

Circulars - Purchase Division

300(a)	26.05.08	Purchase order value	In force
301(b)	3.06.10	Schedule of work	In force
302(a)	13.8.07	Requisition numbers	In force
303(b)	26.5.08	Re-organizing purchase division (Revised Circular)	In force
304(a)	05.04.08	Procedure for preparation of bills	In force
305(a)	05.07.08	requisition for work orders	In force

All purchases shall be made by issue of Purchase Order using the purchase order database. 3 copies of purchase order must be printed, one for supplier, one for purchase orders master file and one office copy which is to be attached with bill and sent to accountants for payment. Office copy of purchase order shall be filed in the pending bills file, till such time bills are received.

Only local purchases of less than Rs. 500/- from supplier other than approved suppliers can be made without purchase order. The following limits for signing the purchase order shall be followed:

S.No.	Purchase Order value	Authorised Signatory
1	Upto Rs. 25,000/- purchases in a single week from an approved supplier	Mr. Raghunath and/or Mr. Gaurang Mody
2	Upto Rs. 2,50,000/- from approved supplier	Mr. Gaurang Mody and/or M.D.
3	Beyond Rs. 2,50,000/-	Approval of M.D. on estimate sheet or draft P.O. is required for all materials except cement, steel & RMC.
4	Cement & steel upto 10,00,000/- per each week	Mr. Gaurang Mody
5	Beyond Rs. 10,00,000/- for cement, steel and RMC	Approval of M.D. on estimate sheet or draft P.O. is required
6	Purchaser Orders issued to suppliers not approved earlier or 1 st time purchase from supplies of value beyond Rs. 10,000/-.	Mr. Gaurang Mody and/or Managing Director (sign of Managing Director is required on estimate or Draft P.O.)
7	Office stationary and minor purchases upto Rs. 5,000/- per week	Shankar Reddy

Limits for approval of bills is as follows:

Value of bills	Authorised Signatory
Upto Rs. 10,000/- value from approved suppliers can be authorized for payment	Mr. Raghunath and/or Mr. Gaurang Mody
Steel and cement bills upto Rs. 1,00,000/-	Raghunath/ Garuang Mody
All bills above these limits	Gaurang Mody / M.D.

In case of emergency Mr. G. Kanaka Rao can sign on behalf Gaurang Mody.

All bills can be checked and get ready for approval irrespective of value by Purchase Officers/Managers. A brief check with an initial of Gaurang Mody shall deemed to be approved by Gaurang Mody.

Managing Director.

Date: 05.06.2010

Circular No. 301(b) - Purchase Division

Sub.: Schedule of work

The allotment of work and time for each day of the week for purchase division shall as follows:

1. Monday to Friday 2:00 to 3:00 p.m. (post lunch) to be allotted exclusively for clearing bills for payment and the same to be forwarded to the accountants.
2. Mondays and Wednesdays 3:00 to 6:00 p.m. to be allotted for clearing disputed /problematic bills with suppliers. Do not entertain suppliers on other days of the week. Suppliers must be clearly informed to visit the Purchase Division during the allotted time. Accountants must ensure that they are available for queries / details.
3. Tuesdays 3:00 to 6:00 p.m. to be allotted for product research, negotiations and meetings with new suppliers. Preferably give appointments to new suppliers during this time.
4. Bills received after 2:00 p.m. on Fridays should be processed for payment on the following Monday.
5. All bills will be cleared after obtaining signatures from Directors/Partners on Monday only. Accountants may obtain signatures on cheques on Saturdays. Suppliers may collect their cheques after 2:00 p.m. on Mondays.
6. Purchase Assistants to update MRN form 10 am to 11 am everyday.

Note:

- Purchase Division shall clear bills on a daily / rolling basis instead of weekly basis.
- DC's should be obtained from sites by purchase assistants/drivers on a daily basis.
- Admin Officers at site shall ensure that DC's are sealed in a envelope and the same is addressed to the Purchase Division.
- Purchase Division shall work till 6:00 p.m. on Saturdays, whenever there is pending work like clearing of bills, issue of PO's / WO's, etc.
- Director, managers, purchase officers and Shailaja should be independently able to make purchase orders from requisitions using purchase database. Assistants should update the MRN form in the database independently.
- Do not encourage personal meetings for quotes, samples, dispute resolution, logistics of delivery, etc. Communicate by phone, email, fax and SMS. Ensure that purchase division staff visits suppliers for the above instead of expecting them to visit the HO.

Managing Director.

Sub.: Requisition numbers.

