

**Generali Central Insurance
Company Limited**

Procurement Policy Manual
Version 3.0



DOCUMENT SUMMARY:

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CHANGE / HISTORY LOG:

Version No.	Rollout Date	Purpose of revision
1	15 th November 2015	New design
1.1	12 th September 2017	Addendum to certain clauses in existing policy
1.2	8 th June 2020	Addendum to certain clauses in existing policy
2.0	1 st July 2021	- The policy & format have been aligned with guide lines laid down by compliance (Overall Doc) - Changes post P2P system go live (Overall Doc) - PO maker-checker process have been updated in Procurement Policy. (Page no. 18). - The Procurement Policy is updated to include the requirement of sharing the vendor performance evaluation report on an annual basis to the Risk Management Department for placing it in the Risk Committee's meeting, the Outsourcing Committee and in the Board of Directors' meeting. (Page no. 19 & 20). - Updation of timelines for conducting the vendor performance evaluation activity as well as the timelines for initiation and closure of actionable basis the result of the performance evaluation activity in the Procurement Policy. (Page no. 19-20). - Standard Procurement TAT have been updated. (Page no. 18). - PO Authorization Matrix have been updated (Page no. 18) - Escalation Matrix have been updated. (Page no. 30). - Latest updated formats/reference docs have been appended in policy document (as ANNEXURES). (Page no. 31).

2.1	15 th July 2022	- Payout Process to be followed by User Department/Finance Team: New Point Added - Authorization and Approval Matrix: PO Authorization in P2P System: Modified - Authorization and Approval Matrix: Vendor Checker & Approvals in P2P System: Modified
2.2	1st Feb 2024	<u>Requisition Process: Point added:</u> - Budgeting team to review the PR in P2P system/mail and approve the request of greater than INR 5,00,000. In case of any discrepancy, clarification to be shorted from user function. In the case of non-budgeted cases, user function & budgeting team to seek CFO exceptional approvals and proceed. If not approved by CFO, request to be rejected by budgeting team back to user function. Only approved requests will be flown to CPD. <u>Roles & Responsibilities → Business Function: Points added:</u> - To ensure that no purchase of goods or availing of services without Procurement Approvals and valid PO/Agreement. - Obtaining Budget and relevant approvals from budgeting team on PR. Request to be placed at least 1 month prior to the due date of expiry of PO/Agreement.
2.3	10 th May 2024	<u>Business Rules:</u> Direct Purchases by user function value increased from Rs. 25,000 to Rs. 1,00,000 for non-recurring expenses. <u>Authorization and Approval Matrix:</u> <u>Recommendation Note:</u> Procurement head approval limit increased from Rs. 1,00,000 to INR 5,00,000 per request.
3.0	1st August 2025	- Entity name change - Purchase Authorization and Approval Matrix - Standard Procurement TAT - Contract Base PO process - Vendor Performance score slabs - One Procurement Guidelines Adoption. - Annexures updates

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REGULATORY REFERENCES: NA

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1. Definitions & Abbreviations

GCI	Generali Central Insurance Company Limited
HO	Head Office
RO	Regional Office
ZO	Zonal Office
BO	Branch Office
TAT	Turn Around Time
IT	Information Technology
PR	Purchase Requisition
PO	Purchase Order
SAP	Procure to Pay System (SAP)
P2P	Procure to Pay System (Expenzing)
RFQ	Request for Quotation
RFP	Request for Proposal
RFI	Request for Information
CAPEX	Capital Expenses
OPEX	Operational Expenses
GRN	Goods receipt note (done in case of materials)
SRN	Service receipt note (done in case of service)
MICE	Meetings ,Incentives, Conference and Events
SIPOC	Supplier Input Process Output Customer
AMC	Annual Maintenance Contract
OEM	Original Equipment Manufacturer
CPD	Central Procurement Department
CBA	Cost Benefit Analysis
FY	Financial Year

2. Abstract

a. **Objective:**

This process guideline is chalked out with the primary aim of servicing all buying decisions within the organization. Through this guideline we intend to explore and weave in the following key benefits within our Corporate Buying system.

- Lay down a standard process for purchasing of products and services.
- Optimize the overall procurement cost to the organization.
- Constantly improve TATs and service level.
- Better capability of monitoring and forecasting internal spending patterns.
- Robust Vendor Management Process.
- Use of in-house procurement expertise.

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- Consolidate product wise requirements across various departments / cost centers.
- Centralized Buying (procurement) enables better control over purchase, vendor management and negotiations.
- Better capability of monitoring and forecasting internal spending patterns.

b. Introduction:

Procurement is the process of acquiring the goods and/or services of requisitioned quality and quantity to be delivered at specified location at the optimum total cost of ownership to meet the needs of the organization.

Procurement policy manual will give an overview of the steps to be covered at the time of purchase requisition, selection of vendor, raising PO and delivery of products and services purchased by the procurement team.

Enlisted is the major Procurement In scope & Out scope activities involved by Procurement function.

In scope:

CPD will involve in the below activities:

- CAPEX & OPEX Expenditure (IT, Non-IT, Civil & Interiors, Repairs & Maintenance)
- Rate contracting / Service Level Agreements / Renewal of Contracts
- Printing activities / POP material
- Annual Maintenance Contract (AMC)
- Outsourcing & Non-Outsourcing Activities / Contracts / Agreements
- White goods / Articles / Gifting items
- Insurance cover (asset / premises / Mediclaim / Group Term etc.)
- Hotel & Travel Booking for Sales meet/convention/training/conference/Hotel annual rate contract (MICE)
- Marketing & Advertising Expenses
- Training – Faculty related expenses
- Relocation / office shifting
- Disposal / scrap / sale of old capex assets
- All other operating expenses and capex purchase not covered in and out of scope.

Out Scope:

Procurement will not be involved in below list of items.

- Any procurement carried out directly by business function up to **Rs.1,00,000/-**
- Rent of commercial property
- Renting of Office Equipment's, Furniture and Fixture, IT/NON-IT equipment's
- Utility Expenses
- One off expenses like purchase for Independence Day celebration, hotel booking, lodging etc.
- Purchase of books, periodicals, newspapers,
- Legal Charges, Tax payable to Government Bodies.
- Cost incurred on Seminars/Training for individuals
- Sponsorship

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- Payment to statutory bodies, membership fees
- Investment related

3. Business Rules

Procurement of products and services to be carried out within the matrix mentioned below:

Sr. No	Limit	Process
	Direct Purchases for up to Rs 1,00,000 (Only Opex, Capex purchase will be done through procurement)	• Departments can directly purchase goods/services up to Rs. 1,00,000/- of non-recurring in nature. Capping is not vendor specific, based on the nature of expense per order. • Single quote is sufficient for purchase up to Rs. 1,00,000/-. • If any good / services being ordered directly by the department is seen as recurring nature, then the department should involve CPD to standardize the rates under rate card in order to optimize the spend. • PO should be issued by respective function & approved as per DOA.
2	Purchases from Rs. 1,00,000/- to Rs. 10,00,000/- or Contract annual value.	• All such purchases to be routed through procurement • 2 quotes (Physical quotes or online electronic quotes can be reference point) is required. Waiver to two quotes may be granted by procurement head • Value of individual items or expenses incurred at each instance will not exceed Rs 10,00,000/-
3	Purchases from Rs 10,00,001 to Rs 50,00,000 or Rate Contract	• All such purchases to be routed through procurement • These procurements shall be carried out after comparing the quotes from at least three vendors. Waiver to alternate quotes may be granted by FP/CFO • No RFP document required for such purchases
4	Procurement from Rs. 50,00,000 lacs & above or Rate Contract	• All such purchases to be routed through procurement • The procurement shall be carried out through RFQ / RFP process by inviting quotes from at least three vendors. Waiver to alternate quotes to be granted by CFO • Procurement Head to decide if RFP to be prepared wherever essential • Techno-commercial to be conducted for such contracts (if feasible)

The above limits are exclusive of taxes.

