

# Standard Operating Procedure for Vendor Master Creation/Alteration/Activation/Deactivation

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### **1. Introduction:**

- 1.1 This document intends to serve as the sole reference/ guideline for all requests for the new vendor creation/alteration of the existing vendor information originating from any user department of Netafim India.
- 1.2 It defines the basic commercial and regulatory information/documentary requirements in the process of creation of new vendor / existing vendor.
- 1.3 It aims at removal of ambiguities and streamlining of the process of vendor creation or alteration across the organization, and simultaneously insulating the company from risks associated with non-compliance with ever changing and stricter regulatory compliance requirements.

### **2. Purpose:**

The purpose of this document is to maintain the integrity of the vendor master records by ensuring that duplications are not created, that the information contained in the vendor master records are complete and correct.

### **3. Who is new Vendor?**

- 3.1 Any user department that proposes to engage any Vendor for the first time needs to provide a formal request for creation of the new vendor in the ERP in the specified format (Vendor Creation form/ Portal) along with copies of specified Mandatory documents. (As mentioned in clause 7)
- 3.2 The Duly completed form through Vendor portal must be forwarded to the designated personnel in the Accounts Payable department.
- 3.3 The designated personnel (Accounts payable) will issue unique vendor code for the new vendor after verifying the correctness and completeness of the details provided by the user in vendor the master form or through vendor master portal.

The Designated personnel shall open / create the vendor master in SAP in one working day after uploading the mandatory documents in vendor master portal.

**4. Vendor Master Creation Portal online:**

4.1 Online Portal is introduced for vendor master creation in ERP. Now it is mandatory to send every request for vendor master creation through online portal only. The mandatory fields should not be left blank along with relevant supporting's. our suggestion is that buyer will enter detail in portal which are mandatory in such cases where supplier/vendor has no access or limited access to internet. Agreed for case to case basis wherever no access or limited to internet.

4.2 How to use the vendor master portal: Link to be shared with Vendor/ Internal stake holders.

4.3 Open the link and fill all the required information and upload the necessary documents in the format like PDF JPEG, JPG, and save/send the link. Automatically, email will be circulated through portal to designated personnel of Accounts payable and reference personal of user department.

**5. Amendment:**

User Departments need to intimate, in writing (or email), any changes in the details provided during the vendor creation, at the earliest, to the designated personnel (Account Payable), along with necessary documents with the approval of Senior manager/AGM/DGM/GM Logistics and materials (Where there are changes in the registration details with the regulatory authority, Account number and name with Bank (Authorized bank letter), Payment terms, Address changes, etc.) The Designated personnel shall open / create the vendor master in SAP in one working day (SLA can be of 1day, but we recommend it should be done immediate/same day upon request of purchase dept. wherever it is required) after uploading the mandatory documents in vendor master portal.

**6. Activation / Deactivation:**

6.1 Designated Personnel will activate the vendor code in the ERP creation.

6.2 The user department shall intimate the discontinuation of the business by its vendor (s) to the designated personnel at the earliest, who shall de-active the vendor code in the ERP. (This is subject to the reconciliation of the vendor account in ERP. If any dispute/ outstanding lying in the vendor account, then designated personnel shall immediately inform to the user department upon the de-activation request)

6.3 The designated personnel may, at his discretion, for the purpose of security, deactivate vendor codes in which no transactions have taken place in or over two consecutive financial years. Such vendors will be treated as new vendor and the code reactivated only on fully filled fresh application through vendor master portal. Agree with deactivation if no dealing done in last 2 years but reactivation shouldn't be treated as new vendor & reactivation should be done through approval in writing from GM/AGM/DGM/Senior Manager. but Bank details &

address proof documents should be attached in the approval email for cross verifying with vendor master in SAP.

**7. Basic Vendor information:**

7.1 Valid Business Name – (As reflected in Bank Account/Bank Passbook /Cheque) \*

7.2 Business Type/ Form

7.3 Valid Business Address

- ✓ Complete Billing / Correspondence Address \*
- ✓ Complete registered Business Address\* (Govt certificate /GST)
- ✓ Valid Phone number (Landline & Mobile) \*
- ✓ Valid Facsimile Number
- ✓ Valid Email Address (Netafim Personnel's email Id will not be considered) It will be treated on case to case basis. AP head will approve the same wherever email id is not available with vendor.

NOTE: Copies of documents should bear the billing and registered addresses as mentioned in the form and must be duly attested by the vendor. (\* Mandatory)

7.4 Valid Contact Particulars

- ✓ Name (of the authorized representative / Contact Person) \*
- ✓ Designation
- ✓ Landline Phone Number
- ✓ Mobile number\*
- ✓ Email ID (Official) \* It will be treated on case to case basis. AP head will approve the same wherever email id is not available with vendor.

