J M Baxi Group

Standard Operating Policy and Procedures

Procurement to Payables

A **standard operating policy & procedure (SOPP)** is a set of step-by-step activities compiled by an organization to help workers carry out **complex** as well as **standard routine operations.** SOPPs help to achieve **efficiency, quality output and uniformity of performance** while contributing to efforts that lead to **process excellence.**

This SOPP aims to achieve the following objectives:

    1. Act as a **guide and reference document** to stakeholders at all levels of the organization

    2. Clearly **communicate** activities and help to achieve **consistency** in operational procedures

    3. **Create accountability** by assigning responsibilities at each stage of the lifecycle

    4. **Aid governance** by documenting **auditable processes** and detailing **control elements** at each stage of the lifecycle

What is the Lifecycle and Process Tree?

Each SOPP follows the process tree hierarchy and covers a specific entire process.

    - A **process** represents logical grouping of sub processes and provides detail at functional level

    - A **sub process** represents grouping of similar activities

    - An **activity lists** down specific tasks that have/are measurable, time bound, associated risks, mitigating controls and defined owners

The entire business lifecycle consists of several processes. An SOPP is tasked with the coverage of all sub process and activities applicable to a particular process.

Who are the Stakeholders for this SOPP?

This stakeholders for this SOPP shall primarily be activity owners and business units.

    1. Activity owners (operating units) – Activity owners shall use this SOPP as a reference document while performing their **activities daily.**

    2. Business units – Business units shall use the SOPP as a repository of all activities across the lifecycle. This will aid in identifying **process improvement opportunities.**

Who will use this SOPP?

This SOPP shall be used by stakeholders across the entire organization. Most notable shall be the following:

    1. Risk and Governance units – Risk and Governance units shall reference the SOPP to **review existing controls** and test their controls.

    2. Auditors – Auditors shall use this SOPP to check **adherence to defined processes** and standards. The SOPP shall help them identify any deviations to defined processes.

How do you read the SOPP?

To read this SOPP, it is essential to understand the **process lifecycle and its coverage.** This SOPP is documented in a **chronological order** in line with the sequence of activities performed by activity owners. Therefore, it should be read as such.

This SOPP also provides references to various **organization level policies, checklists, systems, reports** etc. These have been appropriately **referenced** at applicable activities and attached as Annexures to this SOPP.

Each activity has an activity owner assigned to it. An activity also has the following references against it:

- Performer – Person who will execute the activity.
- Frequency – Each activity has defined period.
- Template – Reference to any template (If Any)
- System / Manual reference – Each activity is performed either manually or rooted through system.

Organization structure

The organization structure defined in the SOPP is the structure defined at the functional level. **'Activity owners'** are defined are defined are those who are responsible for **performing the activity. 'Business Owners'** are defined as those who have **oversight and ultimate ownership** for the activities.

The **'roles and responsibilities'** table in the SOPP lists down the 'business owners' and provides details on **key activities** they are responsible for. The list of 'business owners' shall form the organization structure for the SOPP and mega process.

Rules for this SOP

- This SOPP shall be reviewed on annual basis.
- Any changes in the SOPP will be approved by Mr Vaibhav Agarwal and then updated by Ms Vinita Gupta.

Document review and approval.

Revision history

Version	Created By	Document Approved By	Date Approved	Revision
		Mr Vaibhav Agarwal	XX	XX

SOPP Number	1	
Applicable Entities	**Entity Type**	**Entity Name**
	Logistics	JM Baxi Ports & Logistics Private Limited – Cold Chain
Process Owner	Procurement Head	
IT Applications	**Entity Name**	**System**
	JM Baxi Ports & Logistics Private Limited – Cold Chain	WMS and SAP Hana
Guidelines / Policy reference		
SOPP Cross References		

Contents

Abbreviations and Definitions

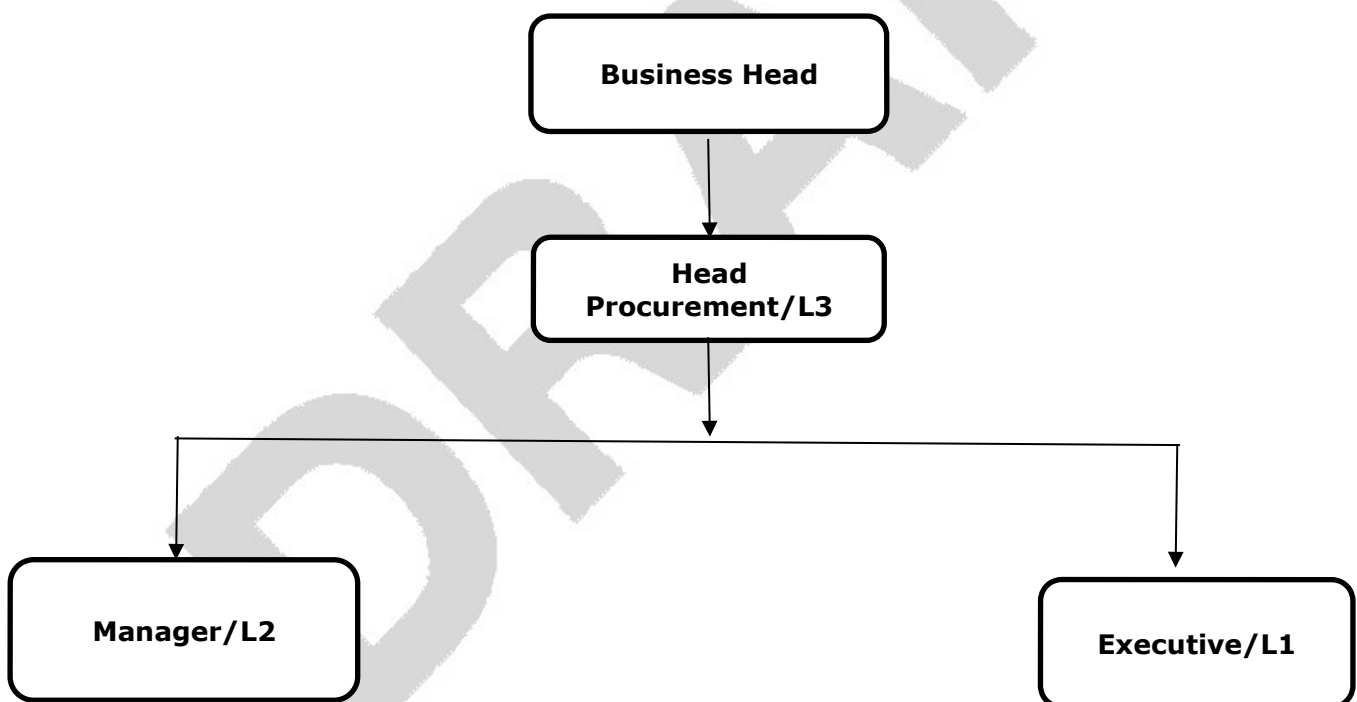| Abbreviations	Details
BD	Business Development
CEO	Chief Executive Officer
COO	Chief Operating Officer
DC	Delivery Challan
DGM/ AGM	Deputy/ Assistant General Manager
DOA	Delegation of Authority
DPR	Down Payment Receipt
EBITA	Earnings Before Interest, Taxes, and Amortization.
EC	Executive Committee
F&A	Finance and Accounts
FY	Financial Year
GM	General Manager
GRN	Goods Receipt Note
HO	Head Office
HOD	Head of Department
KPI	Key Performance Indicators
LOA	Letter of Award
MDM	Master Data Management
MIS	Monthly Information System
MIS	Management Information system
MSME	Micro, Small, and Medium Enterprises
OEM	Original Equipment Manufacturer
P2P	Procurement to Payables
PAT	Profit after Tax
PO	Purchase Order
PR	Purchase Requisition
QC	Quality Check
SOPP	Standard operating Policy & Procedure
SRM	Supplier Relationship Management
SEN	Service Entry Note
SES	Service Entry Sheet
TH	Terminal Head
TOS	Terminal operating system
VP	Vice President
RFQ	Request for Quote

Executive Summary

The Procurement to Payable (P2P) SOPP is a comprehensive framework designed to streamline and standardize the procurement and payment processes within the organization. This document serves as a critical tool to ensure efficiency, compliance, transparency, and accountability across all procurement activities. It outlines the step-by-step procedures, roles, responsibilities, and controls needed to facilitate seamless interactions between procurement, finance, and suppliers.

The Procurement to Payable SOPP aims to:

- Establish a standardized approach for procuring goods and services.
- Enhance operational efficiency and reduce process cycle times.
- Ensure compliance with internal policies, regulatory requirements, and industry best practices.
- Improve cost management and supplier relationships.
- Mitigate risks associated with fraud, errors, and non-compliance.

