

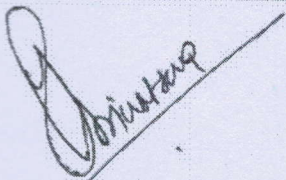
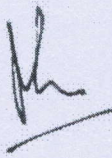
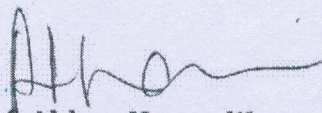
IHUB NTIHAC FOUNDATION

CIN No U85300UP2020NPL134133

Registered Office: C3i Building, IIT Kanpur Kalyanpur Kanpur UP 208016

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Purchase Policy of IHUB NTIHAC Foundation as approved through circulation on dated 5th Dec 2020 and taken on note by the Board in its Board meeting dated 28th June 2021 is annexed herewith.

 Yogi Srivastava Company Secretary Date- 18 th Aug 2021	 Prof. Manindra Agarwal Director (Ex-Officio- Project Director, TIH, IIT Kanpur) Date-18 th Aug 2021	 Prof. Abhay Karandikar Chairman & Director (Ex-Officio- Director, IIT Kanpur) Date-18 th Aug 2021
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PURCHASE POLICY

IHUB NTIHAC FOUNDATION

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1. Definitions-

- a. **"Board"** means the Board of Directors of the Company.
- b. **"Company"** shall mean IHUB NTIHAC FOUNDATION.
- c. Project Director means Director of the Company as Ex-Officio- Project Director, TIH, IIT Kanpur.
- d. **"Goods"** shall mean goods [(not limited to) all articles, material, commodity, furniture, fixtures, raw, materials, spares, instruments, machinery, equipment etc.] and/or services (business services like accounting, auditing, cleaning, banking, consulting, education, insurance, transportation etc.).
- e. **"FOUNDATION"** shall mean IHUB NTIHAC FOUNDATION.
- f. **"Policy"** shall mean the Purchase Policy of the Company.
- g. the **"Purchase Committee"** shall mean the Purchase Committee of the Company, comprising of the members, preferably -
 - i. Project Director
 - ii. Chief Executive Officer (**"CEO"**) of the Company, if appointed in the Company.
 - iii. Chief Operating Officer (**"COO"**) of the Company, if appointed in the Company.
 - iv. Any external member as may be appointed by Project Director(s).

The Meetings of the Purchase Committee shall have a quorum of at least 3 (three) members wherein presence of the CEO, COO or the **Project Director(s)** either physically or electronically shall be necessarily required.

- h. **"Purchases"** shall mean purchasing of Goods.
- i. **"Vendor"** shall mean the supplier of the Goods.

2. Background

The overall purpose of the Policy is to ensure that Company gets the highest quality of desired Goods at the best price possible. Further, the Policy is aimed for streamlining the process of purchasing of the Goods while maintaining

adequate controls. These purchase procedures apply to all staff involved in the purchase process. This policy provides a process that includes not only the ordering of Goods and the receipt of ordered products but extends to invoice processing and payment.

3. Financial and Sanctioning Powers -

The following table gives the financial limits up to which the concerned person has authority to approve purchases within the allocated budget of the department/project. Such a person shall be referred to as the Competent Financial Authority (CFA).

Sr.No.	Purchase Limit (Rs.)	Competent Financial Authority
1.	Upto Rs.5 Lakh	CEO and COO
2.	Above Rs.5 Lakhs	Purchase Committee

Approvals/Recommendations of the Competent Financial Authority shall be obtained in writing through e mail/letter/notefiles.

The above limits apply to indigenous purchase as well as import. For the purposes of imports the Indian Rupee equivalent of the foreign currency on the date of sanction should be considered.

The Company shall submit its half yearly report, for the Purchases made by 15th at the end of every 6 months, to the Chairman of the Board of Directors, either electronically or physically, however, any delay in the submission of the aforesaid half yearly report may be relaxed by the Chairman on sufficient grounds. A financial year in this clause shall be considered from 1st April to 31st March.

