

SHRINIWAS ENGINEERING AUTO COMPONENTS PVT. LTD.
Survey No.492, Near Talegaon MIDC, Village Navlakh Umbare,
Tal. Maval Dist.: Pune. 410507
www.seaco.co.in

Purchase Policy



SEACO
Passion. People. Excellence.

SEACO – VISION / MISSION / VALUES:

VISION:

SEACO shall endeavor to become a preferred supplier of Castings & Machined components in India for domestic & overseas customers.

MISSION:

SEACO is passionate to be a leader for Best in class Quality & Delivery for supplying Castings & Value added components

- With teamwork & excellence
- By innovative processes
- Which delivers superior values to all stakeholders.

VALUES:

- Customer Focus
- Safety in everything
- Team work
- Commitment to Quality
- Social responsibility
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QUALITY POLICY:

- SEACO is committed to “Manufacture and supply of cast iron & ductile iron castings For various engineering and industrial applications in as cast or in machined condition” to provide satisfaction and ever-improving value to customers by -
- Supplying products and services conforming to / better than customer requirements of quality, cost and delivery to achieve TOTAL CUSTOMER SATISFACTION.
- Providing innovative and technically superior products and services that meet or exceed customer expectations.
- Continually improve our organizational performance and capabilities to achieve effectiveness of QMS
- Performing work to highest level of quality workmanship.
- Ensuring that our subcontractors and suppliers meet and exceed our quality standards.
- Establishing and reviewing key performance measure and objectives, taking action as needed and
- Working to achieve the lowest cost of ownership for our customers and suppliers.

ENVIRONMENT POLICY:

SEACO is committed to protect the environment, through implementation of Environment management system and is committed to.

- Comply with all legal and regulatory environments applicable to our operation.
- Aim to continually improve the environmental performance of the company by setting environmental objectives, target and supporting programs.
- Encourage responsible efficient use of resources energy & Encourage reduction, reuse, recycling where ever possible.
- Work towards the prevention of any actual or potential environmental pollution.
- Strengthen our team for preventing & handling environmental emergencies
- Involve employees in our environmental business practices or opportunities to improve our environment.

ENERGY POLICY:

“SEACO” is committed to purchase and use energy in the most efficient, cost effective and environmentally responsible manner to do this SEACO shall:

- Ensure use of energy efficient alternatives and ecofriendly technology.
- Promote the efficient use of energy to deliver products and services to its customers.
- Improve energy efficiency continually by establishing and implementing effective energy management program that support all products, processes and operations while providing a safe and energy effective work environment.

Preface:

Shriniwas Engineering Auto Component Pvt. Ltd. (SEACO's) Supplier Quality agreement and contract agreement is a continual improving project to standardize activities between SEACO and our supply partners.

Suppliers are encouraged to submit suggestions for continual improvement which will be reviewed and feedback will be given on implementation status.

Supplier Management

SEACO maintains an extensive supplier management program to develop supplier partnerships based on trust, communication, and objective performance.

Our approach:

- Ensure all our key suppliers/subcontractors are aware of our quality and delivery requirements;
- Ensure that our key suppliers/subcontractors have quality systems that deliver product that meets or exceed our quality & reliability requirements;
- Objectively measure the performance of all suppliers by structured, defined, and consistent methodology.
- SEACO encourages its suppliers to obtain and sustain registration to ISO 9001 / TS 16949 standards.
- SEACO's supplier management program ensures our suppliers are evaluated and selected based on their ability to supply product or services that meet or exceed our quality management system, product, or service requirements.
- Criteria for selection and periodic evaluation are defined in the appropriate supplier management specification and the supplier audit checklists.
- SEACO will have minimum two approved source for each raw material. Share of business will be decided on the basis of quality and delivery rating, pricing policy, process rejection, action response time and audit score which will be conducted once in six month.
- SEACO will declare share of business to each and every supplier with defined frequency.
- SEACO will communicate quality and delivery rating to each supplier on every quarter.

