
	E.I.D. PARRY (INDIA) LTD, PARRY NUTRACEUTICALS DIVISION, OONAIYUR.				 murugappa
	STANDARD OPERATING PROCEDURE				
Title:	Procure to Pay (P2P)– Material & Service				
SOP No.: 001/2021			Version No. 1		Page 6 of 6
Effective Date	01.01.2022	Next Review Date	31.12.2022		

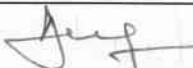
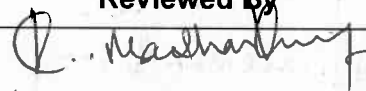
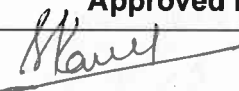
- Vendor shall return the serviced material / equipment to plant with DC / Tax Invoice / Gatepass.
- On receipt of material, user shall inform the returned material quantity to stores team to inward the received quantity against relevant gatepass in sap
- Pending Returnable out Gatepass report shall be sent to respective users once in 15 days for review & closure in SAP
- Plant Finance team shall ensure all returnable out gatepass items are received within 180days for GST compliance.



8.0 Review of Pending PR & PO

- Pending PR shall be reviewed in 90Days by Stores Team along with User
- Pending PO shall be reviewed in 30days by Stores Team along with Finance Team

9.0 Change History

Version	Effective Date	Details of Changes
1	01.01.2022	New SOP

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SOP No.: 001/2021	Version No. 1		Page 5 of 6
Effective Date	01.01.2022	Next Review Date	31.12.2022

Service PO GRN process:

- User shall raise prior approval filled form along with attaching quote(s) / prevailing rate contract / last po rate and get it approved from Dept Head, Finance Head & Unit Head
- After approval, user shall raise Service PO in sap and send for release as per approval matrix.
- User shall raise service entry sheet and GRN in SAP after completion of work
- User department shall submit the invoice along with Service GRN sheet to Finance dept
- For Agreement / Rate Contract works, PO & GRN shall be processed against respective vendor invoices

6.0 Invoicing & Payment Process

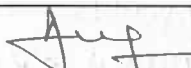
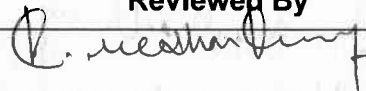
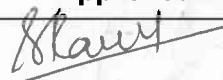
- a) Stores /User department shall submit the invoice along with GRN/SE.
- b) Below are the requirements and supporting documents for processing the payment.
 1. Vendor's Name, GSTN, PAN, Bank Details with SAP Vendor Master. It should be matched with vendor's Original Invoice.
 2. Company Name, GSTN, PAN with Vendor's Invoice.
 3. GL, CC, Tax Code, HSN/SAC to be verified
 4. If advance payment documents/terms specified in the PO along with vendor advance request.



If any of the above requirements are not met GRN/SE shall be returned along with original invoice to the Stores/User Department.

- c) Finance shall scan the invoices with barcodes to Team SSC along with GRN/SE on verification of all the above requirements.
- d) SSC team will send the payment due details every Tuesday & Friday to Plant Finance. Based on the payment due and document posting, finance shall send any deduction details to SSC for processing Payments as per terms.

7.0 Returnable out gatepass:

- For servicing of materials/equipment's only, user shall send request for Returnable Gatepass out by E-Mail to Unit Head
- After approval from Unit Head, Stores team shall raise gatepass in SAP, handover to user dept and send material to concern vendor through Courier / Transport / By hand as applicable

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SOP No.: 001/2021	Version No. 1		Page 4 of 6
Effective Date	01.01.2022	Next Review Date	31.12.2022

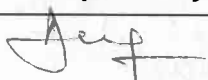
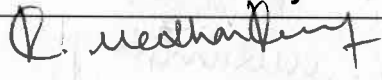
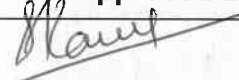
Service PO release	Release up to 1 Lakh by Unit Head
	Release > 1 to <=5 Lakhs by SBU Finance Head
	More than 5 Lakhs by Business Head



h) For any PO amendment, there would be another releasing as per above stated approval matrix.

5.3 Good Receipt Process:

Material PO GRN process:

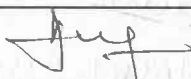
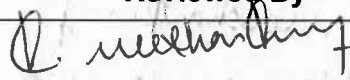

- As and when material reaches plant, security personnel shall inform stores personnel. They ensure that all documents like DC/Invoices are available along with material.
- These documents are stamped by security personnel mentioning sl.no, date, time, vehicle number and the same is written in inward register.
- Security personnel shall handover invoice/ DC copies to stores personnel and obtain signature as proof of receipt in the Inward register.
- Material shall be kept in "Inspection Area" wherein User & Stores personnel shall inspect the material physically with invoice/DC against PO and user shall sign in invoice copy as acknowledgment.
- After this, stores personnel shall make the Gate Entry, GRN in SAP.
- Stores personnel shall get signature from Finance Personnel while handing over invoices in Bill submission register
- In case of quality rejection in SAP by user, defective material shall be returned to vendor with debit note within 30days from receipt of materials.
- For preparing return debit note, Store personnel shall follow below procedure,
 - Stores personnel to raise return PR, return PO, return gate pass & return GRN
 - In vendor invoice mention return GRN and submit to finance for raising debit note
- In case of Emergency Purchase with due approval from Unit Head, invoice receipt and accounting shall be ratified within week time.
- In case of non-receipt of invoice during material receipt due to transporter / supplier fault, invoice should be followed up with vendor and accounted within 10 days