4. Purchase Procedure

The Company shall follow the Process of purchasing Goods and selection of Vendor(s) as per the procedure ("**Purchase Procedure**") appended in **Annexure-1** to this Policy.

5. Separation of the duties

There shall be proper separation of the duties between:

- a) The person who orders a particular purchase from a vendor.

- b) The person who satisfies that the Goods supplied are satisfactory.
- c) The person who accepts goods into store.
- d) The person who authorizes payment.

6. Purchase Requisition Form

Each purchase shall be initiated by Purchase Requisition Form("PRF") on a prescribed format, showing detailed specifications and requirements for the item(s) being requested.

The PRF will show the following:

- i) Items required.
- ii) Quantities.
- iii) Delivery dates and locations.
- iv) Description and specification of the product. if necessary.
- v) Whether purchase is within APP/budget or emergency or unplanned.
- vi) Signature of the preparing person.
- vii) Name and signature of the person who has filed the PRF.
- viii) Approval from the CEO/ COO/ Project Director(s)

All PRFs must be signed. The person filling the PRF should ensure that the item(s) are within the Budget of the Funding Program or should seek authority to purchase as per the Purchase Policy. Any persons designated to authorize requisitions in acting capacity shall have the authority given in writing clearly stating the period authorized. The Company shall ensure that all the Purchases are within the approved Budget.

7. Category of Vendors, Registration & Blacklisting

- i. **Vendor Registration-** All the Vendors must be registered with the Company, through a prescribed format, comprising of the necessary information (e.g. TIN No, Pan No, GSTIN No etc.)
- ii. **Blacklisting** - Black-listing of Vendors can be done on the recommendations of the CEO/COO/Project Director(s). The CEO, COO, or the Project Director(s) may either through e mail or any other communication channel instruct the Finance team of the Company to add/remove the name of any Vendor in the Blacklisting data.

8. Purchase Orders and Agreements with the Vendors

Upon selection of a vendor as per the Purchase Procedure, in the interest of ensuring quality, reliability and timeliness, a legally binding contract or work order in the form of a purchaser order should be drawn-up for the Goods in question and signed by both the parties prior to procurement. Detailed specifications such as quantities, unit prices, delivery deadlines, locations, and payment schedules shall be specified in such contracts.

There should be a suitable provision in the terms & conditions of the contract for claiming liquidated damages of appropriate amount from the supplier to take care of delays in supplies and performance, for which the supplier is responsible. Such recovery through liquidated damages should be without prejudice to the other remedies to the purchaser under the terms of the contract.

The requirement of executing the purchase order and the contract as specified in this clause may be relaxed by the Project Director(s) where the Goods are being purchased from the online procurement sites such Amazon, Flipkart etc subject to the provisions of the Purchase Procedure.

9. Certifying Delivery of Goods and Services

The Person making the requisition shall ensure that

- i. Correct quantity has been received and signed.
- ii. The quality and price of Goods is as agreed and Goods are checked against contracts, waybills, invoices, or delivery notes.
- iii. Any differences between the documents executed and the physical checks should be noted and reported to the CEO, COO, or the Project Director(s).
- iv. Person inspecting the Goods will sign and mention his name, dates etc. with his inspection remarks ("**Inspection Remarks**").
- v. Certification remarks shall be properly recorded.
- vi. goods are properly stored.

10. Payment Processing

Once the delivery of the Goods are properly certified and if the inspection remarks are positive a **Payment for Purchase of Goods and Services ("PPGS")** shall be prepared by the Administration team and will be forwarded to the Finance Team. The Finance Head will properly inspect the PPGS and the Inspection Remarks thereafter will approve the same based its positive observations. The PPGS as signed and

approved by the Finance Head shall be then submitted to the CEO, COO, or the Project Director(s) who shall, based on their positive observation, sign and approve the same. Once the PPGS is approved by the CEO, COO or the Project Director(s), the finance team, after deducting necessary taxes as per the Indian Laws, shall issue the cheque, to the Vendor based on the account details submitted by him/her. However in case of the Goods are being purchased from the online procurement sites, the payments may be made in advance through internet banking facility or any other identical electronic mode.

