



CRAFTECH PAPER MILLS LIMITED

DEBTORS CREDIT PERIOD POLICY

Version	Summary of Changes	Board Approval	Date of Release
Version 1	Initial	16.10.2025	01.11.2025

Policy on Credit Period and Recovery of Trade Receivables

1. Objective

The objective of this policy is to establish guidelines for granting credit to customers and for the timely recovery of trade receivables, so as to minimize credit risk and ensure healthy cash flows.

2. Credit Period Granted to Debtors

1. The Company shall extend credit to customers based on their creditworthiness, past payment history, financial standing, and nature of business relationship.
2. The standard credit period allowed to debtors shall be **ranging from 45 - 90 days** from the date of invoice.
3. Credit limits shall be fixed for each customer and reviewed periodically.

3. Invoicing and Monitoring

1. Invoices shall be raised promptly upon delivery of goods or rendering of services.
2. Trade receivables shall be monitored on a continuous basis through periodic ageing analysis.



3. Regular reports on outstanding receivables and overdue balances shall be placed before management.

4. Recovery of Outstanding Trade Receivables

The Company intends to recover outstanding trade receivables through the following measures:

1. Regular Follow-up

- System-generated reminders and follow-up emails/communications shall be sent to customers before and after the due date.
- Dedicated personnel shall be responsible for collection and follow-up.

2. Escalation Mechanism

- Overdue balances beyond a specified period shall be escalated to senior management.
- Further credit supplies may be withheld if required.

3. Negotiation and Settlement

- Where considered appropriate, the Company may negotiate revised payment terms or settlement plans with customers to recover dues.

4. Legal and Other Actions

- In case of prolonged default, the Company may initiate legal proceedings, engage recovery agents, or take any other action deemed necessary in accordance with applicable laws.
- Provision for doubtful debts and write-off of irrecoverable balances shall be made as per accounting standards and with appropriate approvals.



5. Review of Policy

This policy shall be reviewed periodically by the Board and modified, if required, to align with business requirements and regulatory changes.

6. Approval

This policy has been approved by the Board of Directors and shall be effective from **01-11-2025**.