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SOP No.: 001/2021	Version No. 1	Page 3 of 6	
Effective Date	01.01.2022	Next Review Date	31.12.2022

- c) Based on the User requirements and PC recommendation, Stores/Commercial department shall raise PO after releasing of the PR by Plant Finance. The lead time between PR and PC meeting should not be more than 10 days based on type of material & vendor availability and Leadtime for PC meeting to PO conversion is maximum 3 days.
- d) Stores/Commercial department team shall ensure that below clauses / terms & conditions are captured in the Purchase Order.
1. Header Text: Shall carry Vendor quotation / mail; Our SAP PR No; Last PO detail in case of repeat order
 2. Terms of Payment: Either select from inbuilt code or type the terms as agreed by vendor
 3. Delivery: Mention delivery mode (door / godown), freight charges (to pay / paid basis) based on INCO-Terms
 4. Warranty: All standard items order must carry applicable warranty
 5. Remarks: Replacement of material in case of quality rejection / transit damage
 6. LD Clause: All the project order value more than 20 Lakhs must carry Liquidated Damages / Late Delivery clause toward penalizing vendor with 0.5% per week beyond delivery date subject to maximum of 5%. This clause can also be incorporated in the case where the nature of order is more critical towards plant operations / business requirement / adopting new process / technology implementation.
 7. In case of exception to LD clause by any vendors, the same shall be deliberated and approved in PC.
- e) Scan copy of signed PC must be uploaded in SAP as supporting document for material PO value more than 1lakh, and Prior Approval/Agreement copy must be uploaded in SAP as supporting document for Service PO more than 0.5 Lakh.
- f) PO approving authority should verify PC approval/Prior Approval during release of the Purchase orders in SAP.
- g) PO shall be released as per below matrix which is built in SAP itself.

Material PO release	Release up to 2 Lakh by Unit Head
	Release > 2 to <= 10 Lakhs by SBU Finance Head
	More than 10 Lakhs by Business Head

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SOP No.: 001/2021	Version No. 1	Page 2 of 6
Effective Date	01.01.2022	Next Review Date 31.12.2022

5.0 Procedure

5.1. Requisition for Purchase of Materials / Execution of Services

- 5.1.1. Purchase Requisitions (PR) shall be raised by user department in SAP for all material related transactions.
- 5.1.2. For service related transactions, User shall raise "prior approval request" in the designated format, the same shall be duly approved by Department Head, Plant Finance Head and Unit Head.

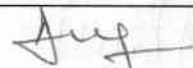
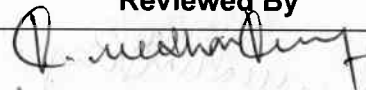
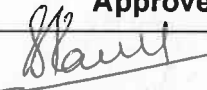
5.2 Process of approval of PR and PO Creation



- a) Stores/Commercial/User department shall follow the following methods for fixation of rates for material and Services.

Materials	Competitive quotes (More than Rs.5000)	Stores / Commercial department shall obtain 3 quotes from different vendors and prepare the comparative statement. <i>Exceptions from obtaining this is only for Rate contract Items / OEM items / Authorized distributors' items.</i>
Services	Less than 2 Lakhs	User will attach quotation(s) and justification with the "Prior approval Request" form.
	Sealed Bids (More than 2 Lakhs)	3 bids are received. User should describe the statement of work to the vendors. Vendors submit their Bid to the finance department in sealed cover. Received Bids are opened in PC meeting to finalize the bidder.
Materials & Services	OEM & Single Source	For OEM or Single source, proper written justification to be submitted by the User to Stores/Commercial Department in Cost Statement. The same shall be approved by the PC members.

- b) Purchase Committee consisting of Stores in-charge, Plant Finance, User department & Unit Head. Value based purchase authorization is given as per below matrix.

Purchase value	Authorised person
If Less than Rs. 5000	Stores in-charge
From Rs 5000 to Rs. 50000	Plant Finance Head and with Stores in-charge
More than Rs. 50000	All PC members

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1.0 Purpose

The purpose of this Standard Operating Procedure (SOP) is to lay down the Procedure for Procurement to Payment of both CAPEX and OPEX material & Services.

2.0 Scope

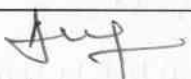
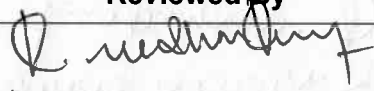
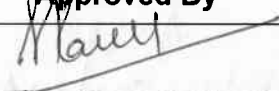
The scope covers procurement and payment of CAPEX and OPEX material & Services with approval matrix at Parry Nutraceuticals Division – Plant & Corporate.

3.0 Responsibility

Responsibility of this SOP is lying with all user departments, commercial/Purchase, Plant/HO finance and Functional Heads.

4.0 Abbreviations & Definitions

- SAP - System Applications and Products
- PR - Purchase Requisition
- PO - Purchase Order
- PC - Purchase Committee
- OEM - Original Equipment Manufacturer
- LD - Liquidity Damages
- RM - Raw Material
- PM - Packing Material
- GRN - Goods Receipt Note
- SE - Service Entry
- CAPEX - Capital Expenditure
- OPEX - Operating/Revenue Expenditure

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