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**1.0 PURPOSE :**

1.1 To ensure that materials to be purchased are purchased from Supplier having reputation by way of supplying reliable, cost effective, good quality material, process & services.

1.2 Material to be purchased are adequately specified with complete detailed description, inspection instructions, and other technical data which will fulfill the requirements of production.

**2.0 SCOPE :**

All raw material, components, sub-semblies and services required to be procured from suppliers for manufacturing.

**3.0 REFERENCES :**

- PU00 - 402 Format - "Purchase Order".
- PU00 - 404 Format - "Supplier Information Form".
- PU00 - 405 Format - "Supplier Assessment Form".
- PU00 - 406 Format - "Supplier Performance Register".
- PU00 - 407 Format - "Approved Supplier Register".
- PD00 - 410 Format - "Production Schedule".
- PDXX - 505 List - "Parts List (Products)".
- HS00 - 301 Work Instruction - "Work instruction for Material Handling, Storage and Preservation"
- HS00 - 401 Format - "Stores Receipt Note".
- HS00 - 402 Format - "Delivery Challan (Stores)".
- HS00 - 405 Format - "Stores Receipt Register".
- HS00 - 406 Format - "Material Processing Slip".
- HS00 - 408 Format - "Stores Requisition Slip"
- HS00 - 419 Format - "Memo Security"
- IT00 - 401 Format - "Incoming / Inprocess Rejection Slip".
- IT00 - 402 Format - "Verification Report for Outsourced Process"
- IT00 - 405 Format - "Sample Evaluation Report".
- IT00 - 601 Chart - "Quality Plan for Receiving Inspection"
- PU00 - 408 Format - "Summary of Received Material Acceptance"
- PU00 - 409 Format - "Summary of Correct Issues"
- PU00 - 410 Format - "Summary of On-Time complete issues"
- PU00 - 411 Format - "Summary of Supplier Performance"

**4.0 ANNEXURES :**

- Annexure A - Process Maps & Flow-Charts
- Annexure B - Records Table
- Annexure C - Guidelines



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**Annexure A - PROCESS MAPS & FLOW-CHARTS**

|   |   |   |
|---|---|---|
| <b>Process Owner :</b><br>• Head Purchase | <b>Process Controls :</b><br>Guide lines (Annexure 'C') | <b>Process Goals (Targets) :</b><br>• 95% acceptance of received material<br>• No wrong / discrepant issues in 95%of lots<br>• No shortage in any item for 90% of Production lots |
|---|---|---|

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|---|--|---|
| <b>Process Inputs :</b><br>• Production Schedule / Parts List<br>• Material requisition | <b>Process Name :</b><br>A1<br><u>Purchasing</u> | <b>Process Outputs :</b><br>• Stores Receipt Note<br>• Material Processing Slip |
|---|--|---|

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|--|---|--|
| <b>Process Verification :</b><br>• Through Auditing and Process Performance Measures | <b>Process Resources (Means):</b><br>• Computer Stock | <b>Process Measures (Metrics) :</b><br>• Number of rejected supplies (PU00-408)<br>• Number of wrong / discrepant issues (PU00-409)<br>• Number of items short in each Production lot (PU00-410) |
|--|---|--|

