

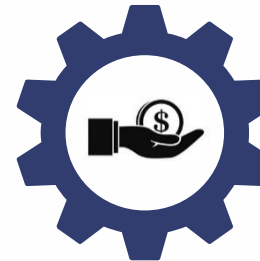
# GUIDELINES TOWARDS SUPPLIER

**Purpose:** Insuring Zero Loss of Inventory and Well Being of the Employees during Lockdown and Minimizing Start Up Time Post Lockdown



## Communication

- Communicate Force Majeure to Suppliers
- **Part Storage Instruction** Sheet to be shared with all suppliers (Refer to Annex 5)
- Share guidelines for inwarding material at our premise (Refer HR Guideline for People Movement)



## Payables

- AP to be reviewed and payments to be released as per normal cycle



## Demand Planning & Execution

- Previously released Schedule Lines to be cancelled
- Status of stock transfer material
- Suppliers Vehicles awaiting unloading / inwarding



## Imports

- Review Inventory Status & Coverage of Import Material
- Seek Date of start of production of overseas suppliers post lock down
- Take Ramp Up plan for Import Material
- Check Availability of Shipping Line from the desired destination
- Reverify Transit time of Import Shipment by Sea / by AIR
- Explore alternate supply location for imports
- Review Status of Imported Dies & Tools -Coverage / Local Manufacturing Source



### Quality

- Restart of Production to be aligned with SQA
- Validate the Shelf Life of the material in store / warehouse



### Schedule Planning

- Release of Schedule to suppliers
- Ensure requirements for Interplant Transfer & Aftermarket for Material Planning
- Adjust purchasing orders in case of fluctuating customer demands (e.g. shutdowns)



### Logistics

- Ensure readiness of vehicles to start despatch post lock down
- Ensure availability of Drivers with each vehicle



### Capture Supplier Voice/ Status

- Supplier Manpower Status
  - Supplier Manufacturing Readiness Status
  - Supplier Financial Health Status
  - Supplier Raw Material Status
- (Refer Annex)



### Risk Assessment And Action Plan for Risk Mitigation

- Supplier Risk Assessment post COVID based on the check sheet (Refer to Annex 2)

## Weekly Review

RYG Status of Risk Assessment of Suppliers - With Action Plan for Red & Yellow Status Suppliers (Refer to Annex 1)



Status of Payables - Domestic / Import / Hundi (Refer to Annex )



Status of Imported Raw Material



(Annex 1)

Supplier Name	Risk Status	Actions Planned	Target Date	Status

(Annex 2)

## Supplier Check Sheet

Material	Inventory Status & Coverage for Import Material ( As Per Annex I)
Material	FG / WIP Material Condition (With Evidence) ( As Per Annex I)
Material	Stock status of the FG parts & Parts in WIP at Supplier locations (As per Annex I)
Manpower	Total local manpower on roll (in numbers)
Manpower	Total outstation manpower on roll (in numbers)
Manpower	Migrated Employee %
Manpower	Total expected local manpower available , once the lockdown released
Manpower	Are You connected with your employees (through phone calls/WhatsApp etc)?
Manpower	Has any of your employee been diagnosed to be COVID-19 positive?
Manpower	Any Concern of Labour Unrest in the past
Machinery	Lead Time for Start of production after release of Lock Down
Financial Health	Salary Payment to Employees ( Permanent / Contractuals) during the lock down period with proof
Financial Health	Availability of Credit Lines
Financial Health	Any Concerns regarding Cashflow / Working Capital
Logistics	Readiness of vehicles to start desport post lock down
Logistics	Availability Drivers with each vehicle
Logistics	Expected date of delivery of parts in our premises post lock down release

**Note**  
**Risk Assessment to be done based on the inputs from Check Sheet**  
**Check Sheet should be filled once in a week by supplier**  
**Risk Assessment to be done based on the inputs received from supplier on Check Sheet**

(Annex 3)

### Stock Statement from Tier 2 Suppliers

Sr. no.	Part number	Supply Plant Location	Finish Stock	Stock in Transit (in Nos)	Stock in Warehouse (in Nos)	Child parts Coverage (in Nos)	Import of child part / RM involved	Import Stock coverage (in Nos) (if any)	Raw Material Coverage (in Nos)	Remarks
1								0		
2										

(Annex 4)

### Risk Assessment Template

Supplier Name	Domestic/ Import	Material	Manpower	Machinery	Financial Status	Logistics	Mitigation Plan In Case any of the factor is Red / Yellow
XX	Domestic						Manpower Actions - ??? Machinery Actions - ???