Important Note: Splitting of Activity for the transaction for accommodating within their limit will not be permitted.

General Guidelines:

- 1) All procurements as per the defined value threshold and within scope of procurement should be executed through CPD. No purchases / procurement shall be made without routing through Procurement.
- 2) In case certain purchases / negotiation for services are conducted locally which bring in more economies, the same should be closed with the knowledge of CPD and post obtaining the relevant approvals.
- 3) All PR shall be routed to CPD through SAP System or Email.
- 4) All PR will be considered only if complete details of requirements – make, model, capacity, specifications and approval from respective Competent Authority as per DOA (in line with the Delegation of Financial Powers) are provided by the User Department.
- 5) In case of incomplete PR, the same will be rejected and sent back to the user department on the same day or next working day stating the short falls in the requirement. The TAT will commence from the day all requirements are in place and shortfalls met.
- 6) All specifications with respect to procuring items should be shared by the User Department on Day 1 and any changes to the specifications to be shared / intimated regularly and continuously. The TAT will commence from the day all requirements are in place and shortfalls met.
- 7) User Dept can also suggest / share vendor details whose services they would have utilized in the earlier projects or might be the current vendor for some other products or activity.
- 8) CPD will float requirements to different Vendors and ensure minimum number of valid quotations are obtained.
- 9) Certain business scenario at times call for emergency purchases for which procurement activity is carried out by respective user department and later on provide business justification with proper approvals from HOD/ Competent Authority as per DOA and Procurement Committee.
- 10) The quotation less than one month old can be considered while proposal/quotes can be on email/softcopy instead of hard copies.
- 11) In case if minimum number of quotes are not received, the approvals with justification will be accorded as per following matrix.

<= Rs. 5,00,000	Head of Procurement
>Rs 5,00,000	Procurement Committee

- 12) Wherever the user requires the sample, the same shall be asked by the vendors.

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- 13) The TAT for CPD starts from the day the PR is accepted or the date when final changes in the specification are communicated to CPD whichever happens latter.
- 14) In case where the User requires the sample, the TAT for CPD starts post finalization of sample inclusive of finalization of packing of the material.
- 15) Selection of the vendor will be on the basis of Cost, TAT for dispatch / delivery, Quality / Specifications approved jointly along with the user department
- 16) Awarding the contract / raising a PO on L2 vendor (Lowest but second vendor) / H1 vendor (highest bided vendor) to be approved by 'Procurement Committee' basis proper justification from CPD and user function along with HOD approvals.
- 17) Rate Contract is entered for one full financial year or any given period of time as the case may be for recurring item / services.
- 18) No Employee shall exercise the financial powers under these rules unless such powers are specifically delegated to him within the ambit prescribed herein, by the MD & CEO.
- 19) No Employee shall ordinarily incur any expenditure or undertake any liability involving expenditure on behalf of the Company, unless such expenditure has been authorized by the Competent Authority or under these Rules.
- 20) Every authority sanctioning expenditure shall enforce financial discipline and economy in expenditure and shall be judicious in exercising his authority to ensure expenditure are legitimate reasonable and are necessary in given circumstances.
- 21) No authority shall authorize or sanction expenditure which will directly or indirectly be for his own private benefit, provided that where the Competent Authority is himself so concerned or interested in any expenditure, the powers of the Competent Authority shall be exercised in respect of such expenditure by his next Superior Competent Sanctioning Authority.
- 22) No authority shall authorize or sanction expenditure or any item exceeding the limit of his own authority under these Rules, except in cases of emergency or in the interest of the Company. Such expenses incurred shall be immediately reported to the next competent sanctioning authority higher than him, giving reasons for authorizing the expenditure and get the expenditure confirmed by that authority. Such expenditure will also require approval from the CFO.
- 23) Where sanction to incur expenditure is obtained on telephone or during visits of the Competent Authority, relevant details shall be forwarded to that Competent Authority for confirmation of the sanction. The same would be communicated to Procurement on approval as well.
- 24) Any expenditure if unbudgeted shall be submitted to the, Financial Planning and Budgeting Department through proper channel for authorizing/sanction by the CFO
- 25) Purchase or Contract shall not be split in order to either avoid the necessity of obtaining

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sanction of higher authority or for sanctioning the expenditure proposal earlier decline by higher competent authority. Conversely purchases/contracts shall not be clubbed to avoid sanction/approval by the Competent Authority.

- 26) Expenditure for which authorization/sanction of higher authority is obtained shall normally be incurred within a period of three months, depending upon the type of items to be purchased, and in case of a contract, within the expiry period of the contract. In all cases of delay fresh authorization/sanction in writing shall be obtained.
- 27) As a rule article/items of indigenous make/having legalized custom paid entry shall only be purchased.
- 28) Where an expenditure is in fulfillment of a contract, expressed or implied, entered into by a competent authority on behalf of the Company or in fulfillment of a duty or obligation at Law imposed upon the Company in such cases the disbursing authority shall order payment only after it is satisfied that the terms of such contract have been duly complied with or the material supplied is according to specifications given by the company or that payment is not in excess of such duty or obligation imposed.
- 29) To maintain economy in expenditure due to bulk purchase/negotiated process, the company should empanel suppliers of repute of standard Items.
- 30) To maintain uniformity and economy, the company should empanel firms / suppliers / traders of repute for purchase of those Capital / Revenue items for which they are empowered with the delegate authority to sanction.
- 31) Purchase of stocks of printed items and other stores shall be limited to the actual requirement for period as least as feasible not exceeding 3 months.
- 32) For all type of requirements (i.e. Rate contract, Renewal, New Initiative etc) above Rs.5,00,000/- approval from Procurement Committee is mandatory.
- 33) For repeated purchases (Product / Services), CPD to prepare a rate contract wherever possible.
- 34) User departments to issue PO below or equal to Rs. 1,00,000/ only through SAP system.
- 35) Reference to section 3.1 (Table) CPD to do half yearly exercise of checking exception to the process. Any such instance to be highlighted to respective user department along with procurement committee.
- 36) All the legal documents e.g. NDA, Contract and Memorandum of Understanding etc. to be validated and approved by Legal function.
- 37) Commercial terms of the agreement to be replicated by user function as per procurement approval note shared.
- 38) Business Function to Acknowledge & keep on records the Goods/Service Receipt Note on
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receipt of the material /services.

