

MILESTONE COLLECTIONS



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HISTORY OF REVISIONS

Revision No.	Revision Date	Chapter/clause no.	Reason for Revision


STANDARD OPERATING PROCEDURE			
VBHC Value Homes Pvt. Ltd.	MILESTONE COLLECTION	DOC.NO: VBHC/CRM/P/03	

TABLE OF CONTENTS

SL No.	CONTENTS	PAGE NO.
1.	Purpose	1
2.	Process Trigger	1
3.	Scope and Application	1
4.	Process Owner	1
5.	Successor and Predecessor	1
6.	Responsibilities & Authorities	1
7.	Definitions and Abbreviations	1
8.	Process Flow Chart	2
9.	Process Description	3
10.	Efficiency measures and effectiveness measures	4
11.	Risk associated with the process	4
12.	Formats for maintaining records	4

MILESTONE COLLECTIONS

1. PURPOSE

To collect the receivables from the customer and maintain cash flow for operations

2. PROCESS TRIGGER

Milestone construction completion & payment schedule

3. SCOPE AND APPLICATION

This process is applicable to all the customers who purchase a property at VBHC.

4. PROCESS OWNER

Head, CRM

5. PREDECESSOR AND SUCCESSOR PROCESSES

Predecessor Process: Agreement Signing (CRM), Daily Construction Management

Successor Process: Payout out Equity

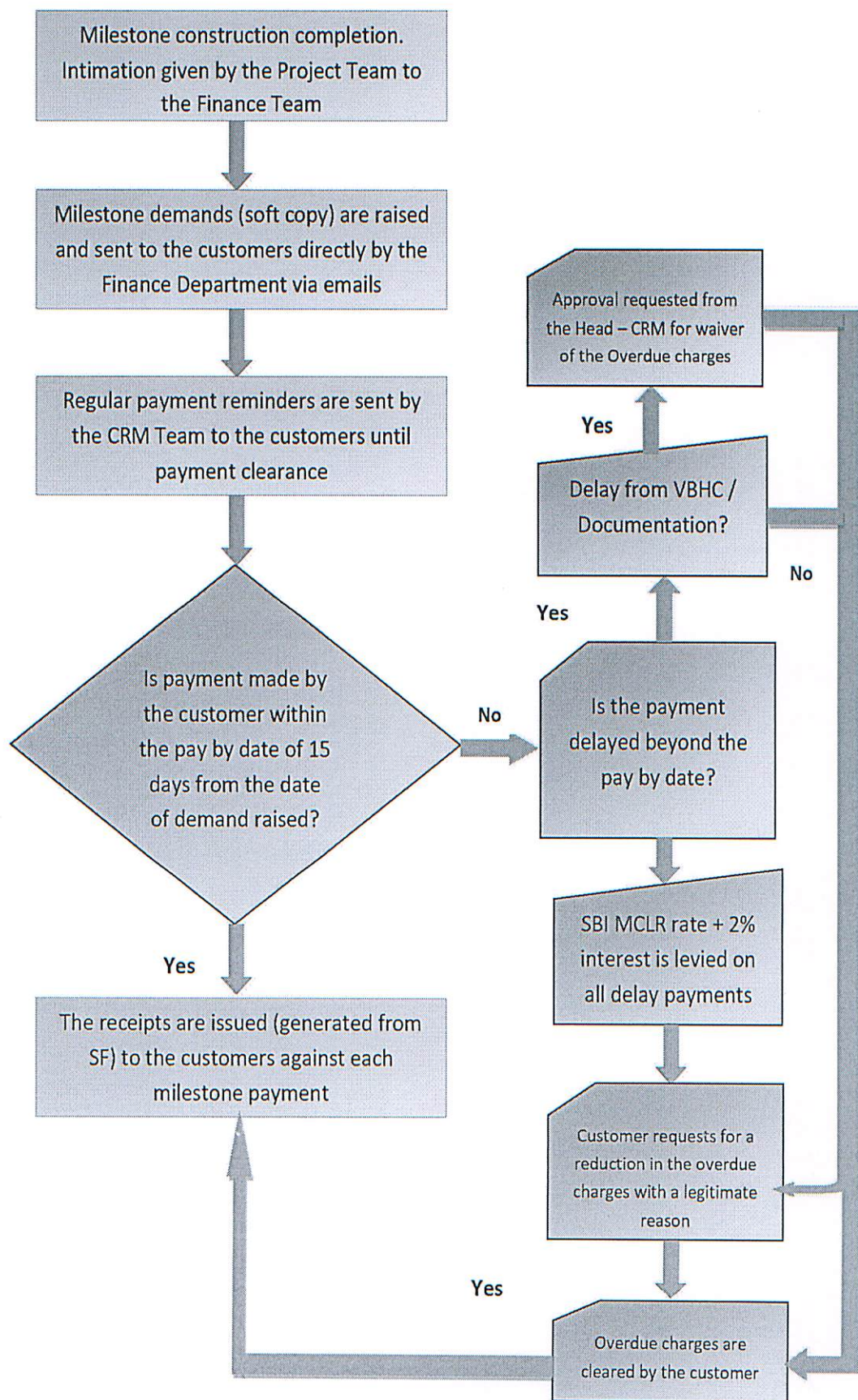
6. RESPONSIBILITY AND AUTHORITY


Approval for Interest-Levy and Cancellation post-90-day-delay is by: Business Head

7. DEFINITIONS & ABBREVIATIONS

1. TAT : Turn Around Time
2. CRM : Customer Relationship Management
3. SM : Sales & Marketing
4. SF : Sales Force
5. DPD : Days Passed Due


8. PROCESS FLOW CHART



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9. PROCESS DESCRIPTION

- 9.1. Notification of Milestone completion and date is sent by the Project Team to the Finance Team.
- 9.2. Demand Note is raised by the Finance Team (generated by SF) according to the milestone dates after completion of each Payment Milestone.
- 9.3. A soft copy (through Email) is sent to the customer by the Finance Team.
- 9.4. Regular payment follow ups is done by the CRM Team until payment clearance.
- 9.5. If payment is made by the customer within 15 days from the date of issue of Demand Note, the receipt is issued to the customer by the CRM team against each milestone payment.
- 9.6. If payment is delayed beyond the pay by date or 90 days from the date of issue of demand note, in case of:
 - 9.6.0. Any delay by VBHC / documentation is escalated to the Head - CRM team for interest wavier.
 - 9.6.1. Any delay by customer, would result in an overdue interest of SBI MCLR rate + 2% is levied.
- 9.7. If the customer requests for a reduction in the overdue charges with a legitimate reason only, the same may be provided based on the approval by the Head – CRM.
- 9.8. Once the customer clears the overdue charges, the receipt is issued by the CRM Team.

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10. EFFECIENCY MEASURES AND EFFECTIVENESS MEASURES

Efficiency Measures:

- ✓ Average TAT beyond Grace period for collection

Effectiveness Measures:

- ✓ Delay in raising demand note or missed demand-notes average delay in days
- ✓ Incorrect Demand Notes
- ✓ % Receipt issue on time (or missed Receipts)

11. RISK ASSOCIATED WITH THE PROCESS

- ✓ Delay in collection or non-payment could impact projected cash flows
- ✓ 90+ days past due on payments could lead to cancellation

12. FORMATS FOR MAINTAINING RECORDS GENERATED IN THE PROCESS

- ✓ Demand Note (Generated in SF)
- ✓ Payment Receipts (Generated in SF)
- ✓ Debtors report (Shared by the Finance Team)