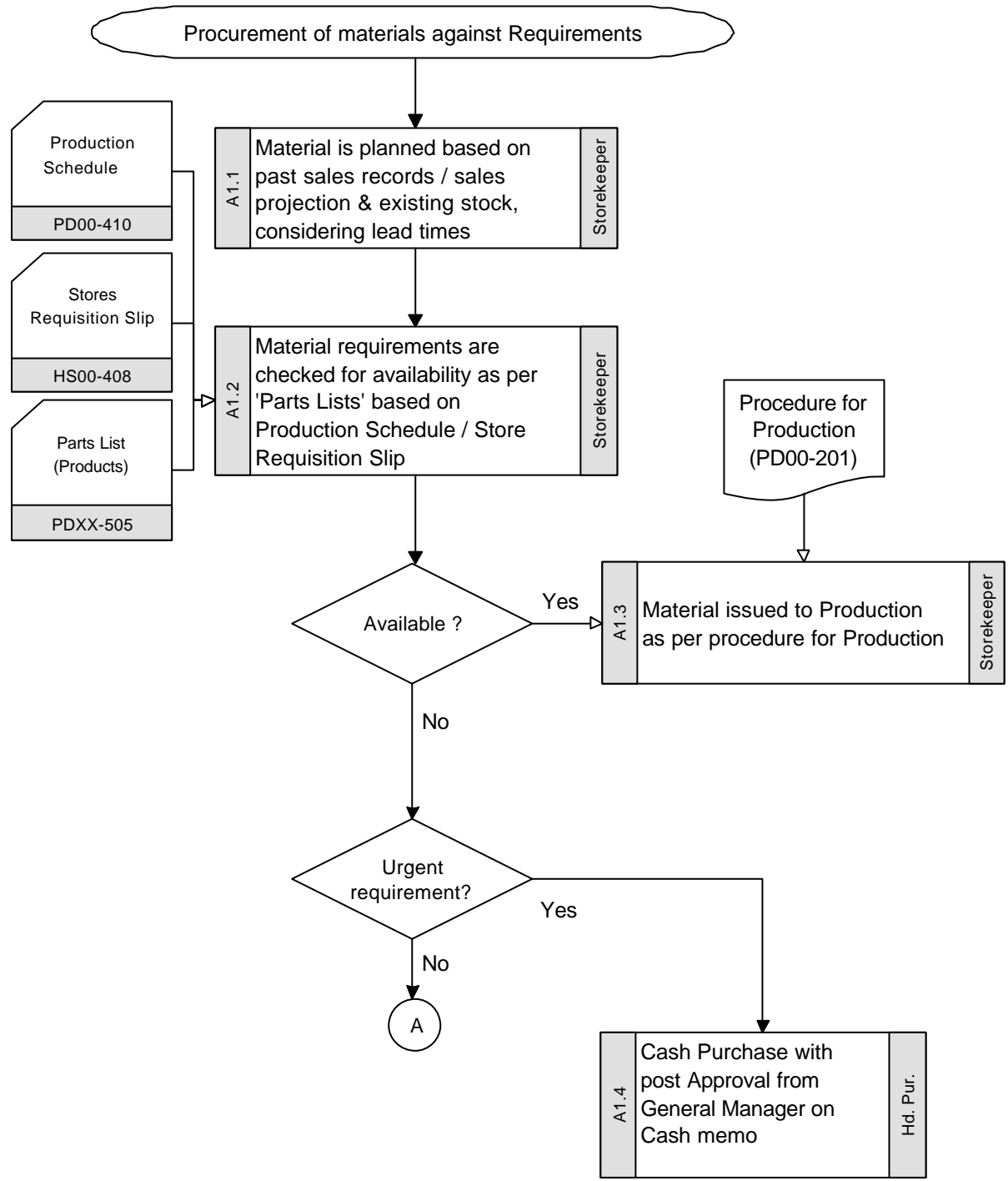
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|---|----------------------------------|---|
| <b>Process Owner :</b><br>• Head Purchase | <b>Process Controls :</b><br>--- | <b>Process Goals (Targets) :</b><br>• 95% Suppliers with 'A' rating |
|---|----------------------------------|---|

|   |   |   |
|---|---|---|
| <b>Process Inputs :</b><br>• Magazine / Trade directory<br>Internet | <b>Process Name :</b><br>A2<br><u>Supplier Evaluation</u> | <b>Process Outputs :</b><br>• Approved Supplier Register<br>• Supplier Performance Register |
|---|---|---|

|  |   |   |
|--|---|---|
| <b>Process Verification :</b><br>• Through Auditing and Process Performance Measures | <b>Process Resources (Means):</b><br>• Supplier Advertisement through various sources | <b>Process Measures (Metrics) :</b><br>• Supplier rating (PU00-411) |
|--|---|---|

