



APV Technologies Pvt Ltd

Corporate Office

5/506, Viram Khand – 5

Gomti Nagar

Lucknow –226010

Development Center

3/311, Vishal Khand – 3

Gomti Nagar

Lucknow

**APV *Procurement Policy and Procedure* Document Revision History**

Revision	Revision Date	Approved by	Approval Date	Revision Description
1.0	Apr 1, 2004	Director	Apr 1, 2004	Initial Version
2.0	May 1, 2004	Director	May 1, 2004	Process for receipt of items and inspection added
3.0	Jan 21, 2011	Director	Jan 21, 2011	Members updated for the committee authorizing procurements
4.0	Oct 12, 2011	Director	Oct 12, 2011	Members updated for the committee authorizing procurements
5.0	Apr 29, 2024	Director	Apr 23, 2024	New Sections added – Introduction, Procurement Procedure, Approved Vendors and their Evaluation, Price Negotiation Guidelines, Document Requirements, Ethical Guidelines, Procurement Risks and Mitigation, Policy Review and Revision. Members updated for the Procurement Committee.



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1 Introduction

APV Technologies Pvt. Ltd. is required to purchase many items from time to time to meet its operational and long term needs.

The purpose of the **Procurement Policy and Procedure** document is to enable procurement of quality goods at reasonable prices, timely delivery and support after sales. The company has also implemented AIMS (Asset and Inventory Management System) to help implement this procurement policy. The Director and CEO may constitute a Procurement committee as and when needed.

The present **Procurement Committee** comprises of the following personnel:

1. Mr. Vijay Chopra - Chairman
2. Mr. Amit Tewari - member
3. Mr. Vinay Srivastava - member
4. Mr. Vishnu Srivastava - member

2 Procurement Procedure

2.1 Quotation Request

The authorized representatives will obtain quotations from the concerned vendors for the items that need to be purchased from time to time for the functioning of the organization.

These quotations can be obtained through Email or as hard copies.

2.2 Quotation Evaluation

These will be evaluated by the authorized committee on the basis of our requirement, quality timely delivery and prices.

2.3 Order Placement

All orders will be placed after by authorized personnel only after approval of the Purchase Order by the Chairman, Procurement Committee.



2.4 Item Receiving and Inspection

After receipt of the items, the same will be inspected by the authorized personnel. The first inspection will be done by the Dy. System administrator. He may do it in association with the user, whenever needed. Final inspection is to be done by the System administrator and /or the VP (Technical) jointly or severally for various items as may be decided by the Director.

2.5 Payment

Advance may be given to the vendors if required after approval. However, the final payment will be released only after satisfactory inspection by the System Administrator and approval by at least one of the Directors.

3 Approved Vendors and their Evaluation

The vendors are approved to provide goods and services to APV Technologies Pvt. Ltd. The approved vendors list shall be maintained by AIMS (Asset and Inventory Management System) software system dynamically.

3.1 Purchase wise Vendor Evaluation:

The policy will now require vendor evaluation through each purchase made. This means that vendors will be assessed not only on their overall performance but also on the specific transactions they are involved in. The vendor evaluation is done on the basis of **well-defined Vendor Evaluation Criteria**. This allows for a more granular understanding of vendor performance and facilitates accountability for each transaction.

3.2 Yearly Vendor Evaluation:

In addition to evaluating vendors on a per-purchase basis, there will now be a yearly evaluation of each vendor. This will ensure that vendor performance is assessed comprehensively over time, allowing for more informed decisions regarding ongoing vendor relationships. This will normally be done towards the end of a financial year.

4 Price Negotiation Guidelines

All purchases must be negotiated in accordance with the following guidelines:

4.1 Market Research:

Conduct market research to determine fair market value before negotiating with vendors.

4.2 Vendor Bids:

Evaluate vendor bids based on factors such as quality, price, after sales service and delivery time.



4.3 Contract Terms and Pricing:

Negotiate contract terms and pricing that are favorable to the organization.

5 Documentation Requirements

5.1 Purchase Orders

In general purchases must be made using a purchase order that includes the vendor's name, item(s) being purchased, quantity, price, after sales service and delivery date.

5.2 Invoices

All invoices must be reviewed and approved by the designated authority before payment is made.

5.3 Receipts

All receipts must be reconciled with the purchase order and invoice to ensure accuracy.

6 Ethical Guidelines

Employees must act in the best interest of the organization and avoid conflicts of interest or fraud. The following guidelines must be followed:

6.1 Gifts and Entertainment

APV Technologies associates must not accept gifts or entertainment from vendors that exceed INR 500 in value.

6.2 Confidentiality

Procurement Committee member must maintain the confidentiality of all vendor negotiations and not disclose any information that could harm the organization's interest.

6.3 Personal Interests

Procurement Committee member must not purchase goods or services for personal use or benefit.



7 Procurement Risks and Mitigation Plans

7.1 Incorrect Requirement

Risk Description: Specifications of the items are not completely or correctly stated by the indent raiser resulting in incorrect material/service being supplied.

Risk Mitigation Plan: The specification/ PO should be thoroughly reviewed before the release of PO.

7.2 Incorrect Vendor Selection

Risk Description: Sometimes purchase may be rushed due to time shortage leading to overlooking of some aspects for a vendor. This may result in unnecessary delay in supply or no supply at all.

Risk Mitigation Plan: Vendor list should be reviewed and updated periodically and after every purchase for a vendor's Suitability Evaluation.

7.3 Material not Received as Ordered

Risk Description: Specification of the supplied material is not matching with PO. This may result in a situation that the supplied material is un-usable.

Risk Mitigation Plan: The supplied material specifications should be properly reviewed and it should be accepted or rejected on merit.

8 Policy Review and Revision

In the context of information security, this policy document will be reviewed and revised as needed, to ensure it remains relevant and effective. All revisions must be approved by the Director.