

9. PROCUREMENT & STORES



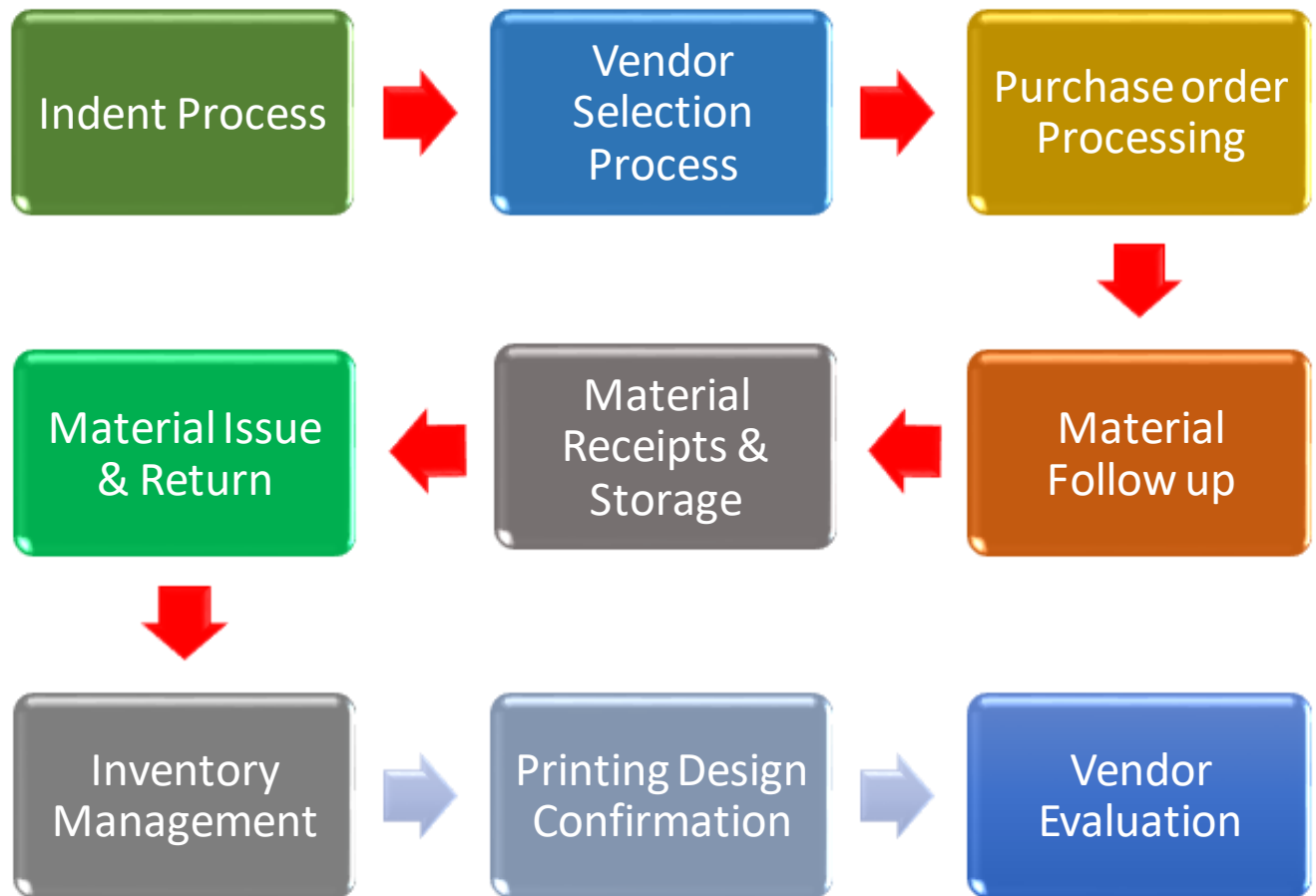
9. PROCUREMENT & STORES

PROCESS SUMMARY

Objective:

- To purchase the right materials at right time and at right price
- To ensure timely availability of materials to Packing, Maintenance, Processing & General Activities

Process Overview:



Process beginning:

- Purchase Indent Process

Process ending:

- Vendor Evaluation

Key Inputs

Particulars	From	Document Code
Business Plan	Sales	S&M/COM/001
Maintenance Schedule	Maintenance	MNT/COM/002
Purchase Requisition	Respective Department	PRO/COM/002
Vendor Quotes & Sample	Vendor	-
Gate Pass	Security	PRO/COM/008
Quality Clearance Report	Internal/External Quality	PRO/COM/011
Material Requisition Slip	Respective Department	PRO/COM/013
Stock Return	Respective Department	PRO/COM/014
Printing Design	S&M	PRO/COM/018
Printing Sample	Vendor	-

Key Outputs

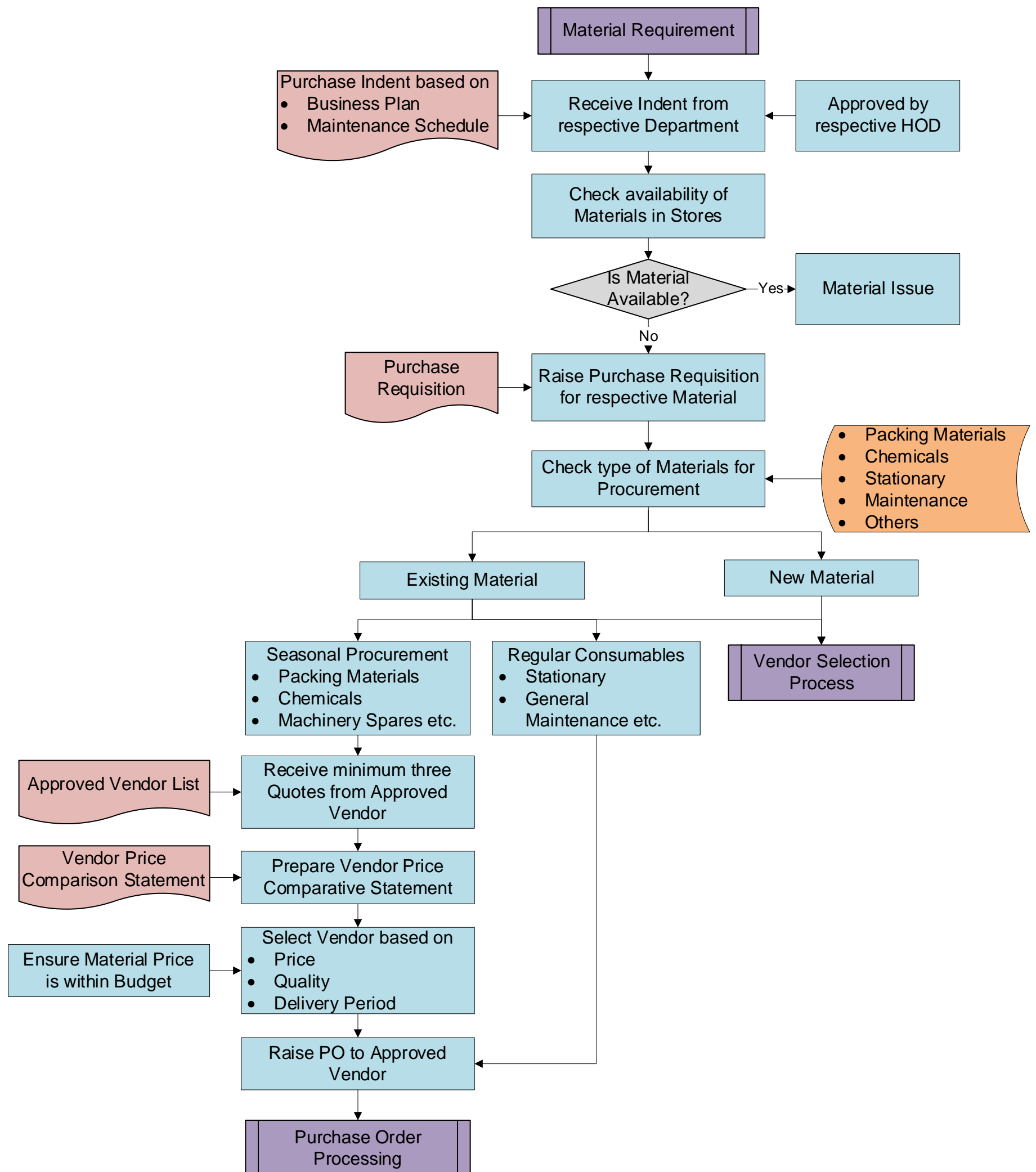
Particulars	To	Document Code
Vendor Comparison Statement	Head – Commercial and PS Cotton	PRO/COM/004
Vendor Agreement	Vendor	PRO/COM/005
Purchase Order	Vendor	PRO/COM/006
Pending PO	Head – Commercial and PS Cotton	PRO/COM/007
GRN	Stores	PRO/COM/012
Stock Verification Report	Accounts	PRO/COM/015
Stock Deviation Report	Accounts, Head – Commercial and PS Cotton	PRO/COM/016
Non-Moving Stock Report	Management	PRO/COM/017
Expiry Stock Report	Management	PRO/COM/019
Vendor Evaluation	Head – Commercial and PS Cotton	PRO/COM/020
Performance Scorecard	Head – Commercial and PS	PRO/COM/021