Supplier Qualification:

SEACO requires following Criteria for Raw Material Suppliers Approval:

- ISO 9001 / TS 16949 Quality Systems.
- If a supplier does not have an ISO or TS Certificate then SEACO will audit supplier with his "Supplier approval Qualification check list".
 - Provisional approval for 18 months. – Min. 70% score.
 - Final approval above 90% score with in 9 month, in 2/3 consecutive audit.
 - Surveillance audit every year.
 - During surveillance audit supplier must cross his audit score above 90% otherwise SEACO will discontinue the supplier from his approved supplier list.
- Customer Recommendation: If a particular supplier is recommended by our customer then the supplier will qualify only after completion of the preliminary inspection and document completion.
- After approval of supplier, order will be placed only after completion of sample approval process by Quality Dept.
- Dealer of MNC / Corporate Identity: If the supplier is authorized dealer of a MNC /Corporate Identity then authorization certificate from the original MNC / Corporate identity is required.

Supplier Measurement Tools

- Following points will be measured to determine the Quality of Supplier
 1. On time delivery
 2. Quality @ Inspection
 3. Quality during Processing at SEACO's end.
 4. Previous quarter and year's performance rating.
 5. Findings from surveillance audits
 6. Supplier Corrective Action Response Times (CAPA)
 7. Number & Severity of Quality Incidents
 8. Process Change Notifications
 9. Technical Support

Material Incoming & Inspection Procedure:

No supplier shall send the consignment without a proper test certificate for every lot.

The supplier's test certificate will be treated as a norm of accepting the material. If supplier fails to produce a test certificate SEACO will test the material and charges ranging from Rs. 1000/- to Rs. 5,000/- shall be debited to supplier account as "Testing charges for Non-compliance".

Any nonconformance which is allowed as deviation shall be debited to the supplier account and the amount of debit shall be in between Rs.1000/- to Rs.5000/- depends on severity of Non-Conformance.

If Material is rejected then also Rs.1000/- to Rs. 5000/-shall be debited to suppliers account as a penalty charges.

Material inward timings are fixed between 8.30 am to 7.0 pm. Material will not be in warded any time other than fixed time. Material will also not in warded on weekly off's and Holiday's.

Inspection done at our plant will be final. If while processing further defects are noticed we reserve the right to reject such material even if it was accepted in in-coming inspection.

Corrective Actions:

Any SEACO employee may raise a Supplier Corrective Action Request whenever

1. A problem originating from a supplier is severe and requires corrective action and tracking until completion;
2. Action is needed to eliminate the cause of nonconformities originating from a supplier in order to prevent the recurrence
3. One of SEACO's Customer's requires a SCAR from one of our suppliers
4. The results from a failure analysis indicates that the root cause for the device failure is from a supplier
5. A major or minor finding is raised during the course of a surveillance audit.
6. Supplier shall submit corrective and preventive action report within three working days. Failure of this will be treated seriously, which may lead discontinuation from approved supplier list.

Quality and Delivery Requirements:

- Supplier shall supply material as per SEACO's material specification only.
- No supplier shall send the consignment without a proper test certificate.
- After material approval if any process rejection occurs then rejection cost will be debited to suppliers accounts. Debit amount will be calculated mutually by SEACO and supplier representative. No supply will be started till acceptance of debit note by the supplier.
- SEACO will give next month requirements of materials on 25th of every month. Supplier shall give confirmation of schedule acceptance before start of month. Any deviation or change in delivery schedule from supplier shall be intimated to seaco before one week.
- If any stoppage occurs due to material shortage SEACO will take serious action against supplier. Action could be deletion of supplier from approved list to debit of full / part of cost of production loss due to shortage of material. This action will be taken after enquiry report of SEACO's steering committee.
- Supplier shall deliver all qty as per purchase order with in delivery schedule mention in purchase order. Late delivery will affect supplier delivery rating.
- Strict adherence to delivery schedule is absolutely essential. We reserve the right to treat the order as cancelled in the event of your non compliance with the delivery schedule given.
- It will be supplier's responsibility to deliver toxic and hazardous material from safety point of view. Inadequately packed material will be rejected.
- Damages to any goods/materials for want or lack of proper packing without ensuring the protection to goods will be at the risk of the supplier
- SEACO has the right to inspect/verify the product/ process at your end. This verification, however, will not absolve you of the responsibility to supply acceptable product nor shall it preclude subsequent rejection.
- Suppliers shall remove the rejected material within two weeks. In case the supplier fails to collect the rejected materials within this time, the company will scrap the materials after the period is over. The company will have no liability whatsoever including its loss in respect of such scrapped materials. In case of outside suppliers, the rejected materials shall be promptly returned to them at their cost in all respects. So long as the rejected materials lie at our works for any reason, they shall be entirely at Suppliers risk and responsibility.

