





THIRD PARTY OPERATION-(TPU)

Standard Operating Procedures



Description	Name of Persons	Signature
Prepared By	Mr.L. Jayaprakash	
Internal Financial Control (IFC)	Mr. K.V. Ganesh	
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Approved	Mr. Balaji Prakash	
Date of Approval		07-10-2022

INDEX

Sl. No	Nature of Transaction	Page No.
1	<p>Appointment of Third-party unit (TPU)</p> <p>Covers:- Business plan, TPU Requirement assessment , Identification of TPU, Appointment of right TPU, Compliance validation, Fixation of standard consumption norms, Insurance coverage, TPU – Invoice validation, Payment process, etc.</p>	3
2	<p>Material movement from Plant / Direct from supplier to TPU</p> <p>Covers:-Planning of SKU, Initiation of movement of goods from plant to TPU, Planning of sugar sourced from outside supplier, Planning of Logistic arrangement, Communication of TPU operation and goods ready to dispatch, Generation of Invoice and other statutory documents, Logistic , loading and Unloading of goods, etc)</p>	13
3	<p>Treatment / Process to be carryout at TPU</p> <p>Covers :- Manpower deployment at TPU, Storage / warehousing at TPU, Safety precaution measure to be maintain at TPU, TPU process, Physical verification of stock, Unloading at TPU for the stock received, Insurance of sugar and packing material held at TPU process, Action on Excess utilisation of packing material as against agreed norms, Treatment of waste etc.,)</p>	26
4	<p>Material movement from TPU to other TPU / Customer</p> <p>Covers :- Despatch plan, Generation of Invoice , Accounting Treatment, MIS and other reporting etc.</p>	37

S1 > Appointment of Third Party Unit (TPU)

Process Details

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI
Business Planning	<p>Production planning is based on the sales plan given by the Head – Sales & Marketing.</p> <p>For all purpose, TPU – will be treated as separate plant in SAP and attached to the mother plant (Sugar transferred plant)</p>	Head Sales & Marketing	Corporate	NA	Annual Approved budget plan	NA	<p>OTC-L-1 Annual sales plan is prepared by Head of Sales & Marketing for Sugar Products based on production plan received from Corporate Finance team and it is reviewed by CFO, CEO and MD before submission to Senior Leadership , BGMC Team and Statutory Board for necessary approval.</p> <p>A detailed sales planning process is performed during the period</p>	<p>R GM - Sales</p> <p>A Head Sales & Marketing</p> <p>C CFO</p> <p>I CEO /MD</p>

<p>Assessment of requirement of TPU operation</p>	<p>Based on demand and supply and regular assessment of market external condition, the assessment of requirement of TPU</p>	<p>Head - Sales & Marketing</p>	<p>Corporate</p>	<p>NA</p>	<p>Annual Approved budget along with SLT.</p>	<p>NA</p>	<p>NA</p>	<p>November to March for the upcoming financial year. Rolling forecast is also performed on a quarterly basis based on prevailing scenario. OTC-L-2 Annual sales plan is prepared by Head – Sales & Marketing and approved by BGMC and Murugappa Board before start of the financial year and circulated to the various department heads.</p>	<table border="1"> <tr> <td data-bbox="1121 448 1153 515">R</td> <td data-bbox="1121 136 1153 448">GM - Sales</td> </tr> <tr> <td data-bbox="1153 448 1185 515">A</td> <td data-bbox="1153 136 1185 448">Head Sales & Marketing & SBU</td> </tr> <tr> <td data-bbox="1185 448 1217 515">C</td> <td data-bbox="1185 136 1217 448">Finance Head</td> </tr> <tr> <td></td> <td data-bbox="1217 136 1249 448">CFO</td> </tr> </table>	R	GM - Sales	A	Head Sales & Marketing & SBU	C	Finance Head		CFO
R	GM - Sales																
A	Head Sales & Marketing & SBU																
C	Finance Head																
	CFO																