- 39) Standard PO Terms & conditions should not be altered or changed.
- 40) Large procurement involving techno-commercials should be evaluated by Evaluation team. This Evaluation Team comprises of members from CPD, Business function and/or impacted department. (Refer the evaluation team requisite matrix under 'Roles and Responsibility' Section)
- 41) Business Function to ensure that all the invoice should be accomplice by copy of PO, SLA, Delivery Challan & other mandatory documents as per laid down in Accounts & Finance Process.
- 42) Quotes should be obtained only from Authorized Distributors/ dealers/ channel partners.
- 43) In case of RFP, quotes will not be accepted beyond RFP cut-off date or date specified by Central Procurement team.
- 44) RFP/RFQ quotes can be accepted by Email /Online / Physical document
- 45) Any changes in rates / addition of elements other than mentioned in PO / Rate contract should be brought to CPD's notice. . Expense incurred over and above the specified amount in the PO/Rate Contract to be approved/regularized by concern authority as per procurement process.
- 46) Quotes should not be obtained from the vendors which don't have complete statutory registration documents and complaint to GST norms (i.e. PANCARD, GSTIN etc.).
- 47) CPD should be involved in all discussions with vendors related to commercial impacts.
- 48) Any activity involving manpower deployment should be as per minimum wages defined by central /stage government time to time.
- 49) Rate & vendor finalization to be done only post sample approval for customized product / printing
- 50) Based on the volume or type of requirement CPD to initiate online/offline or e-auction or tender base negotiating model.
- 51) Separate SOP can be documented for each of the processes along with the respective user functions if required.
- 52) Invoice processing:
- a. Business function should ensure all invoices are raised within 30 days from the utilization / delivery of the service / product.
 - b. All invoices should be accompanied with supporting documents like (PO copy / Agreement copy, Delivery Challan, GRN /SRN, Procurement Committee approvals,

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budget sheet, etc as applicable).

- c. Invoices without all relevant supporting documents will not be accepted / processed by Accounts.

53) Payment & Advance issuance:

- a. Standard payment processing time involved is within 30 days from the receipt of the complete invoice.
- b. Final payment will be issued only on fulfillment of services / delivery
- c. Vendor advances will be issued only on discretion & approval of the Competent Authority as per DOA.
- d. Settlement of all open advances should be done by respective business functions for the respective vendors within 30 days of issuance of advance OR completion / delivery of the request.

54) Any deviation to the above guidelines / process should be reported to & approved by the Procurement Committee only.

55) If any department carries out any activity/assignment without involvement of CPD but which falls within the scope of procurement policy then for such exceptions/regularizations, approval of procurement committee needs to be taken.

4. Organization Mapping for Activities

Steps	Business Function	Central Procurement Department	Accounts & Finance	Legal Department
Forecasting, adequate budget planning for procurement				
Collation, Analysis of historic data of procurement & Providing Procurement calendar				
Identifying & Finalization of need base requirement				
Submission of PR in SAP System/Mail.				
Receipt of PR in SAP System/Mail.				
Requirement understanding/clarity				
Preparation of RFP / RFQ				
Identification of Vendors/ service providers				
Floating of RFP / RFQ/ RFI				
Receipt of quotations				
Finalization of Evaluation and Selection of Vendors on Technical Evaluation Basis				
Evaluation of Bids on both technical and commercial terms				
Negotiations with vendors/service providers				
Preparation of Comparative statements & Analysis				
Preparation of Recommendation Note.				
Obtaining approval from Procurement Committee				
Preparation & issuance of PO				
Preparation of Agreement / SLA & Coordination with legal				
Vetting of SLA / Contracts				
Vendor Registration in SAP System.				
Processing & releasing of Advance (if any)				
Delivery Follow-up				
Goods/ Service Received Note (GRN/SRN)				
Receipt & processing of Invoice				
Ratification of Invoices & Final vendor payments				

5. Requisitioning Process

- 1) User department raises the request for purchase of goods / services in the SAP System/Mail and submits for budget approval from finance.
- 2) Budgeting team to review the PR in SAP system/mail and approve the request of greater than INR 5,00,000. In case of any discrepancy, clarification to be shorted from user function. In the case of non-budgeted cases, user function & budgeting team to seek CFO exceptional approvals and proceed. If not approved by CFO, request to is rejected by budgeting team back to user function. Only approved requests will be flown to CPD.
- 3) After reviewing the requisition, the Competent Authority as per DOA either approves or rejects the request in SAP System/on Mail.
- 4) In case of rejection the same is sent back to the requisition for amending the requisition in SAP System/on Mail. In case of approval the same is sent to CPD through SAP System/Mail for initiating the procurement process
- 5) The PR should have details of the budget/Cost. User to ensure for new budget or excess in the allocated budget, approval is obtained from Finance in SAP System.
- 6) User may share alternate quotes / preferred vendor list along with PR.
- 7) All agreement/rate contract renewals request should be sent to procurement minimum 30 days prior to expiry

6. Negotiation Process

- 1) Post the receipt of approved PR from the user department and post confirming of the general guidelines mentioned hereinabove under section "General Guidelines governing the Procurement Policy", the CPD invites quotes from the vendors.
- 2) The rates are best negotiated to bring about economies to the company and the vendor is selected on the basis of Cost, TAT for dispatch / delivery, Quality / Specifications approved by the user department etc.
- 3) CPD may use Reverse Bidding tool for negotiation if feasible.
- 4) On selection of a vendor, the process moves from Negotiation mode to PO issuance mode. PR approved in SAP System/on mail, copies of consent of user department on requirements / specifications and the vendor selection process form a part of the documentation of PO copy filed with CPD.

7. PO Issuance Process

General Rules:

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- 1 Procurement department will issue PO on the vendor shortlisted on the merit of Cost, TAT for dispatch / delivery, Quality / Specifications approved by the user department.
- 2 The PO will have a complete detail of the specification, Quantity ordered, Rate per unit, Total cost, address of the location to be delivered, Shipping & billing details as per GST requirement and terms and conditions such as TAT for dispatch / delivery, terms of payment, penalty clause etc. as applicable.
- 3 PO will be released for items at the rates negotiated and finalized at the commencement of the contract and till the validity of the same.
- 4 Due to SAP system design constraint where specific approved PR raised cannot be flip directly into PO. CPD can create direct PO.
- 5 All POs will be only created through SAP System.
- 6 To help understand Account Payable identity PO's against contract, such PO's will be issued under document type "Contract Auto PO"
- 7 List of activities that mandatorily require agreement and cases that can be processed on a basis PO concurred with Legal Team (Ref: Annexure)
- 8 Concurrence on standard PO terms & conditions will be obtained from the Legal Department annually or at any relevant change in interim period whichever is earlier.