A database tracking requisitions, purchase orders issued and delivery dates is being maintained at the HO by the Purchase Division. This will help track the missing requisitions and also show the details of delay in delivery of materials after factoring in the lead time. In order to streamline entry of requisitions in the database all sites will assign requisitions numbers from 16th of August, 2007 as per the details given below:

S No.	Project Name	Project Code	Requisition No. starting from
1.	Silver oak Bungalows – all phases	SOB	19,001
2.	Gulmohar Gardens – all phases	GMG	11,001
3.	Mayflower Heights	MFH	12,001
4.	Paramount Residency	PMR	13,001
5.	Vista Homes	VISTA	14,001
6.	Greenwood Estates	GWE	15,001
7.	Nilgiri Homes	MNM	16,001
8.	Kadokia & Modi Housing	KNM	17,001
9.	Greens Towers	GREENS	To be issued at HO
10.	Modi Properties & Investments	MPIPL	To be issued at HO, starting from 10,001
11.	Usha Kiran Complex	UKC	To be issued at HO
12.	Methodist Complex	MBMC	To be issued at HO
13.	Silver Oak Apartments	SOA	18,001
14.	Other sites		To be issued at HO

Engineers/Admin. Officers must insist on a copy of the detailed report for their site every week at the time of delivery of vouchers for payment at HO. The report must be compared with the report being maintained at site.

Some sites are already maintaining “requisition & material receipt report”. All major sites like SOB, GMG, MFH, GWE, PMR & SOA shall maintain the report. A format of the report is enclosed herein. Admin. Officers shall maintain this report. Purchase Division shall on a daily basis printout the pending requisition report and follow-up the pending requisitions.

A fax has been installed at the Purchase Division and requisitions should directly be sent to them on fax no. 27538845. Hereafter, Sunitha shall not be required to maintain the requisition receipt report. It shall be the responsibility of the Purchase Division to inform each site about the missing requisitions.

There shall be no further need of sending reminder faxes. Engineers must send a fresh requisition for balance material where only part material has been ordered and may quote the earlier requisition number. In case say, only 50% of material is ordered or a requisition is cancelled, the same shall be reflected in the weekly statement being issued by the Purchase Division. No separate intimation will be given to the Engineers.

Engineers /Admin Officers shall endeavour to use email/SMS to communicate with the Head Office.

Requisitions can be send by email to suresh@modiproperties.com and a copy of it must be send to mpiplsend@gmail.com. Please send an SMS to Suresh stating the project code and requisition nos. that have been sent by email.

Managing Director.

Sub.: Re-organizing purchase division (Revised Circular)

After discussion with staff of Purchase Division, the following procedures shall be adopted:

- a) Shailaja shall be appointed as Guarng's Personal Secretary. She shall be responsible for maintaining his files, making phone calls and dictation. She shall be further responsible for collecting all requisitions, assigning an inward ID no. and forwarding it to purchase officers. She should also maintain an inward and outward for bills. She shall be responsible for checking email and attending to sending and receiving fax.
- b) After making POs and WOs, requisitions shall be filed in separate files, site wise and in serial order.
- c) Each work order will be maintained in a separate file (contractors wise and site wise). Srinivas Rao shall be responsible for processing request for payments and arrange bills for Gaurang/ Raghunath's approval for payment.
- d) The work of purchase officer is reorganized and they shall be responsible for all the works from receipt of requisition to sending bills to accountants for payment. Their work shall include:
 - i. Making POs /WOs
 - ii. Updating details into requisition and PO database.
 - iii. Ensuring the bills, DCs and POS are collated for processing.
 - iv. Prepare JVs.
 - v. Send request for quotations and follow-up for getting the quotations.
 - vi. Provide information in real time to engineers about status of each requisition.
 - vii. Liaison with engineers by phone, email or sms.
 - viii. File requisitions and POs site wise and serial wise.
 - ix. Attend to any or all works irrespective of the work assigned to each purchase officer.
- e) Each Purchase Officer shall be responsible for the following sites:

Jaysudha	-	MFH, GMG & MNM
Sujatha	-	GWE, PMR & SOB
Srilatha	-	All major sites

- f) Raghunath – Asst. Manager Purchase shall have the following responsibilities:
 - i. Co-ordinate work of Purchase Officer.
 - ii. Approve bills.
 - iii. Assist Srinivas Rao for settle disputed bills.
 - iv. Product research, negotiations and identifying new suppliers.
 - v. Logistics of delivery, storage, payments, coordinating with suppliers and engineers, etc.,

- g) Responsibility of Srinivas Rao shall be as follows:
 - i. Preparation, negotiation, approval for payments, final bills for all work orders.
 - ii. Repair and maintenance of equipment, AMC, record of guarantee & warranty.

Managing Director.

Sub.: Procedure for preparation of bills

Earlier bills for contractors undertaking turnkey works with material were being prepared by the Purchase Division. Labour bills were also verified by the purchase division. Henceforth preparation of bills shall be bifurcated between the Purchase Division and the Accounts Division.

Details of splitting of bills into material payment, hire-charges, allowances and labour charges for most works is given in Cir 516(a). For other turnkey works like painting, polishing, stone works like marble, granite, windows, etc., the percentage of material bills and labour bills shall be on actuals or as specified from time to time.