Organization Structure:

```
        ┌─────────────────┐
        │  Business Head  │
        └────────┬────────┘
                 │
                 ▼
        ┌─────────────────┐
        │      Head       │
        │ Procurement/L3  │
        └────────┬────────┘
                 │
     ┌───────────┴────────────────────┐
     ▼                                 ▼
┌──────────────┐              ┌──────────────┐
│  Manager/L2  │              │ Executive/L1 │
└──────────────┘              └──────────────┘
```

Key Responsibilities:

Head Procurement/L3:

Head - Procurement and Stores is responsible for general administration and functioning of the Department and reports to Business Head.

Specific responsibilities include:

a. Setting up the Quality Objectives (in terms of Process, Environment and OH &S) for the Department processes.

b. Ensuring delivery and storing of right material/service at right cost from right source at right location complying with Environment, Health, and Safety specifications if any at right time for smooth functioning of the Terminal.

c. Identifying, locating, and developing suppliers/contractors in line with Terminal requirements.

d. Maintaining supplier database for the spares/items required from time to time.

e. Monitoring payments to suppliers.

f. Identifying and forwarding Departmental training needs to HR.

g. Receiving periodic feedback/inputs from internal customers and taking suitable remedial measures

h. Reviewing periodically all the Procurement and stores activities

i. Final verification of correctness of approved purchase orders in every respect before releasing the order.

j. Implementation of procurement and store related policies and functions.

k. Compliance of Audit queries.

l. Monitoring the performance of the Department so that set targets are achieved and the cost incurred is within the sanctioned limits.

m. Any other responsibility assigned from time to time.

Manager/L2

Directly reports to Head Procurement, responsibilities include.

a. Coordination with other Departments, Suppliers, and contractors.

b. Preparation and issue of duly approved purchase orders to the suppliers.

c. Follow-up for inspection of material and receipts into inventory.

d. Closure of POs after duly endorsing cross reference of invoices & forwarding of the invoices to Accounts.

e. Follow-up with Finance Department for payment to the suppliers.

f. Maintenance of records / files of all POs / vendor registration forms

g. Monitor the price variation and compare among suppliers from time to time.

h. Arrange for emergency procurement of items on cash basis as & when required.

i. Maintenance of updated list/catalogue of suppliers for various local/imported spares.

j. Indigenization of critical import spares in consultation with user Departments.

k. Identification of alternate sources for the locally procured items from time to time to avoid monopoly situations.

l. Contract Management (Manager)

m. Single point of contact for all Internal & external Audits

n. Regular monitoring of Procurement department KPIs

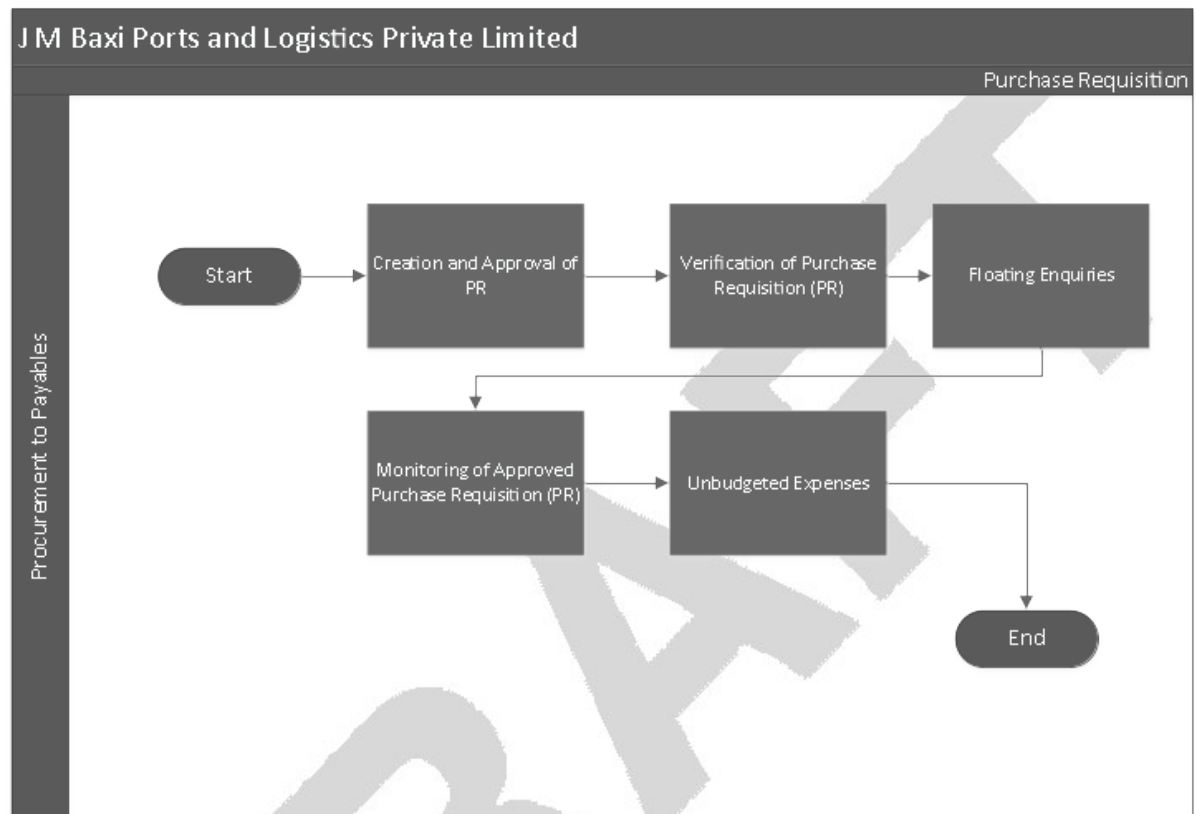o. Any other responsibility assigned from time to time.

Executive/L1

Directly reports to Head Procurement, responsibilities include.

a. Coordination with other Departments, Suppliers, and contractors.

b. Preparation and issue of duly approved purchase orders to the suppliers.

c. Follow-up for inspection of material and receipts into inventory

d. Closure of POs after duly endorsing cross reference of invoices & forwarding of the invoices to Accounts.

e. Follow-up with Finance Department for payment to the suppliers.

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g. Monitor the price variation and compare among suppliers from time to time.

h. Arrange for emergency procurement of items on cash basis as & when required.

i. Maintenance of updated list/catalogue of suppliers for various local/imported spares.

j. Indigenization of critical import spares in consultation with user Departments.

k. Identification of alternate sources for the locally procured items from time to time to avoid monopoly situations.

l. Maintain the approved supplier's database.

m. Any other responsibility assigned from time to time.

Key Process Activities

1. Purchase Requisition

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
1.1 Creation and Approval of PR: A Purchase Requisition (PR) is raised by User (EXEC/MANAGER) based on need identification to HOD- User, HOD-Procurement in SAP. *Refer DOA*	**Exec - User**	**HOD – User**	**As and when**	**System**
1.2 Verification of PR HOD-Procurement assigns PR to concerned EXEC/MANAGER - Procurement, who verifies Item specifications, UOM, Quantity selected as per requirement.	**Exec/Manager - Procurement**	**HOD - User**	**As and when**	**System**
1.3 Floating Enquiries EXEC/MANAGER - Procurement floats enquiries to Authorized dealers, Approved/Potential vendor for Material and Service and obtain at least one quotation in case of new purchase and routes for approval in SAP. *As per Applicable guidelines defined in DOA*	**Exec/Manager - Procurement**	**HOD - User**	**As and when**	**Manual**
1.4 Monitoring of Approved PR Monthly, all open Purchase Requisitions are auto closed in SAP after 180 days of PR approval and communicated to requestor.	**Exec/Manager - Procurement**	**HOD - User**	**Monthly**	**Manual**
1.5 Unbudgeted Expenses If any of the expenses are unbudgeted the same needs to be routed for approval as per the DOA before initiation of PR. *Refer DOA*	**Exec/Manager - Procurement**	**HOD - User**	**As & When**	**Manual**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Purchase Requisition (PR) to Purchase Order (PO) Cycle	Measures the time taken from requisition approval to PO issuance	XX	XX	XX
PR Processing Time	Ensure timely processing to avoid delays in procurement	XX	XX	XX