PO Issuance for Fresh request:

- 9 All PO will be approved as per the "Delegation Matrix" defined in SAP and the Authorization & Approval matrix (**point no. 14**) to this document. In case the delegated authorities are not available, the PO will be changing desk and approved on behalf by any one of the delegated authority as mentioned in the delegation matrix and the PO shall be released.
- 10 The PO PDF copy with annexures shall be sent to the vendor and with the User Department.
- 11 For new/renewal of agreements and to ensure commencement/continuity of service, PO can be issued with 3 months validity for user function and legal to execute the agreement meanwhile.
- 12 In case of re issuance of an existing PO, old PO will be flagged deleted in the system and subsequently new PO will be issued.
- 13 For category of service which falls under agreement-based process, however for such cases if the duration of engagement is for shorter period(less than 3 months) /one time-based activity , then PO can be issued without an agreement.

Agreement/Contract linked PO Issuance:

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- 14 For signed and existing Contracts / Agreements, **PO (only Opex)** can be issued in SAP by user function under document type **"Contractl Auto PO"**, based on the invoice received or on forecasted volumes / spend to capture expenses in SAP. Such PO's will be approved by workflow defined in SAP.
- 15 Contract based Capex PO's will be issued by Procurement.
- 16 Agreement/rate contract-based PO's will be used for internal processing and will not be shared with the vendor.
- 17 No PR will be required to issue such PO's.
- 18 Just to facilitate payment process, Procurement may also issue PO for out-of-scope services. However, the procurement process is not applicable here.

8. Dispatch / Delivery Process to be followed by User Department

- 1) CPD will provide information to the user regarding the dispatch of goods and tentative timelines for the goods reaching at given location.
- 2) User will have to follow-up with the vendor, check the delivery details and confirm the same.
- 3) In case of delivery via Courier Service to the Locations, the User shall co-ordinate with Admin team and arranges for couriering the same.
- 4) Confirmation of receipt / delivery of services / goods from the User team form the basis for confirmation for payments.

9. Payout Process to be followed by User Department/Finance Team

- 1) The vendor needs to submit the proper TAX Invoice in SAP system along with agreement or contract or against PO in SAP system. User function will verify all the supporting documents (as per payment process) and also whether any advance has been released to the vendor.
- 2) User will confirm the receipt of goods at the desired locations. This confirmation to be reflected by the user in the delivery challan forming a part of invoice sent in by the vendor. GRN will be done by user in SAP system, where ever applicable.
- 3) At times, when the delivery is spread across various locations, a Zone wise MIS is submitted to the User department by Zonal representatives, which in turn forms a part of Payment Process supporting.

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- 4) On receipt of invoice, in case of any discrepancy in the invoice, the user needs to reject the same within one day with proper reason for rejection.
- 5) Post verification of the documents, **the User Department to do invoicing in SAP system as per the process laid down by Finance Operation team.**
- 6) User department to ensure that the invoices reach the Finance team immediately without losing any additional time by holding the bills at their end for a longer period. This results in better service co-ordination with the vendor.
- 7) No PO based invoice payments will be processed manually (i.e., out of the Expensing System) by Finance Team.

10. Outsourcing Process:

- 1) User Department to follow the prevailing Outsourcing SOP. (**Ref: Appendix 4**)

11. Roles & Responsibilities

The below mentioned are the various responsibilities of function to smoothly carry out the procurement process:

1. Procurement Committee:

- To review the concept & business case of the requisition submitted for approval
- Extending commercial, vendor approvals & exceptional approvals
- To review Savings and TAT reports presented/shared by the CPD on a quarterly basis.

2. Business Functions:

- **To ensure that no purchase of goods or availing of services without Procurement Approvals and valid PO/Agreement.**
- Obtaining Budget and relevant approvals from budgeting team on PR.
- Request to be placed at least 1 months prior to the due date of expiry of PO/Agreement.
- Providing visibility on procurement for financial year & update procurement calendar at the start of financial year
- Issuance of PO under Rs. 1,00,000/-
- Replicating commercial terms as per Procurement approval note and SLA in contracts.
- Preparation of contract /SLA & vetting it through Legal Function.
- Performance feedback during Vendor Performance Evaluation.
- Follow-up for delivery
- Raises & submits vendor invoice for payment processing

3. Central Procurement Department (CPD):

CPD would be involved:

- Consolidate the requirements across various departments / functions
- Using internal / in-house procurement expertise & benchmarking the cost
- Issue of RFI/RFQ/RFP as per the procurement process to various service providers. Review the RFP responses submitted by the service providers.
- Improve control over purchase, vendor management and negotiations through centralized buying.

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- Interact with the vendors, so as to understand their strengths and weaknesses
- Negotiate the service standards and the rate, price, payment terms etc. with the vendors
- Presenting MIS on Saving & TAT's quarterly to Procurement Committee
- Finalising the rate contract
- Monitoring Vendor performance Evaluation
- Issuance of PO
- Share approved terms & commercials to user function to get contract done.

4. **Evaluation Team :**

Evaluation team would be involved:

- Vendor selection & Vendor evaluation process.
- Preparation of RFP & Technical evaluation criteria.
- Evaluating vendor responses & short listing of vendors basis Technical & Financial evaluation parameters
- Evaluation team should consist of members from CPD, User department & any other impacting department as defined by the HOD of the user department. The evaluation team should consist of minimum 2 member's team with representative from respective function.

12. Purchase Authorization and Approval Matrix:

Project or Purchase value (INR)	User Department (As per DOA)	Budget Team Approvals	Procurement Head	Procurement Committee	Group Procurement Approval Panel (PAP)
upto INR 1 Lakh (Only Opex)	✓	X	X	X	X
upto INR 5 Lakhs	✓	X	✓	X	X
upto INR 1 Cr	✓	✓	✓	✓	X
above 1M€	✓	✓	✓	✓	✓

Procurement Committee:

The following committee members have been constituted who will look into and decide on all purchases (over limit specified) made by the company.

Chief Financial Officer
Chief Commercial Officer
Chief Distribution Officer
Chief People & Organization Officer

CPD will coordinate the procurement process with respect to the requisition and decision will be taken by the committee. All purchases, contract and agreements etc. are to be routed through this committee (over limit specified) without exception.

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Note: Approval from any two Procurement Committee members is sufficient in order to release the PO / Procurement Approvals. However, if there is any query asked by any of the committee members, then the query will be resolved, till then the request will be on hold.

PO Authorization in SAP System:

All PO needs to be authorized as per the below matrix:

Order Value	Maker	Checker	Approval
<= Rs. 1,00,000/-	User Department Member 1	User * Department Member 2	Competent authority of the user department* as defined in system.
> Rs. 1,00,000/-	CPD** Team Member 1	CPD** Team Member2	AVP-Procurement or Head – Procurement***

* In few departments checker & approver can be same, due to department's structural constraints.

** Maker & Checker can't be the same person in case of CPD POs.

*** Post approval of recommendation notes by Head – Procurement (<= Rs. 5,00,000 cases) and Procurement Committee (> Rs. 5,00,000 cases)

Note: PO Format attached for reference in **Appendix 1**.

Vendor Checker & Approvals in SAP System:

Accounts Payable Team in Finance.