	Cotton	
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Key Documents / Register / Files

Document / Register Name	Document Format	Document Code
Purchase Indent	Pre-Printed Form	PRO/COM/001
Purchase Requisition	Pre-Printed Form	PRO/COM/002
Approved Vendor List	Excel/System	PRO/COM/003
Vendor Price Comparison Statement	Excel	PRO/COM/004
Vendor Agreement	Word	PRO/COM/005
Purchase Order	Pre-Printed Form	PRO/COM/006
PO Pending Report	Excel/System	PRO/COM/007
Gate Pass	Pre-Printed Form	PRO/COM/008
Third Party Quality Verification Report	Pre-Printed Form	PRO/COM/009
Vendor Bills	External Document	PRO/COM/010
Quality Approval	Pre-Printed Form	PRO/COM/011
Goods Receipt Note	Pre-Printed Form	PRO/COM/012
Material Requisition Slip	Pre-Printed Form	PRO/COM/013
Stock Return Slip	Pre-Printed Form	PRO/COM/014
Stock Verification Report	Excel	PRO/COM/015
Stock Deviation Report	Excel	PRO/COM/016
Non-Moving Stock Report	Excel	PRO/COM/017
Packing Master Design	Corel Draw	PRO/COM/018
Expiry Stock Report	Excel	PRO/COM/019
Vendor Evaluation	Excel	PRO/COM/020
Performance Scorecard	Excel	PRO/COM/021
Vendor Evaluation Report	Excel	PRO/COM/022

9.1 PURCHASE INDENT PROCESS



Sub-process Owner:

Purchase Manager

Departments Involved:

All Departments

Key activities:

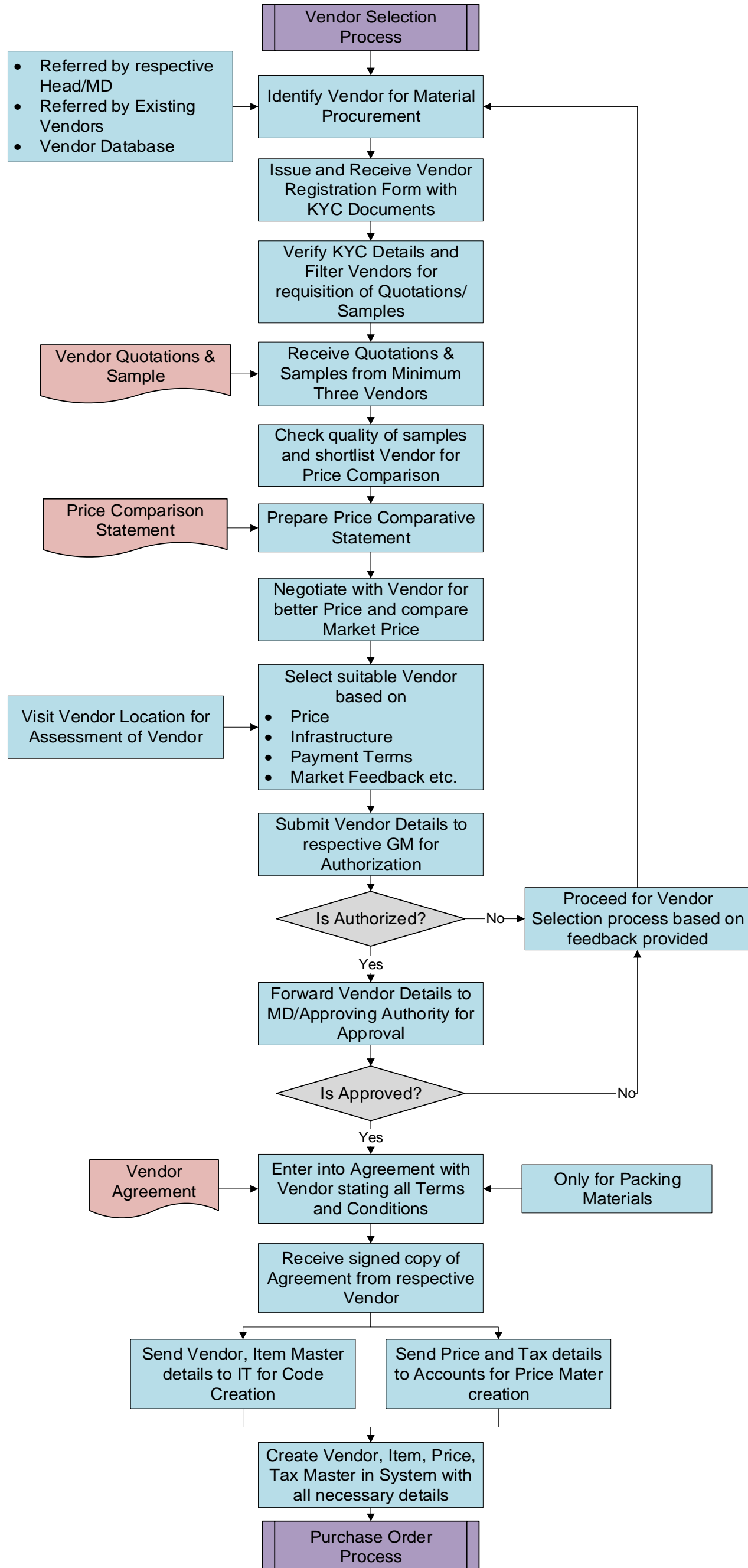
9.1.1 Receiving of Purchase Indent

9.1.2 Raise Purchase Requisition

Process	Maker	Checker	Approver
9.1.1 Receiving of Purchase Indent			
1) Receive Purchase Indent from respective Department based on the following <ul style="list-style-type: none"> • Business Plan • Maintenance Schedule 	Respective Department	Manager Purchase	Respective HOD
2) Check availability of Materials in Stores, on material available, issue to respective Department and receive acknowledgment	Respective Department	Manager Purchase	-
3) On Material not available, raise Purchase requisition	Manager Purchase	Head – Commercial and PS Cotton	-
9.1.2 Raise Purchase Requisition			
1) Raise Purchase Requisition for respective Material	Manager Purchase	Head – Commercial and PS Cotton	-
2) Check following type of Materials for Procurement <ul style="list-style-type: none"> • Packing Materials • Chemicals • Stationary • Maintenance • Others 	-	Manager Purchase	-
3) For existing material: <ul style="list-style-type: none"> ➤ Seasonal Procurement <ul style="list-style-type: none"> • Packing Materials • Chemicals • Machinery Spares etc. ➤ Regular Consumables <ul style="list-style-type: none"> • Stationary • General Maintenance etc. <p>For regular consumables, Raise PO to Approved Vendor</p>	-	Manager Purchase	-

Process	Maker	Checker	Approver
4) For seasonal procurement, Receive minimum three Quotes from Approved Vendor	Manager Purchase	Head – Commercial and PS Cotton	-
5) Prepare Vendor Price Comparative Statement	Manager Purchase	Head – Commercial and PS Cotton	-
6) Select Vendor based on <ul style="list-style-type: none"> • Price (Within Budget) • Quality • Delivery Period 	Manager Purchase	Head – Commercial and PS Cotton	MD/ Approving Authority
7) Raise PO to Approved Vendor	Manager Purchase	-	Head – Commercial and PS Cotton

9.2 VENDOR SELECTION PROCESS



Sub-process Owner:

Manager Purchase

Departments Involved:

Purchase

F&A

IT

Key activities:

9.2.1 Identification of Vendor

9.2.2 Verification of Vendor Profile & KYC

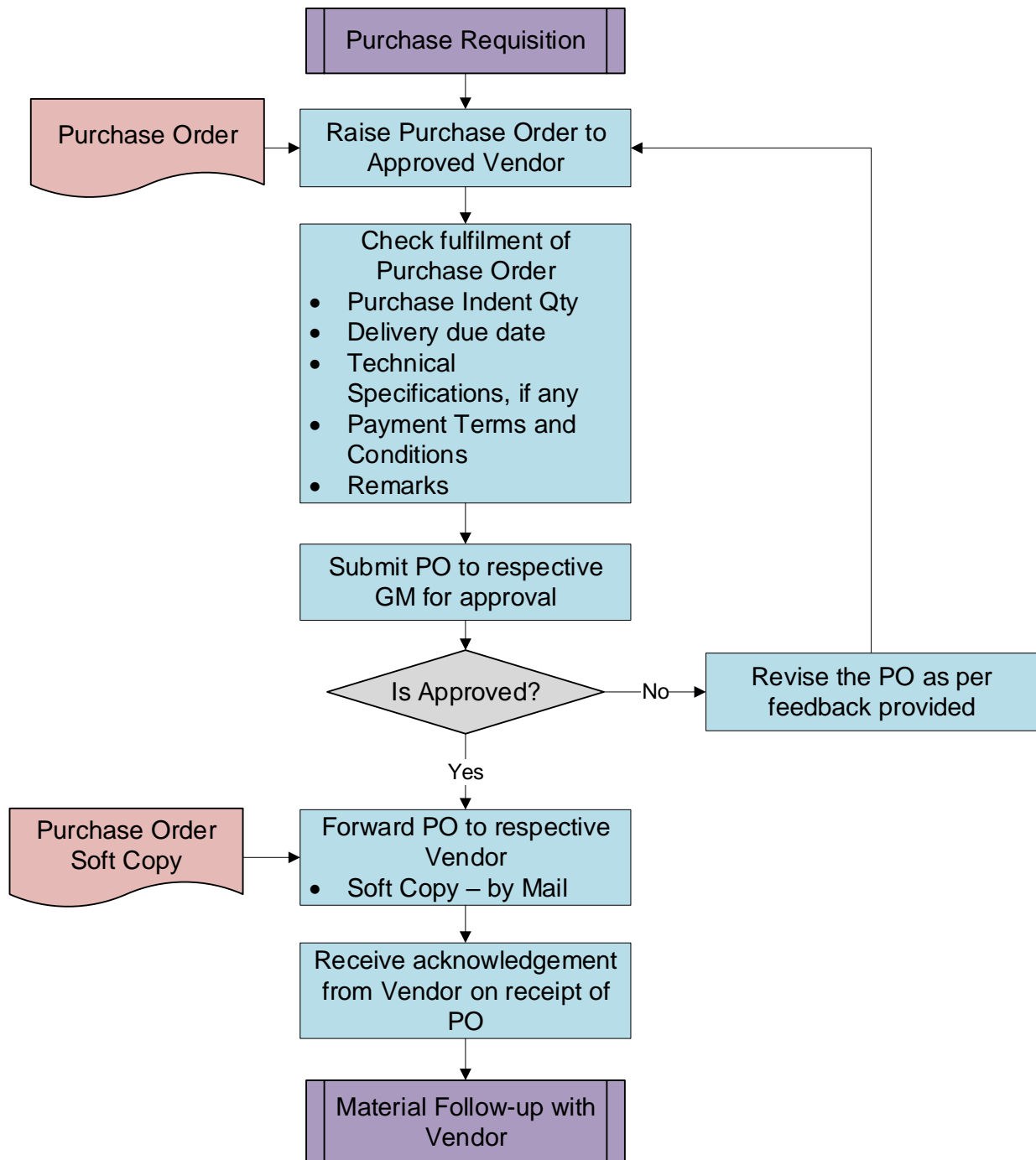
9.2.3 Receive Quotations & Sample

9.2.4 Selection & Approval of Vendor

Activity	Maker	Checker	Approver
9.2.1 Identification of Vendor			
1) Identify Vendor for Material Procurement by the following ways: • Referred by respective Head/MD • Referred by Existing Vendors • Vendor Database	Manager Purchase	Head – Commercial and PS Cotton	-
2) Issue and Receive Vendor Registration Form with KYC Documents	Manager Purchase	Head – Commercial and PS Cotton	-
9.2.2 Verification of Vendor Profile & KYC			
1) Verify KYC Details and Filter Vendors for requisition of Quotations/ Samples	Manager Purchase	Head – Commercial and PS Cotton	-
9.2.3 Receive Quotations & Sample			
1) Receive Quotations & Samples from Minimum Three Vendors	Manager Purchase	Head – Commercial and PS Cotton	-
2) Check quality of samples and shortlist Vendor for Price Comparison	Manager Purchase	Head – Commercial and PS Cotton	-
9.2.4 Selection & Approval of Vendor			
1) Prepare Price Comparative Statement	Manager Purchase	Head – Commercial and PS	-

