Back ground:

EID Parry (India) Limited is having 2 sales divisions -Sugar and Nutraceutical. Each division is having various products and different mode of sales. This document covers the SOP for Sugar Division.

Sugar division is having six sugar factories and one distillery unit located in Tamil Nadu (Nellikuppam, Pugalur & Sivaganga), Karnataka (Haliyal, Bagalkot & Ramdurg) and AP (Sankili). Product invoicing and dispatch is being done at factory and C&F locations.

Product Categories & Segment where the products are marketed:

Sugar Division revenue generating product include Sugar, Power, Distillery, by products and Scrap sales.

**This SOP Covers Domestic Sugar related Transactions.**

Sugar products include S30, M30, White Premium, Refined sugar, Amrit, Jaggery, raw sugar sold through various channels which includes

- (i) Trade Sales.
- (ii) Institution Sales;
- (iii) Retail Sales

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**S1 > Sales Budgets**

**Process Detail**

Process Step	Process Description	Performed by	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
<p>Sales Budget</p> <p>The following parameters are taken into consideration during sales forecasting:</p> <ul style="list-style-type: none"> <li>• Cane availability</li> <li>• Recovery rate</li> <li>• Sugar Production</li> <li>• Sugar availability</li> <li>• Capacity expansion plans</li> <li>• Customer base</li> </ul> <p>Segment wise sales</p>	<p>Sales Budgets are prepared for every year and broken down into month wise budgets</p> <p>Sales Budgets are – approved by the Statutory Board.</p>	<p>Sales Head – Sales &amp;Marketing</p>	<p>Corporate Office</p>	<p>N/a</p>	<p><b>OTC-L-1</b> Annual sales plan is prepared by Head of Sales &amp; Marketing for Sugar Products based on production plan received from Corporate Finance team and it is reviewed by CFO, CEO and MID before submission to Senior Leadership Team, BGMC and Statutory Board for necessary approval.</p> <p>A detailed sales planning process is performed during the period November to February for the upcoming financial year. Rolling forecast is also performed on a quarterly basis based on prevailing</p>	<p>N/A</p>	<p>Sales Budget</p>	<table border="1"> <tr> <td>R</td> <td>Sales Team</td> </tr> <tr> <td>A</td> <td>Head and Marketing</td> </tr> <tr> <td>C</td> <td>SBU-Finance</td> </tr> <tr> <td>I</td> <td>BOD</td> </tr> </table>	R	Sales Team	A	Head and Marketing	C	SBU-Finance	I	BOD
R	Sales Team															
A	Head and Marketing															
C	SBU-Finance															
I	BOD															

Process Step	Process Description	Performed by	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI
					scenario. <b>OTC-L-2</b> Annual sales plan is prepared by Head Sales & Marketing and approved by BGMC, SLT & Board before start of the financial year and circulated to the various department heads.			

Process Step	Process Description	Performed by	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI										
<p>Sales Monitoring</p> <p><b>MIS Reports</b></p> <p>SAP triggers emails to the designated functions an MIS on Budget Vs Rolling forecast Vs Actuals on a daily basis.</p> <p>Finance Function consolidates the Operational MIS at the beginning of each month for data pertaining to previous month to the respective functions.</p>	<p>Daily Sales report is generated and monitored to ensure budgeted targets are met</p>	<p>SAP System and Sales Department</p>	<p>Corporate Office</p>		<p><b>OTC-L-4</b>                      Sales Head presents the monthly sales performance to the BGMC in the subsequent month.                       Any shortfall in meeting the target is discussed in the monthly review meeting at the BGMC.                       Rolling sales forecasts are also prepared on a quarterly basis based on changing forecasts.</p>	<p>N/A</p>	<p>Sales MIS</p>	<table border="1"> <tr> <td>R</td> <td>Sales Team</td> </tr> <tr> <td>A</td> <td>Head-Sales</td> </tr> <tr> <td>C</td> <td>Marketing</td> </tr> <tr> <td>I</td> <td>SBU-Finance</td> </tr> <tr> <td></td> <td>BGMC</td> </tr> </table>	R	Sales Team	A	Head-Sales	C	Marketing	I	SBU-Finance		BGMC
R	Sales Team																	
A	Head-Sales																	
C	Marketing																	
I	SBU-Finance																	
	BGMC																	