2. Vendor Evaluation and Selection

Process Flow
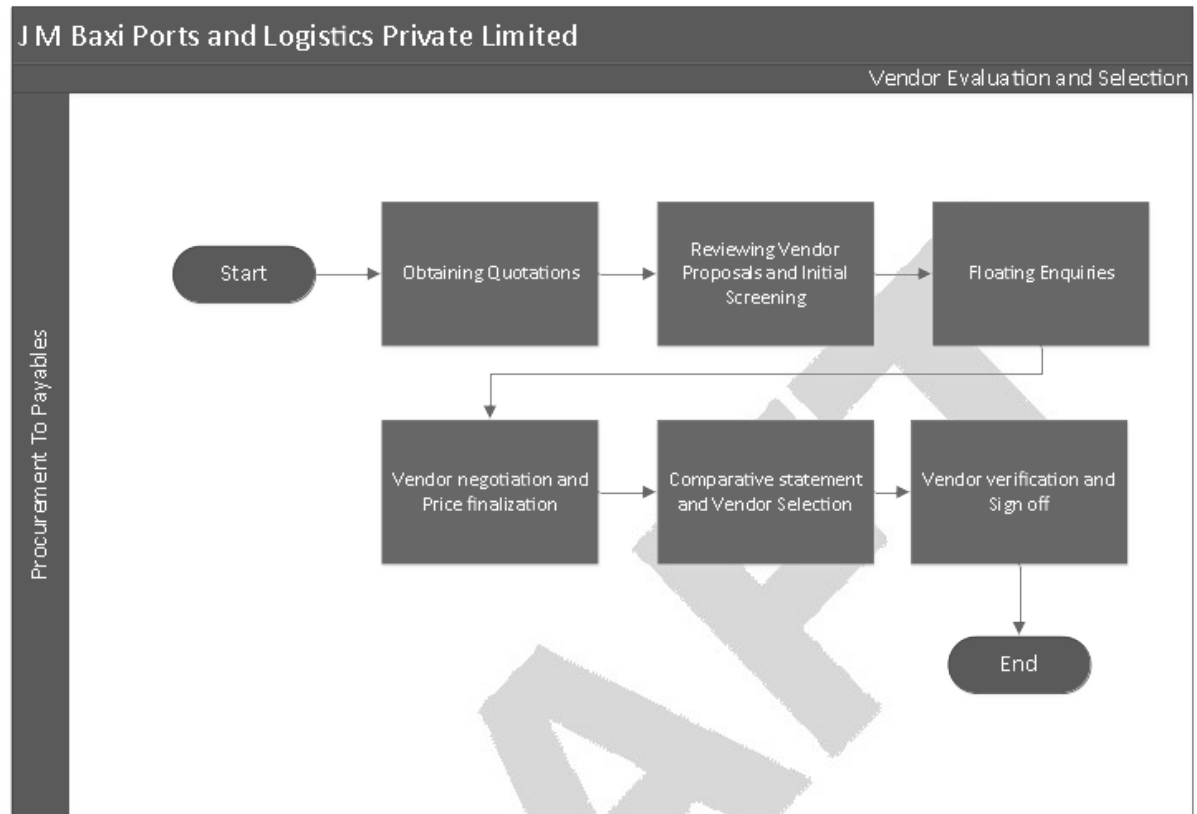
Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
2.1 Obtain Quotation Procurement team obtains quotation from vendor based on value of purchases. *As per Applicable guidelines defined in DOA.*	**Exec/Manager - Procurement**	**HOD - Procurement**	**As and when**	**Manual**
2.2 Reviewing Vendor Proposals and Initial Screening Procurement committee finalizes scope, specifications, and technical eligibility and handles price	**Procurement Committee**	**Business Head**	**As and when**	**Manual**

negotiations, vendor selection, and contract terms. *As per Applicable guidelines defined in DOA.*				
2.3 Floating Enquiries It is recommended to manage inquiries through the GEP portal, where vendors can upload details for the comparative statement, which should be prepared and approved according to the PO Approval Matrix. *As per Applicable guidelines defined in DOA*	**Procurement Committee**	**HOD - Procurement**	**As and when**	**System**
2.4 Vendor negotiation and price finalization The commercial purchase committee finalizes rates, timelines, payment terms, LD, safety precautions, and vendor credit periods, along with discussions on Proforma Invoice (PI) and Down Payment Request (DPR) if any.	**Procurement Committee**	**Business Head**	**As and when**	**Manual**
2.5 Comparative statement and Vendor Selection Based on quotations and discussions, a comparative statement is prepared, and the lowest (L1) vendor is selected. The final price is then negotiated as per applicable matrix. *Incase of L2/L3 selection, Proper justification needs to be provided on the same and to be reviewed by the Procurement Committee.* *Refer DOA*	**Exec/Manager-Procurement**	**HOD - Procurement**	**As and when**	**System / Manual**
2.6 Vendor verification and Approval EXEC/MANAGER - Procurement obtains and verifies Signed Vendor registration forms (VRF), GST Registration, cancelled cheque, Pan	**Exec/Manager-Procurement**	**HOD - Procurement**	**As and when**	**Manual**

card, ISO & MSMED (if any), Dealer cert (if any), MSME certificate (MSME vendors)				

Key Performance Indicators (KPI's)

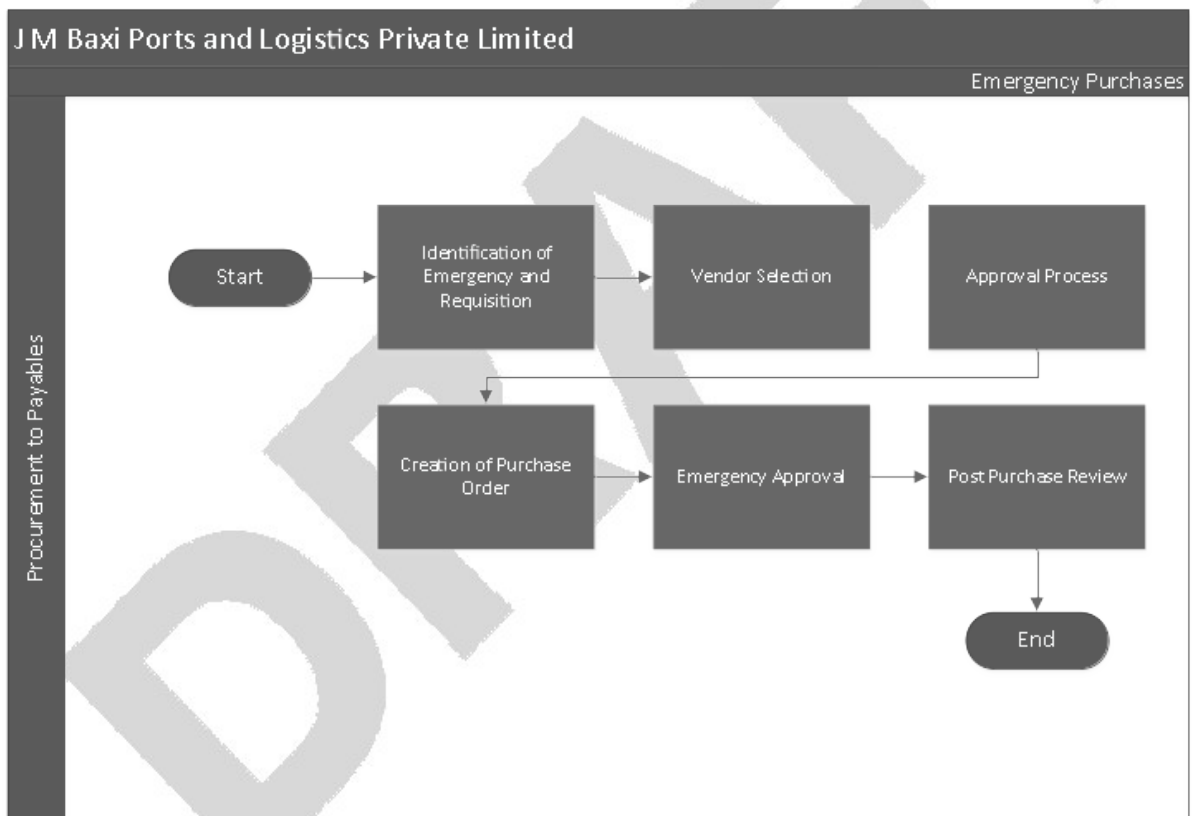| Attribute	Objective	Base Line	Target	Action Plan
Vendor Qualification Time	Ensure the evaluation process is efficient and does not delay procurement.	XX	XX	XX
On Time delivery	Assess the vendor's reliability and adherence to deadlines.	XX	XX	XX
Lowest Quotation	Ensure cost efficiency	XX	XX	XX
Vendor's Infrastructure	Ensure Vendor's capability of providing the required service	XX	XX	XX

3. Unbudgeted Expense

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
3.1 Identify the Need for Unbudgeted Expense: User Department identifies an expense that was not anticipated in the original budget but is necessary for business operations (e.g., an unexpected repair, urgent project requirement, or emergency situation) followed by the review of User Department -HOD.	**User Department**	**HOD - User**	**As and when**	**Manual**
3.2 Request Submission	**User Department**	**-**	**As and when**	**System**

Respective User Department submits a formal request over email communication to Procurement Team for the unbudgeted expense. This often includes: • A clear explanation of the expense. • The reasons for it being unbudgeted. • The amount required. • Any supporting documentation (quotes, invoices, etc.).				
3.3 Approval process Approval process for Unbudgeted expense is initiated EXEC-Procurement and approved as per the matrix. *Refer DOA*	**EXEC-Procurement**	**Procurement Committee**	**As and when**	**System**

