Intercompany Purchase and Sales Policy

1. Stores department prepare sales order in selling company and intimate to accounts department.

2. Accounts department will check material and VAT rate mentioned in sales order and release the sales order in SAP accordingly.

3. Stores department will prepare sales outbound (SO) in selling company and Purchase requisition (PR) & order (PO) in purchasing company. Ideally SO and PO should be raised on the same day to reflect the transaction in order.

4. PO should be prepared in 452 series (Site PO). PO should have separate line item for followings
   a) Basis
   b) Input VAT
   c) Freight (if applicable)
   d) Octroi (if applicable)
   e) Loading & Unloading Charges (if applicable)
   f) Other Charges (if applicable)

   Cost such as freight, octroi, loading & unloading chg and other charges if applicable will be borned by purchasing company as material is transferred on cost to cost basis.

5. After sales outbound intimation, accounts department pass the sales entry in selling company and intimate sales invoice no. to stores for taking invoice printout wherever required.

6. Stores department will make GRN in purchasing company after receipts of material and intimate GRN no. to accounts department for doing MIRO.

7. Stores department need to submit original documents of freight, octroi, loading and unloading charges and other charges to accounts department for accounting and payment thereof.

8. Account Department will pass MIRO entry based on GRN received.