	<p>will be reviewed. Accordingly, the same proposed for validation. Upon deliberation and consensus, the new TPU requirement will be proposed.</p>					<p>I CEO /MD</p>
<p>Identifying the Third-party Unit / Vendor</p>	<p>Evaluate the suitable service provider / Job worker to associate with for long run. Focus on: -Price -Quality of service -Other company products with associate - His specialisation -Professionalism -Investment capacity</p>	<p>Head – Sales & Marketing & GST Team</p>	<p>Corporate</p>	<p>NA</p>	<p>NA</p>	<p>R A C I GM - Sales Head Sales & Marketing</p>
<p>Appointment of right TPU as part of our business</p>	<p>Upon mutual discussion with vendor, EID will get into agreement as part</p>	<p>Head – Sales & Marketing</p>	<p>Corporate</p>	<p>NA</p>	<p>NA</p>	<p>R A Sales - Head & Marketing & SBU Finance</p>

channel partner	of channel partner. Understand vendor expertise and make use of it. price fixed is inclusive of all.						C I Head - Legal
Compliance validation	<p>1.Registered the premises of TPU under GST as part of additional place of business.</p> <p>2.Display the GST Certificate at prominent place at TPU.</p> <p>3. FSSAI – registration applicable; EID legal team will ensure to get the TPU service provider certificate and validate the same.</p>	EID – GST Executive. & TPU – Co Ordinator TPU – Co Ordinator TPU – Co Ordinator & EID – Legal Manager TPU – Co Ordinator	Corporate	NA	Agreement executed between EID and TPU service provider. Amended GST Certificate	NA	R A C I GST-Executive / Legal Manager TPU-Co Ordinator

	<p>4.EID will ensure compliance of Legal Metrology in our package by mention the TPU – location details along with their FSSAI registration details.</p>	<p>& EID – Legal Manager</p>													
<p>Fixation of standard consumption norms.</p>	<p>EID will communicate standard consumption norms for packing material SKU wise.</p>	<p>SBU – Finance & TPU – Co Ordinator.</p>	<p>Corporate</p>	<p>NA</p>	<p>As per agreement.</p>		<table border="1"> <tr><td>R</td><td>SBU-Finance</td></tr> <tr><td>A</td><td>TPU- Co Ordinator</td></tr> <tr><td>C</td><td></td></tr> <tr><td>I</td><td></td></tr> </table>	R	SBU-Finance	A	TPU- Co Ordinator	C		I	
R	SBU-Finance														
A	TPU- Co Ordinator														
C															
I															
<p>Insurance coverage</p>	<p>EID considered transit risk for sugar and packing material from anywhere to anywhere. The cost of insurance for stock movement from plant to TPU and subsequent movement from TPU to customer will be at the cost of EID. Insurance value</p>	<p>Head – SSC & TPU- Co Ordinator.</p>	<p>Corporate</p>		<p>TPU – Sales plan & Agreement Insurance amendment certification</p>		<table border="1"> <tr><td>R</td><td>Head - SSC</td></tr> <tr><td>A</td><td>TPU- Co Ordinator</td></tr> <tr><td>C</td><td>SBU-Finance</td></tr> <tr><td>I</td><td></td></tr> </table>	R	Head - SSC	A	TPU- Co Ordinator	C	SBU-Finance	I	
R	Head - SSC														
A	TPU- Co Ordinator														
C	SBU-Finance														
I															

<p>TPU – Invoice validation</p>	<p>worked out based on past performance and maximum volume planned at any point of time for the agreed period.</p>	<p>TPU – Executive of the respective location</p>	<p>TPU- location</p>	<p>Agreement terms for payment. Standard for material consumption.</p>	<p>P2P_OH_02 Based on PO, liability will be booked and payments are made based on such liability created. P2P_OH_08 GRN is done by one person and finance dept will get invoice from store after certification they will scan and upload to SSC team, SSC team will book liability (while booking Maker will park the document, after verification checker will post</p>	<table border="1"> <tr> <td>R</td> <td>TPU- Executive</td> </tr> <tr> <td>A</td> <td>TPU- Co Ordinator</td> </tr> <tr> <td>C</td> <td>Plant Finance</td> </tr> <tr> <td>I</td> <td>Head – Sales & Marketing.</td> </tr> </table>	R	TPU- Executive	A	TPU- Co Ordinator	C	Plant Finance	I	Head – Sales & Marketing.
R	TPU- Executive													
A	TPU- Co Ordinator													
C	Plant Finance													
I	Head – Sales & Marketing.													