## S2(a) > New Customer

### Process Detail

Process Step	Process Description	Performed By Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Customer Master Creation	<p>New customer details such as name, address, and contact details TIN, PAN &amp; GST registration certificate etc. are obtained.</p> <p>Approval is obtained from GM – retail / Institution for onward clearance to creation of Customer Master.</p> <p>User department creates the master creation request in SAP, sends the details to SSC team with supporting documents.</p> <p>SSC team verify the details with supporting document and approve the master creation in SAP.</p> <p>SSC validates the GSTN number in GST portals and creates in SAP.</p>	Sales Executive for Sugar products Corporate Office	XD01	<b>OTC_H_01</b> User department will create Customer code, then SSC team after checking with GST number the same is approved. There is maker and checker control in place. Any changes to the customer are proposed by Sales team with proper documentation and verified by SSC team. After such verification the changes are approved and released in SAP.			<table border="1"> <tr> <td>R</td> <td>Sales Executive</td> </tr> <tr> <td>A</td> <td>User Department head / SSC head</td> </tr> <tr> <td>C</td> <td>Head Sales</td> </tr> <tr> <td>I</td> <td>Not Applicable</td> </tr> </table>	R	Sales Executive	A	User Department head / SSC head	C	Head Sales	I	Not Applicable
R	Sales Executive														
A	User Department head / SSC head														
C	Head Sales														
I	Not Applicable														



	<p>If the said customer data is not listed in GSTN portal or showing as Canceled, the said customer will be treated as Unregistered for the purpose of Billing.</p>				<p><b>OTC_L_05</b></p> <ul style="list-style-type: none"> <li>The company does not have defined policy on parameters for evaluating new customers .The sales officer obtains Broker details such as Broker name, address, TIN number and PAN number and provides to the Marketing team for Broker code creation in SAP. Marketing team obtains the approval from Head – Sales &amp; Marketing before creation of Broker code in SAP.</li> <li>Generally, sales to the Brokers are made on 100% advance basis hence no evaluation is performed for adding new Broker in SAP.</li> </ul>				
					<p><b>OTC_L_07</b></p> <p>SAP restricts creation of multiple codes for same customer when customer code is available with both same name and address but creation of</p>				



Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control	Accounting Entries	Output / Documents Generated	RACI								
<b>Region Wise Price List</b>	Retail sales Head and Institutional Sales Head will present their region wise pricing. The same will be approved by Head sales and Marketing.	Retail Sales Head & Instl Sales Head.	Corporate Office			<b>Other Control:</b> Budgeted realisation as per Business plan and Trade price.		Region Wise Price List	<table border="1"> <tr><td>R</td><td>SE</td></tr> <tr><td>A</td><td>Head - Sales</td></tr> <tr><td>C</td><td>Head Sales &amp; Marketing</td></tr> <tr><td>I</td><td></td></tr> </table>	R	SE	A	Head - Sales	C	Head Sales & Marketing	I	
R	SE																
A	Head - Sales																
C	Head Sales & Marketing																
I																	
Price update in SAP	<p>Prices determined by the Head Sales &amp; Marketing are updated in SAP.</p> <p>This is currently done only for Amrit, Jagger, Low GI &amp; PPRS. This price does not change frequently and the price master fixed in SAP.</p> <p>For other sugar products the price is fixed depending on the trade price and accordingly the changes are made in line with the trade price movement keeping the budgeted premiums.</p> <p>As this is dynamic, it is not controlled thru SAP</p>	Sales Executive	Corporate Office	VK11-ZPRO		<b>Other Control:</b> Price change will be released in SAP by Accounts.		Price List in SAP	<table border="1"> <tr><td>R</td><td>Manager Logistics</td></tr> <tr><td>A</td><td>Head - Sales</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Manager Logistics	A	Head - Sales	C		I	
R	Manager Logistics																
A	Head - Sales																
C																	
I																	

S2(c) > Retail Trade - Product Master

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI
Product master update	<p>Any new SKU is configured with separate material code and updated in the product master.</p> <p>Mail is sent from Billing team to factory asking for product configuration and description.</p> <p>Later, the same is sent to Finance team for defining the profit centre.</p>				<p><b>Other Control:</b></p> <p>Pricing is linked with material code in SAP.</p>		<p>Bill of material in SAP</p>	<p>R Manager - Sales</p> <p>A Manager warehouse</p> <p>C</p> <p>I</p>