4. Emergency Purchase

Process Flow

J M Baxi Ports and Logistics Private Limited

Emergency Purchases

Procurement to Payables

Start → Identification of Emergency and Requisition → Vendor Selection → Approval Process → Creation of Purchase Order → Emergency Approval → Post Purchase Review → End

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
4.1 Identification of Emergency and Requisition In the event of an unexpected issue requiring immediate attention, such as equipment breakdowns or unforeseen shortages of critical supplies that halt production, EXEC/MANAGER - User seeks approval from the Terminal Head for emergency purchase, keeping HOD - Procurement informed.	**Exec/ Manager- User**	**HOD - Procurement**	**As and when**	**Manual**
4.2 Vendor Selection Upon approval, HOD - Procurement assigns MANAGER to contact existing approved vendors for the required goods or services. If no approved vendor is available or if immediate action is needed, MANAGER - Procurement sources alternatives from the supplier database, locates the item, and informs the User Department about lead time, availability, and price.	**Exec/ Manager- Procurement**	**HOD - Procurement**	**As and when**	**Manual**
4.3 Approval Process EXEC/MANAGER - User raises a Purchase Requisition (PR) in SAP, providing the justification for the emergency. The PR is then routed for approval.	**Exec/ Manager- User**	**HOD - User**	**As and when**	**System**
4.4 Creation of PO Once the vendor is identified, the Procurement team creates a Purchase Order (PO) to formalize the purchase. The PO should clearly indicate the following details: - Vendor information (name, address, contact details) - Description of items/services - Quantity, pricing, and terms of delivery - Emergency status, marked as "Emergency" or a similar designation	**Exec/ Manager- Procurement**	**HOD - Procurement**	**As and when**	**System**
4.5 Emergency Approval EXEC/MANAGER- Procurement shall ensure that all necessary approvals for the emergency purchase are obtained as per the DOA. *Refer DOA*	**Exec/ Manager- Procurement**	**HOD - Procurement**	**As and when**	**System**
4.6 Post Purchase Review. After completing the emergency purchase, EXEC/MANAGER -	**Exec/ Manager- Procurement**	**Procurement Committee**	**As and when**	**Manual**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Emergency Purchase Lead Time	Ensure the rapid procurement of critical goods or services to minimize downtime.	XX	XX	XX
Percentage of Emergency Purchases	Monitor dependency on emergency purchases to identify areas for better planning.	XX	XX	XX

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5. Vendor Master creation and maintenance

Process Flow

Process Narrative

Description	Responsibility	accountability	Frequency	System / Manual
5.1 MDM Management and Code creation EXEC/MANAGER – User Department submits vendor details via email, along with required documents, to the MDM team for vendor code creation post approval from HOD – Finance & Accounts. The centralized MDM team handles vendor creation and ensures data integrity. *Refer DOA*	**Exec-MDM**	**HOD - Procurement**	**As and when**	**System**
5.2 Extension of Vendor code	**Exec - MDM**	**HOD - Procurement**	**As and when**	**System**

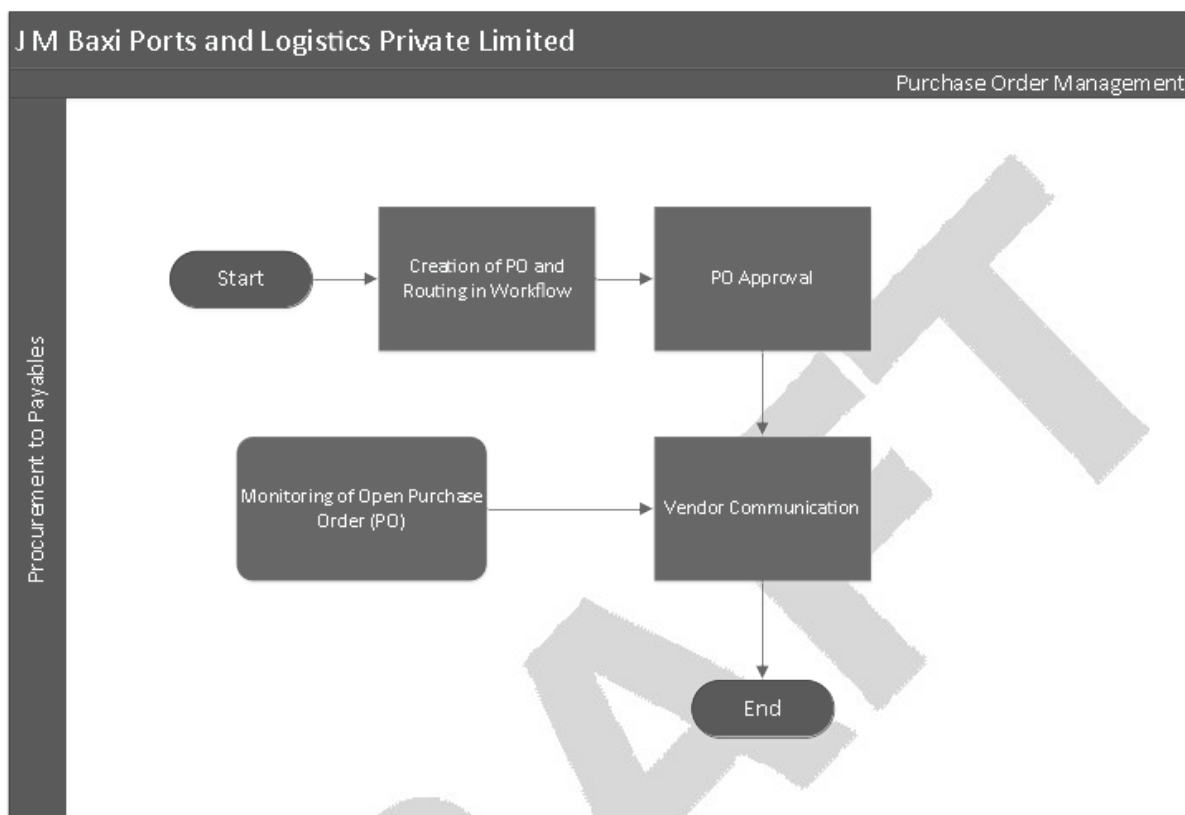|				
If the Vendor is already registered in SAP for other entity, MDM team uses existing vendor codes to avoid duplicates, ensure consistency and extends the code if not, creates the new code and shares the same with the User Department				
5.3 Up-dation of Vendor Master Vendor master updation rights are restricted, and any updates are initiated by the EXEC-User Department and approved as per the matrix. *Refer DOA*	**Exec - MDM**	**HOD - Procurement**	**As and when**	**System**
5.4 Review of Vendor Master MDM reviews the Vendor Master and all the vendors that are not active for more than 24 months are deactivated. *In case of any re-activation, Initiator follows same route as new creation.* *Refer DOA*	**Exec - MDM**	**HOD - Procurement**	**As and when**	**System**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Vendor Master Creation Time	Ensure quick onboarding of new vendors without delays in procurement operations.	XX	XX	XX
Data Accuracy Rate	Minimize errors in vendor data to avoid transaction issues.	XX	XX	XX
Vendor Master Update Time	Ensure timely updates to keep records accurate and up to date.	XX	XX	XX