Pricing Policy:

- SEACO wants complete transparency in the pricing process.
- Before placing order SEACO needs following information from supplier for deciding price of product.
 1. What is basic price of product?
 2. On what index or raw material or process this price is fixed?
 3. Till how many periods price will be unchanged?
 4. Which factor will decide change in price of product?
 5. Is it possible to make price contract on third party index?
- SEACO required product or material price Ex. Seaco works, Talegaon plant. SEACO will not pay any transportation charges against delivery of material. SEACO will pay transportation only in case of delivery schedule failure from SEACO.
- The price given in purchase order is firm and final and is inclusive of delivery charges unless agreed to the contrary.
- SEACO will consider actual weight of product or material from its own weigh bridge inside company. Supplier can be authorized to check calibration of Weigh Bridge.
- SEACO will allow +/- 0.35% variation in actual and invoiced weight.
- In case of pricing based on third party index, SEACO will prefer supplier in terms of share of business and give favor while deciding payment terms and payment priority.
- If disclosure of raw material or process of final product is not possible for any special product or process then supplier shall agree to fix the price for assured period of minimum six month or one year.
- No increase in prices shall be permitted during the period of the contract.
- 5% Variation is allowed in supplying purchase order Qty.
- Supplier shall complete 100% order qty in given specific period. In case of failure he shall complete the order qty by taking approval for additional delivery period. In such cases rate will not be changed irrespective of any changes in market rate.
- In case of failure of special terms and conditions measured at the time of deciding price of the product (consumption norms / rejection % / improvement in quality /etc.), SEACO has right to reduce the price of product or raise debit note against supplier. Debit amount will be depending on severity of failure of conditions.

Documents to be attached to each supply or batch:

Following documents must be attached with each of the supplied lot / batch

- Original for Buyer Copy (with Our P.O. No, P.O. Date and Your VAT & CST No, Excise Details, PAN / TIN No)
- Duplicate for Transporter (Excise Copy) (with Our P.O. No, P.O. Date and Your VAT & CST No, Excise Details, PAN / TIN No)
- Extra Copy (Not for CENVAT) (with Our P.O. No, P.O. Date and Your VAT & CST No, Excise Details, PAN / TIN No)
- Delivery Challan
- Packing List (If applicable)
- Lorry Receipt (L.R.) Copy (If applicable)
- Weightment Slip (If applicable)
- Quality Inspection certificate (TC) for verification for each of the batch supplied (MUST)
- Road Permit Form (If applicable)
- Any other document related to Central / State Government taxes.

Other Legal Issues:

You shall fulfill all legislative compliances, labor laws and other statutory requirements while executing the given supply / work assignment. All matters related to safety and insurance of manpower and material engaged by you is to be dealt by you at your cost and risk. In short any liability which arises during the manufacture and supply / correction /segregation of the products supplied shall be borne by the supplier.

Force Majeure:

- The company shall not be liable for non-performance or delays in or failure in performance hereon if and to the extent caused by occurrences beyond their control including but not limited to, acts of God, decrees or restraints of Government, strikes or other labor disturbance, war sabotage, change of law, refusal on the part of any government, government agencies bank or other competent authority to grant any necessary permit license or sanction or deciding to revoke or quality and such permit or in the event of any other supervening clause rendering performance or further performance of any of the obligations impossible in accordance with the most liberal interpretation of the doctrine of frustration of contracts.

Jurisdiction:

- All claims are subjected to PUNE jurisdiction.