Labour bills for items like plumbing works, civil works, welding, carpentry, etc., are being prepared by the engineers as per guideline rates. Similarly for turnkey jobs for which no VAT or TOT bills are not required (like road work), engineers are sending their estimates along with request for payment. Here the bills should be prepared by the accountants. Accountants should verify the rates mentioned in the bills with the guideline rates. In case of difference in rates, ask for a written note from engineers and send it to the M.D. for approval. Responsibility of preparing these kind of bills shall be entirely that of the accountants. Accountants may take help of Sambasiva Rao to understand how to prepare bills.

Turnkey jobs for which material has been purchased through our office or VAT/TOT bills are required, the request for payment along with estimate prepared by the engineers shall be forwarded to the Purchase Division for clearance after approval of M.D. Purchase Division shall check the bills with the guideline rates. Purchase Division shall also get a statement of payments made to the contractor towards on-account or towards materials purchased on behalf of the contractor. Purchase Division shall prepare a statement showing the details of the order, payments made and details of the payments to be made and forward it to the accountants for making appropriate vouchers and for payment. In general Srinvas Rao will process these bills for payment.

Managing Director.

Circular No. 305(a) – Purchase Division

Date: 05.07.2008

To,
All the Project Managers,

Sub.: requisition for work orders

As per the instruction of Gaurang Mody you shall be required to send requisition for work orders like Aluminum windows, marble and granite work, pavers, water proofing, roof tiles, etc. This will help in clearing the bills speedily.

However, I give you the authority to order these material and start the work as per your requirement. You need not wait for the work orders to be issued, to start the work. But, you will be required to send the requisition for preparing work order within one working day of informing the supplier/contractor to start the work.

In case of new suppliers/contractors or for works for which rates are not fixed, you may start the work and send an email to the Purchase Division accordingly.

Internal Memos

Memo No.	Date	Description
903/3	03.06.10	Minutes of the meeting and pending Pos format
903/4	09.07.10	Filing of requisitions
903/5	22.10.10	Efficient use of delivery vans (Tata Ace)

Sub.: Minutes of the meeting and pending Pos format.

Minutes of meeting shall be updated once a week on Friday between 3 pm and 4 pm as per the format given below.

Minutes date	Task	Due date	Assigned to

Sort minutes by assigned to and due date

In the minutes on an additional page maintain a list of pending requisitions where PO or WO is not made as per following format. Sort the table by requisition date and requisition no. Exclude requisitions of Thursday and Friday.

Sl No.	Project	Requisiti on date	Requisiti on no.	Material ordered	Remarks
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

Soham Modi

Sub.: Filing of requisitions

Raghunath shall maintain rack of 3 trays on his table to be used as follows:

- | | | |
|-------------|---|----------------------------------------------------------------------------------------|
| Top tray | - | Requisitions received but ID no. not assigned |
| Middle tray | - | Requisitions where ID nos is assigned for MDs approval and estimates for MDs approval. |
| Bottom tray | | Approved requisitions for preparation of POs/WOs. |

Requisitions once received from the bottom tray should be immediately processed and PO /WO or estimate should be prepared. File the PO / WO in respective project file. No requisition or estimate should be placed in any other file, drawer or cabinet. In case of queries, prolonged negotiations, research, keep the original requisition in the bottom tray and use a copy of the same.

Soham Modi.

Internal Memo no. 903/5- Purchase Division

Date: 22.10.2010

Sub.: Efficient use of delivery vans (Tata Ace).

We have engaged 2 nos. delivery vans at the cost of Rs. 25,000/- per van each month. Project managers, promotions team, purchase division & admin division shall ensure that these vans shall be used whenever possible instead of hiring other vehicles. Transport of material between sites and transport of equipment like pumps, compaction machines, etc., for repairs must be done using these vans. Such equipment can be exchanged between sites, wherever possible using the vans without disturbing their regular schedule.

Schedule for delivery

Van 1: No. AP 13X 4686

Driver: Venkatesh

Phone no. 9290037552

Regular route: GWE, KNM, MNM, PMR

Site delivery dates: Tuesday, Wednesday, Friday & Saturday.

Kiosk activity for sales: Monday & Thursday

Van 2: No. AP 29T 9966

Driver: Yakoob

Phone no.: 9502914072

Regular route: MFH, GMG, SOB & other miscellaneous sites.

Site delivery dates: Monday, Wednesday, Thursday & Saturday.

Kiosk activity for sales: Tuesday & Friday

Both the vans shall be available for sales activity from 15th November 2010.

Project managers, promotions and admin are advised to send an email atleast a day in advance to purchase whenever the van is required for other transportation activities. The vans are free upto 12 noon almost on all days. Purchase shall ensure that the vans are available at sites whenever required by 9.30 am so that the days activity is not disturbed.

Project managers are advised to send their routine emails to purchase@modiproperties.com. However, for all other emails ensure that a copy is marked to gaurang@modiproperties.com.

Soham Modi