S3 > Trade, Retail, Institution - Qty and Price determination

Process Detail

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output / Documents Generated	RACI								
Quantity Determination	<p>Sales Budgets are prepared at the beginning of every month.</p> <p>The monthly sales quantity for domestic volumes are based on the release quota approved by the DFPD, beyond which the business is not permitted to sell.</p> <p>As per the DFPD defined volumes, the Head Sales &amp; Marketing allocates the sugar sales volume to various channels after taking into consideration the commitment to the customers and price maximisation.</p>	Sales Department	Corporate Office		<p><b>OTC-L-3</b></p> <p>The following parameters are taken into consideration during sales forecasting:</p> <ul style="list-style-type: none"> <li>- Cane availability</li> <li>- Recovery rate</li> <li>- Sugar availability in our unit as well as marketing area</li> <li>- Sugar Production</li> <li>- Capacity expansion plans</li> <li>- Customer base</li> <li>- Segment wise sales</li> </ul> <p><b>Other Control:</b> In SAP limits are fixed based on the release quota volumes for overall EID sales</p>	Not Applicable	Sales Budget	<table border="1"> <tr> <td>R</td> <td>AVP(S)</td> </tr> <tr> <td>A</td> <td>Head-Sales Marketing</td> </tr> <tr> <td>C</td> <td>Not applicable</td> </tr> <tr> <td>I</td> <td>Not applicable</td> </tr> </table>	R	AVP(S)	A	Head-Sales Marketing	C	Not applicable	I	Not applicable
R	AVP(S)															
A	Head-Sales Marketing															
C	Not applicable															
I	Not applicable															
Price Determination for Trade Sales:	<p>Market price feedback is obtained from a price aggregator daily.</p> <p>The data collected from the aggregator is updated in a centralised portal on a daily basis.</p>	Sales Department	Corporate Office		<p><b>OTC_L_09</b></p> <p>The data collected from the aggregators and updated the same into centralised portal on a daily basis.</p> <ul style="list-style-type: none"> <li>• As information is</li> </ul>	Not Applicable	Sales Budget	<table border="1"> <tr> <td>R</td> <td>Sales Department</td> </tr> <tr> <td>A</td> <td>AVP(S)</td> </tr> <tr> <td>C</td> <td>Head -Sales &amp;Marketing</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Sales Department	A	AVP(S)	C	Head -Sales &Marketing	I	
R	Sales Department															
A	AVP(S)															
C	Head -Sales &Marketing															
I																

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output / Documents Generated	RACI
					<p>received from more than one source, there is no risk of wrong data being considered.</p> <ul style="list-style-type: none"> <li>Head – Sales &amp; Marketing fix the sale price and communicates to the manager sales and Marketing finance over a mail .</li> </ul> <p><b>OTC_L_10</b></p> <p>Head – Sales &amp; Marketing fix the sale price and communicates to the manager sales. For every sales order created by the marketing team, Marketing finance will check the same with the price mail sent by Head Sales &amp; Marketing and release the sale order.</p> <p><b>OTC_L_11</b></p> <p>Price is determined based on market conditions. Sales executive gets the market data and share it</p>			

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output / Documents Generated	RACI
					with Marketing Head. Marketing Head fix the sale price and communicates to the manager sales and Marketing finance over a mail.			

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output / Documents Generated	RACI								
Approval Quantity.	<p>Normally, the quantity to be sold will depend on the monthly release quota.</p> <p>The quantity to be sold in the free market is approved by Head Sales &amp; Marketing.</p>	Sales Department	Corporate Office		<p><b>OTC_M_07</b></p> <p>Sugar is a seasonal industry where production happens in 4 to 5 months in a year and sales happens throughout the year. Hence, the stock limit in units are linked to rolling business forecast.</p> <p><b>OTC_L_38</b></p> <p>Based on available stock and market conditions, the Marketing team in consultation with Head Sales &amp; Marketing will decide on the quantity to be allocated to each of the brokers on a weekly basis. Hence order is confirmed only based on the company's availability to supply.</p> <p><b>Other Control:</b> Release order quota. Budget plan.</p>	Not Applicable		<table border="1"> <tr> <td>R</td> <td>AVP(S)</td> </tr> <tr> <td>A</td> <td>Head Marketing</td> </tr> <tr> <td>C</td> <td>Not Applicable</td> </tr> <tr> <td>I</td> <td>Not Applicable</td> </tr> </table>	R	AVP(S)	A	Head Marketing	C	Not Applicable	I	Not Applicable
R	AVP(S)															
A	Head Marketing															
C	Not Applicable															
I	Not Applicable															