<p>Payment process</p>	<p>Conversion charges SR/SO will be created by EID executive at the respective TPU and the same will be released</p>	<p>TPU- Executive & Team – SSC payable</p>	<p>Corporate</p>	<p></p>	<p>P2P_OL_57 The payment schedule is prepared daily</p>	<p>the document) and make payments. P2P_OL_53, 54, 55 The system performs a 3 way match between PO, GRN and invoice. Invoice cannot be booked more than the GRN value. The vendor code during invoice processing is picked from the PO. P2P_OL_56 SAP restricts backdating GRN to previous month.</p>	<table border="1"> <tr> <td data-bbox="1214 450 1257 528">R</td> <td data-bbox="1214 150 1257 450">TPU- Executive</td> </tr> <tr> <td data-bbox="1257 450 1321 528">A</td> <td data-bbox="1257 150 1321 450">TPU- Co Ordinator</td> </tr> <tr> <td data-bbox="1321 450 1402 528">C</td> <td data-bbox="1321 150 1402 450">Plant Finance / Head - SSC</td> </tr> </table>	R	TPU- Executive	A	TPU- Co Ordinator	C	Plant Finance / Head - SSC
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A	TPU- Co Ordinator												
C	Plant Finance / Head - SSC												

	<p>as releasing strategy.</p> <p>The bills will be scanned and sent to SSC for accounting</p> <p>Payment will be processed by SSC team after confirmation from TPU In charge upon confirmation of TPU- Co-ordinator.</p>		<p>by the SSC team based on the due date and sent to the respective finance department for confirmation.</p> <p>Post confirmation payment proposal is created by SSC team. On creation of payment proposal, auto mail is triggered to the respective finance team.</p> <p>P2P_OL_59</p> <p>SAP will allow to pay multiple advances based on nature of transaction but there will be proper plant finance approval and as per the PO payment terms.</p> <p>P2P_OL_60</p>	
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S2 > Material Movement from Plant to TPU

Process Details

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI
Planning of SKU to be packed at SKU	Normally, based on market condition; the SKU to be packed will be arrived upon deliberation of the same with Head- Sales & Marketing.	Head Sales & Marketing	Corporate		Mail internal Note confirmation of Head - Sales & Marketing				R A C I
	The SKU to be observed upon individual TPU will be decided upon and								GM – Sales Head – Sales & Marketing

<p>Initiation of Movement of goods from plant to TPU</p>	<p>shared to TPU-Co Ordinator on a quarterly basis. Presently: Haliyal sugar of White label, PPRS will be packed in Hosur TPU. White & Clean and 25 kgs bags of white label will be packed with Nellikuppam sugar.</p>	<p>TPU Executive & Plant warehouse team & CMMD for raw material sourcing.</p>	<p>TPU</p>		<p>Based on TPU production plan approved by Head – Sales & Marketing.</p>			<table border="1"> <tr> <td>R</td> <td>TPU - Executive</td> </tr> <tr> <td>A</td> <td>Plant warehouse & CMMD Executive</td> </tr> <tr> <td>C</td> <td>GM Commercial / TPU – Coordinator</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU - Executive	A	Plant warehouse & CMMD Executive	C	GM Commercial / TPU – Coordinator	I	
R	TPU - Executive															
A	Plant warehouse & CMMD Executive															
C	GM Commercial / TPU – Coordinator															
I																

<p>Planning Sugar sourced from outside</p>	<p>vendor / plant warehouse team. PO will get released as per releasing strategy. GRN will be done by TPU Executive.</p>	<p>TPU- Co Ordinator & CMMD</p>	<p>Corporate</p>		<p>Approval of Head – Sales & Marketing</p>			<table border="1"> <tr> <td>R</td> <td>TPU – Co Ordinator</td> </tr> <tr> <td>A</td> <td>SBU - Finance</td> </tr> <tr> <td>C</td> <td>CFO</td> </tr> <tr> <td>I</td> <td>Head – Sales & Marketing</td> </tr> </table>	R	TPU – Co Ordinator	A	SBU - Finance	C	CFO	I	Head – Sales & Marketing
R	TPU – Co Ordinator															
A	SBU - Finance															
C	CFO															
I	Head – Sales & Marketing															