6. Purchase Order Management

Process Flow

Process Narrative

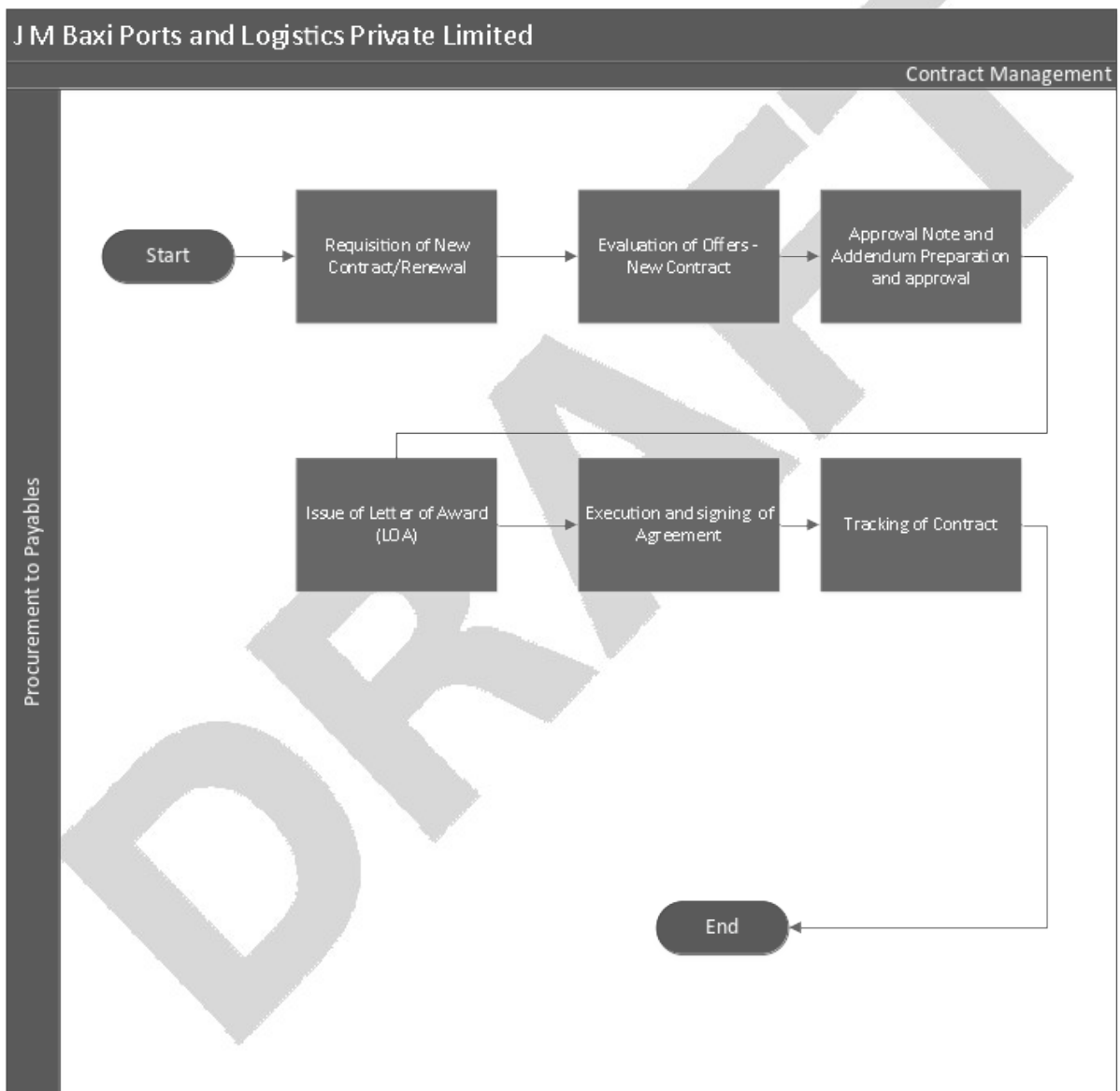| Description	Responsibility	Accountability	Frequency	System / Manual
6.1 Creation of PO and Routing in Workflow EXEC/MANAGER - Procurement creates the PO with details such as the vendor code, quotations, price comparison, and completed terms and conditions, including freight, taxes, warranty, and insurance, before being routed to the workflow.	**Executive / Manager-Procurement**	**HOD - Procurement**	**As and when**	**System**
6.2 PO Approval Once the PO is created, it is	**Executive / Manager-Procurement**	**HOD - Procurement**	**As and when**	**System**

reviewed by the HOD - Procurement and approved as per the authority matrix. *Refer DOA*				
6.3 Vendor Communication Approved POs are emailed to vendors as PDFs, with no formal acknowledgment required.	**Executive / Manager-Procurement**	**HOD - Procurement**	**As and when**	**Manual**
6.4 Monitoring of Open PO All open Purchase Orders are auto closed in SAP after 180 days from expiry date and communicated to requestor..	**Executive / Manager-Procurement**	**HOD - Procurement**	**Monthly**	**System**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Purchase Order Cycle Time	Minimize processing time and improve procurement efficiency	XX	XX	XX
PO Approval Time	Streamline the approval workflow to prevent delays	XX	XX	XX

7. Contract Management

Process Flow

J M Baxi Ports and Logistics Private Limited

Contract Management

Procurement to Payables

Start → Requisition of New Contract/Renewal → Evaluation of Offers - New Contract → Approval Note and Addendum Preparation and approval

Issue of Letter of Award (LOA) → Execution and signing of Agreement → Tracking of Contract → End

Process Narrative

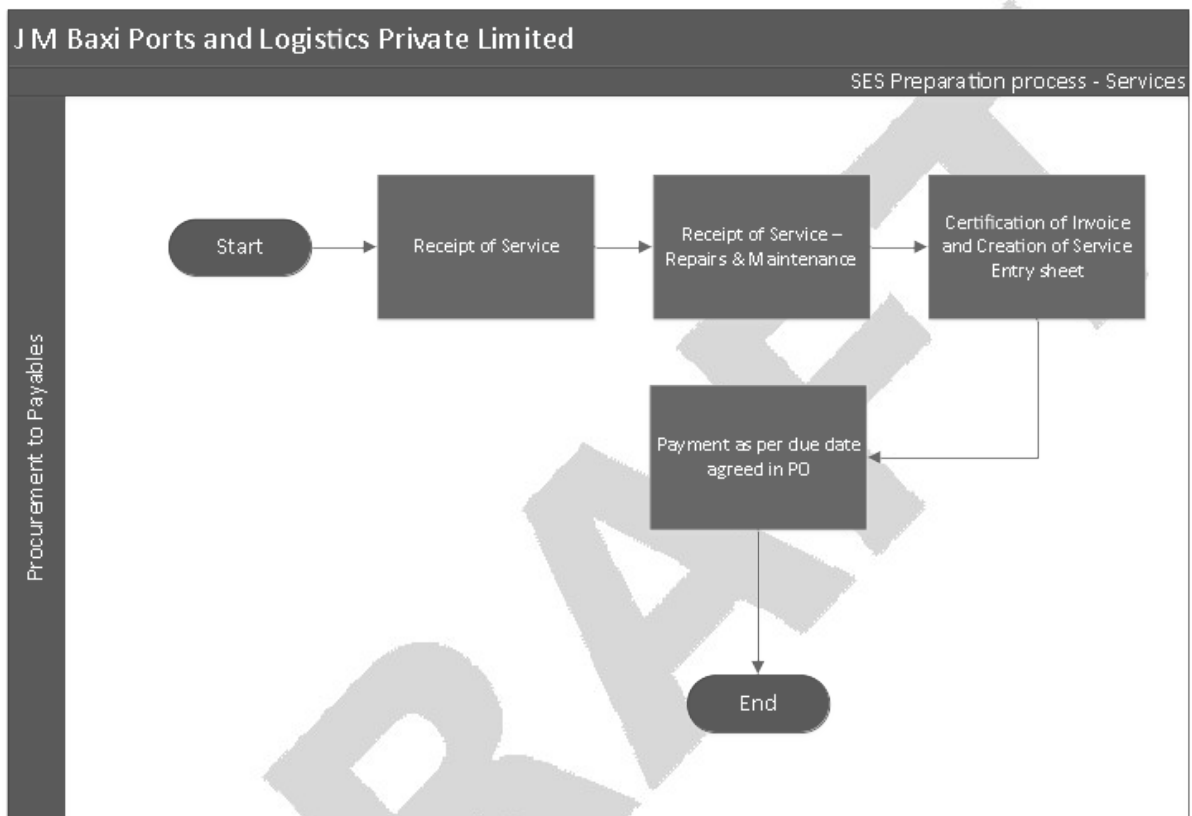| Description	Responsibility	Accountability	Frequency	System / Manual
7.1 Requisition of New Contract/Renewal Based on the service requirement or notice of an expiring contract, EXEC/MANAGER- User department communicates to HOD- User along with detailed scope of contract for approval. Once Approved, EXEC/MANAGER - User forwards the same to HOD - Procurement for initiation. HOD - Procurement assigns to the team for process of initiation of renewing the existing contract or obtaining new offers based on the provided scope. *In case of renewal of contracts SLA/KPI's defined for Vendor needs to be followed which can be defined entity wise by Procurement committee.*	**Exec/Manager-User**	**HOD - User**	**As and when**	**Manual**
7.2 Evaluation of Offers - New Contract For new contracts, Offers are evaluated both technically and commercially as per DOA. Based on the evaluation L1 is selected. *In case of L2/L3 selection, Proper justification needs to be provided on the same and to be reviewed by the Procurement Committee.* *Refer DOA*	**Procurement Committee**	**HOD – User**	**As and when**	**Manual**
7.3 Approval Note and Addendum Preparation and approval EXEC/MANAGER - Procurement prepares approval note for both new and existing contracts based on mutually agreed terms and conditions between the entity and the contractor. For existing contracts,	**Exec/Manager Procurement**	**Business Head**	**As and when**	**Manual**

an addendum will also be prepared. HOD - Procurement reviews and shares to the approval note to the respective departments as per the authority matrix.				
7.4 Issue of Letter of Award (LOA) Once the note is approved, LOA (Letter of Award) is issued to the contractor and a draft agreement is prepared and forwarded to legal department for Vetting via email.	**Exec/Manager-Procurement**	**HOD - Procurement**	**As and when**	**Manual**
7.5 Execution and signing of Agreement Post legal verification of vendor by the Legal team, agreement is executed on stamp paper. The Service Provider and Authorized signatory as per the Board Resolution will sign the agreement. One copy is issued to Service provider and other copy is handed over to Finance & Accounts Team	**Exec/Manager – Finance & Accounts**	**Business Head**	**As and when**	**Manual**
7.6 Tracking of Contract Excel based tracker is maintained for contracts by the User and Procurement department.	**Exec/Manager-Procurement**	**HOD - User**	**As and when**	**Manual**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Contract Compliance Rate	Ensure vendors and internal stakeholders comply with contract obligations.	XX	XX	XX
On-Time Contract Renewal Rate	Avoid service disruptions or lapses due to expired contracts.	XX	XX	XX
Contract Cycle Time	Streamline the contract creation process to improve efficiency.	XX	XX	XX