(Annex 5)

## Part Storage Instructions

Parts Category	Check Points
<b>All parts - General guideline for storage</b>	<ol style="list-style-type: none"> <li>1. Parts should be suitably stored and covered to avoid damage, rust, dirt / contamination, Moisture etc.</li> <li>2. Proper storage for child parts / consumables like adhesive tapes, sealers, glue etc to prevent from moisture and contamination.</li> <li>3. To avoid any mix-up : Identification of Semi finished and finished parts must be done properly and stored in separate location.</li> <li>4. Storage of dies, molds, Jigs &amp; fixtures, checking gauges must be done to avoid lack of lubrication, rust on working surface, exposure to environmental dust etc</li> <li>5. Sealant/ Adhesive dispensing machines must be cleaned/ flushed to avoid choking of pump/ pipeline</li> <li>6. Greasing/Oiling to be done for all rust prone areas of machine &amp; equipments.</li> </ol>
<b>Sheet Metal Parts</b>	<ol style="list-style-type: none"> <li>1. Application of rust preventive oil on all parts including child parts &amp; Raw material sheets to prevent rust and contamination.</li> <li>2. Use of approved packing bins and trollies for storage of parts to avoid damage.</li> <li>3. Proper covering on all trollies, bins, child parts, sheets etc to prevent damage &amp; contamination.</li> <li>4. Robots PLC must be kept in power on condition to prevent loss of programming data. In case power on is not feasible backup of latest program must be taken.</li> <li>5. Covering of CO2 wire roll to prevent pitting of wire.</li> </ol>
<b>Plastics Parts</b>	<ol style="list-style-type: none"> <li>1. Parts must be stored with proper covers to prevent scratches, deformation, warpage etc</li> <li>2. Stacking of parts must be done in such a manner that no scratch, deformation, stress mark etc is generated in part during long storage. Overloading should not be done.</li> <li>3. Molded parts requiring secondary process like Painting/ plating/ plastics welding: Must be stored in the areas free from dirt, contamination and moisture.</li> <li>4. Ensure complete cleaning of barrel / screw head in the machine to avoid choking.</li> </ol>
<b>Rubber Parts</b>	<ol style="list-style-type: none"> <li>1. Ensure proper storage of extrusion parts requiring secondary process like corner molding - to avoid shrinkage due to prolonged storage/ Ageing.</li> <li>2. Wherever joints are applicable in extrusion parts, storage must be done in the areas free from dirt / Contamination - to ensure proper Joint strength.</li> <li>3. Ensure complete cleaning of barrel / screw head in the machine to avoid choking.</li> <li>4. In process rubber compound in shop floor must be stored in controlled environment.</li> </ol>
<b>Electrical Part</b>	<ol style="list-style-type: none"> <li>1. Electrical and Electronics parts including child parts (Semi finished and finished parts) kept in controlled environment to avoid contamination, high temperature, moisture etc</li> <li>2. Bare PCB/SMT part must not be kept in open condition and should be covered.</li> </ol>
<b>Machining and forging</b>	<ol style="list-style-type: none"> <li>1. Apply Anti rust oil on machined surface for parts in Warehouse / Finished Inventory to avoid rust formation.</li> <li>2. Proper covering needs to be ensured to avoid Oxidation (white rust), contamination, rust on surfaces.</li> <li>3. Identification of parts must be done to ensure no mixup of Finished/ semi finished parts.</li> <li>4. Oil must be applied on Billets to prevent rust</li> </ol>

(Annex 6)

***Communication from ANAND to its Suppliers/Vendors***

Dear Suppliers/Vendors,

As you know, the spread of the coronavirus in India these past few months has caused the World Health Organization (WHO) to classify the situation as a Public Health Emergency of International Concern. There are 700+ individuals that have already tested in India.

In order to control the Coronavirus, Central Government, various State Government and Municipalities in India have directed businesses to curtail and in some cases closure of the factories till April , 14-2020.

During the coronavirus outbreak, our focus is on the safety and well-being of all our stakeholders as well as the communities where we operate. Hence, in compliance of the Government guidelines, we have decided to shut down our plants situated at till 14t April , 2020. Request you to take a note of this and plan your actions accordingly.

We are closely monitoring the ever evolving situation and also planning various actions to ameliorate the same, however, the aforementioned situation constitutes a 'force majeure'. The Corporate Materials Team of the Company would be continuously monitoring the situation and will provide further information/updates. Please feel free to connect the Corporate Materials Team for any information/support with respect to the same.

These are tough and uncertain times, and the nation needs our collective efforts. Looking forward for your co-operation and support as always.

Yours Sincerely,



(Annex 8 : Payable ' Format)

Supplier Names	Total Outstanding	Total Not Due	Total Overdue	Overdue				
				0-15 Days	15-30 Days	30-45 Days	45-60 Days	>60 Days

**THANK YOU**