Treatment of Logistic arrangement	<p>standard procedure to procure.</p> <p>Purchase order will be released based on individual mother plant of EID marked TPU location.</p>	TPU-Executive & Logistic Manager	Sales Office	Signed rate contract	off			<table border="1"> <tr> <td>R</td> <td>TPU-Executive</td> </tr> <tr> <td>A</td> <td>Logistic Manager & TPU Co Ordinator</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU-Executive	A	Logistic Manager & TPU Co Ordinator	C		I	
R	TPU-Executive															
A	Logistic Manager & TPU Co Ordinator															
C																
I																
Rate finalization and other terms and conditions are followed by prevailing standard procedure.	Freight payment, wherever on FOR basis, the bills will be processed by the centralised sales team and send it to SSC for payment.															

<p>Communication of TPU operation and goods ready to dispatch</p>	<p>TPU – executive will verify the data and forward to TPU- Coordinate for his approval to proceed for payment.</p>	<p>TPU – Co Ordinator & Logistic Manager</p>	<p>Sales office</p>		<p>Business plan for TPU operation</p>	<p>OTC_L_38 Based on available stock and market conditions, the Marketing team will decide on the quantity to be allocated on a weekly basis. Hence order is confirmed only based on the company's availability to supply.</p>	<table border="1"> <tr> <td data-bbox="504 477 549 571">R</td> <td data-bbox="504 172 549 477">TPU – Executive</td> </tr> <tr> <td data-bbox="549 477 593 571">A</td> <td data-bbox="549 172 593 477">TPU – Co Ordinator</td> </tr> <tr> <td data-bbox="593 477 638 571">C</td> <td data-bbox="593 172 638 477">GM - Sales</td> </tr> <tr> <td data-bbox="638 477 683 571">I</td> <td data-bbox="638 172 683 477"></td> </tr> </table>	R	TPU – Executive	A	TPU – Co Ordinator	C	GM - Sales	I	
R	TPU – Executive														
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	<p>on payment of necessary GST thereon.</p> <p>The recipient TPU state will take ITC of the same.</p> <p>EID will also send the packing material for both primary and secondary either directly from the plant or ask the supplier to deliver to TPU as part of Bill to ship to arrangement.</p>	Plant warehouse – Executive	Respective mother plant		PR/ PO			<table border="1"> <tr> <td>R</td> <td>Warehouse Executive</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator</td> </tr> <tr> <td>C</td> <td>Plant Finance</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Warehouse Executive	A	TPU – Co Ordinator	C	Plant Finance	I	
R	Warehouse Executive															
A	TPU – Co Ordinator															
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I																

	<p>by TPU – Co Ordinator; upon receipt of PO ; the respective mother plant warehouse team will plan for shipments.</p> <p>The communication will be shared with Logistic team onward preparation of vehicle arrangement.</p> <p>After confirmation of vehicle placement, the mother plant warehouse in charge will raise the Stock Transfer order (STO under GST) along with necessary E-way bill for the</p>									
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	<p>same.</p> <p>If the movement between same state i.e., mother plant and TPU falls under the same state; only STO in the form of delivery challan will be created along with E-way bill. (i.e. Question GST will not arise)</p> <p>If mother plant and TPU falls geographically in different state region; such STO will have the GST.</p> <p>The recipient TPU – will take associate GST as part of Input tax credit of such physical</p>							
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	state where the TPU geographically positioned.				Agreed rate chart for freight payment											
Logistics and loading and unloading of goods	<p>The cost of Loading charges at plant will be by EID.</p> <p>Onward transport from Plant to respective TPU cost will be debited to freight account of mother plant.</p> <p>Logistic arrangement will be handled by logistic team upon coordination with TPU – Executive.</p>	Warehouse &Logistic Team and	Sales Office				<p>OTC_H_03</p> <ul style="list-style-type: none"> Security person maintains a manual register to record vehicle details when they enter and exit the factory. Vehicle number, Driver name, mobile number, Pass in number(issued by customer) is entered and vehicle is verified by security team at the time of entry into factory premises. Invoice issued by warehouse team, weighment slip is verified by security team at the of allowing vehicle outside the factory. Security performs 	<table border="1"> <tr> <td>R</td> <td>Warehouse Executive</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator</td> </tr> <tr> <td>C</td> <td>Plant Finance</td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	Warehouse Executive	A	TPU – Co Ordinator	C	Plant Finance	I	
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C	Plant Finance															
I																