13. Document Signing Authority (Non Legal):

Hotel contracts / Event/ / Trip related contracts / MOU/ Rate Contract/ Letter of Intent / Declaration Letters can be signed by Procurement Head.

14. Standard Procurement TAT

Standard Procurement Process		
SR. NO.	Procurement Purchase Order/Approvals	TAT (Working Days)
1	up to INR 5 Lakhs	T+5
2	up to INR 10 Lakhs	T+10
3	up to INR 50 Lakhs	T+15
4	up to INR 1 Cr	T+20
5	Above INR 1 Cr	T+30

Note – TAT's does not include sampling or specification or SLA closures which is dependent of user functions input.

15. Vendor Selection, Evaluation Process & Onboarding/Renewal Documentation

The following steps should typically undertake towards evaluation and selection of service providers:

- Identification of long list of service providers
- Evaluation of service providers for arriving at short-list
- Requirements document preparation and issue of scope document / RFP to short-listed providers.
- Interactions with the respondents for evaluation
- Evaluation of RFP respondents and preparation of recommendations
- Negotiations with the identified final short-list of service providers

The evaluation of service providers will be based on following criteria (Some of the indicative criteria are mentioned below).

- Strength / reputation of the service provider
- Existing customer base of the service provider
- Reference check from customers
- Adherence and compliance to the requirements of the Scope document / RFP / RFQ
- Contractual terms agreed by the service provider
- Past experience and competence to implement and support the proposed activity over the contracted period
- Financial soundness and ability to service commitments even under adverse conditions
- Business reputation and culture, compliance, complaints and outstanding or potential litigation
- Security and internal control, audit coverage, reporting and monitoring environment, Business continuity management
- External factors like political, economic, social and legal environment of the jurisdiction in which the service provider operates and other events that may impact service performance.
- Ensuring due diligence by service provider of its employees
- Any other specific criteria

Vendor Onboarding/Renewal documentation:

CPD to get following vendor documentation at onboarding. Related Party declaration is mandatory during onboarding and renewal of agreement/contract. **(Ref: Appendix 2)**

- ✓ A4.1 Vendor Empanelment Form - 01082025
- ✓ A4.2 Declaration regarding URD under GST - 01082025
- ✓ A4.3 Declaration of Vendor - Related Party - 01082025
- ✓ A4.4 Registration under MSME DEVELOPMENT ACT, 2006 - 01082025
- ✓ A4.5 Screenshot - PAN - AADHAAR LINKING - 01082025 (PAN card, if 4th letter is "P" of PAN card number of your entity, vendor to share AADHAAR linking screen shot)
- ✓ A4.6 SPI & PII Declaration (Internal)
- ✓ Cancelled cheque (Vendor's entity name printed on it) or bank authorization document

If the vendor is a Related Party as per received declaration: CPD to follow Related Party Transactions – Policy & Procedures.

Intranet Document Link:

<http://general.fgparivaar.in/FGGI%20Policies/LEGAL%20&%20COMPLIANCE/LEGAL%20&%20COMPLIANCE/RPTPolicy-v8.pdf>

OR

GO TO: FG PARIVAAR -> POLICIES AND PROCEDURES -> POLICIES -> LEGAL & COMPLIANCE -> RELATED PARTY TRANSACTION POLICY

16. Vendor Performance Evaluation Process

Vendor Performance Evaluation will be done on the financial year basis (April to March) on yearly intervals for list of vendors reported by Legal & Compliance to IRDA. Performance to be evaluated as per the parameters defined in questioner **(Ref: Appendix 3)**.

Evaluation (feedback) to be given by Business functions at the prescribed interval.

The CPD will share the annual vendor performance evaluation report for outsourcing vendors with the Risk Management Department, post completion of the vendor performance feedback activity for placing it in the Risk Committee, Outsourcing Committee and Board of Directors' meeting.

The timelines for conducting the vendor performance evaluation activity for previous financial year will be by 15th Oct of ongoing FY. The timelines for initiation and closure of actionable basis the result of the performance evaluation activity will be by 31st Dec of ongoing FY.

Final recommendation should extended basis the below mentioned score slab:

Recommendation	Performance score slab
Performer	Above 90%
Good & continue	70% - 90%
Good to continue, counseling on gap parameters (if any)	60% to 70%
Not Satisfactory – Look for replacement / Terminate	Below 60%

17. Classification of Goods & Services

Classification of Goods

Category I: Goods of routine consumption, which are standardized as to quality & specifications, and are available with multiple vendors fall under this category. In view of the standardization available in respect of these goods, the focus of procurement should be on minimization of price subject to a specified minimum standard of quality.

Category II: Goods in respect of which a standardization as to quality and specifications are not available and quality is inherently subjective fall into this category. The focus of

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procurement here should be on maximization of quality subject to limitation of costs. 70 :30 ratio can be followed for Quality and Price.

An indicative list of items included in the Categories I and II of Goods is mentioned below:

Category I	Category II
All Items of Stationery*, Folders etc.	Architectural/interior designing
Standardized Furniture (chairs, safes, etc.)	Specialized Printing
Purchase/Hiring of Vehicles	Exceptional items of furnishing, carpets etc.
Package Drinking Water	Antivirus and other specific software
Air Conditioners	Exceptional Furniture
Computer and peripherals	Visual merchandised products
Photocopy Machines, Fax Machines	
Standard software's	

Classification of Services

The Services to be procured have been categorized into Category I, II and III for the purpose of applying appropriate decision rules:

Category I: Services of routine nature availed by corporate generally, and are rendered by multiple vendors fall under this category. The focus of procurement in respect of this category of services should be on minimization of costs subject to ensuring the desired standard of service.

Category II: Services that can be called 'High End' where some amount of specialization/expertise is involved fall under this category. Weightage under this category should be in the ratio of 70:30 for quality and price respectively, the basic objective being to ensure availability of service of the desired specification and quality as desired by Company.

Category III: Services which are unique, exceptional and/or involve professional judgment of the service provider fall under this category.

