





LOGISTICS

Standard Operating Procedures



Description	Name of Persons	Signature
Prepared By	Mr.L. Jayaprakash Mr. Arivarasan	
Internal Financial Control (IFC)	Mr. K.V. Ganesh	
Recommended By	Y. Venkateshwarlu	
Approved	Mr. Balaji Prakash	
Date of Approval		24.11.2022

INDEX

Sl. No	Nature of Transaction	Page No.
1	Freight Contracts – New/Renewal	
2	Diesel escalations	
3	Vehicle Indents/ Placements	
4	Freight module	
5	Stock movement & TAT reduction	
6	Transporter Bills & Payment process	
7	Pending bills	
8	MIS	

S1 > Logistic Arrangement

Process Details

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI
Freight Contracts - New/Renewal	<p>Identification of transporter - Existing transporters evaluation and any new transporter evaluation will also be done</p> <p>Basic check of who are all the customers they are already providing the services and how good on vehicle placements and basic turnover of the transporters etc.</p> <p>Validation of location will be done - Location details will be shared with all the transporters for getting the RFQ</p> <p>Any additional locations</p>	Mr Imran & Arivarsan	Corporate Marketing						<p>R AGM – Commercial & Senior Manager - Logistics</p> <p>A Senior Manager - Logistics</p> <p>C SBU – Finance Manger</p> <p>I Head – Commercial / Head – Sales & marketing</p>
								<p>Other Control: For any new transporters EMD amount to be paid by the transporters - this is part of the on-boarding process</p> <p>RFQ will be shared only with the Sr Logistics manager mail id based on the RFQ freight rate - contracts will be finalised</p>	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI
	<p>will be added while new contract / contract renewal is being done</p> <p>Based on the RFQ shared by the transporters L1 for every location will be finalised for the specific plant locations, Contracts will be finalized based on the vehicle capacities</p> <p>Once the contract finalized – location wise freight rates will be uploaded in SAP while the shipments created automatically freight rates will be captured, also there is a provision available for the locations which was not available in the contracts for which manual freight can be inserted at the time of sending the shipments</p> <p>Loading / unloading charges are fixed based on the plant locations</p> <p>Any Shortages / Damages</p>						<p>L1 rates / contract renewals will be approved by Head Commercial & Head – sales & Marketing for all the plant locations</p> <p>For freight contract renewal proper email will be shared to all the transporters before the existing contract date expired</p> <p>If the L1 transporter is failed to place the vehicle, then for L2 we will give the indent and the differential amount between L1 and L2 will be deducted from L1 transporters –</p>	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI
	we have internal SOP which need to be followed proper debit note will be raised with proper approval matrix						Even market will be sourced if transporters are failing to place vehicles as per lead time given Any shortages / damages based on the SOP money will be deducted (Debit note will be raised to the transporters based on the SKU / Plant locations / Pricing) Any physical damages to our factory premises will be deducted (Debit note) based on the confirmation given by factory team – Shutter damages, wall damages etc..		
Diesel escalations	if the diesel prices are increasing more than Rs	Senior Manager –	Corporate Marketing						R Sr. Logistic Manager

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
	5 per litre then only we will be considered on increasing the Freight rates for all the locations this has been mentioned in the freight rate contracts (this has been included on the main clause for finalizing the diesel escalation – 70 % of the increased to be borne by EID and the balance of 30 % to be borne by the transporters – Calculations will be done based on the diesel hike)	Logistic							<table border="1"> <tr> <td>A</td> <td>Head – Sales & Marketing</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	A	Head – Sales & Marketing	C		I			
A	Head – Sales & Marketing																
C																	
I																	
Vehicle Indents/ Placements	<p>Everyday vehicle indents will be shared to all the transporters based on the L1 rates by the logistics team members</p> <p>2 For tomorrow dispatch vehicle indents will be</p>	Logistics team	Corporate / Marketing						<table border="1"> <tr> <td>R</td> <td>Logistic Team</td> </tr> <tr> <td>A</td> <td>Manger - Logistic</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table> <p>Other Control : Once the vehicle indents shared with the</p>	R	Logistic Team	A	Manger - Logistic	C		I	
R	Logistic Team																
A	Manger - Logistic																
C																	
I																	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI
	shared today with all the transporters. if at all there is an emergency of order processing for which vehicle indents will be shared on the same day itself (this will be processed as an exception)						transporters logistics team member will speak to the transporter coordinator for vehicle placements if at all any specific requirements same will be communicated to the transporter coordinator / transporters.	
	3 Vehicle indents will be shared through mails to all the transporters based on the L1 rate finalised for the specific plant locations						Make sure the indents are taken care by the transporters for next days vehicle placements	
	4 Vehicle placements will be tracked on daily basis by the billing / Logistics / Factory WH teams						Logistics team will coordinate with billing team on any stock's availability issues at the plant locations if there is an issue then the vehicle placements will be postponed this is to avoid	
	5 vehicle rejection details are being captured now to reduce the vehicle rejection scenarios in future – Plant wise details are being captured							
	6 Freight tiger has been implemented to know the live location of the							

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI								
	trucks which are loaded even with the help of FT we can check the shipments whether reached the destination or not						demurrages If the vehicles are rejected on account of vehicle hygiene, damage vehicle issues for which we will inform transporters to correct the issues immediately ... if at all the vehicle is completely not suit for loading then that vehicle will be rejected completely									
Freight module	Once the freight rates L1 is approved then based on the transport zone the freight rates to be forwarded to the SAP IT team for uploading the same in SAP ... Plant location / transporter zone wise freight rates to be forwarded to them For any multi-deliveries they can use the freight module to do manual entry of freight rates	Logistics team	Corporate / Marketing				Other Control: Whatever the auto-pick up based on that basic freight rate will only be captured for processing transporters	<table border="1"> <tr> <td>R</td> <td>Logistic Team</td> </tr> <tr> <td>A</td> <td>Sr. Manger - Logistic</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Logistic Team	A	Sr. Manger - Logistic	C		I	
R	Logistic Team															
A	Sr. Manger - Logistic															
C																
I																