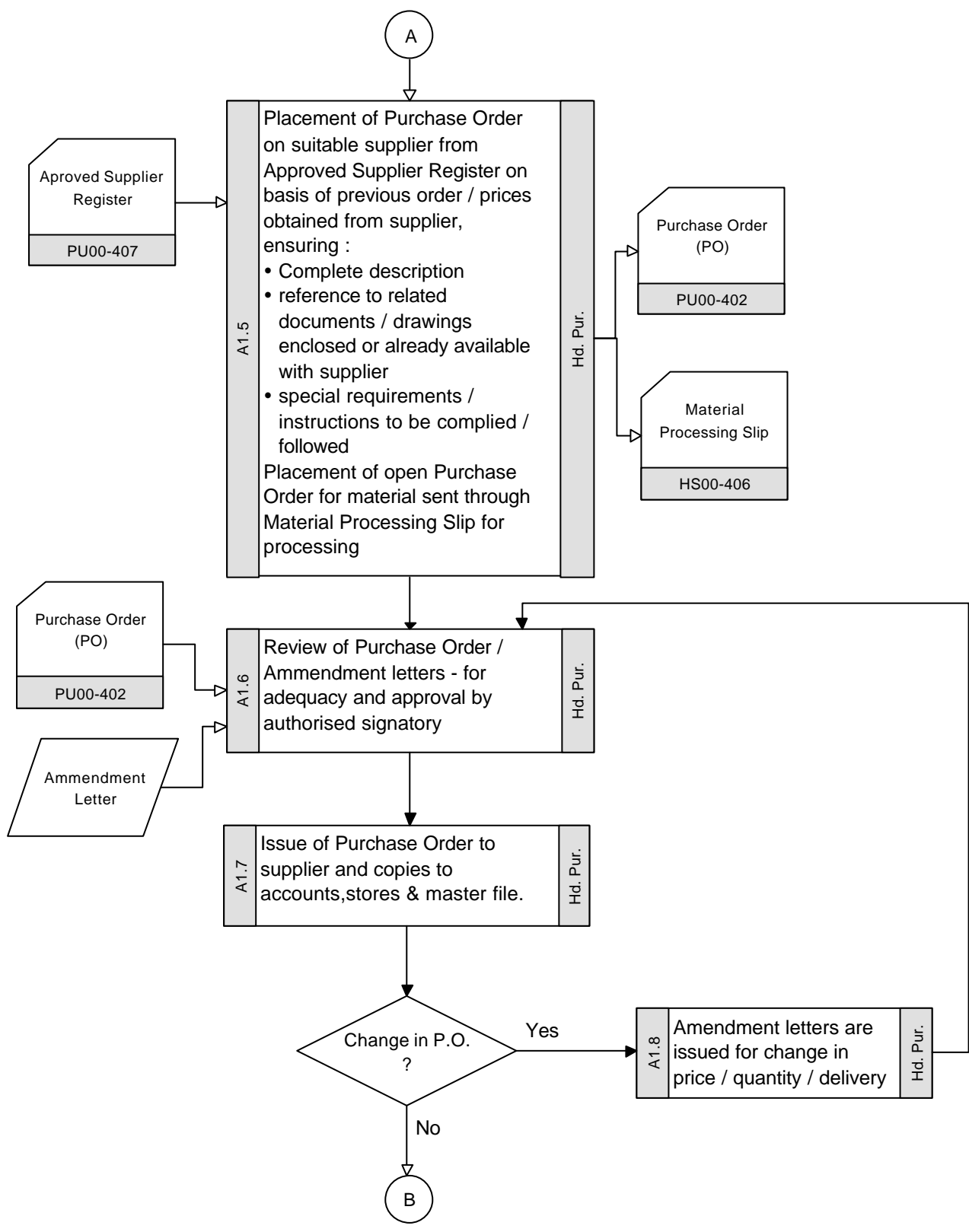


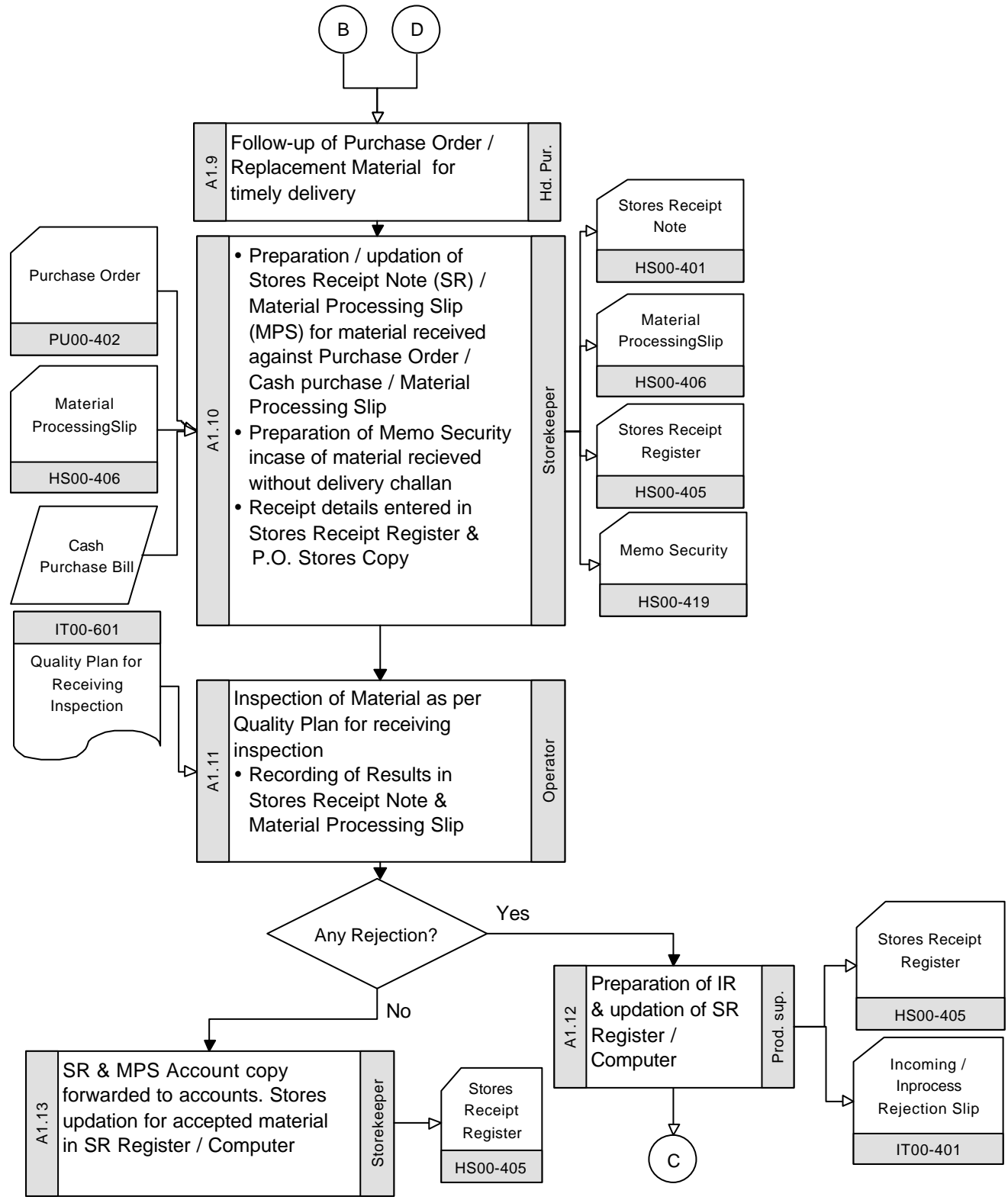