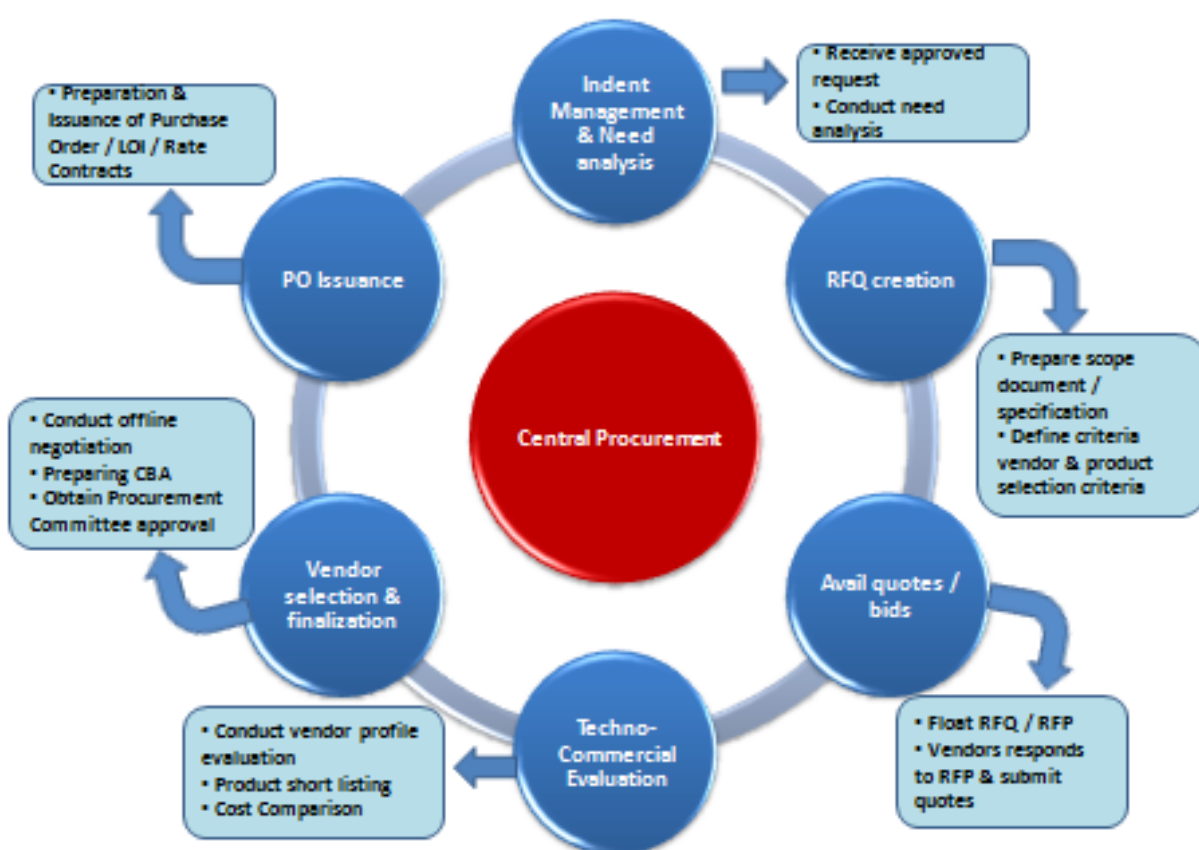
An indicative list of services included in the Categories I, II and III is mentioned below:

Category I (Routine Services)	Category II (High-end Services)	Category III (Unique Exceptional Services)
Office Support Services, Routine Printing Jobs	Customer service (call centers)	IT Consultancy services
AMCs for Office Equipments, Computers, Car Repairs, Furniture, Printing	Pre & Post issuance life cycle (involving data entry, requirement management, etc.)	Legal support services

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Courier Services	Specialized Printing Services	Audit support
House Keeping	Maintenance of Critical Equipment including IT Equipment	Exceptional Hospitality
Transportation	Maintenance of IT Software (AMC)	
Routine Professional Services		
Catering/Pantry		

18. Standard Procurement Process



19. SIPOC

15.3. Standard Procurement Process

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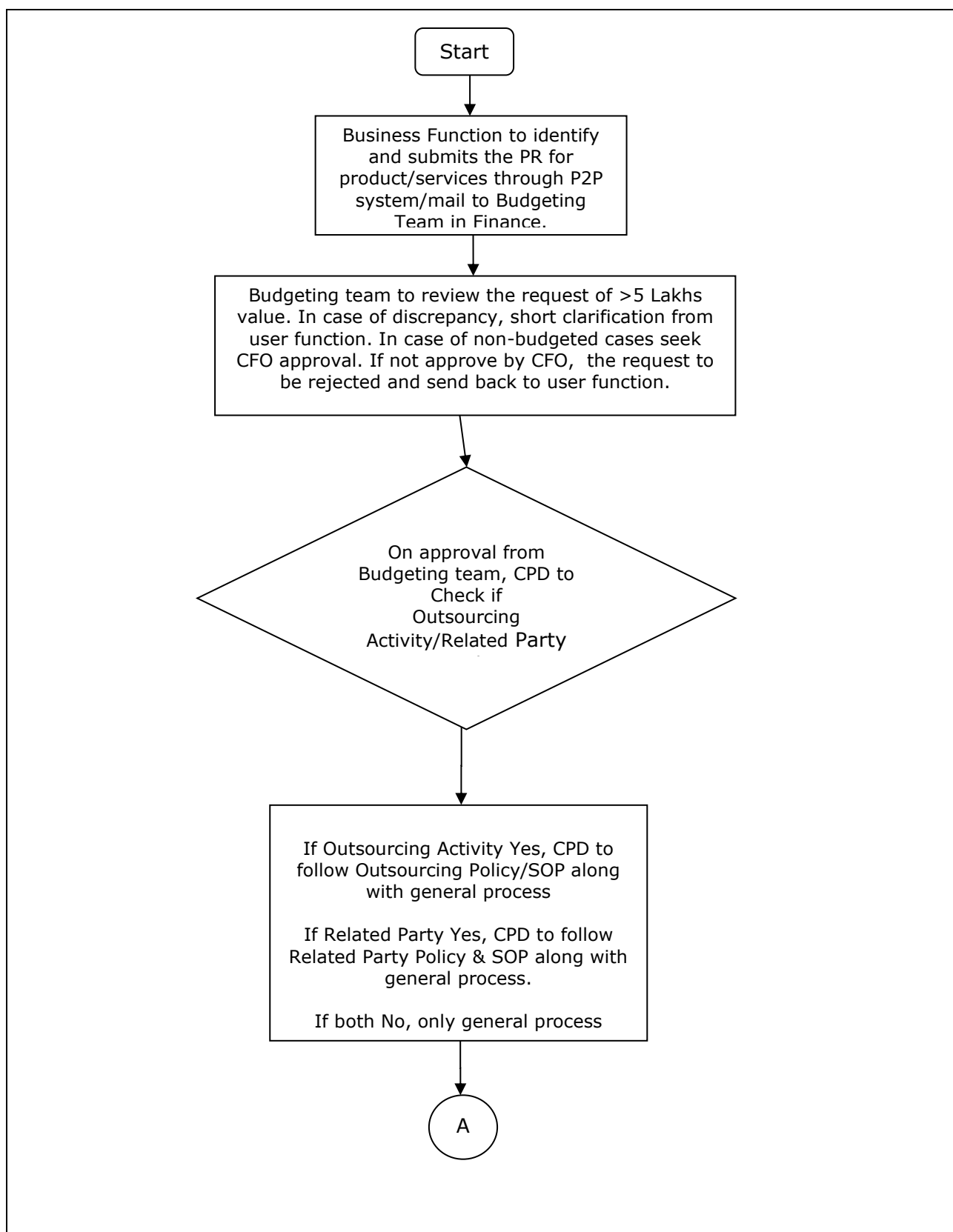
SUPPLIER	INPUT	PROCESS	OUTPUT	CUSTOMER
Business Functions	Business need	User identifies the products/ services to be procured	Fulfillment of Products / Services	Business Functions
Business Functions	Company outsourcing guidelines	Check if services falls under company outsourcing guidelines	Compliance approval	Business Functions
Business Functions	Raise PRF	Business functions submits to Competent Authority as per DOA	Obtains HOD / Budget approval	Business Function
Business function	Submits PR	Requirement understanding /clarity	SOW,SLA & other details	CPD
Business function	SOW , SLA & other details	RFP Preparation	RFP documents	CPD
CPD	Evaluation Criteria	Formation of Evaluation team	Evaluation team	Business Function / CPD
CPD	Details of Product /Services	RFP to vendors	Quotes	Vendors
CPD	Details of Product /Services	RFP to be send to vendors	Quotes	Vendors
Vendors	Quotes	Preparing Comparative statement	Comparison Statement	Business Function / CPD
Vendors	RFP response	Techno-commercial analysis by Evaluation team	final vendors shortlisted	Business Function / CPD