S3 > Treatment/ Process to be carried out at TPU

Process Details							
Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries / IFC Reference	Control RACI
Manpower deployment at TPU	EID will nominate one or more resources either direct rolls or contract manpower to carry out the TPU – operation. Such manpower will report to TPU-Coordinator. The primary responsibility of such TPU-Executive will be:	TPU-Executive	Respective TPU location		Invoice GRN, raising PO & Generation of Invoice to customer.		R TPU-Executive A TPU- Co Ordinator C I
	- monitoring the entire TPU operation in terms of raising purchase request - material receipt at TPR - Material issuance to TPU for onward processing /						

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
	conversion <ul style="list-style-type: none"> - Accounting the finished goods - preparation of Invoice to customer 																
Storage / warehousing at TPU	<p>TPU will ensure to keep our packing material and raw material promptly in a suitable storage place; where we can identify the goods without any hassle.</p> <p>The said raw material to be used on FIFO basis.</p> <p>Until the invoice billed and shipped to the customer, the stock will be part of EID Inventory.</p>	TPU-Executive	Respective TPU location		Agreement with TPU		OTC_L_41 Adequate storage space is available in the godown to store the FG stock. The plant has planned an capacity expansion project. Additional storage godown is considered for increased output. Packing material is		<table border="1"> <tr> <td>R</td> <td>TPU-Executive</td> </tr> <tr> <td>A</td> <td>TPU- Co Ordinator</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU-Executive	A	TPU- Co Ordinator	C		I	
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							water proof materials from heavy rains in the region during loading and transportation activities. OTC_L_31		
							Bags are stored as per lot number with expiry dates printed on the packing material. Currently FIFO dispatch is managed by warehouse supervisor through manual instructions given at the time of loading the		