Activity	Maker	Checker	Approver
		Cotton	
2) Negotiate with Vendor for better Price and compare Market Price	Manager Purchase	Head – Commercial and PS Cotton	-
3) Visit Vendor Location for Assessment of Vendor and select suitable Vendor based on <ul style="list-style-type: none"> • Price • Infrastructure • Payment Terms • Market Feedback etc. 	Manager Purchase	Head – Commercial and PS Cotton	-
4) Submit Vendor Details to respective GM for Authorization	Manager Purchase	-	Head – Commercial and PS Cotton
5) On authorized, Forward Vendor Details to MD/Approving Authority for Approval	Manager Purchase	Head – Commercial and PS Cotton	MD/ Approving Authority
6) In Case of not authorized/approved, Proceed for Vendor Selection process based on feedback provided	Manager Purchase	Head – Commercial and PS Cotton	-
7) Enter into Agreement with Vendor stating all Terms and Conditions only for packing materials	Manager Purchase	Head – Commercial and PS Cotton	-
8) Receive signed copy of Agreement from respective Vendor and Send <ul style="list-style-type: none"> • Vendor, Item Master details to IT for Code Creation • Price and Tax details to Accounts for Price Mater creation 	Manager Purchase	IT/F&A	-
9) Create Vendor, Item, Price, Tax Master in System with all necessary details	IT/F&A	Manager Purchase	-

9.3 PURCHASE ORDER PROCESS



Sub-process Owner:

Purchase Manager

Departments Involved:

All Departments

Key activities:

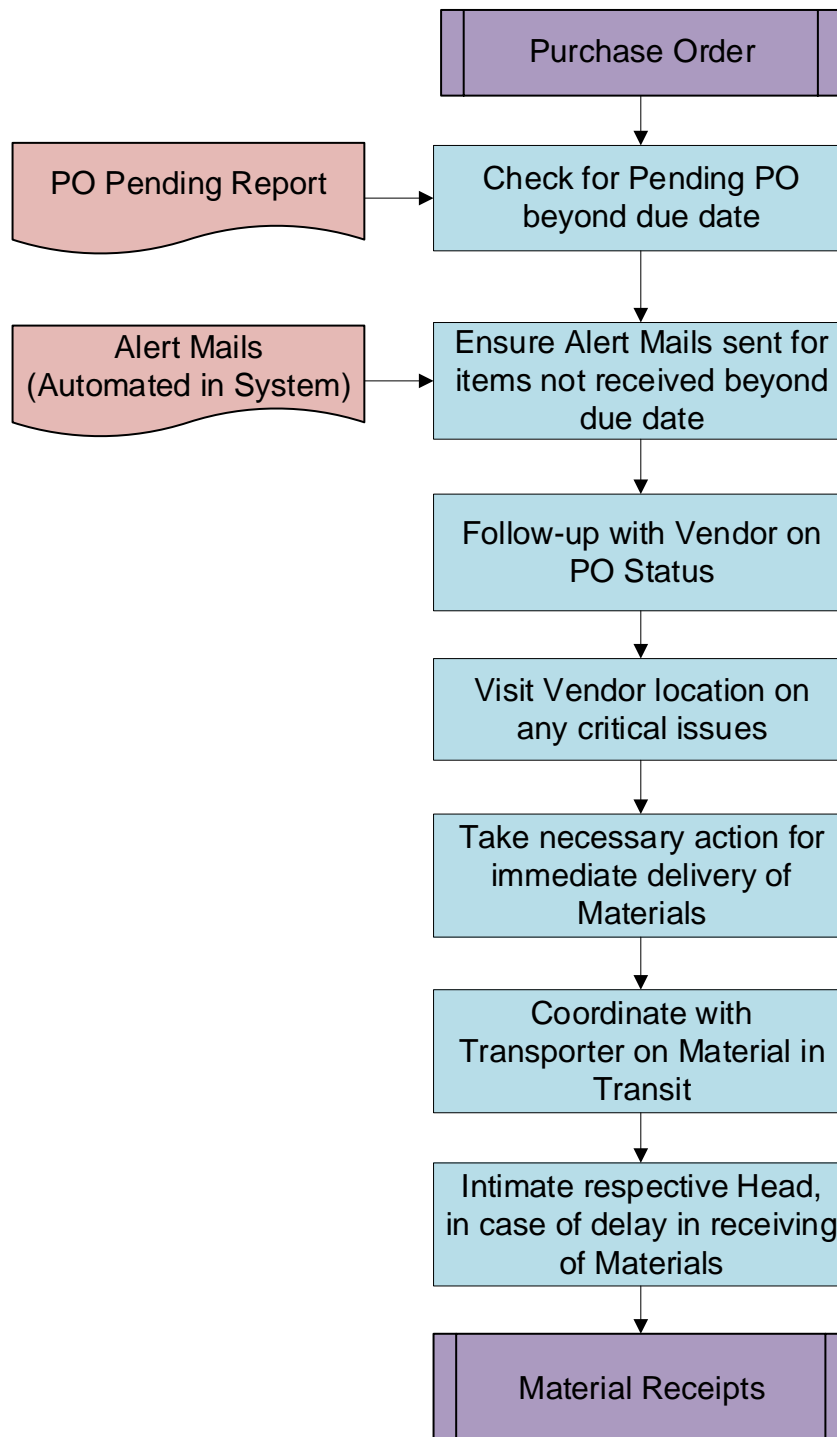
9.3.1 Raise PO

9.3.2 PO Verification & Approval

9.3.3 PO Processing

Activity	Maker	Checker	Approver
9.3.1 Raise PO			
1) Raise Purchase Order to Approved Vendor	Manager Purchase	Head – Commercial and PS Cotton	-
9.3.2 PO Verification & Approval			
1) Check fulfilment of Purchase Order <ul style="list-style-type: none"> • Purchase Indent Qty • Delivery due date • Technical Specifications, if any • Payment Terms and Conditions • Remarks 	Manager Purchase	Head – Commercial and PS Cotton	-
2) Submit PO to respective GM for approval	Manager Purchase	-	Head – Commercial and PS Cotton
3) In case of PO not approved, revise the PO as per feedback provided	Manager Purchase	Head – Commercial and PS Cotton	-
9.3.3 PO Processing			
1) On Approval, forward PO to respective Vendor <ul style="list-style-type: none"> • Soft Copy – by Mail 	Manager Purchase	Head – Commercial and PS Cotton	-
2) Receive acknowledgement from Vendor on receipt of PO	Manager Purchase	Head – Commercial and PS Cotton	-