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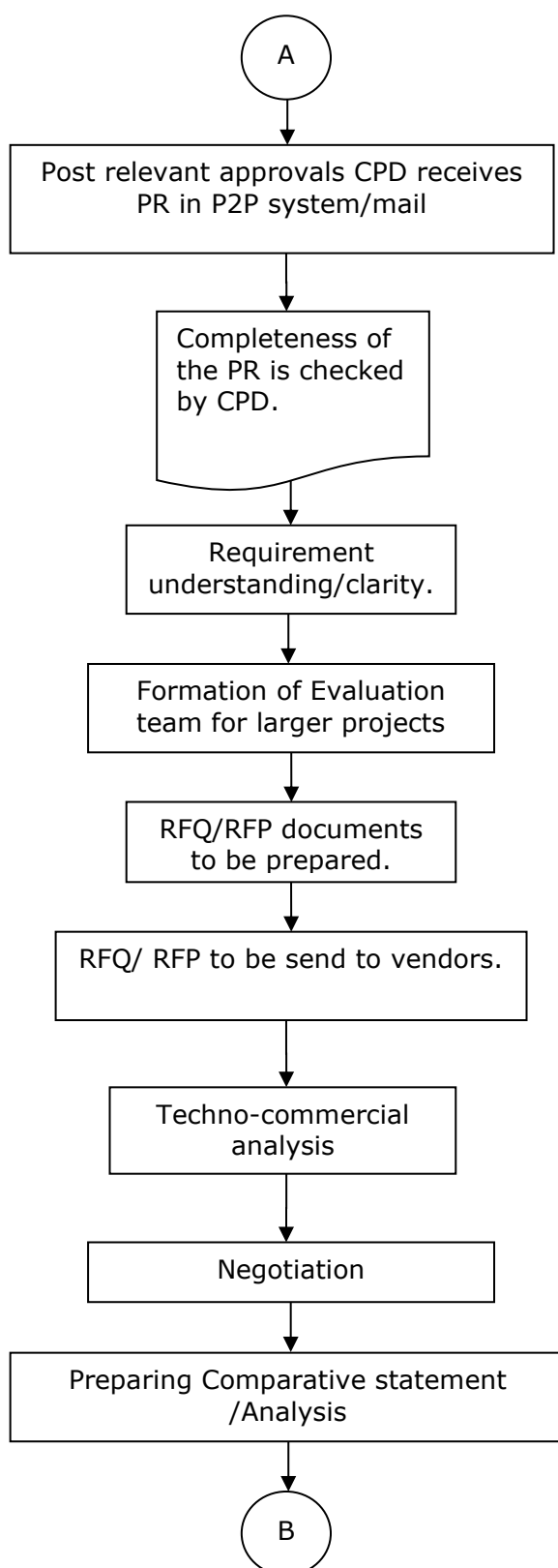
Business Function / CPD	Techno-commercial Report	Negotiation	Revised Quotation submitted	CPD
CPD	Final Quotation submitted	Preparing Cost comparison	Final Vendor Shortlisted	Business Function / CPD
CPD	Recommendation note	Preparing Recommendation Note	Approval from Procurement committee	Procurement Committee
CPD	Vendor Finalized	PO issued	Vendor Awarded Business	Vendor /Business Function
Business Function	If agreement – vendor finalized	Prepares agreement	Share it with legal for vetting	Legal
Business Function	Vendor Finalized	Issued the agreement	Vendor Awarded Business	Vendor /Business Functions
Business Function	Follow-up for delivery	Confirms receipt of goods	Payment processing	Vendor

