

Document 2: Procurement Policy

Title: Procurement and Purchase Policy

Department: Operations - Procurement

Effective Date: April 1, 2024

Document ID: OPS-PROC-2024-002

1. Purchase Approval Matrix

Capital Expenditure (CAPEX):

₹0-₹50,000: Manager approval

₹50,001-₹2,00,000: Department head approval

₹2,00,001-₹10,00,000: Finance controller approval

Above ₹10,00,000: CEO approval

Operating Expenditure (OPEX):

Monthly recurring <₹25,000: Auto-approved

₹25,001-₹1,00,000: Manager approval

Above ₹1,00,000: Procurement committee approval

Special Approvals:

Software licenses: IT security review mandatory

Marketing expenses: CMO approval

R&D equipment: CTO approval

2. Procurement Process

Requisition to Purchase Order:

Create PR in SAP/Procurement portal

Technical/commercial evaluation

Quotation from at least 3 vendors

Comparative statement

PO generation

Goods receipt

Invoice processing

Lead Times:

Stationery: 1 business day

IT equipment: 3-5 business days

Furniture: 10-15 business days

Specialized equipment: 4-6 weeks

3. Vendor Payment Terms

Standard Terms:

Indian vendors: Net 45 days

International vendors: Net 30 days

Advance payment: Max 25% for orders >₹5 lakhs

Performance guarantee: 5% for 6 months

Payment Process:

Invoice submission within 7 days of delivery

Three-way matching: PO, GRN, Invoice

Payment run: Every Tuesday and Thursday

Early payment discount: 2% if paid within 15 days

4. Inventory Management

Stock Levels:

High consumption items: 15-day buffer

Medium consumption: 7-day buffer

Low consumption: Reorder point system

Obsolete inventory: Quarterly review

Stock Verification:

Physical verification: Quarterly

System reconciliation: Monthly

Discrepancy reporting: Within 24 hours

Write-off approval: Finance controller