**S4(a) > Sales Order -Trade - Contract Creation -(Trade Sales Procedure)**

Process Detail														
Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries / Output Documents Generated / RACI								
<b>Contract Creation</b>	The orders are received on Whatsapp / mail from the broker / trader and a sale order is created in SAP which goes thru the maker / checker concept and is finally approved.	Sales Executive	Corporate Office	ZOABC	<p><b>OTC_L_13, 14, 17</b></p> <ul style="list-style-type: none"> <li>Orders from Broker/Customers are received through phone or text by Senior Manager Sales. Hardcopies are generally not received for trade sales. Orders received from customer are recorded in manual register based on which deal is created in SAP</li> <li>Loading of materials into trucks will only be performed after receipt of advance payment(100%) from the customer or specific approval from Marketing Head. Otherthan approved credit terms.</li> </ul> <p><b>OTC_L_16</b></p>	<table border="1"> <tr> <td>R</td> <td>Sales Executive</td> </tr> <tr> <td>A</td> <td>AVP(S)</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Sales Executive	A	AVP(S)	C		I	
R	Sales Executive													
A	AVP(S)													
C														
I														

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	/ RACI	
					<p>Once SO is created, for any changes done by marketing SO will be blocked automatically. It should be unblocked by SSC team after Proper Approvals so there is Maker-Checker mechanism in place.</p> <p><b>OTC_L_24</b></p> <p>There is clear Segregation of duties, SO will be created at HO after cross checking by SSC, Invoiceis generated at Plant level. SAP will not allow to change Invoice whatever in SO will be reflected in Invoice.</p> <p><b>OTC_L_19</b></p> <p>In Trade, every sale order created, intimation is sent online to the customer. Further in other cases of manual POs' from customers, for</p>				

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
					Ex-factory vehicles are provided by the customers and therefore no risk of excess delivery. In case of CIF contracts, Invoice creation is based on specific mails from Centralised Marketing team based on customer requests. Therefore, there is no risk of duplicate order resulting in wrong delivery.											
Cancellation of Contract.	Contracts that are not converted to orders are cancelled after 5 days automatically in SAP.	Sales Executive	Corporate Office	ZOABC	<b>OTC_L_20</b> Deal gets auto closed in 5 days from the date of creation.			<table border="1"> <tr> <td>R</td> <td>SE</td> </tr> <tr> <td>A</td> <td>VP(S)</td> </tr> <tr> <td>C</td> <td>Head -Sales &amp; Marketing</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	SE	A	VP(S)	C	Head -Sales & Marketing	I	
R	SE															
A	VP(S)															
C	Head -Sales & Marketing															
I																

**S4.b > Retail & Institutional Trade –Sale Order creation**

**Process Detail**

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output / Document Generated	RACI								
Order Creation	<p><b>For Retail :</b> Area Sales Managers obtain orders from super stockist and confirm it on Teams / Mails to billing section .</p> <p>After checking stock availability, the order received is proceed and converted into a sale order in SAP and obtain approved from Head – Sales &amp; Marketing.</p> <p><b>For Institutional:</b> Direct customer / distributor will issue PO , which will then be converted into a Sale order.</p>	Sales Executive	Corporate Office	VA01	<p><b>OTC_H_11</b></p> <p>Invoice will be generated based on SO, SAP will not allow any changes to Invoice. For any changes to be made in SO, there is Maker &amp; checker ( Marketing team will generate SO then that prices will be cross checked by another person with reference to prices approved by HOD, if both tallies then he will approve the SO). Once changes are made to SO, it gets blocked and can be released only after approvals. Invoice cannot be changed once SO is released / approved</p> <p><b>OTC_L_16</b></p> <p>Once SO is created, for any changes done by marketing</p>		<p>Sale order created in SAP</p>	<table border="1"> <tr> <td>R</td> <td>Sales Executive</td> </tr> <tr> <td>A</td> <td>Manger - Sales</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Sales Executive	A	Manger - Sales	C		I	
R	Sales Executive															
A	Manger - Sales															
C																
I																