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control RACI
							trucks. OTC_L_34 The sugar has life period of 2 years. Company dispatches the stock on FIFO basis. The lot number for the stock is currently maintained in manual excel tracker by warehouse team, process and quality team. During monthly meeting with MD, corrective action is taken (Reprocess or Liquidate).	
							OTC_L_40 The materials	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
Safety precaution measured to be maintained at TPU	<p>TPU is responsible for safe custody of EID raw materials.</p> <p>In the event of detecting or suspecting any damage to the same or shortage thereof, on taking possession of the same; the TPU will make detailed note clearly recording the extent of such damage / Shortage.</p> <p>TPU storage location should upkeep</p>	TPU Executive & TPU Co Ordinator			Quarterly off sigh statement between EID and respective TPU for operation performance.		in Godown are stored to enable FIFO dispatch of goods. When materials are lifted old goods are removed from factory in a systematic manner.		<table border="1"> <tr> <td>R</td> <td>TPU-Executive</td> </tr> <tr> <td>A</td> <td>TPU - Coordinator</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU-Executive	A	TPU - Coordinator	C		I	
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
	<p>cleanness and away from dust and fumes.</p> <p>effective arrangements should made at TPU for the treatment of waste etc.,</p> <p>Temperature and proper ventilation & proper lightning maintenance.</p>																
TPU - Process	<p>TPU In charge, will receive the sales plan from sales team and advice the JOB worker accordingly</p> <p>The TPU will communicate quantum of sugar packed (SKU wise) along with quantum of packing material consumed on the first half of subsequent working day.</p> <p>Upon receipt of such data, EID will organise</p>	TRU - Executive	TPU Location						<table border="1"> <tr> <td>R</td> <td>TPU - Executive</td> </tr> <tr> <td>A</td> <td>TPU - Co Ordinator</td> </tr> <tr> <td>C</td> <td>Mother Finance Plant</td> </tr> <tr> <td>I</td> <td>Head - Sales & Marketing</td> </tr> </table>	R	TPU - Executive	A	TPU - Co Ordinator	C	Mother Finance Plant	I	Head - Sales & Marketing
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
	<p>to account this in SAP by EID -TPU Executive.</p> <p>Note :TPU service provider should not use EID raw materials for any other purpose; other than set out in Agreement.</p>																
Physical verification of stock	<p>On monthly basis, EID TPU In charge will perform the reconciliation of material issued to the Job worker & goods received from the Job worker for both quality and quantity.</p> <p>Head – R&D will inspect the operation once in fortnight on account of quality standard.</p> <p>The reconciliation signs off between Job</p>	TPU- Executive	TPU- Location		<p>Monthly sales summary, stock register & Quality inspection report.</p> <p>The copy of signed reconciliation to be shared with respective unit.</p>		<p>OTC_H_10</p> <p>Any stock adjustment should be initiated by Ware house team with the recommendation of concerned Unit finance head and Unit Head. Only after CFO's approval, Finance department makes adjustments in SAP.</p>		<table border="1"> <tr> <td>R</td> <td>TPU - Executive</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator</td> </tr> <tr> <td>C</td> <td>Mother Plant Finance</td> </tr> <tr> <td>I</td> <td>Head – Sales & Marketing</td> </tr> </table>	R	TPU - Executive	A	TPU – Co Ordinator	C	Mother Plant Finance	I	Head – Sales & Marketing
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	<p>worker and EID will be interfaced by TPU-Coordinator. The copy of signed reconciliation to be shared with respective unit.</p> <p>On quarterly basis, the physical verification may be conducted by the external agency/unit management team. Any differences, the same to be accounted in the books as per DOA.</p> <p>The TPU – Service provider should not use the name , any trademark, logo of the EID for any purpose without the prior consent of EID.</p>							
Unloading at	The cost of unloading	TPU	Respective		Agreement.			R TPU - Executive

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TPU for the stock received	<p>and subsequent loading charges at TPU will be borne by TPU.</p> <p>Prior intimation to be given to TPU service provider for the arrangement of unloading staff at TPU by TPU – Executive.</p> <p>Any delay on account of unloading at TPU- location will be debited to respective TPU service provider beyond one day.</p>	Executive	TPU location.						<table border="1"> <tr> <td>A</td> <td>TPU – Co Ordinator & Logistic team</td> </tr> <tr> <td>C</td> <td>Mother Plant</td> </tr> <tr> <td>I</td> <td>Finance</td> </tr> </table>	A	TPU – Co Ordinator & Logistic team	C	Mother Plant	I	Finance		
A	TPU – Co Ordinator & Logistic team																
C	Mother Plant																
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Issuance of sugar and packing material to TPU process.	<p>Sugar and packing material will be issued by EID executive at TPU for converting retail packing</p> <p>The same will be done through subcontracting model in SAP.</p>	TPU Executive	Respective TPU location		Purchase request and Purchase order.				<table border="1"> <tr> <td>R</td> <td>TPU - Executive</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU - Executive	A	TPU – Co Ordinator	C		I	
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI								
	(i.e. at any point of time, the stocks with Job worker will be separately identified and it will treat as part of TPU stock)																
Action on Excess utilisation of packing material as against agreed levels.	EID will raise a Debit note on a quarterly basis upon reconciliation along with associate taxes as applicable.	TPU Executive	Respective TPU location		Norms agreed in the agreement Vs actual consumption at TPU.				<table border="1"> <tr> <td>R</td> <td>TPU – Executive & SSC payable</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator/ Head -SSC</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU – Executive & SSC payable	A	TPU – Co Ordinator/ Head -SSC	C		I	
R	TPU – Executive & SSC payable																
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C																	
I																	
Treatment of Waste	All the material accounting i.e issue, consumption and FG accounting will be done by the EID executive in respective TPU. Any wastage over and above the allowable norms, will be debited to the Job	TPU Executive	Respective TPU location		Norms agreed in the agreement Vs actual consumption at TPU.				<table border="1"> <tr> <td>R</td> <td>TPU – Executive & SSC payable</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator/ Head -SSC</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU – Executive & SSC payable	A	TPU – Co Ordinator/ Head -SSC	C		I	
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC Reference	Control	RACI
	worker through debit note. This will be done at the TPU by the EID executive								