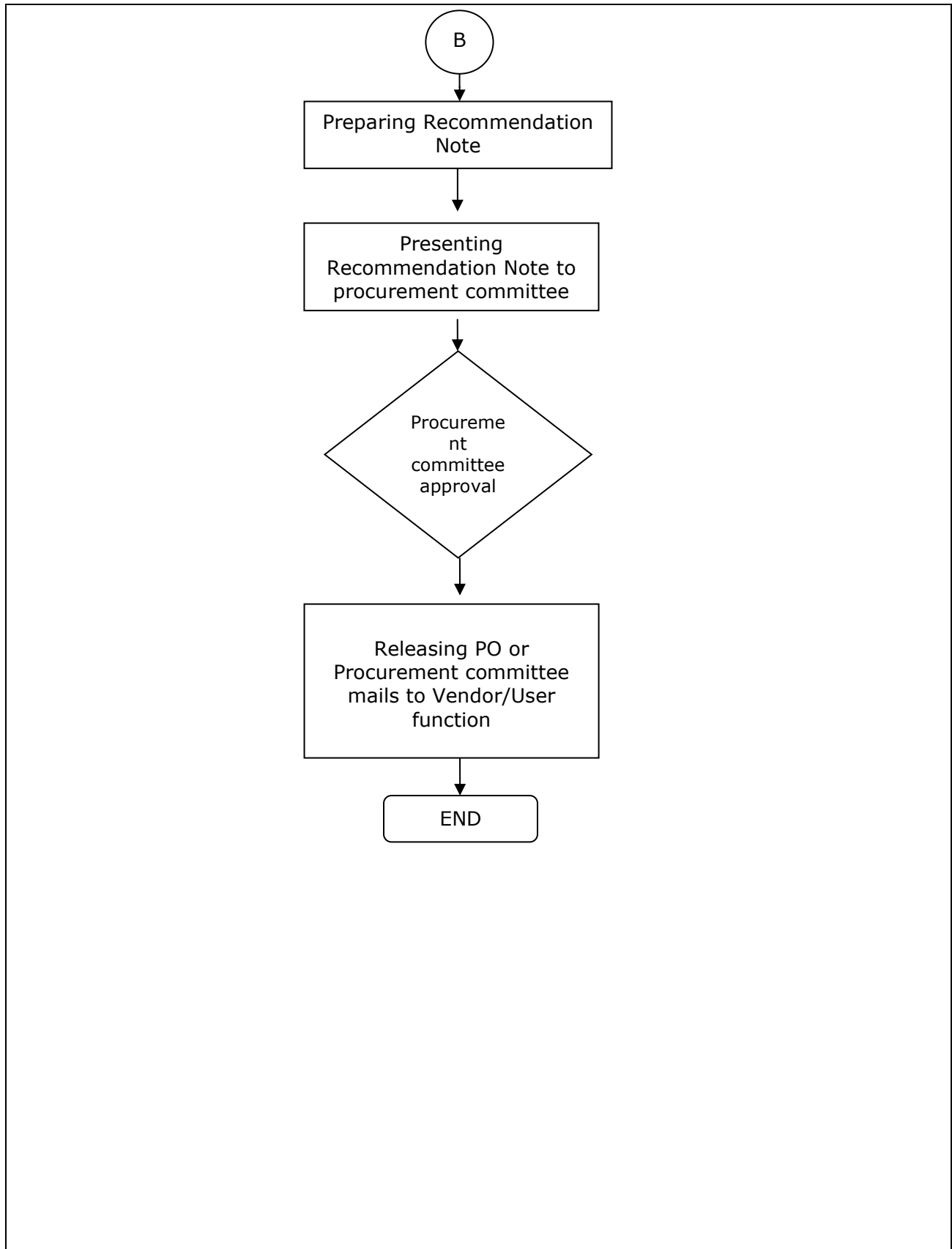
20. Process Overview

20.1 Activity Flow – Standard procurement Process



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20.2 Activity Description – Standard Procurement Process

This section details the step-by-step process for Standard Procurement Process to be followed for procurement of goods and services-

1. Business Function to identify the requirement.
2. For services to be outsourced, CPD to follow Outsourcing Policy/SOP.
3. Business functions to raise the PR in SAP system/mail.
4. Procurement scrutinizes the PR and checks the completeness of the PR as per below prerequisite.
 - ✓ Detailed Specification of Product/Services
 - ✓ Historic information i.e. Current Vendor, Last Purchase price, Volume etc.
 - ✓ Scope of Work
 - ✓ Completion Timelines
 - ✓ Vendor reference (if any) to be considered for the Project.
 - ✓ Vendor Evaluation Criteria
5. In scenarios where there is any further requirement then the respective Business function will be informed of it on the subsequent working day. And if the Purchase Requisition meets the requisite criteria then the Procurement accepts PR and begins the vendor sourcing process.
6. CPD team to form the Evaluation team for high value purchases which comprises members from Business function, impacted department & CPD team. The evaluation team shortlist the vendors to float the RFQ.
7. CPD to obtain quotes in response to the RFQ submitted by the identified Vendors, Evaluation teams to carry out the technical / functional evaluation and Procurement to give the commercial evaluation of the received quotes.
8. Rounds of negotiations are conducted with the shortlisted vendors.
9. Based on the Requirement, Quotes received and reference check feedback (if required), the vendor is selected.
10. For the selected vendor CPD to prepare recommendation & get the approval from Procurement Committee.
11. PO to be released, post approval as per matrix defined in SAP system by the CPD. If agreement is involved then the Business Function will take this forward in coordination with the legal function.

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12. Business functions follow-up with the vendor for delivery and day to day activity if part of service engagement.
13. CPD – Category managers to ensure the relevant documents (i.e Request mails, RFP/RFQ mails, Proposals/Quotations , Recommendation Note, Procurement Committee Approvals mails, PO) is stored for respective Purchase Requisition in Omni Docs for future reference.

21. Exception

The exceptions to the Procurement process are:

1. Wherever an AMC is done with the OEM directly, then the competitive quotes are not mandatory.
2. An item/product that is only available with an OEM then the quotes for the item/product will be taken only from the OEM and distributors/other vendors.
3. Requirement of multiple quotes process will not be applicable for procurement of products and/or services from Monopoly /OEM Vendor, AMC services from parent company (e.g. Numeric UPS, Carrier, Blue star, Voltas) or for customized Tailor-made products (e. g. Leather /specialized Gift items)
4. Considering the time constraints, vendor negotiation will not be mandatory for travel of VVIP group, adhoc requirement consist of Domestic transfers and stay, urgency of requirement, Vendor preferred by user, FIT movements.

22. Complaint/ Request/ Query Classification / Escalation Matrix

Complaint

The following errors in the Procurement process could result into a Complaint:

1. Non delivery of products and services in the stipulated timelines
2. Loss / Damage of materials in transit
3. Non replacement of damaged goods
4. Non clearance of Invoices
5. Product Delivery Details - Non Receipt of material, Delay in providing dispatch details, Re-dispatch of products, Timelines for delivery of products.

Request

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If all pre-requisites that are required to process the Procurement process are met, the same can be classified as a Request.

Below are some of the examples of Request to Procurement team,

- Faster process of order
- Urgent requirement to deliver
- Requirement of material/services before mentioned TAT.

Query

If any Business function requires information regarding Procurement process/ activities, the same can be classified as a Query.

Below are some of the examples of query raised to Procurement team,

- Non execution of order within agreed TAT
- Material/ Services not as per standard

Complaints/Queries tracker to be maintained by CPD to monitor the receipt and resolution/reverts timeline. The TAT for the resolution/revert will differ case to case basis.

Escalation Matrix	To be addressed to
Level 1 - Procurement	CPD - Category Managers
Level 2 – Procurement	Head - Procurement
Level 3 – Procurement	Chief Financial Officer

23. Review Process

This document will be reviewed annually from last update date or at any major change in procurement process, whichever is earlier.

In case no change in policy, it will be recorded accordingly in document history table and required approvals will be taken.

24. One Procurement Guidelines adoption

- Local internal regulations have been drafted/updated and approved in line with the principles and provisions of the respective Group Guideline, local applicable laws and regulatory requirements, documented requests raised by relevant supervisory authorities, collective labour agreements and the Local system of governance.
- Local Validation and Compliance Evaluation phases been carried out during the customization of the Group Policy/Group Guideline, in compliance with the provisions of the GIRS Group Policy.
- Procurement has procedures consistent with the contents of this Group Guideline and its principles.

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- Threshold value of **1M€** for the supplier dependency indicator been identified, above which the supplier is considered dependent from Generali.
- Well-established contract management process has been implemented.
(Process Owner – Legal Function)
- Well-established suppliers' qualification process, including the management of a Supplier Watch List, has been implemented.
- The adoption of the Ethical Code for Suppliers of the Generali Group and that it is made available to Suppliers through a link in contracts and purchase orders.

25. Annexure

Appendix 1: Purchase Order



PURCHASE ORDER
2220001259.pdf

Appendix 2: Vendor Onboarding Documents



A4.1 Vendor



A4.2 Declaration



A4.3 Declaration of



A4.4 Registration



A4.5 Screenshort -



A4.6 SPI & PII

Empanelment Form - regarding URD under Vendor - Related Party under MSME DEVELOPAN - AADHAAR LINK Declaration (Internal):

Appendix 3: Vendor Performance Evaluation Questioner



VPE FORMAT
QUESTIONER.xlsx

Appendix 4: Outsourcing Process Document



Outsourcing SOP-
Ver 1_Final.docx

Appendix 5: One Procurement Guidelines



GG_2025_One
Procurement_V5.pdf