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output / Document Generated	RACI								
Sales Release	Sales Order will be released in the system by the billing executive upon getting approval from Head -Sales/ Head of Sales & Marketing.	Sales Executive	Corporate Office	ZOREL-RT	SO will be blocked automatically. It should be unblocked by SSC team after Proper Approvals so there is Maker- Checker mechanism in place.  <b>OTC_I_24</b>  There is clear Segregation of duties, SO will be created at HO after cross checking by SSC, Invoices generated at Plant level. SAP will not allow to change Invoice whatever in SO will be reflected in Invoice.			<table border="1"> <tr><td>R</td><td>SE</td></tr> <tr><td>A</td><td>Head - Sales</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	SE	A	Head - Sales	C		I	
R	SE															
A	Head - Sales															
C																
I																
Finance Release	In case of outstanding payment by the customer, the same is sent by SSC team for approval of Head sales & Marketing for exceptional clearance.	Accounts Executive	Corporate Office	ZOERL-FI	<b>Other Control:</b> Head Sales & Marketing approval is obtained to extend deal in SAP.			<table border="1"> <tr><td>R</td><td>Accounts Executive</td></tr> <tr><td>A</td><td>Manager - Sales</td></tr> <tr><td>C</td><td>SSC- Head</td></tr> <tr><td>I</td><td></td></tr> </table>	R	Accounts Executive	A	Manager - Sales	C	SSC- Head	I	
R	Accounts Executive															
A	Manager - Sales															
C	SSC- Head															
I																

### S4.C > Invoicing in SAP

**Process Detail**

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Invoicing in SAP	<p>After the sale order created in SAP, the factory warehouse team will initiate the invoice process.</p> <p>Before execution of billing process, the warehouse in charge will check the details on account of customer name, destination, quantity and billing price etc., upon validation, the invoice will be generated in SAP.</p>	Sales Executive	Corporate Office	VL01	<p><b>OTC_H_06</b></p> <p>There is proper SOD in place. Invoice in SAP is generated through the following workflow using Sales order reference: Sales order-&gt;Marketing finance release the order -&gt; Outbound delivery no-&gt;Billing Document-&gt;Invoice Invoices are generated at the unit level from where the goods are despatched. Receipt entries are made by the SSC team.</p> <p><b>OTC_H_02</b></p> <p>SAP configuration TAXINN will automatically take GST Rate based on the tax code.</p>			<table border="1"> <tr> <td>R</td> <td>Executive warehouse</td> </tr> <tr> <td>A</td> <td>Manger</td> </tr> <tr> <td>C</td> <td>Warehouse</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Executive warehouse	A	Manger	C	Warehouse	I	
R	Executive warehouse															
A	Manger															
C	Warehouse															
I																

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI		
					<p><b>OTC_M_03</b></p> <p>Trade Sales is made with 100% advance or with necessary approval from Marketing Head.</p> <p><b>OTC_M_04</b></p> <p>Once invoice is made nobody can change invoice, but they can cancel the invoice and it will go again in approval mechanism</p> <ul style="list-style-type: none"> <li>• Price and quantity cannot be modified during invoice generation as it flows directly from Sales order in SAP</li> </ul> <p><b>OTC_L_25</b></p> <p>Invoice in SAP is generated through the following workflow using Sales order reference: :Sales order-&gt;Marketing finance clearance-&gt;Outbound delivery no-&gt;Billing Document-&gt;Invoice Hence, incorrect invoice cannot be mapped to incorrect sales order.</p>					

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI
					<p><b>OTC_L_28</b></p> <p>Invoice accounting is automatically posted in the books of the company on generation of Invoice. The company ensures that all trucks against which invoices have been raised are moved out of the factory on the same date</p>			
					<p><b>OTC_L_26</b></p> <p>Invoice is captured automatically. Further MM module is closed on last day of the month. Therefore, there is no possibility of backdating of invoice.</p>			
					<p><b>OTC_L_25</b></p> <p>Invoice in SAP is generated through the following workflow using Sales order reference: :Sales order-&gt;Marketing finance clearance-&gt;Outbound delivery no-&gt;Billing Document-&gt;Invoice Hence,</p>			



Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	/ RACI
					<p>incorrect invoice cannot be mapped to incorrect sales order.</p> <p><b>OTC_I_27</b></p> <p>Majority of the sales are made on ex-works basis. Hence revenue is recognized on preparation of invoice which is prepared by Sales person once Gate pass has been approved by the Go-down Manager. In case of CIF contracts also, which are insignificant, sales are considered for the vehicles which have moved out of the factory.</p> <p><b>OTC_M_08</b></p> <p>GST is applicable currently. Every invoice is made in SAP, which automatically calculates the GST based on the tax code.</p>			

### S.4(d) > Receipt of Payment from Customer

Process Detail																
Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Receipt of Payment from Customer	<p>Customers deposit of payment in virtual account given by EID, the same will be auto populated in SAP.</p> <p>The same will be shared by Billing executive with Team SSC for adjusted against the outstanding invoice.</p>	Sales Executive /Accounts Executive	Corporate Office			<p><b>OTC_H_06</b></p> <p>There is proper SOD in place. Invoice in SAP is generated through the following workflow using Sales order reference:                      Sales order-&gt;Marketing finance release the order -&gt; Outbound delivery no-&gt;Billing Document-&gt;Invoice                      Invoices are generated at the unit level from where the goods are despatched. Receipt entries are made by the SSC team.</p> <p><b>OTC_H_08</b></p> <p>For any write-off of customer balances, it will be initiated by the</p>	Payment Reference/Bank Statement Reference	<table border="1"> <tr><td>R</td><td>Sales Executive</td></tr> <tr><td>A</td><td>Accounts Executive</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	Sales Executive	A	Accounts Executive	C		I	
R	Sales Executive															
A	Accounts Executive															
C																
I																

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	/ RACI
						<p>SSC team based on the debtors aging analysis. This recommendation will be sent to Finance team for confirmation. Approval is given by SBU Finance head and CFO, and SSC passes the entry. In case dispute in approval, the recommendation is further sent to Marketing team for their input.</p> <p><b>O2C_L_36</b></p> <p>Company accepts payments only through bank transfer or cheque. There is also proper SOD, where SSC team takes care of accounting for receipts and follow up of receivables and sales team does not play role in collection accounting.</p> <p><b>O2C_L_37</b></p>		

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	/ RACI
						<p>Company payments only through bank transfer or cheque. There is also proper SOD, where SSC team takes care of accounting for receipts and follow up of receivables and sales team does not play role in collection accounting. Dedupe check is made on UTR number basis. Further, periodic bank reconciliation will also throw out collection accounting errors.</p> <p><b>Other Control:</b> SSC will block the order processing if the outstanding is not clear.</p> <p>The same can be approved on a special basis by Head of sales &amp; Marketing.</p>		

### S4 (e) > Sales Return

**Process Detail**

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control Entries	Accounting Entries	Output Documents Generated	RACI								
Return of Goods - Institution	<p>Goods are returned by customers due to quality and other issues.</p> <p>All returns have to be approved by the Quality head and is accepted only after a quality check is done.</p> <p>Approval of Head Sales &amp; Marketing for Sugar Products to be obtained.</p> <p>All Sales return activity will be completed within 1 months from the date of intimation of customer on the same.</p> <p>Plant team will initiate the process of Sales return.</p>	Sales Executive			<b>OTC_H_04</b>	<p>Marketing Team : Will get mail/ Call from the customer for reasons of return. Based on that team will generate Quality Complaint, then they will inform to Unit. Unit concerned quality team will go to customer place and will identify the issue. If it is really quality issue they will inform to plant and marketing team and after getting approval of Head – Sales &amp; Marketing team will generate CFIR then stock will be returned to plant and GRN is generated at the plant. After Approval of Marketing head for</p>			<table border="1"> <tr> <td>R</td> <td>SE</td> </tr> <tr> <td>A</td> <td>AVP (S)</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	SE	A	AVP (S)	C		I	
R	SE																
A	AVP (S)																
C																	
I																	

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control	Accounting Entries	Output Documents Generated	RACI
					marketing team (billing approval) will release the sales return and process the same.				
					<b>OTC_M_05</b> Materials returned by customer are verified at the security gate by security personnel and physical count is performed to ensure that the quantity returned by customer is accurate.				
					<b>OTC_L_35</b> Marketing team receives customer complaints over a call from broker and forward to the Corporate quality. The corporate quality registers the compliant and forward the same to quality team at plant if required. The plant				