S4 > Material Movement from TPU – Other TPU / Customer

Process Details

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control	RACI								
Despatch plan	Post retail packing, EID will prepare despatch plan of sugar to customer directly. EID will organise the vehicle for movement of goods from TPU location to Customers.	GM- Sales	Sales office		Agreed budgeted plan.				<table border="1"> <tr><td>R</td><td>TPU- Co Ordinator</td></tr> <tr><td>A</td><td>GM- Sales</td></tr> <tr><td>C</td><td>Head – Sales & Marketing</td></tr> <tr><td>I</td><td></td></tr> </table>	R	TPU- Co Ordinator	A	GM- Sales	C	Head – Sales & Marketing	I	
R	TPU- Co Ordinator																
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I																	
Generation of Invoice	Basis the despatch advice received from sales team, Sales order and invoice creation will be done at the TPU location and the same will be done by the EID executive, EID will raise invoice in SAP, on despatch	TPU- Executive	Respective TPU location.		SR / SO preparation.		OTC_H_11 Invoice will be generated based on SO, SAP will not allow any changes to Invoice. For any changes to be made in SO, there is Maker & checker (Marketing/Commercial team will generate SO then that prices will		<table border="1"> <tr><td>R</td><td>TPU- Co Ordinator</td></tr> <tr><td>A</td><td>TPU - Coordinator</td></tr> <tr><td>C</td><td>GM- Sales</td></tr> <tr><td>I</td><td>Head – Sales & Marketing</td></tr> </table>	R	TPU- Co Ordinator	A	TPU - Coordinator	C	GM- Sales	I	Head – Sales & Marketing
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control	RACI
	of consignment from the TPU.						be cross checked by another person with reference to prices approved by HOD, if both tallies then he will approve the SO). Once changes are made to SO, it gets blocked and can be released only after approvals. Invoice cannot be changed / once SO is released / approved.		
							OTC_L_16 Once SO is created, for any changes done by marketing/commercial SO will be blocked automatically. It should be unblocked by SSC team after Proper Approvals so there is Maker-Checker mechanism in place.		
							OTC_L_24 There is clear		

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control RACI
							<p>Segregation of duties, SO will be created at HO after cross checking by SSC, Invoice is generated at Plant level. SAP will not allow to change Invoice whatever in SO will be reflected in Invoice.</p> <p>OTC_L_29</p> <p>Multiple Invoice for Partial quantities is possible, till Qty in SO will get exhausted. So Creation of duplicate Invoice is not possible in SAP since Invoice is Linked with SO.</p> <p>OTC_H_06</p> <p>There is proper SOD in place. Invoice in SAP is generated through the following workflow using Sales order reference: Sales order->Marketing order->finance release the order -></p>	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control RACI
							<p>Outbound delivery no->Billing Document->Invoice</p> <p>Invoices are generated at the unit level from where the goods are despatched. Receipt entries are made by the SSC team.</p> <p>OTC_H_02</p> <p>SAP configuration TAXINN will automatically take GST Rate based on the tax code.</p> <p>OTC_M_04</p> <p>Once invoice is made nobody can change invoice, but they can cancel the invoice and it will go again in approval mechanism</p> <ul style="list-style-type: none"> • Price and quantity cannot be modified during invoice generation as it flows directly from Sales order in SAP 	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control RACI
							<p>OTC_L_25</p> <p>Invoice in SAP is generated through the following workflow using Sales order reference: :Sales order->Marketing finance clearance->Outbound delivery no->Billing Document->Invoice Hence, incorrect invoice cannot be mapped to incorrect sales order.</p>	
							<p>OTC_L_26</p> <p>Invoice is captured automatically. Further MM module is closed on last day of the month. Therefore, there is no possibility of backdating of invoice.</p>	
							<p>OTC_L_25</p> <p>Invoice in SAP is generated through the following workflow</p>	

