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### PURPOSE

To support the financial goals of the company and specifically, to support its sales efforts, while maintaining the highest quality of accounts receivable within the corporation's capacity for risk.

### SCOPE

To ensure periodic collection from clients and proper follow up procedures to be lined up for HO and Branches.

### REFERENCE

NA

### RESPONSIBILITY

1. **VP - Sales & Collection** – Ultimate authority for Credit Department; hires/fires, sets overall policy.
2. **Sr. Manager – Collections** – Reports **to the VP-Sales & Collection**. Plans, organizes, leads and control the credit function. Responsible for day-to-day management and training of the credit staff, determines procedures and rules for the entire department, authorizes credit limits.
3. **Billing/Invoicing Accounts Dept** – Reports to the Sr. Managers – Finance & Collection. Responsible for the day-to-day management and training of the personnel within the Billing Department, maintaining high standards of invoice accuracy, handling invoicing disputes, deductions and all matters pertaining to billing. Reviews the daily aging report. Responsible for preparing the invoices and ensuring that they are sent on time, maintains the aging report, provides other support services to the Manager-Billing as required.
4. **Collections Sr. Executive** – Reports to the Sr. Manager - Collection. Responsible for the day-to-day management and training of the in-house collection team
5. **Collection Executive** – Obtains signed credit applications, reviews for completeness. Requests credit references and follows up. Pulls credit reports. Provides other support functions as needed. Reports to the Sr. Manager - Collections. Contacts past due accounts per requirements. Accepts payment terms with the approval of the Sr. Manager - Collections. Maintains records in collection report

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### PROCEDURE / DESCRIPTION OF ACTIVITIES

#### A. COLLECTION RECOVERY PROCESS:

1. **FIRST FOLLOW UP FOR INVOCIES RAISED 13TH TO 30TH** - The calls and email follow up between 13th to 30th.

- 1.1. Check with the client whether they have received the Invoices
- 1.2. Inform them when the same will become due for payment.
- 1.3. If they have not received the Invoice, speak with billing section and resend the Invoice
- 1.4. First mail draft 3 days after invoices send to client:

It has been our privilege to have you as our esteemed customer.

Hope you have received the hard copy for given below invoice:

Date	Bill No.	Name	Gross Amount	Days Pending	Range

**Note:** Please note that the system is designed to reject any of the services to the customer if the invoices are unpaid for more than 30 days.

Request you to look into this and help us in clearing the bills. If any of the above bill payments are already paid from your end, we request you to provide us the payment details.

1.5. Cordial reminder if the customer does not pay within 30 days:

If the payment is overdue, make a call or send email to the customer with a courtesy reminder. Inform them about the payment options, banking details and contact information to make it easier for your customer to pay you quickly.

2. **SECOND MAIL FOR FOLLOW UP FROM 8TH DAY OF INVOICE IS SEND TO CLIENT:**

Hello,

It has been our privilege to have you as our esteemed customer.

This is for your kind information that, as per our records, the following invoices are overdue and remain unpaid as on date.

Date	Bill No.	Name	Gross Amount	Days Pending	Range

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We request you to clear payment of all outstanding bills at the earliest.

**Note:** Please note that the system is designed to reject any of the services to the customer if the invoices are unpaid for more than 30 days.

Request you to look into this and help us in clearing the bills. If any of the above bills payment are already made by you, we request you to provide us with the payment detail.

2.1. Overdue payment reminder – 30

If the payment remains outstanding and the customer has missed the agreed payment date or there has been no contact, call the customer or send another email or reminder letter for the service provided by OEC and request for the payment.

3. **THIRD MAIL FOR FOLLOW UP FROM 14<sup>TH</sup> DAYS SEND TO CLIENT:**

As per our records, the below invoices are unpaid and due from more than 30+ days. Request you to please help to clear the same as early as possible. The non payment of our bills will seriously affect the cash flow and services subsequently.

Date	Bill No.	Name	Gross Amount	Days Pending	Range

**Note:** Please note that the system is designed to reject any of the services to the customer if the invoices are unpaid for more than 30 days.

Request you to look into this and help us in clearing the bills. If any of the above are already paid from your end, we request you to provide us with the payment details.

4. **A NOTICE OF PENALTY IF THE PAYMENT IS DUE OVER 40 DAYS :**

When the customer has not paid the bill payment as per the terms of the agreement and also missed the extended payment dates, make a call or email them to discuss the outstanding invoice and request for payment and explain them that the next invoice will attract 18% interest on unpaid bills as per the terms of the agreement.

4.1. Draft for Penalty Reminder:

As per our records the below invoices are pending for payment, Which are pending from more than 40+ days. Request you to please help to clear the same within 7 working

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days. Please note that the services would be affected and interest @ 18% per month shall be made applicable on the overdue payment from the date of the amount is due till the time the payment is finally credited in to Company's Account.

Date	Bill No.	Name	Gross Amount	Days Pending	Range

**Note:** Please note that the system is designed to reject any of the services to the customer if the invoices are unpaid for more than 60 days.

Request you to look into this and help us in clearing the bills. If any of the above payments are already paid, we request you to provide us with the payment detail.

**5. MAKE A VISIT TO THE CLIENT ON 40+ DAYS PENDING PAYMENTS :**

If there is no receipt of the payment through above three process or any response considered then visit the customer in person (or call them if previous contact has been via email) to ask for payment. Such visits will help to create a personal/cordial relationship with the client that could be useful for getting future payments on time.