9.4 MATERIAL FOLLOW-UP WITH VENDOR



Sub-process Owner:

Purchase Manager

Departments Involved:

Purchase

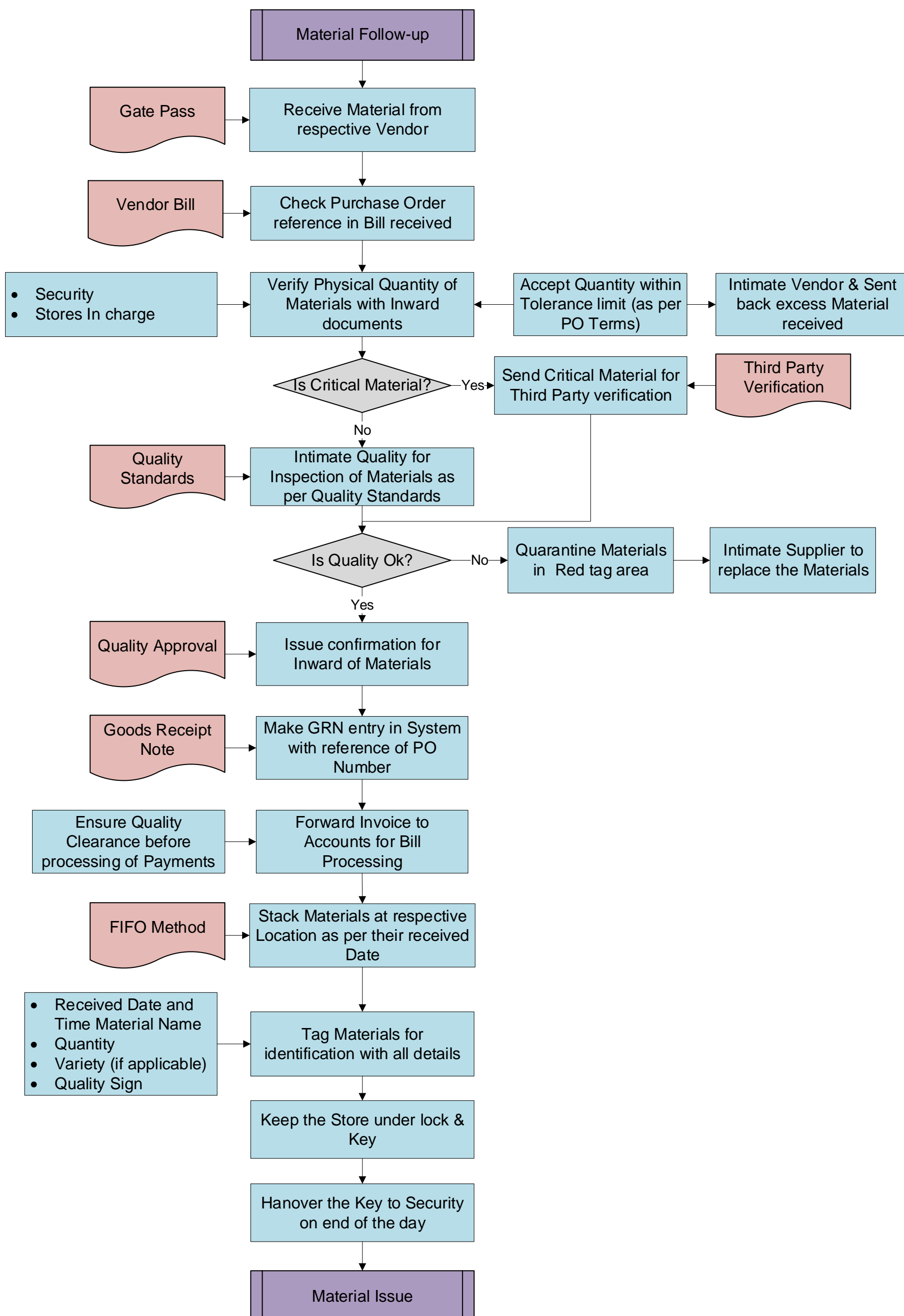
Key activities:

9.4.1 Pending PO's

9.4.2 Material Follow Up

Activity	Maker	Checker	Approver
9.4.1 Pending PO's			
1) Check for Pending PO beyond due date	-	Purchase Manager	-
2) Ensure Alert Mails sent for items not received beyond due date	Manager Purchase	Head – Commercial and PS Cotton	-
9.4.2 Material Follow up			
1) Follow-up with Vendor on PO Status	Manager Purchase	Head – Commercial and PS Cotton	-
2) Visit Vendor location on any critical issues	Manager Purchase	Head – Commercial and PS Cotton	-
3) Take necessary action for immediate delivery of Materials	Manager Purchase	Head – Commercial and PS Cotton	-
4) Coordinate with Transporter on Material in Transit	Manager Purchase	Head – Commercial and PS Cotton	-
5) Intimate respective Head, in case of delay in receiving of Materials	Manager Purchase	Head – Commercial and PS Cotton	-

9.5 MATERIAL RECEIPTS & STORAGE



Sub-process Owner:

Purchase Manager

Departments Involved:

Purchase

Stores

Key activities:

9.5.1 Material Receipts

9.5.2 Quantity and Quality Check

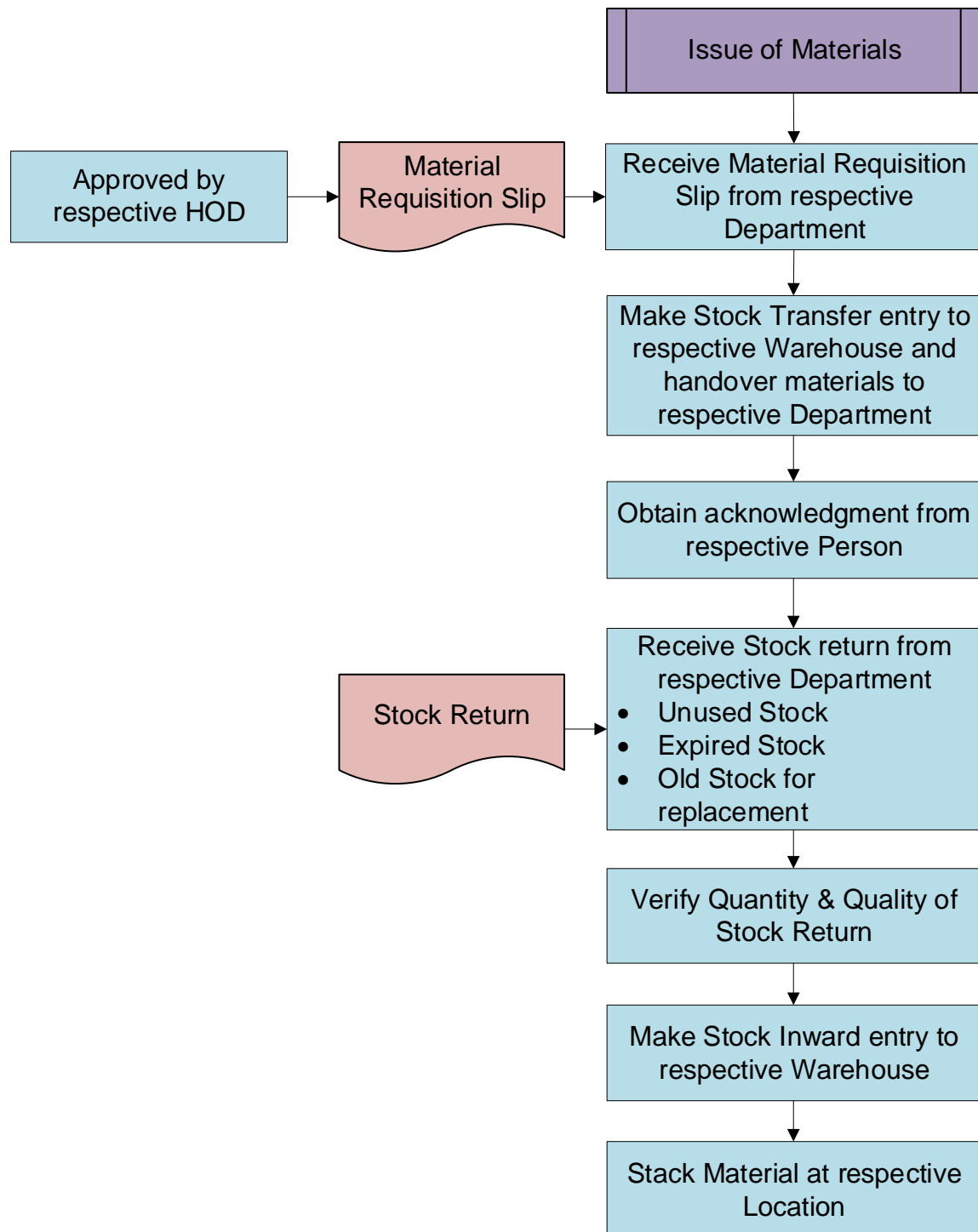
9.5.3 Material Inward

9.5.4 Material Storage

Activity	Maker	Checker	Approver
9.5.1 Material Receipts			
1) Receive Material from respective Vendor with bill and PO reference	Stores In-charge	Manager Purchase	-
2) Check Purchase Order reference in Bill received	-	Manager Purchase	-
3) Accept Quantity within Tolerance limit (as per PO Terms) and Intimate Vendor & Sent back excess Material received	Stores In-charge	Manager Purchase	-
9.5.2 Quantity & Quality Check			
1) Verify Physical Quantity of Materials with Inward documents with the help of security and stores in charge	-	Stores In-charge/ Security	-
2) In case of Non-Critical Material, intimate Quality for inspection of Materials as per Quality Standards	Stores In-charge	Quality (Internal)	-
3) For Critical material, Send material for Third Party verification and check quality	Stores In-charge	Quality (External)	-
4) On Quality rejection, Quarantine Materials in Red tag area and Intimate Supplier to replace the material	Stores In-charge	Manager Purchase	-
5) On Quality clearance, Issue confirmation for Inward of Materials	Stores In-charge	Manager Purchase	-
9.5.3 Material Inward			
1) Make GRN entry in System with reference of PO Number	Stores In-charge	Manager Purchase	-
2) Forward Invoice to Accounts for Bill Processing	Stores In-charge	F&A	-
9.5.4 Material Storage			
1) Stack Materials at respective Location as per their received Date	Stores In-charge	Manager Purchase	-
2) Tag Materials for identification with all detail like • Received Date and Time Material Name	Stores In-charge	Manager Purchase	-

Activity	Maker	Checker	Approver
<ul style="list-style-type: none"> • Quantity • Variety (if applicable) • Quality Sign 			
3) Keep the Store under lock & Key and Handover the Key to Security on end of the day	Stores In-charge	Manager Purchase	-

9.6 MATERIAL ISSUE & RETURN



Sub-process Owner:

Purchase Manager

Departments Involved:

All Departments

Key activities:

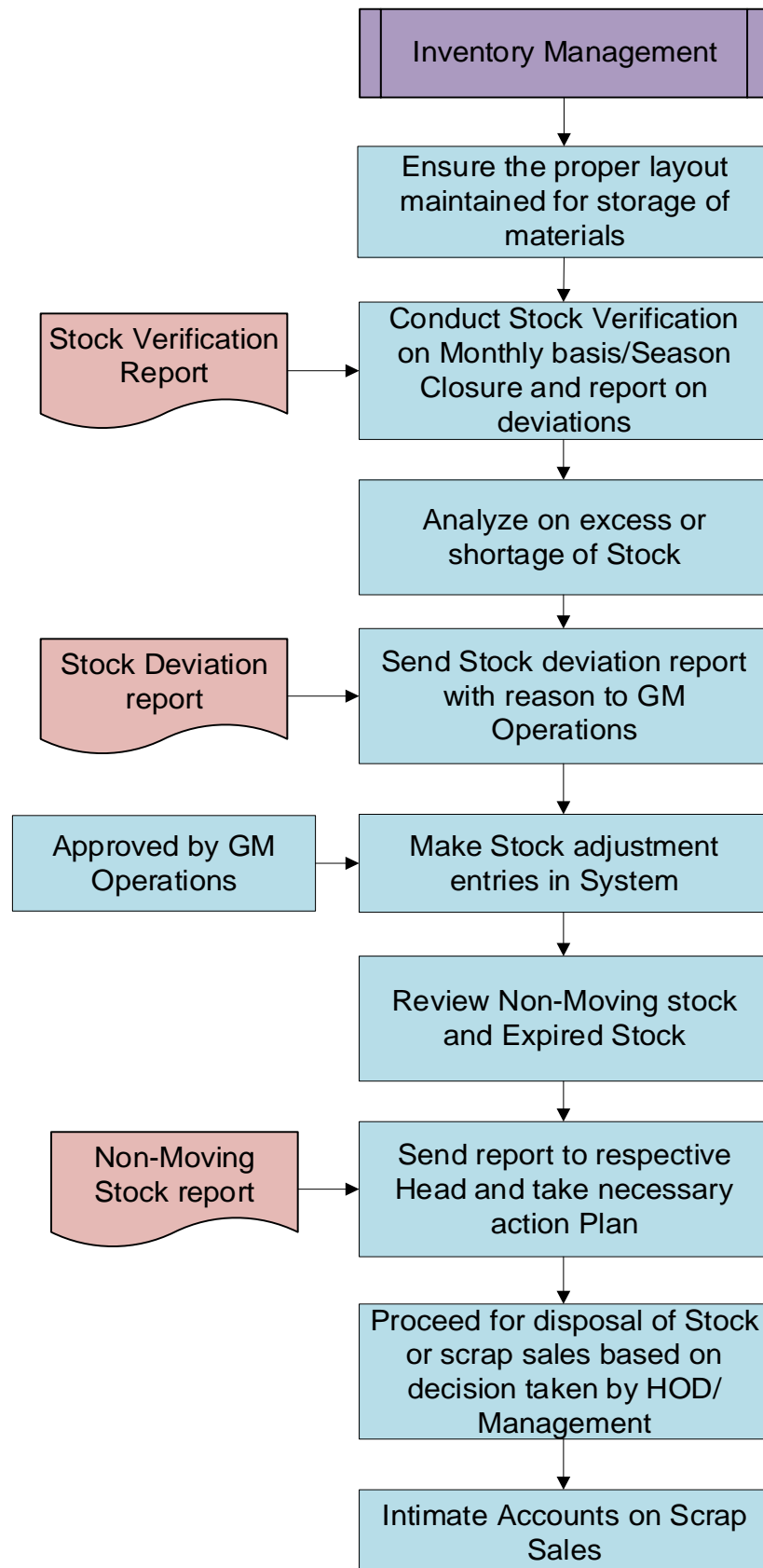
9.6.1 Material Requisition

9.6.2 Material Issue

9.6.3 Stock Return

Activity	Maker	Checker	Approver
9.6.1 Material Requisition			
1) Receive Material Requisition Slip from respective Department	Respective Department	Stores In-Charge	Respective HOD
9.6.2 Material Issue			
1) Make Stock Transfer entry to respective Warehouse and handover materials to respective Department	Stores In-Charge	Purchase Manager	-
2) Obtain acknowledgment from respective Person	Respective Department	Stores In-Charge	-
9.6.3 Stock Return			
1) Receive Stock return from respective Department <ul style="list-style-type: none"> • Unused Stock • Expired Stock • Old Stock for replacement 	Respective Department	Stores In-Charge	-
2) Verify Quantity & Quality of Stock Return	Respective Department	Stores In-Charge	-
3) Make Stock Inward entry to respective Warehouse and Stack Material at respective Location	Stores In-Charge	Purchase Manager	-

9.7 INVENTORY MANAGEMENT



Sub-process Owner:

Stores In-Charge
Purchase Manager

Departments Involved:

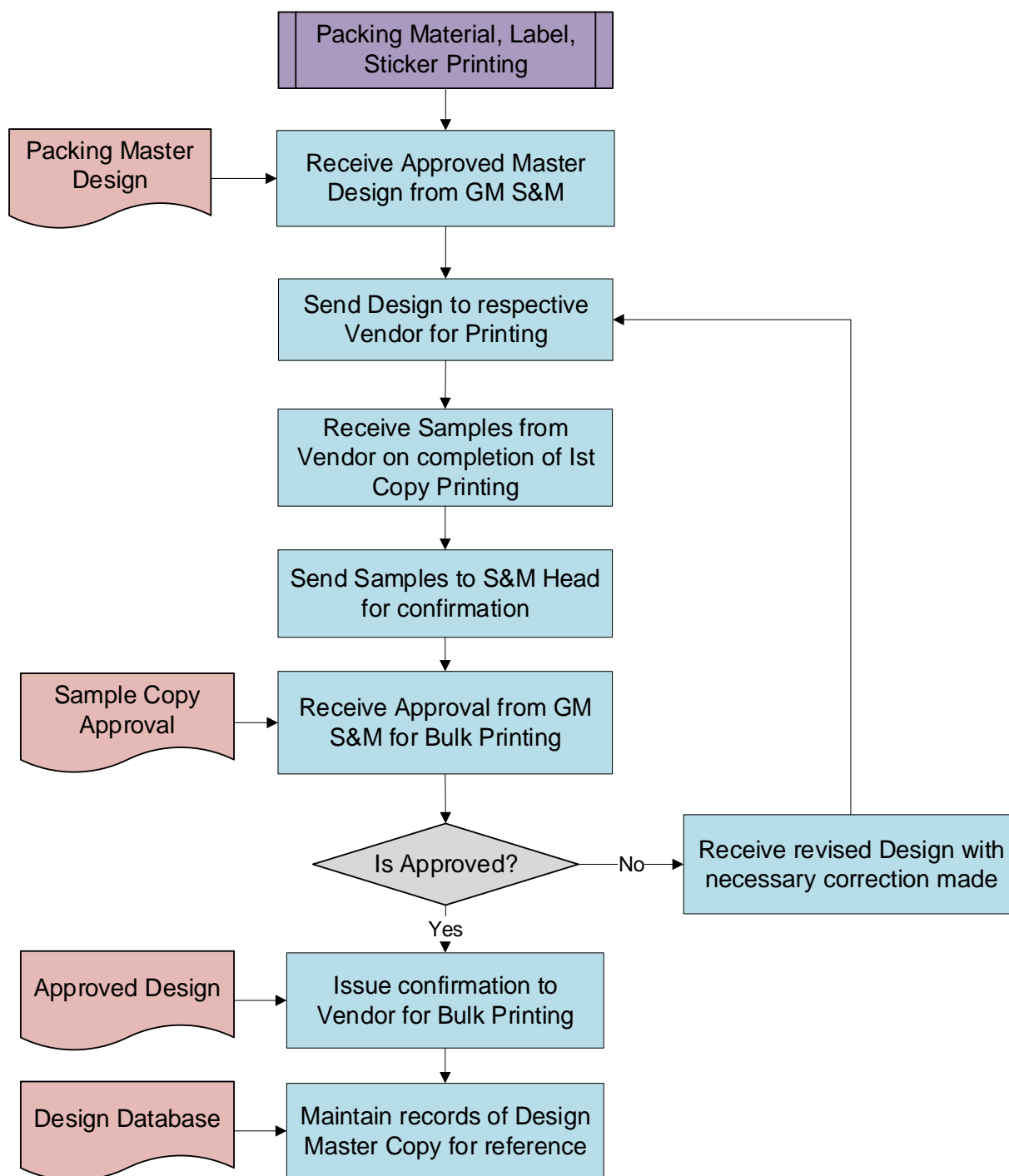
Purchase
Stores

Key activities:

- 9.7.1 Physical Stock Verification
- 9.7.2 Non-Moving & Expiry Stock
- 9.7.3 Stock Disposal & Scrap Sales

Activity	Maker	Checker	Approver
9.7.1 Physical Stock Verification			
1) Ensure the proper layout maintained for storage of materials	Stores In-Charge	Purchase Manager	-
2) Conduct Stock Verification on Monthly basis/Season Closure and report on deviations	Stores In-Charge	Purchase Manager	-
3) Analyze on excess or shortage of Stock and Send Stock deviation report with reason to Head – Commercial and PS Cotton	Purchase Manager	Head – Commercial and PS Cotton/F&A	-
4) After Approved by Head – Commercial and PS Cotton, Make Stock adjustment entries in System	F&A	Purchase Manager	Head – Commercial and PS Cotton
9.7.2 Non-Moving & Expiry Stock			
1) Review Non-Moving stock and Expired Stock	Stores In-Charge	Purchase Manager	-
2) Send report to respective Head and take necessary action Plan	Stores In-Charge	Purchase Manager	-
9.7.3 Stock Disposal & Scrap Sales			
1) Proceed for disposal of Stock or scrap sales based on decision taken by HOD/ Management	Stores In-Charge	Purchase Manager	HOD, F&A, MD
2) Intimate Accounts on Scrap Sales	Stores In-Charge	F&A	-