**Purchasing (A1)**





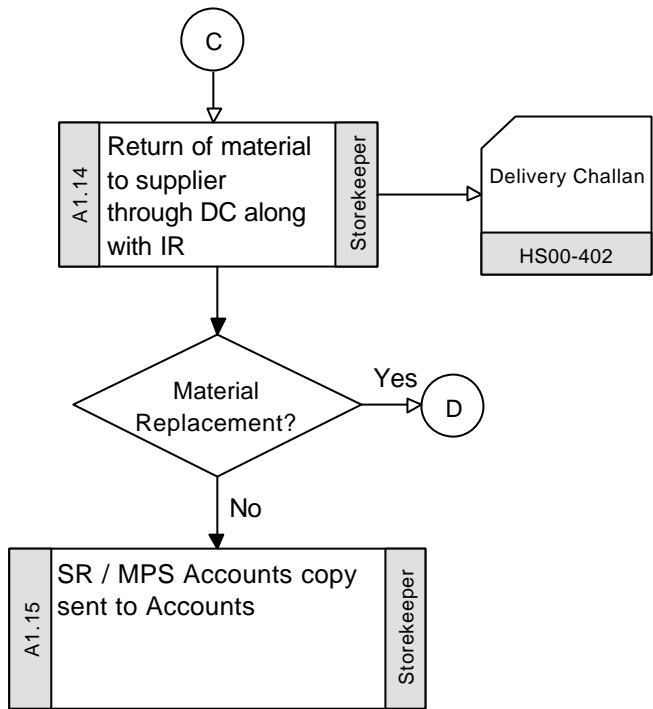