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control Entries	Accounting Entries	Output Documents Generated	RACI
					quality conduct the root cause analysis and corrective action is taken by quality head depending on the criticality of the customer complaint. Customer compliant management system is introduced in SAP for tracking the complaint registration and being redressed. Customer complaints being redressed is reviewed by MD on a monthly basis.				
					<b>Other Control:</b> Quality head approval & Head Sales & Marketing  GST manual reference to be made:				
Receipt of Return Goods	Returned goods are received at warehouse / depots where they are	Warehouse Executive		MIGO	<b>Other Control:</b> The sale return in SAP is updated by			Upon receipt of material, all	R Warehouse Executive

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control	Accounting Entries	Output Documents Generated	RACI						
	<p>taken in with and GRN and MIGO</p> <p>Sales return will be entertained subject to 90 days from the date of original invoice.</p> <p>Such stock should keep separately in the warehouse for the purpose of identification.</p> <p>Upon receipt of material to respective factory where the said material originally originates, the associate Credit note will be prepared and shared the same with customer with the help of Team SSC.</p> <p>Later, taken the same into reprocess subject to availability of running condition of sugar production.</p>				warehouse in charge based on mail from corporate marketing.			<p>sales return accounting procedure are completed. And issued necessary credit note for the same.</p>	<table border="1"> <tr> <td>A</td> <td>Manger Sales</td> </tr> <tr> <td>C</td> <td>Head – Sales &amp; Marketing</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	A	Manger Sales	C	Head – Sales & Marketing	I	
A	Manger Sales														
C	Head – Sales & Marketing														
I															



### S5 > Stock Transfers

Process Detail																
Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control Accounting Entries	Output Documents Generated	RACI								
Stock Transfer	<p>Stock transfer is done when there's shortage of one plant or when production of product happening at one plant and sold in other market region.</p> <p>Billing team will put up a request to Head – Sales &amp; Marketing for exceptional stock transfer. For regular stock transfer request are done based on stock norms maintained at plant.</p>	Logistic and billing executive	Plant			<p><b>Other Control:</b> Stock norms to be maintained based on business plant and past trend validated by Head Sales &amp; Marketing.</p> <p>For exceptional case, based on market condition, Head Sales &amp; Marketing will give Approval</p>		<table border="1"> <tr> <td>R</td> <td>Warehouse Executive</td> </tr> <tr> <td>A</td> <td>Warehouse manager</td> </tr> <tr> <td>C</td> <td>Head – Sales / SBU finance</td> </tr> <tr> <td>I</td> <td>Head Sales &amp; Marketing</td> </tr> </table>	R	Warehouse Executive	A	Warehouse manager	C	Head – Sales / SBU finance	I	Head Sales & Marketing
R	Warehouse Executive															
A	Warehouse manager															
C	Head – Sales / SBU finance															
I	Head Sales & Marketing															

**S6 > Accounting of sales promotion expenses**

Process Detail																	
Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control	Accounting Entries	Output / Documents Generated	RACI								
Advertising	<p>The Activity is applicable only for Sugar sales.</p> <p>Budgets are prepared and approved at the beginning of the year.</p> <p>As and when invoices are given by the contractors, these are sent to accounts for payment upon approval of the same by Head Sales &amp; Marketing</p> <p>SSC Team verifies the Purchase order (PO) /Sales order (SO) and releases the payment.</p>	Head - Marketing	Corporate Office			<p><b>Other Control:</b></p> <p>Such Service Orders are entered into SAP and based on SAP defined limits the service orders are approved by the respective officers</p>			<table border="1"> <tr> <td>R</td> <td>Manager Merchandising</td> </tr> <tr> <td>A</td> <td>Head Marketing / SBU Finance</td> </tr> <tr> <td>C</td> <td>Head – Sales &amp; Marketing</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Manager Merchandising	A	Head Marketing / SBU Finance	C	Head – Sales & Marketing	I	
R	Manager Merchandising																
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I																	