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI
	<p>Even for any new location which is not available on the existing contract for which also they can raise the manual entry in SAP for capturing the freight rates</p> <p>At the time of sending the shipments from the different plant locations only the basic freight will be captured and at the time of bill submission only the loading and unloading charges will be claimed by the transporters basis which payments will be processed for all the transporters</p>						<p>payments</p> <p>Manual interventions are eliminated on this freight module for the approved point locations</p> <p>For any new locations /multi - point locations freight rates to be approved through mail based on which manual freight rates will be manually entered in SAP</p> <p>Manual entered freight rates will be checked by the logistics team on the next day. If at all any typo error same will be highlighted and will be corrected immediately.</p>	R
Stock	Internal TAT has been	Logistics	Corporate					R Logistic Team

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI
<p>movement & TAT reduction</p>	<p>improvised by using VIO alert now a days we don't want to check with factory WH team on vehicle reaching factory for which VIO alert will have the details of the trucks – location details and driver details will be available on the same based on that alert we can do the follow up with WH team on prioritising the loading activities</p> <p>Once the vehicle reaching the factory premises loading priority can be done with factory peoples</p> <p>After the vehicle loaded, we have fright tiger to track the loaded vehicles by clicking the vehicle number on the application we can find the live location on any specific truck and we can have the ETA (Expected time of arrival) details too</p>	<p>team / Factory team</p>	<p>/ Marketing</p>						
									<p>A Sr. Manger Logistics</p> <p>C</p> <p>I</p>
									<p>Other Control:</p> <p>Based on the vehicle taken inside by the WH team we can inform them to load the vehicles on priority</p> <p>Once the Vehicle taken inside for loading it should be passed through certain QC check of that vehicles etc...</p> <p>After QA/QC approval only the vehicles will be allowed inside the gate from that time only TAT will be started</p>

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
Transporter Bills & Payment process	<p>Transporter bills are being submitted to the centralized processing team of logistics – Chennai, we have informed all the transporters to submit the bills once the Delivery confirmation received by them</p> <p>Transporters earlier there was some delay on the bill processing while they submit the bills to the respective plant locations</p>	Logistics team / SSC team						<p>If vehicle loaded and tarpaulin tied, and the vehicle is out of the gate then those vehicles can be tracked through freight tiger. Only FT cannot tracked for the vehicles driver mobile is not compatible and for BSNL Network or any other issues</p>	<table border="1"> <tr> <td>R</td> <td>Logistic Team</td> </tr> <tr> <td>A</td> <td>Sr. Manger - Logistic</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Logistic Team	A	Sr. Manger - Logistic	C		I	
R	Logistic Team																
A	Sr. Manger - Logistic																
C																	
I																	
								<p>Other Control:</p> <p>Transporter payments can only be processed by the centralise team at Chennai sales office. none of the payments of the future dates can be processed</p>									

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI
	<p>For fastening the Freight bill processing we have initiated the centralized bill processing at Chennai sales office, we have informed all the transporters to submit the bills here we have started the process and smooth operations were managed on this payment processing to the transporters</p> <p>Once they submit the bills at chennai sales office, logistics team members will check the bills thoroughly and same will be scanned through system and given to the SSC team for making the payments</p> <p>Every week logistics team will share the payment proposal through mail as per the payment days of Monday and Friday, based on which payments are processed by SSC team</p>						at the Factory locations Bill submissions are not accepted at all the plant locations. Maker / Checker concept is followed for all the bills which are submitted by the transporters Any shortages / Damages amount will be debited separately based on the confirmation from the sales team / Customers. based on the Damage/Shortages SOP this will be done Loading /unloading charges will be claimed through bills by all the transporters, as per the contract	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI								
	[negotiation unloading charges will be paid .. in case of any difference on the unloading charges same will be done based on the proper mail approvals									
							PO release will be done for the specific transporters for the specific locations basis which payments will be cleared to the transporters									
Pending bills	Every week we are reviewing the pending bills which are yet to be submitted by the transporters. only recent pending bills are reviewed pertaining to FY 2020 & 2021. all other older dates bills to be closed in SAP after the same has been confirmed by the transporters	Logistics team	Corporate / Marketing				<p>Other Control Every week review done on which we are calling up the transporters and asking them reason for not submitting the</p>	<table border="1"> <tr> <td>R</td> <td>Logistic Team</td> </tr> <tr> <td>A</td> <td>Sr. Manger - Logistic</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Logistic Team	A	Sr. Manger - Logistic	C		I	
R	Logistic Team															
A	Sr. Manger - Logistic															
C																
I																

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI								
	Currently the billing value is not more than 70 lakhs max						bills on time and pushing them to send the recent bills Make sure the pending bills are not accumulating more than 50 lakhs									
MIS	MIS are being circulated for the contribution of the business done by the transporters across the plant locations. ZSHIPREP1 reports are being shared on which the details of the current month will be available with freight value Weekly review on payments and pending bills for which data is being shared internally for the follow up with the transporters for submitting bills on time	Logistics team	Corporate / Marketing				Other Control: Logistic team have been identified/deputed for sharing these reports	<table border="1"> <tr> <td>R</td> <td>Logistic Team</td> </tr> <tr> <td>A</td> <td>Sr. Manger - Logistic</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Logistic Team	A	Sr. Manger - Logistic	C		I	
R	Logistic Team															
A	Sr. Manger - Logistic															
C																
I																