8. SEN Preparation process – Services

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
8.1 Receipt of Service Once the PO is approved, User initiates the services and entry pass is given to the vendor for providing the service and entering the premises. On completion of service user creates - Manual Service Entry Sheet (SES) based on various services along availed.	**Exec/ Manager - User**	**HOD - User**	**As and when**	**Manual**

8.2 Receipt of Service – Repairs & Maintenance Once the PO is approved, User initiates the services, Returnable Gate Pass (RGP) is created for the materials going out for repairs and Materials is gated out against the same. On completion of service, security Gate In's the material against the RGP. On completion of service Exec- User creates manual Service Entry Sheet (SES) based on various services availed.	**Exec/ Manager - User**	**HOD - User**	**As and when**	**Manua l**
8.3 Certification of Invoice and Creation of Service Entry sheet Upon completion of the work, HOD - User certifies the completion on the invoice issued by the supplier and forwards it to the Procurement Department. EXEC/MANAGER - User creates a Service Entry Sheet (SES) in the system and processes it through the workflow.	**Exec/ Manager - User**	**HOD - User**	**As and when**	**Manua l**
8.4 Payment as per due date agreed in PO Once the SRN is created, Exec/Manager -User forwards the bills to the Exec/Manager - Finance & Accounts for payment as per the agreed terms.	**Exec/ Manager - Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**Manua l**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Service Entry Sheet Processing Time	Ensure timely recording and approval to avoid delays in payment and reporting.	XX	XX	XX
SES Accuracy Rate	Minimize rework caused by incorrect data entry or mismatches with contracts, POs, or invoices.	XX	XX	XX

9. GRN Preparation Process - Material

Process Flow
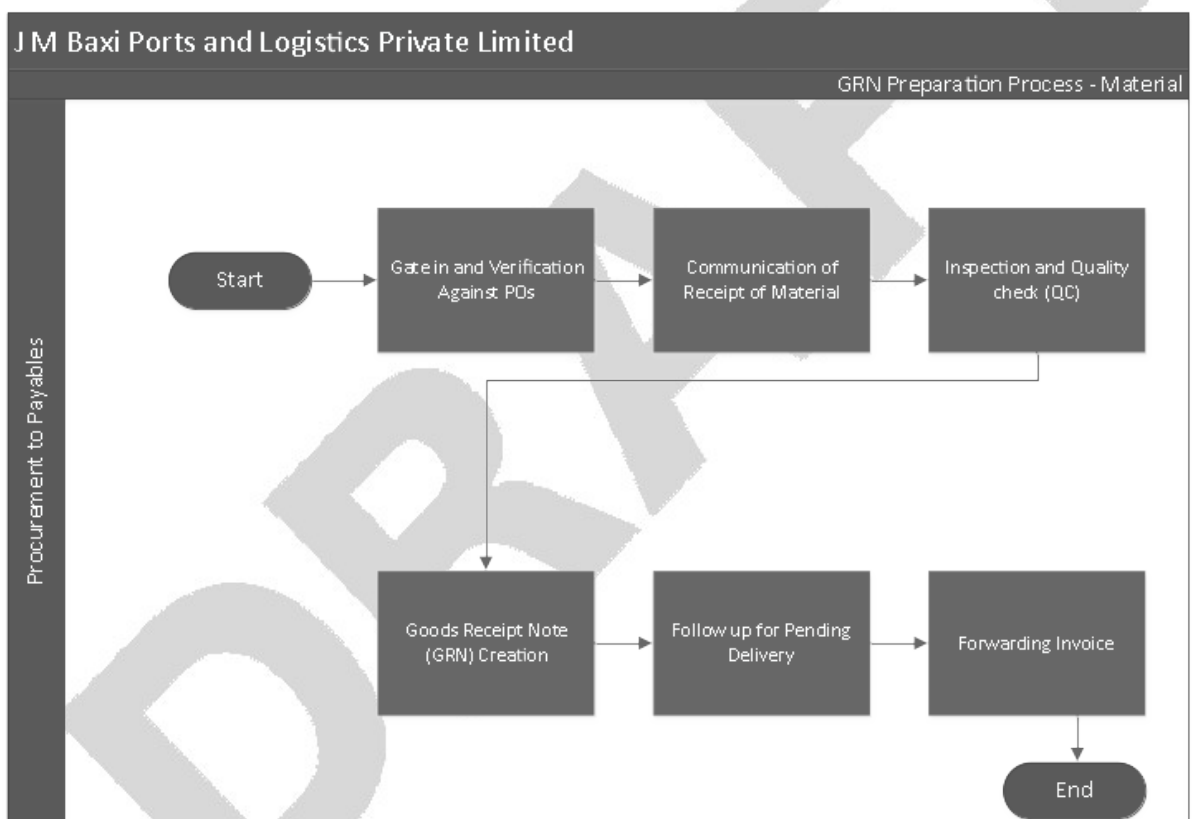
Process Narrative

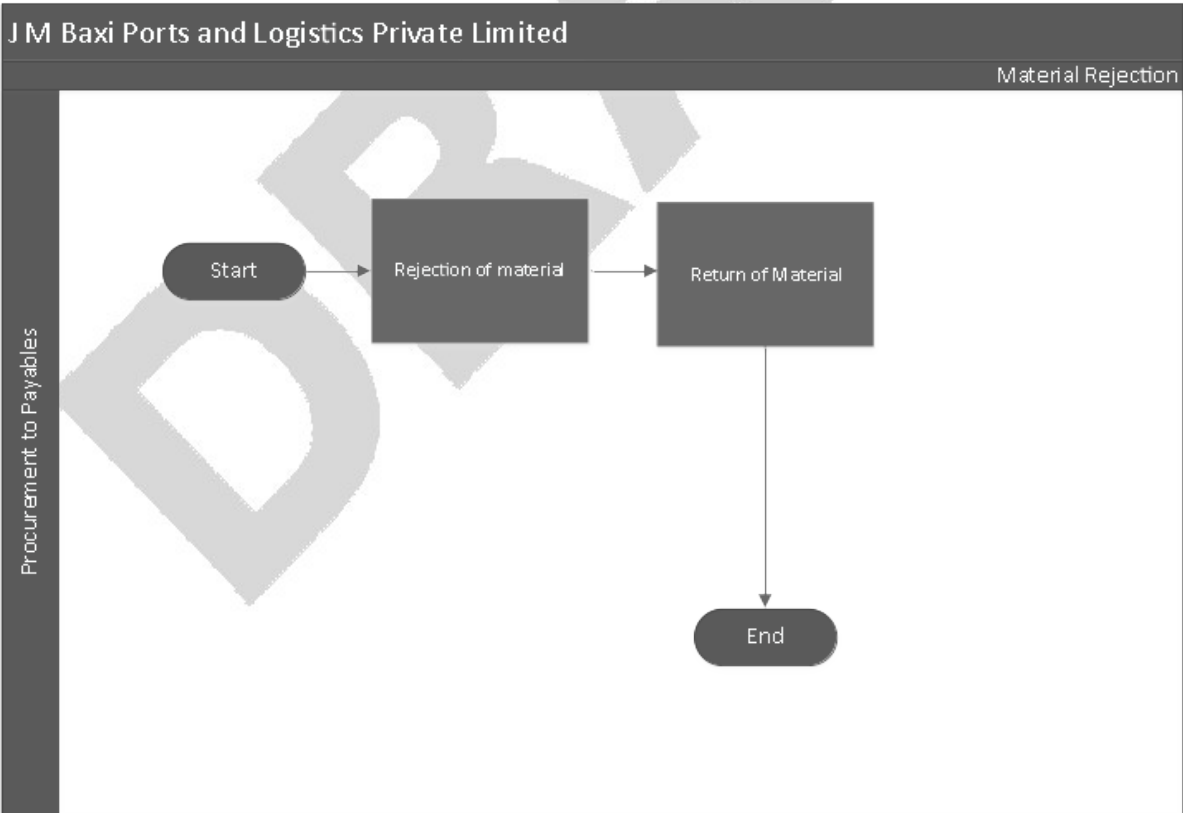| Description	Responsibility	Accountability	Frequency	System / Manual
9.1 Gate in and Verification Against POs	**Security Personnel**	**Exec - Stores**	**As and when**	**System**