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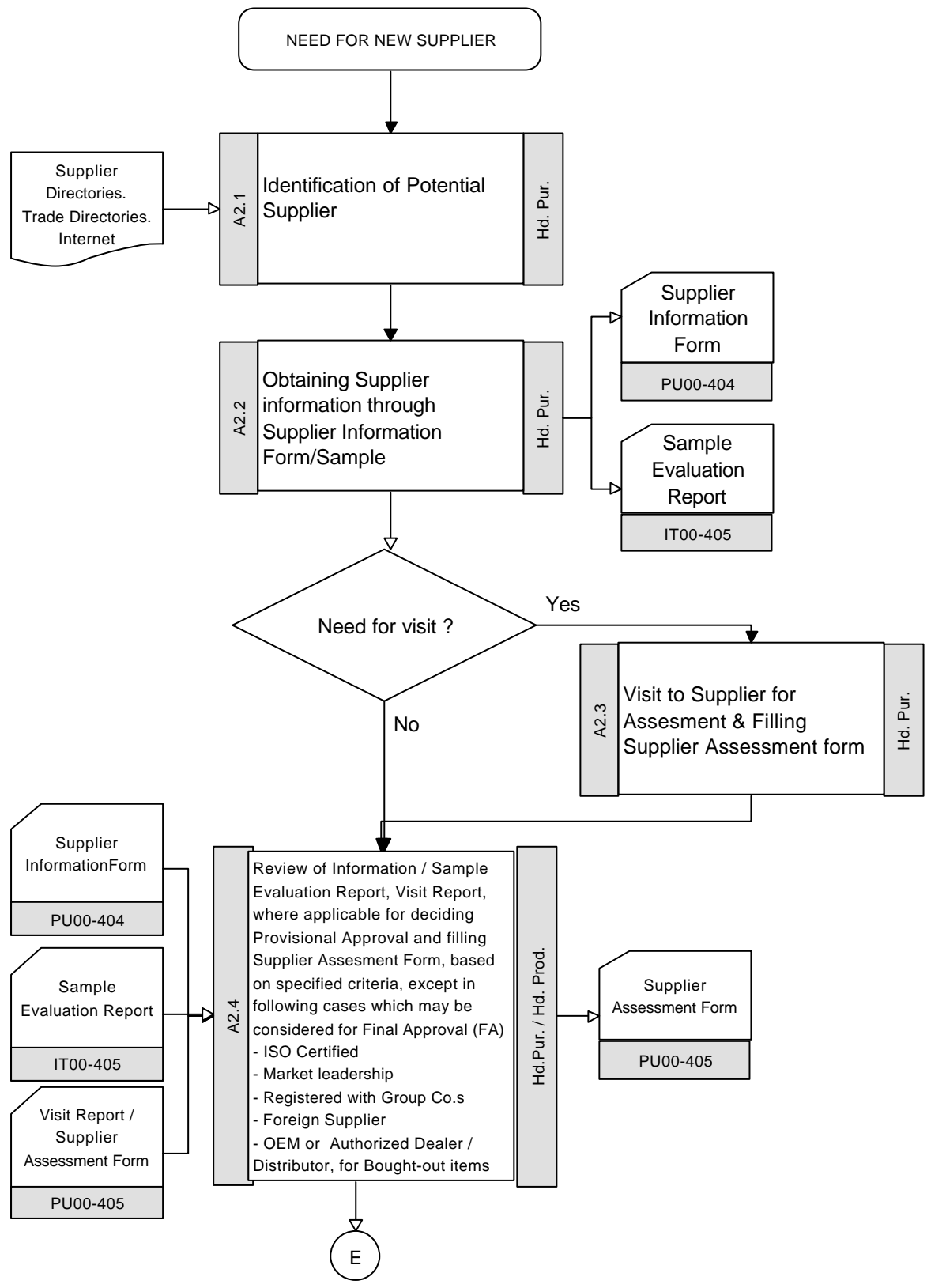
