	SOP on Online Procurement of IT Assets	Commercial SOP #	8
		Version	1.0
		Issued on	01-Dec-16
		Effective from	01-Dec-16

1. Objective

The objective of this policy is to provide guidelines for online procurement of IT assets and mobile phones and deliver savings of 3% on equipment procured online.

2. Scope

This policy is applicable for all mobile phones and IT assets purchased by the Company and its group companies **except for purchase of server, software and spare parts**.

3. Procedure for online procurement

3.1 The respective user department should give an indent to Procurement dept. via online indenting platform or through mail for the asset to be purchased.

3.2 Procurement department in consultation with IT department shall check the prices for the required product on various E-commerce platforms and select the most competitive vendor.

3.3 Following should be the standard criteria for selection of the vendor:
   - The product should be purchased only from Flipkart, Amazon, Snapdeal or Shopclues
   - The vendor should have at least 4 star rating on the E-commerce site
   - The vendor should be an assured vendor on the E-commerce site (eg. F-assured vendors on Flipkart)

   In case any of the above criterion is not met, approval of the IT Head should be taken before initiating the purchase. If the product is not available online, the approval of CFO should be taken before purchasing it from the retailer.

3.4 Once the vendor is selected, PO should be prepared in SAP by procurement team, if the value of the transaction is above ₹ 10,000. The PO should be prepared in the name of "One Time Vendor - Online Purchase".

3.5 The PO should be released as per the release strategy defined in SAP.

3.6 Once the PO is approved, the procurement team can purchase the product by making payment on the E-commerce platform.

3.7 The payment should only be made through Company Credit Card.

3.8   As soon as the payment is made, the procurement team should update the details of credit card payments in the payment tracking sheet maintained in the shared drive. **The updated tracking sheet is very important for Finance team to record liability and payment entries in SAP.**

3.9   After the asset is received, the procurement team should do the MIGO (goods receipt) in SAP.

3.10 After the MIGO, procurement team should handover the invoice to Finance team for making payment entries in SAP. Following details should be mentioned on the invoice-

  ➢ PO number
  ➢ MIGO number
  ➢ Fact that payment is already made through the credit card and payment details

4. Product warranty:

As a standard practice, the warranty period is calculated from manufacturing date and not from invoice date for products purchased through E-commerce sites. In case of any issues in the product during the warranty period, the same should be resolved utilizing the warranty terms. IT department should send the product to the service center for repairing and do the necessary follow ups. All warranty related documents should be in the custody of IT department.

In case the warranty period is expired, the necessary repairs to be done through a local vendor. IT department should select the most competitive vendor and prior approval of IT Head should be taken before incurring any additional cost.

5. Savings through online procurement:

The purpose of this SOP is to bring 3% savings on every asset procured online vs. retail price. The IT department should keep a tracking sheet and maintain details of savings on every product purchased online. The online price is to be compared with the retail price for same/similar product to calculate the savings.

The CFO should be updated about the savings on a monthly basis. Any purchases not giving 3% savings should approved by the procurement head.