The security team selects the gate-in in SAP based on the PO available for the items, supplier, and purchasing group. They verify the details against the invoice and log the inward quantity. A gate-in number is generated based on the line items in the invoice, corresponding to the PO.				
9.2 Communication of receipt of Material On receipt of material, EXEC/MANAGER-Stores will assign location and send an email communication to User department for Inspection and Quality check.	**Exec/Manager - Stores**	**HOD - User**	**As and when**	**Manual**
9.3 Inspection and Quality check (QC) EXEC/MANAGER - User conducts Inspection and Quality to ensure material is received as per the specifications. Post which, intimation is given to EXEC/MANAGER-Stores	**Exec/Manager - User**	**HOD - User**	**As and when**	**Manual**
9.4 Goods Receipt Note (GRN) creation Based on the confirmation from User department, GRN is created in SAP as per the matrix. *Refer DOA*	**Exec/Manager - Stores**	**HOD - User**	**As and when**	**System**
9.5 Follow up for pending delivery. EXEC/MANAGER - Procurement generates the Purchase Register report from SAP for pending deliveries. Follow-up with the supplier is conducted through calls and emails to ensure timely delivery.	**Exec/Manager - Procurement**	**HOD - Procurement**	**As and when**	**Manual**
9.6 Forwarding of Invoice Once GRN is completed, Invoices are forwarded to EXEC/MANAGER -F&A along with GRN.	**Exec/Manager -Stores**	**HOD- Procurement**	**As and when**	**Manual**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
GRN Processing Time	Ensure timely documentation to avoid delays in inventory updates and payment processing.	XX	XX	XX
Accuracy of GRNs	Minimize discrepancies and improve reliability in procurement records.	XX	XX	XX

10. Material Rejection

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
10.1 Rejection of Material In case of material rejection issues between ordered material and received material, the user rejects the material and the procurement team is notified via email by the EXEC/MANAGER – User.	**Exec/Manager-User**		**As and when**	**Manual**
10.2 Return of Material The vendor is notified of the rejected material via email or call, and a request for its replacement is made.	**Exec/Manager-Procurement**		**As and when**	**Manual**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Material Rejection Rate	Monitor overall rejection levels to evaluate supplier performance and material quality.	XX	XX	XX

11. Vendor Performance Evaluation

Process Flow
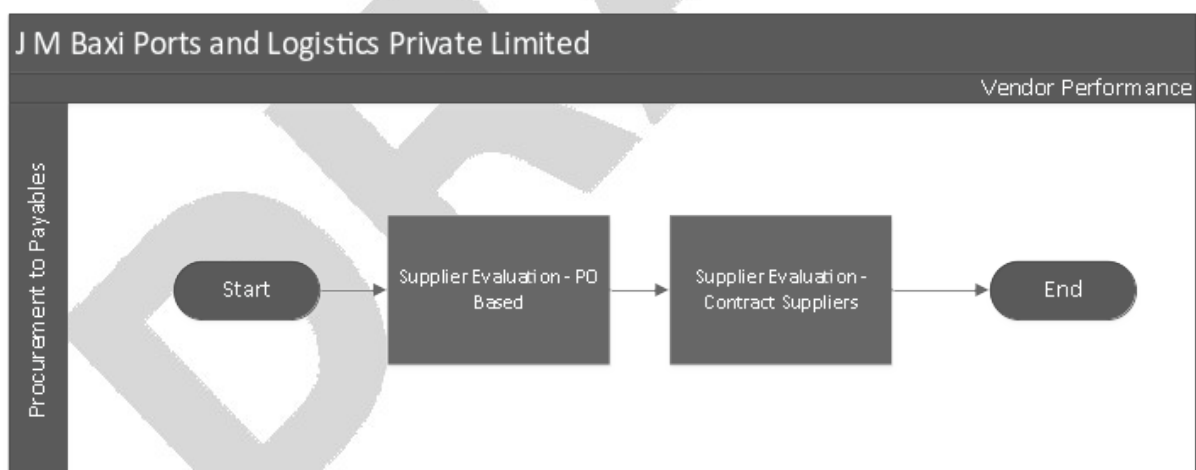
Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
11.1 Supplier Evaluation - PO Based Supplier evaluations are conducted through various KPI's set by	**Exec/Manager-Procurement**	**Procurement Committee**	**Annually**	**System**

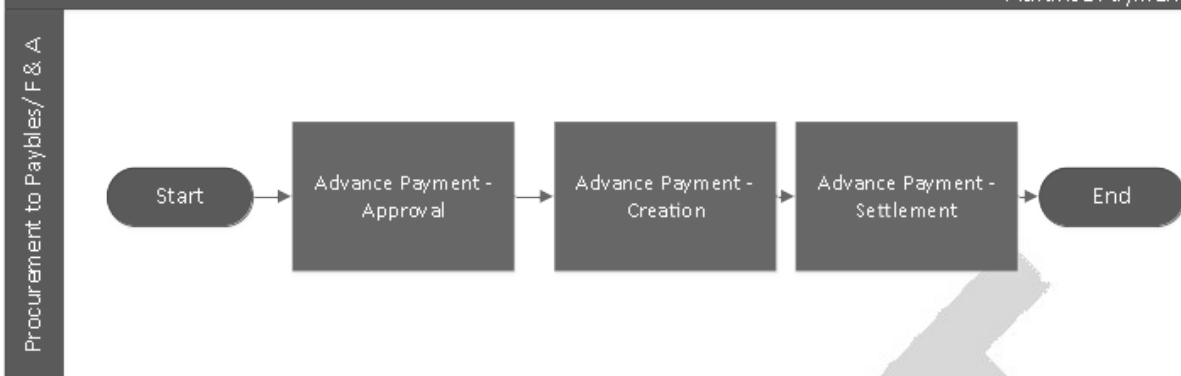|				
Procurement committee of the respective entities such as: - Number of Complaints received - Safety Violence Instances - Conformity to SLA's -Cost Competitiveness -ESG Based on these suppliers is notified to take corrective action. Continued failure to improve may lead to the supplier being marked as inactive in the database.				
11.2 Supplier Evaluation - Contract Suppliers Vendor evaluations are conducted using evaluation forms provided by the Operations and Engineering teams. These evaluations are performed after the services are rendered and before contract renewal, with the results serving as the basis for deciding whether to continue working with the vendor on the various KPI's set by Procurement committee of the respective entities such as: - Number of Complaints received - Safety Violence Instances - Conformity to SLA's -Cost Competitiveness	**Exec/Manager-Procurement**	**Procurement Committee**	**As and when**	**Manual**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
On-Time Delivery Rate	Evaluate the vendor's reliability in meeting deadlines.	XX	XX	XX

7.
8.
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12. Advance Payment

Process Flow

J M Baxi Ports and Logistics Private Limited

Advance Payment

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
12.1 Advance Payment - Approval All the advance payments are approved on email as per the authority matrix based on the PO terms. *Refer DOA*	**Exec/ Manager-Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**Manual**
12.2 Advance Payment - Creation Once Proforma Invoice (PI) is shared by Vendor, EXEC/MANAGER - Procurement Down Payment request is created against the invoice to the vendor for the payment.	**Exec/ Manager-Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**
12.3 Advance Payment - Settlement Down Payment request pop up comes into EXEC/MANAGER- personnel and based on which the accounting entry is passed for advance payment and is reviewed by MANAGER - Procurement. Post the authorization the same is routed for payment. The advance is netted off in SAP once the original invoice is received from the procurement/Stores department on receipt of Goods/Services. Exec – Procurement Books the Invoice against the Advance.	**Exec/ Manager-Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**

12.
13. Invoice Processing

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
13.1 Invoice booking - Material Upon receiving the invoice from the MANAGER - Stores, it is matched with the GRN and PO. After verification, EXEC/MANAGER - F&A parks the invoice in SAP. Any discrepancies between the invoice, PO, and GRN are resolved through discussions with the MANAGER - Procurement	**Exec/ Manager-Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**
13.2 Invoice booking – Services	**Exec/ Manager-**	**HOD – Finance & Accounts**	**As and when**	**System**

After obtaining work completion certificate and certified supplier invoice from EXEC/MANAGER -user, EXEC/MANAGER-F&A parks the entry in SAP	**Finance & Accounts**			
13.3 Invoice booking – Contracts The HOD-User certifies the invoices after verifying the rates against the agreement and forwards them to the EXEC/MANAGER- F&A team. Following their verification, the invoice is parked in SAP. The invoice is reviewed by MANAGER/HOD - F&A and posted in the system.	**Exec/ Manager-Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Invoice Processing Time	Minimize delays in processing to improve cash flow and supplier relations.	XX	XX	XX
Invoice Accuracy Rate	Ensure that invoices are accurate to avoid delays, disputes, and overpayments.	XX	XX	XX

14. Payment to Vendors

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
14.1 Approval for Payment Based on the creditors ageing report, working for payment is prepared with details such as - Vendor name - Bank name - Account number, - IFSC code - Amount. The same is forwarded to HOD- F & A for approval.	**Exec/ Manager-F&A**	**HOD – Finance & Accounts**	**As and when**	**Manual**
14.2 Payments through Banking portal	**Exec/ Manager-**	**HOD – Finance &**	**As and when**	**Manual**

