AVIK PHARMACEUTICAL LIMITED

A-1/7 & A-1/8,1st Phase, GIDC Vapi - 396 195. Dist.-Valsad, Gujarat State,India
Phone : (0260) 2401593, E-mail: avikpharma@avikpharma.com
CIN : U99999MH1979PLC021711

Revision :00

PURCHASING POLICY

1. Purpose

This policy defines the organization's requirements for purchasing to ensure that all materials, equipment, and services used in API manufacturing are procured in a controlled, transparent, and compliant manner to maintain product quality, safety, and regulatory compliance.

2. Scope

This policy applies to the purchase of:

- Raw materials
- Intermediates
- Packaging materials
- Laboratory chemicals and consumables
- Production equipment and spare parts
- Contract services (testing, calibration, etc.)
- General items required for operations

3. Vendor Approval Requirement (Strict Enforcement)

- All suppliers shall be approved before any procurement activity.
- Vendor approval is mandatory for procurement of:
  - APIs
  - Raw materials
  - Solvents
  - Critical items impacting product quality
- Procurement from non-approved vendors is strictly prohibited.
- Any emergency exception shall require prior written approval from Department head and Management.
- Any unauthorized purchase from a non-approved vendor shall be treated as a major policy violation.

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4. Vendor Qualification Criteria

Vendor approval shall be based on:

- Submission of basic credentials (GST, PAN, drug license, as applicable)
- Quality evaluation (Certificate of Analysis review, audits where required)
- Compliance with applicable GMP and regulatory requirements

5. Purchase Indent (PI) Control

- The user department shall raise a Purchase Indent (PI) specifying:
  - Quantity
  - Material/service specification
  - Urgency
- The PI must be approved by:
  - Department Head
  - Purchase
  - Management
  - Finance

6. Purchasing Process

- A minimum of 2–3 supplier quotations shall be obtained for competitive evaluation.
- Suppliers shall be evaluated based on:
  - Quality
  - Price
  - Delivery timelines
  - Past performance
- A formal Purchase Order (PO) shall be issued containing:
  - Material specifications
  - Quantity
  - Rate
  - Delivery terms
  - Payment terms

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7. Quality Requirements for Purchased Materials

- All incoming materials must be accompanied by:
  - Certificate of Analysis (CoA)
  - Batch details
  - Regulatory compliance documents, where applicable
- All materials shall undergo Quality Control (QC) testing prior to use.
- Only QA-released materials shall be permitted for manufacturing.

8. Delivery & Inspection

- The Store Department shall verify:
  - Physical condition of packaging
  - Correct quantity
  - Correct batch numbers
- Any damage, shortage, or deviation shall be immediately reported to:
  - Quality Assurance
  - The concerned supplier

9. Record Keeping

The following records shall be maintained:

- Purchase Indent
- Purchase Orders
- Invoices
- Certificates of Analysis
- QC test reports
- Vendor approval and audit records

All records shall be traceable, controlled, and readily retrievable for regulatory inspections.

10. Re-Evaluation of Vendors

- Vendors supplying critical materials shall be reviewed annually based on:
  - Quality performance
  - On-time delivery performance
  - Complaint history

11. Ethical Procurement & Legal Compliance

- All procurement activities shall be conducted with:
  - Integrity
  - Transparency
  - Fair competition
- Employees involved in purchasing shall:
  - Avoid conflicts of interest
  - Not accept bribes, gifts, or inducements
- Any unethical procurement practice shall invite disciplinary action as per company policy.

12. Training & Awareness

- All personnel involved in:
  - Purchasing
  - Quality
  - Stores
  - Finance shall be trained on this Purchasing Policy.
- Refresher training shall be conducted upon:
  - Policy revision
  - Major process changes
- Training records shall be maintained.

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13. Compliance

All purchasing activities shall comply with:

- WHO, GMP guidelines
- Applicable local regulatory requirements
- Company internal quality policies

14. Policy Review & Revision Control

This policy shall be reviewed:

  - At least once every year, or
  - Upon regulatory or business change
- All revisions shall be:
  - Documented
  - Version controlled
  - Approved by Top Management
- Only the current approved version shall be in use.

15. Management Responsibility

Top Management is responsible for ensuring:

- Effective implementation of this policy
- Availability of required resources
- Ongoing compliance with regulatory and quality requirements

Date: 11/12/2025.

Authorized Signatory
(President –Operation)