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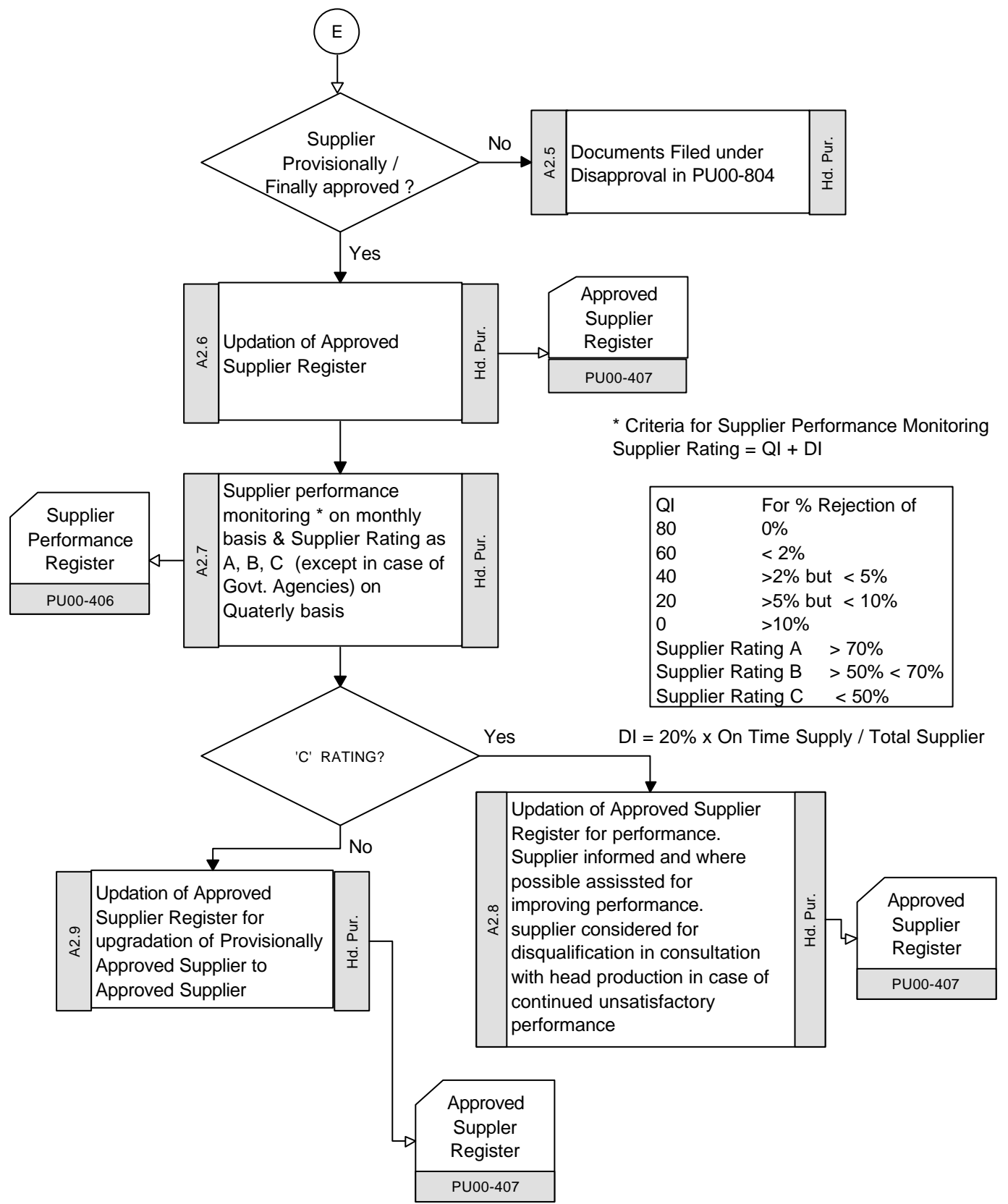