Preparation of bank template: EXEC/MANAGER - F&A will prepare the excel bank template with the details such as - Vendor name - Bank name - Account number, - IFSC code - Amount. This details provided to AM Treasury who upload this template to banking portal. Uploading of Template: AM/ AGM treasury will login to the banking portal and upload the template after OTP authentication on the registered number. Approval of Template: HOD- F&A will approve the template after OTP authentication on the registered number.	**F&A**	**Accounts**		
14.3 Payments through mandate **Preparation of Mandates:** Manager / AGM Treasury prepares payment advice and payment mandates and sends for signature of authorized signatories as per the matrix. **Approval of Mandates:** Signed payment advice and mandates are sent to bank for payment via authorized email along with physical copy.	**Manager / AGM - Treasury**	**HOD – Finance & Accounts**	**As and when**	**Manual**
14.4 Payment Processing Based on the Payment Mandates and Template, payment will be processed by the bank and details will be shared with the Finance team.	**Exec/ Manager-F&A**	**HOD – Finance & Accounts**	**As and when**	**Manual**
14.5 Accounting Post review of the bank statement, payment entry is posted in SAP.	**Exec/ Manager-F&A**	**HOD – Finance & Accounts**	**As and when**	**System**

Key Performance Indicators (KPI's)

Attribute	Objective	Base Line	Target	Action Plan
Invoice Processing Time	Minimize delays and streamline the payment process	XX	XX	XX
Payment Error Rate	Reduce errors to avoid disputes and maintain financial accuracy.	XX	XX	XX

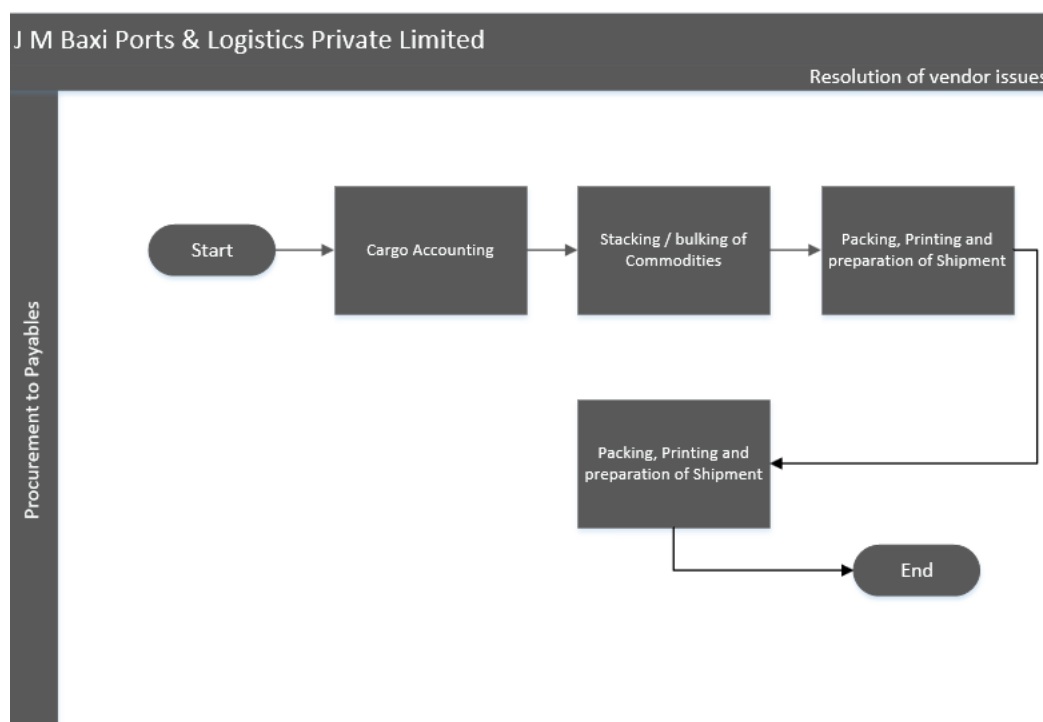## 15. Aged Payables Monitoring

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
15.1 Delayed Payments Monitoring Generation of Ageing Report: EXEC – Finance & Accounts will generate regular reports to track aging invoices, categorize them (e.g. 30, 60, 90 days overdue), and identify any discrepancies	**Executive/ Manager – Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**

and shares it with the HOD – Finance & Accounts and HOD – Procurement for review. Communication to Vendor: Any delay caused by vendor fault and are beyond the control of the company (e.g., late shipments, defective products, non-compliance with agreed terms) must be documented in writing and communicated to vendor expecting clear reason for the delay, including a revised delivery timeline or explanation for the delay. *The vendor ageing report should be reviewed monthly to identify vendors with significant overdue invoices. If an invoice remains unpaid due to a vendor fault (e.g., late delivery), this must be flagged for further investigation.*				
15.2 Aged Payables - MSME Vendors MSME Vendor Tagging: At the time of creation of the vendor, Exec/Manager - Finance & Accounts obtains confirmation from vendor for MSME and collects details along with the MSME certificate. The same is forwarded to Exec - MDM for Vendor Master creation and they are flagged in SAP. Subsequently, on an annual basis Exec/Manager - Finance & Accounts rolls put MSME confirmations to all the MSME vendors to re confirm their status of MSME. In absence of any response from the vendor, the same is considered as a Non MSME in the Vendor list and intimated to MDM for removal of flagging in SAP after approval from HOD - Finance & Accounts. Aged review & monitoring: On daily basis Exec/Manager - Finance & Accounts extracts the payments due, HOD - Finance & Accounts reviews the same to ensure the payments are made as per Section 15 of MSME Act (Payment to	**Executive / Manager – Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**

MSME vendor shall be made within 45 days from the date of good receipt). On monthly basis a report is submitted by HOD – Finance & Accounts with respect to MSME overdue and delayed payment during the month to Group CFO and VP – Accounts & Taxation along with reasons.				
15.3 Aged Payables Monitoring - GST Specific Payment of GST Component: EXEC/MANAGER - Finance & Accounts reviews the GSTR 2A before processing the GST payment to the vendor. EXEC/MANAGER initiates the GST payment in the subsequent pay cycle after confirming Input Tax Credit (ITC) in GSTR 2A. Payment of Invoice: The EXEC/MANAGER ensures that all undisputed vendor payments are made within 180 days from the invoice date to prevent the reversal of the availed ITC. In such cases the vendor must issue a credit note or a revised invoice.	**Executive / Manager – Finance & Accounts**	**HOD – Finance & Accounts**	**As and when**	**System**

16. Resolution of Vendor Issues

Process Flow

Process Narrative

Description	Responsibility	Accountability	Frequency	System / Manual
16.1 Identification of issues and assessment of the impact EXEC-User department identifies the issues with Vendor such as incorrect Invoice, Delay in service etc. considering financial and operational impact.	**Exec – User Department**	**HOD - User**	**As and when**	**Manual**
16.2 Initiate Communication EXEC-User department communicates with the Vendor regarding the issue.	**Exec – User Department**	**HOD - User**	**As and when**	**Manual**
16.3 Response from the Vendor HOD – User department analyzes the response wrt issues from the Vendor and in case any documents are provided by the vendor in support of justification then review all documents related to the issue, such as contracts, service level agreements	**HOD – User Department**	**HOD - Operations**	**As and when**	**Manual**

(SLAs), purchase orders, or shipping records etc				
16.4 Negotiate Terms HOD – Operations and Business Head will have the final decision in resolving the issue.	**HOD - Operations**	**Business Head**	**As and when**	**Manual**
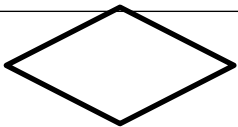
Key Performance Indicators (KPI's)

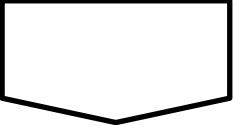| Attribute	Objective	Base Line	Target	Action Plan
On-Time Delivery Rate	Evaluate the vendor's reliability in meeting deadlines.	XX	XX	XX

Definitions:

1. **Company/ Entity:** Any references/ mention of "entity" or "company" in the SOP refers to "J M Baxi Group."

2. **Procurement Committee:** Procurement committee shall consist of two groups i.e., Technical Purchase committee and Commercial Purchase committee.

   i. **Technical Committee:** Technical committee shall consist of at least two members i.e., Head of user department and Head of Purchase or "In charge" of Purchase.

   ii. **Commercial Purchase Committee:** Commercial Purchase committee shall consist of at least four members namely Head Purchase, Head Finance, HOD from any other department (Independent) and Terminal Head.

Symbols/ legends used in flowcharts.

(rounded rectangle)	Start/End
(rectangle)	Manual process activity
(diamond)	Decision/possibility/alternative

	Alternate process
	Process connecting in same page
	Process connecting in other page
	Output document
→	Flow direction