**6. NOTICE OF TEMPORARY SERVICE DIS-CONNECTION – ABOVE 41 DAYS :**

The Sr. Manager - Collection will send the Escalation mail to Sr. Manager/AGM/DGM Finance/ Admin / Operations along with details of pending bills which are pending more than 40 days.

**6.1. Draft for Service Stop notices to Sr. Manager etc for the Clients:**

We appreciate your business and business association which have been built over the years, with our dedicated service and your patronage. We respect and honour this relationship.

In this regard, we would like to bring your notice that, we have reached the limit of financial sustainability due to non-payment of our bills on time.

This is also to inform you that, the adverse effect of not getting our payments paid on time for the service rendered to your Company has severely affected the cash flow in the company.

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Date	Bill No.	Name	Gross Amount	Days Pending	Range

We request you to release all pending bills payments within 7 days from the receipt of this letter. The details of our pending bills are mentioned herewith for your ready reference and immediate action.

If these long overdue and promised payments are not received by 00.00.00, we will be compelled to consider with-holding all services till the payments are fully settled, as we regretfully acknowledge that this is the only left out remedy for us.

If any of the above are bill payments are already paid, we request you to provide us the payment details.

**7. NOTICE ON TEMPORARY SERVICE DIS-CONNECTION ON BILLS PAYMENT PENDING OVER 45 DAYS :**

If Still there is no payment after mails send to **Sr. Manager/AGM/DGM etc.**

A phone call will be made to the Customer and the **Notice of Temporary Service Disconnection** will be issued requiring payment within Seven (7) days and will include copies of all outstanding invoices.

If the full payment of the pending bills is not paid within 7 days from the date of notice, OEC will issue a letter on service stoppage to the client on Default payments.

**7.1. Draft : Final Service Stop Notice**

It has been a privilege to have you as our valued customer.

We would like to inform you that your services are stopped as there is an outstanding greater than 60 days against your account.

If any of the below bill payments are already paid, we request you to provide us the payment details.

Please find the list of Total Outstanding for your perusal.

Date	Bill No.	Name	Gross Amount	Days Pending	Range

Please contact us for further details.

Escalation 1

Escalation 2

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**8. TEMPORARY DISCONNECTION OF SERVICES WILL CONTINUE UNTIL FULL PAYMENT IS RECEIVED:**

Regular follow up will be made by mails and calls to get the payment which are pending above 60 days. Prior to publishing the Service Stop intimation to the client, the VP-In charge of collection will speak with the COO/CFO/CEO and subsequently send a request mail to the payment defaulted company asking to release the payment on or before 5 days from the date of intimation to the client. If there is no revert from the client on the payment, the VP-in charge of Collection will give permission to Sr. Manager Collection to publish the mail on Stoppage of Service to the client.

**9. PROCESS AFTER SERVICE STOP MAIL SEND TO CLIENT:**

- 9.1. Sr. Manager-Collections to Share Weekly outstanding file with Client details to CS team which are outstanding more than 45 + days.
- 9.2. If CS team receive a service request from the payment defaulted client, CS team will inform the same to the Collection Team.
- 9.3. Sr. Manager – Collections will speak with the client and will check the records with Payment Master to confirm its final outstanding.
- 9.4. The Sr. Manager Collections will also Send the Mail to Client to inform the stoppage of Services on non-payment which will be marked CC to KAM /Sales in charge /CS Team /Branch Head / VP- Sales /KAM, VP- Operation.
- 9.5. Once if all the pending bill payments are made by the client, The Sr. Manager - Collection will Send Mail to KAM/Sales in charge /CS Team /Branch Head / VP- Sales /KAM, VP Operation on confirmation on receipt of payment and also Process the request and unlock the account
- 9.6. Draft send for Service Stop:  
It has been a privilege to have you as our valued customer. We would like to inform you that your request is received, but cannot be processed as there is an outstanding greater than 45 days against your account as your account is locked by the system.  
Request you to mail us with the payment advice in case if any of the invoices greater than 45 days have been paid before, which would help us to continue our seamless services.

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**10. LEGAL NOTICES AFTER 60 DAYS IF PAYMENTS ARE STILL PENDING AND NO RESPONSE FROM THE CLIENT.**

This process will be done by legal department and Collection team have to share all the mails send to client to legal department and Later Legal department will send notice by registered post to the client.

**Note: CHECK ALL THE AGREEMENT BEFORE STOPPING THE SERVCIES AND SENDING PENLATY REMINDER MAIL.**

**11. OTHER POINTS:**

Process to follow if the client informs that the invoices are not received at the time of follow up:

- 11.1. Send mail to client with Invoices PDF and details when invoices was send etc to client and also resend the duplicate invoices within 24 hrs and confirmation mail for the same to client.
- 11.2. Payment already paid as per client - If client say payment already PAID , Please ask client to share the total ledger as per Client and share the details to Accounts team to do the recon and share the final outstanding.
- 11.3. If invoices have cross more than 6 months or 1 yrs and client request to change the billing date - Request client to send mail request to change the billing date as current month.
- 11.4. If invoices are pending and client request to club some amount in current month billing - Request client to send mail request to change club the billing amount etc.

**12. COLLECTION @ 45 DAYS:**

The bills issued from 1<sup>st</sup> April 2015 are included in the Collection @ 45 days.

Collection @ 45 means: The payments of all bills (except disputed bills) payment must receive within 45 days time.

A Separate month-on-month report must be maintained by Sr. Manager of Collections and strict monitoring must be happening by the VP-In charge of collections.

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**ENCLOSURES**

OEC-COLL-E01

**FORMATS / EXHIBITS**

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