NOTE: The form must be duly signed by the vendor and counter-signed by the user/ Purchase Department. (\* Mandatory)

7.5 Payment terms\* Priority is select the payment term by drag down and if in case of new payment terms, then manual text box can be used.

7.6 Delivery Terms

7.7 Lower Tax deduction at source (If any)

7.8 Declaration required in case of transporter non-deduction of TDS

NOTE: The Term of payment is mandatory to mention in the vendor form which purchase department has agreed upon negotiation. The terms of payment require written authorization from the head of the department, copy of which needs to be appended to the form. If payment term is not specified, then by default portal will consider as 30 days from the date of invoice. For Advance payment request shall be approved by Senior Manager, AGM, DGM, GM, CFO and MD. (\* Mandatory)

7.9 Permanent Account Number\*

7.10 Import Export Code Number

7.11 GST TIN Number\*

7.12 TAX Identification Number (If vendor is outside India)

7.13 MSME Registration Number (For small scale vendor)

## 7.14 Registration Certificate for Shop and Establishment

NOTE: Copy of all applicable registration certificates are compulsory required along with form duly attested by vendor. (\* Mandatory)

### 7.15 Bank Particulars \*

- ✓ Name of the Bank
- ✓ Name of Account Holder
- ✓ Branch name
- ✓ Branch Address
- ✓ Account Number
- ✓ Account Type
- ✓ IFSC Code (IBAN / SWIFT code if vendor outside India)
- ✓ MICR Code (If vendor in India)

NOTE: Cancelled Cheque and Bank particulars on business letter head duly certified by bankers are compulsory for NEFT / RTGS Payment. The vendor must send the scan copy of the cancelled Cheque directly to the designated personnel from his official email address under the CC mark of respective Purchase departments' personnel. (\* Mandatory) In order to avoid mistakes/ fraud in receiving payment by supplier this is a control mechanism to receive original cancelled Cheque. AP Department must receive all physical copy of the cancelled Cheque by courier.

## 8. Matrix for Vendor creation approval

### A) For New Vendor Master Creation

- 8.1 User must take the approval from their respective reporting officers' (Senior Manager/AGM/DGM/GM) approval through email for vendor master creation in SAP and same email must send to designated personnel (Accounts payable) after the vendor creation request send through online portal.
- 8.2 The designated personnel will create the vendor master in ERP upon receiving the approval email from respective user.
- 8.3 The designated personnel must save the approved email copy in ERP/online portal.
- 8.4 In case Dealer gets converted to vendor: Dealer should furnish the dealership appointment form which we might have submitted at the time of entering dealership with Netafim. (Duly signed by dealer and Netafim authorized signatories.) If application is not signed by SBU head, then approval email of SBU head is must.

### B) For Existing Vendor alteration

- 1.1 Payment term - Department head must approve it (Senior manager/ AGM/DGM/GM 's approval is must.)

- 1.2 Bank details - Vendor must provide the certified copy from banker. What if vendor submit bank account detail on his letter head/mail/quotation? Sometimes vendors hesitate to share cancel cheque copy. - Please submit the letter from vendor's Bank.
- 1.3 Vendor must send the official email upon changing the bank details to designated personnel. Vendor will share detail to purchase dept. & we will forward same to account payable it might be in form of trail mail or in case of some vendor direct scan mail from purchase as they provide hard copy only)- Agreed for case to case basis in case of vendors don't have the email id.
- 1.4 Address - Government approved certificates, legal agreement copy is must.

## **2. Do's and Don'ts**

- 2.1 Do fill up all the compulsory/ mandatory fields with the relevant information in the online portal.
- 2.2 Do make sure the complete postal address is mentioned, including the valid Postal (Pin/Zip)
- 2.3 Do take care to include correct regulatory details, viz. PAN No, GST, etc., duly verified with the copy of such documents obtained.
- 2.4 Do contact the designated personnel in Accounts Payable department for any assistance in the matter.
- 2.5 Any relative or partner or member or director of vendor of his firm working with Netafim then please specify the employee name in vendor master portal
- 2.6 Do send/upload the readable documents (format like PDF JPEG) Don't provide incorrect / false information or documents.
- 2.7 Don't enter information in wrong field in portal.
- 2.8 Don't leave compulsory / Mandatory field blank.
- 2.9 Don't create the vendor or any of his partner or member or directors black listed in the past by Netafim.

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