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Reference	Control	Accounting Entries	Output / Documents Generated	RACI								
Discount Schemes	<p>Monthly retail meeting happens with Head of Sales. Based on the discussions, schemes, their cost implications etc. are finalized</p> <p>The scheme details are sent to HOD for approval. Thereafter, the approved Scheme details are intimated to Sales.</p> <p>At the end of the month, Trade Marketing executive sends provision to Sugar Sales Account for booking of expenses for the month expected.</p> <p>Distributors claims are verified and checked along with actual invoice copy of the distributor and then send for approval for Head - Sales Marketing and then forwarded to SSC for raising Credit notes.</p>	Marketing Executive/HOD	Corporate Office	ME21N-UB type order	<p><b>OTC_L_23</b></p> <p>Discounts will also go through SO release mechanism, where there is maker checker mechanism in place.</p> <p><b>Other Controls:</b> For Sugar Products: Approval of the schemes for the month by Head of sales. Monthly provisions sent to finance by trade marketing . Claims forms are approved by Head – Sales and Marketing and sends to SSC Team.</p>				<table border="1"> <tr> <td>R</td> <td>Manager - Sales</td> </tr> <tr> <td>A</td> <td>Head -Sales /SBU Finance</td> </tr> <tr> <td>C</td> <td>Head Sales and Marketing</td> </tr> <tr> <td>I</td> <td>Not Applicable</td> </tr> </table>	R	Manager - Sales	A	Head -Sales /SBU Finance	C	Head Sales and Marketing	I	Not Applicable
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A	Head -Sales /SBU Finance																
C	Head Sales and Marketing																
I	Not Applicable																

S 9 > Credit Notes

Process Detail

Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Credit Note to Customer - Prince and Quantity Difference	<p>Credit notes for pricing difference and quantity difference:</p> <p>Price / quantity difference credit note difference will be sent to Head – Sales &amp; Marketing with clear explanation of reason for price/ quantity difference.</p> <p>Upon approval by Head – Sales &amp; Marketing, the same will be forwarded to SSC team with all details of Invoice Number and customer and credit note value.</p>	Sales Executive	Corporate Office		<p><b>OTC_H_05</b></p> <p>For any credit notes, documents will be initiated by Marketing team - The Team lead will send it to Marketing Head- Then once he approves it will come to SSC team, who will get the approval from Finance Head/ SSC Head then only Entry will be posted.</p> <p>In case of non-sugar business related credit notes, the following would be the final approvers:</p> <ul style="list-style-type: none"> <li>Distillery related - Commercial Head,</li> <li>Others - Regional Heads.</li> </ul> <p><b>OTC_M_06</b></p> <p>All credit note entries are made through SSC</p>		<p>Head Sales &amp; Marketing Approval</p> <p>Invoices details by SSC for mapping.</p>	<table border="1"> <tr> <td>R</td> <td>Accounts Executive</td> </tr> <tr> <td>A</td> <td>Manger - Sales</td> </tr> <tr> <td>C</td> <td>Head - SSC</td> </tr> <tr> <td>I</td> <td>Head – Sales &amp; Marketing</td> </tr> </table>	R	Accounts Executive	A	Manger - Sales	C	Head - SSC	I	Head – Sales & Marketing
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Process Step	Process Description	Performed By	Location	SAP TCode	IFC Control Reference	Accounting Entries	Output Documents Generated	RACI								
Credit Note to Customer towards reimbursement	<p>Reimbursement for market operated schemes to the distributors is settled through credit note.</p> <p>Credit note details are sent to Head sales and marketing for approval, after validation by Head – Sales.</p> <p>Upon approval of Head – Sales and marketing the same is sent to Head – SSC.</p>				<p>after getting the necessary approval.</p> <p><b>OTC_M_06</b></p> <p>All credit note entries are made through SSC after getting the necessary approval</p>		<p>Approval of Head – sales &amp; marketing.</p> <p>Provision is created in the form of Internal order as per business plan budget.</p>	<table border="1"> <tr> <td>R</td> <td>Accounts Executive</td> </tr> <tr> <td>A</td> <td>Manger - Sales</td> </tr> <tr> <td>C</td> <td>Head - SSC</td> </tr> <tr> <td>I</td> <td>Head – Sales &amp; Marketing</td> </tr> </table>	R	Accounts Executive	A	Manger - Sales	C	Head - SSC	I	Head – Sales & Marketing
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