Purchases under petty cash must not exceed the maximum amount as prescribed by the Income Tax Act as amended from time to time.

11. Maintenance of Record

The Company shall maintain a record of all purchases in the Asset Register. Each entry must contain at least the following information:

- a. Purchase order number, date and name of the person signing the Purchase Requisition,
- b. Purchase Requisition approval date and signing authority,
- c. brief specification of the item,
- d. date of entry in the Asset Register,
- e. name of the Program or Project.

The Company shall maintain separate register for Consumable Items and Fixed Assets either physically or electronically.

12. Records of donations and samples received by the Company

The concerned Program Head(s)/Portfolio Manager(s) shall be required to maintain the inventory/details of such items/gifts/samples in their own records and a confirmation to this effect is to be sent to the Finance and the Administration Department of the Company within one month of receipt of such items/gifts/samples.

13. Write off, Condemnation and Disposal

The assets and properties of the Company may be written off as per the provisions of the Companies Act (while preparing the Financial Statement) and Income Tax Act (while filling the Income Tax return) as amended from to time.

14. Amendment in the Policy

The Company, through a Board Meeting (physical or circulation), wherein the quorum of any Ex-officio director (by virtual of the position in IIT Kanpur) of the Company shall be mandatorily required, can amend, add or modify any provision (s) of this Policy.

15. Conflict of Interest

Purchase staff and all members of the Purchase committee will be required to sign a 'conflict of interest' document stating that they will not purchase goods or services from a company they have a vested interest.

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Preamble

THIS DOCUMENT IS A SUPPLEMENTARY DOCUMENT OF THE PURCHASE POLICY OF IHUB NTIHAC FOUNDATION (the "COMPANY"). THESE GUIDELINES EXPLAIN THE PROCESS OF PURCHASING DIFFERENT GOODS AND/OR SERVICES AS PER THE APPROVAL MATRIX DEFINED HEREIN BELOW.

Purchase Procedure

Sr. No.	Purchase Value	Purchase Procedure and justification
1.	PURCHASE OF GOODS AND SERVICES UPTO RS.5 LAKHS.	<p>Purchase of Goods up to the value of Rs.5(five) lakhs including taxes on each occasion may be made directly from the market without inviting quotations or bids with the approval of the competent authority and Project Director as per the following manner-</p> <ol style="list-style-type: none">Purchase Requisition Form (PRF) shall be properly filed and submitted.Proper specifications of the required goods/services and all the relevant information mentioned in the Purchase Requisition Form shall be verified.Purchase Requisition Form shall be submitted with the Competent authority for its approval.The Competent authority shall make all the relevant market research and due diligence on the cost of the Goods before going ahead with the purchase.The appropriate authority will certify and record his/her statement on each such purchase requisition in the following format <i>"I am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."</i>

		<p>vi. The Purchase requisition shall be then finally approved by the Project Director.</p> <p>The demand for Goods shall not be divided into small quantities to make piece meal purchases to avoid the necessity of initiating tender process and obtaining the sanction of higher authority required with reference to the estimated value of the total demand.</p>
2.	PURCHASE OF GOODS/SERVICES ABOVE RS. 5 LAKHS (BY THE PURCHASE COMMITTEE BASED ON THE QUOTATIONS AND TENDERING PROCESS.)	<p>Purchase of Goods above Rs. 5 (five) lakhs on each occasion may be made on the recommendations of the Purchase Committee. The notice inviting sealed tenders/quotations along with the specifications should be uploaded on the Company's website with a minimum duration of 10 days for submitting the quotes. The Purchase committee may opt either for the single bidding (submission of price and technical bid together) or two bidding (submission of technical and price bid separately) process.</p>