9.8 PRINTING DESIGN CONFIRMATION



Sub-process Owner:

Purchase Manager

Departments Involved:

Sales & Marketing

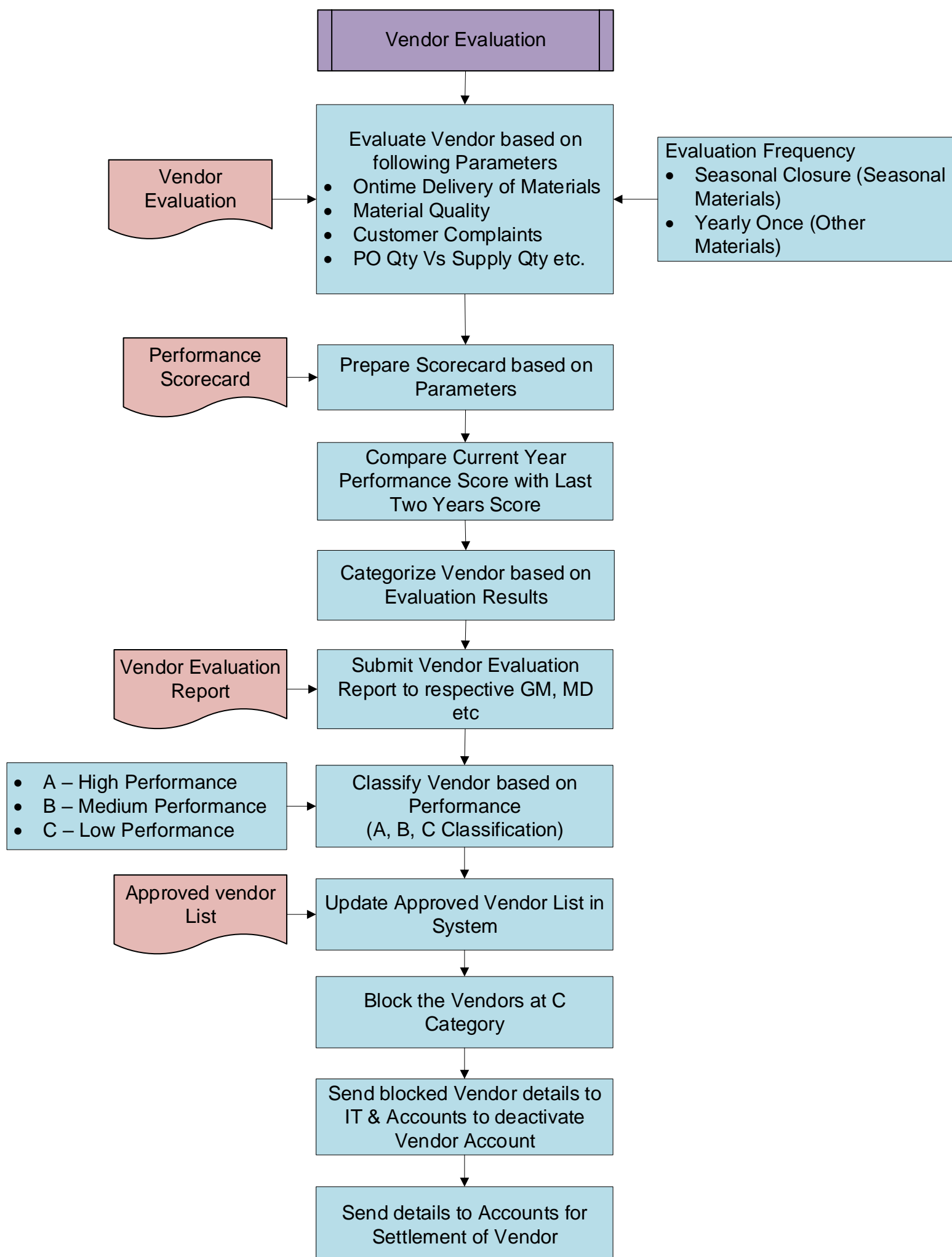
Purchase

Key activities:

9.8.1 Printing Design Confirmation

Activity	Maker	Checker	Approver
9.8.1 Printing Design Confirmation			
1) Receive Approved Master Design from GM S&M	Designer	Manager Purchase	GM S&M
2) Send Design to respective Vendor for Printing	Manager Purchase	GM S&M	-
3) Receive Samples from Vendor on completion of 1st Copy Printing	Manager Purchase	GM S&M	-
4) Send Samples to S&M Head for confirmation	Manager Purchase	-	GM S&M
5) Receive Approval from GM S&M for Bulk Printing	Manager Purchase	-	GM S&M
6) In case of not approved, revise Design with necessary correction made	Manager Purchase	-	GM S&M
7) On approval, Issue confirmation to Vendor for Bulk Printing	Manager Purchase	GM S&M	-
8) Maintain records of Design Master Copy for reference	Manager Purchase	GM S&M	-

9.9 VENDOR EVALUATION



Sub-process Owner:

Manager Purchase

Departments Involved:

Purchase

Key activities:

9.9.1 Vendor Classification

9.9.2 Vendor Closure

Activity	Maker	Checker	Approver
9.9.1 Vendor Classification			
1) Evaluation Frequency <ul style="list-style-type: none"> Seasonal Closure (Seasonal Materials) Yearly Once (Other Materials) 	Purchase Manager	Head – Commercial and PS Cotton	-
2) Evaluate Vendor based on following Parameters <ul style="list-style-type: none"> Ontime Delivery of Materials Material Quality Customer Complaints PO Qty Vs Supply Qty etc. 	Purchase Manager	Head – Commercial and PS Cotton	-
3) Prepare Scorecard based on Parameters	Purchase Manager	Head – Commercial and PS Cotton	-
4) Compare Current Year Performance Score with Last Two Years Score	Purchase Manager	Head – Commercial and PS Cotton	-
5) Categorize Vendor based on Evaluation Results	Purchase Manager	Head – Commercial and PS Cotton	-
6) Classify Vendor based on Performance <ul style="list-style-type: none"> A – High Performance B – Medium Performance C – Low Performance 	Purchase Manager	Head – Commercial and PS Cotton	-
7) Update Approved Vendor List in System and Block the Vendors at C Category	Purchase Manager	Head – Commercial and PS Cotton	-
9.9.2 Vendor Closure			
1) Send blocked Vendor details to IT & Accounts to deactivate Vendor Account	Purchase Manager	IT	Head – Commercial and PS

Activity	Maker	Checker	Approver
			Cotton
2) Send details to Accounts for Settlement of Vendor	Purchase Manager	Accounts	Head – Commercial and PS Cotton