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control RACI												
							using Sales order reference: :Sales order->Marketing finance clearance->Outbound delivery no->Billing Document->Invoice Hence, incorrect invoice cannot be mapped to incorrect sales order.													
							OTC_M_08 GST is applicable currently. Every invoice is made in SAP, which automatically calculates the GST based on the tax code.													
Accounting Treatment	The cost of packing material consumed are accounted in the unit which originally transferred the sugar in bulk form. Sub -contract order system in SAP shall be made use of .	Plant Finance	Respective mother Plant		Subcontract order. Invoice & E waybill generated thereon.		OTC_L_28 Invoice accounting is automatically posted in the books of the company on generation of Invoice. The company ensures that all trucks against which invoices have been raised are moved out of the factory on the same date	<table border="1"> <tr> <td>R</td> <td>Plant executive</td> <td>Finance</td> </tr> <tr> <td>A</td> <td>TPU – Co Ordinator</td> <td></td> </tr> <tr> <td>C</td> <td>SBU Finance</td> <td></td> </tr> <tr> <td>I</td> <td></td> <td></td> </tr> </table>	R	Plant executive	Finance	A	TPU – Co Ordinator		C	SBU Finance		I		
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control	RACI
	<p>Since the TPU plant is part of Mother plant, debtors will be mapped to the respective plants.</p> <p>Outstanding statement of the debtors will be sent by SSC team periodically to the respective sales team.</p> <p>Reasons for long outstanding to be provided by the respective sales team</p>						<p>OTC_H_08</p> <p>For any write-off of customer balances, it will be initiated by the SSC team based on the debtors aging analysis. This recommendation will be sent to Finance team for confirmation. Approval is given by Finance head and CFO, and SSC passes the entry. In case dispute in approval, the recommendation is further sent to Marketing/commercial team for their input.</p> <p>O2C_L_36</p> <p>Company accepts payments only through bank transfer or cheque. There is also proper SOD, where SSC team takes care of accounting for receipts and follow up of receivables and sales team does not play</p>		

Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control RACI								
							role in collection accounting. O2C_L_37 Company accepts payments only through bank transfer or cheque. There is also proper SOD, where SSC team takes care of accounting for receipts and follow up of receivables and sales team does not play role in collection accounting. Dedupe check is made on UTR number basis. Further, periodic bank reconciliation will also throw out collection accounting errors.									
MIS and other reporting	TPU will arrange to send the periodical production and packing statement to respective TPU- Executive / Co – Ordinator.	TPU executive	Corporate		Auto report generated		OTC_L_4 Sales team prepares a monthly Sales MIS with details of actual sales against the annual plan and submitted to	<table border="1"> <tr> <td>R</td> <td>TPU - Executive</td> </tr> <tr> <td>A</td> <td>TPU- Co Ordinator.</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td>I</td> <td></td> </tr> </table>	R	TPU - Executive	A	TPU- Co Ordinator.	C		I	
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Process Step	Process Description	Performed By	Location	SAP TCode	Output Documents Generated	Accounting Entries	IFC reference	Control	RACI
	<p>As far as EID:</p> <p>Each TPU will have as many locations as units has.</p> <p>The TPU is attached to the respective plants, the sales revenues, profitability will be part of respective plants.</p> <p>TPU can have separate cost sheet to analyse the profitability</p> <p>The Units Accounts team will have the Authorization access to the TPU plants to check and verify the SAP transactions</p>						management. Any shortfall in meeting the targets are discussed in a monthly review meeting. Rolling sales forecasts are also prepared on a quarterly basis based on changing forecasts		

DELIGATION OF AUTHORITY MATRIX:

R: RESPONSIBLE

A: APPROVAL

C; CONSULTATION WITH

I: INFORMED TO