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**Supplier Evaluation (A2)**









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**Annexure B - RECORDS TABLE**


| <b>Sr. No.</b> | <b>RECORD REFERENCE</b> | <b>RECORD DESCRIPTION</b>  | <b>RECORD LOCATION</b> | <b>MAINTAINED BY</b>               | <b>RETENTION PERIOD</b>   |
|----------------|-------------------------|--|------------------------|------------------------------------|---------------------------|
| 1.             | PU 00 - 801             | "Purchase Order" File :<br>-Purchase Order (PU 00 - 402)<br>Order Acknowledgement<br>( If available)<br>-Purchase Order Amendment<br>Relevant correspondence   | Purchase Dept.         | Head Purchase                      | 1 Year                    |
| 2.             | PU 00 - 803             | "Price-list" file:<br>-Price-list & Quotations from supplier.  | Purchase Dept.         | Head Purchase                      | 1 Year                    |
| 3.             | PU00-804                | "Supplier Form" File :<br>-Supplier Information Form (PU00-404)<br>-Supplier Assessment Form (PU00-405)  | Purchase Dept.         | Head Purchase                      | Permanent with updation   |
| 4              | PU00-901                | Memo Security Book<br>-Memo Security (HS00-419)  | Purchase Dept          | Head Purchase                      | 1 Year                    |
| 5.             | PU00-902                | "Approved Supplier" Register<br>-(PU00-407)<br>-Supplier Information Form (PU00-404)<br>for new suppliers upto end of relevant Quarter<br>-Supplier Assessment Form (PU00-405)<br>for new suppliers upto end of relevant Quarter | Purchase Dept          | Head Purchase<br><br>Head Purchase | One Quarter<br><br>1 Year |
| 6.             | PU00-903                | "Supplier Performance" Register<br>-(PU00-406)   | Stores Dept            | Store Keeper                       | 1 Year                    |
| 7.             | HS00-801                | "Store Receipt and Inspection Note" File :<br>-Store Receipt and Inspection Note (HS 00 - 401)<br>-Incoming/In process Rejection Slip (for receiving material) (IT 00 - 401)   | Stores                 |                                    |                           |



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|----------------|-------------------------|---|------------------------|----------------------|-------------------------|
| 8.             | HS00-802                | Delivery Challan (Stores) File :<br>-Delivery Challan (Stores)<br>(HS 00 - 402)   | Stores                 | Store Keeper         | 1Year                   |
| 9.             | HS 00 - 804             | Material Processing Slip File :<br>-Material Processing Slip<br>(HS 00 - 406)<br>-Incoming / Inprocess Rejection Slip<br>(for processing material)<br>(IT 00 - 401)<br>Verification Report for Outsourced<br>Process<br>(IT 00 - 402) | Stores                 | Store Keeper         | 1 Year                  |
| 10.            | HS 00 - 806             | Stores Requisition Slip File :<br>-Stores Requisition Slip<br>(HS 00 - 408)   | Stores                 | Store Keeper         | 1 Year                  |
| 11.            | HS 00 -901              | Stores Receipt Register :<br>(HS 00 - 405)  | Stores                 | Store Keeper         | 1 Year                  |
| 12.            | IT 00 -802              | Sample Evaluation Report File :<br>-Sample Evaluation Report<br>(IT 00 - 405)   | Stores                 | Store Keeper         | 1 Year                  |
| 13.            | IT00 - 804              | Incoming/Inprocess Rejection Slip file<br>-Incoming/Inprocess Rejection Slip<br>(IT 00 - 401)   | Stores                 | Store Keeper         | 1 Year                  |

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### Annexure C - Guidelines

- 1 To take approval from Head Purchase on SR for extra quantity of supply against Purchase Order quantity specified.
- 2 Cash memo / Suppliers bill details entered in Stores Receipt Register (HS00-405) before handover to accounts department.
- 3 Handling storage & preservation of materials / Products as per work instruction for Material Handling Storage & Preservation (HS00-301).
- 4 Critical Material(PCB's, Transformer, Sbracks & Front Panels etc). having lead time of 6-8 weeks are ordered on the basis of stock.
- 5 In case of new supplier, Supplier Information & Assesment Forms are filed in Approved Suppplier Register File till the Approved Supplier List is updated at the end of the quarter.
- 6 In case of outsourced processes, the necessary controls are specified in Purchase documents and the process verified as per Verification Report for Outsourced Process (IT00-402)
- 7 No Purchase Order is prepared for Material purchased on cash or through note / letter. The amount of such purchases will not exceed RS5000/-.