GOODS RECEIPT NOTE (GRN) ISSUANCE PROCEDURE

EGC/SOP/WH/003

Revision No: 00

UNCONTROLLED

APPROVAL

	DESIGNATION	SIGNATURE	DATE
Reviewed By:	MR		20th May 2026
Approved By:	MD		22nd May 2026

REVISION HISTORY

Rev Date	Rev No.	Changes Description	Author
22-May-26	00	Initial procedure	Purchasing

UNCONTROLLED

1.0 PURPOSE

To define a controlled and systematic process for the receipt, verification, and recording of incoming goods to ensure that materials received conform to Purchase Order (PO) requirements, supporting traceability, inventory accuracy, and quality assurance.

2.0 SCOPE

This procedure applies to all incoming goods, including:

- Raw materials
- Machined parts and components
- Equipment and tools
- Consumables

Received from approved suppliers at Essem Group of Companies (EGC) warehouses, offices, yards, or project sites.

3.0 REFERENCE DOCUMENTS

Control of Records	EGC/SOP/CP/002
ISO 9001:2015	Clause 7.5 & 8.4
Quality Management System Manual (ISO 9001:2015)	EGC/QM/002
Nonconforming Output	EGC/SOP/PJ/004

4.0 RESPONSIBILITIES

4.1 Purchasing Manager

a) Ensure this procedure is implemented and maintained.

b) Ensure GRNs are issued for all received goods.

c) Coordinate with Warehouse and Quality departments

4.2 Warehouse / Storekeeper

a) Physically receive goods

b) Perform quantity and packaging checks

c) Initiate GRN

4.3 Quality Control (QC)

a) Perform incoming inspection where required

b) Accept or reject goods based on inspection results

4.4 Finance / Accounts

a) Match GRN with PO and supplier invoice (3-way matching)

UNCONTROLLED

5.0 DEFINITIONS & ABBREVIATIONS

- **GRN (Goods Receipt Note):** An official document confirming receipt of goods against a Purchase Order.
- **PO:** Purchase Order issued to supplier defining quantity, specification, and delivery terms.
- **QC:** Quality Control / Inspection personnel.
- **Nonconforming Material:** Goods that do not meet PO or specification requirements.

6.0 PROCEDURE

6.1 RECEIPT OF GOODS

6.1.1 Receiving at warehouse

6.1.1.1 Warehouse/Store personnel shall receive and unload goods upon arrival at the warehouse.

6.1.1.2 Delivery documents, including the Delivery Order and Packing List, shall be collected from the transporter or supplier.

6.1.1.3 Warehouse/Store personnel shall verify the goods received against the Delivery Order using the Unpriced Purchase Order as a reference.

6.1.1.4 The unpriced Purchase Order may be printed and attached to the goods for identification and traceability purposes.

6.1.1.5 Any discrepancies, observations, or required follow-up actions shall be recorded in the unpriced Purchase Order or relevant receiving documents.

6.1.1.6 Received goods shall be clearly identified and placed in the designated Receiving Area for further inspection and processing.

6.1.1.7 Warehouse/Store personnel shall initiate the Goods Receipt Note (GRN).

6.1.1.8 The final GRN shall only be issued upon completion of the process defined in Section 6.4 (GRN Issuance Process).

UNCONTROLLED

6.1.1 Receiving others than warehouse (HQ, workshop)

6.1.1.1 Requestor/Purchasing shall receive the goods upon arrival.

6.1.1.2 Requestor/Purchasing shall collect the delivery documents (Delivery Order, Packing List).

6.1.1.3 Purchasing will initiate GRN.

6.2 VERIFICATION AGAINST PURCHASE ORDER

6.2.1 The Receiver shall verify:

a) PO number and supplier name

b) Item description and specification

c) Quantity received vs quantity ordered

d) Packaging condition and visible damage

6.2.2 Any discrepancies identified shall be promptly recorded and reported to the Purchasing and Quality Control (QC) departments for further action.

6.3 INCOMING INSPECTION (IF APPLICABLE)

6.3.1 Goods requiring inspection shall be submitted to QC as per Incoming Inspection Procedure.

6.3.2 Inspection results shall be recorded:

a) Accepted

b) Accepted with conditions

c) Rejected (NCR raised)

6.3.3 Nonconforming or rejected goods shall be handled in accordance with the Nonconforming Output Procedure (EGC/SOP/PJ/004), and shall be clearly identified, labeled, and segregated to prevent unintended use.

6.4 ISSUANCE OF GOODS RECEIPT NOTE (GRN)

6.4.1 GRN shall be issued only after:

a) Quantity verification is completed, and

b) QC acceptance is confirmed (if inspection required).

UNCONTROLLED

6.4.2 The GRN shall include, at minimum:
a) GRN number (Under "Document Number").
b) Date of receipt (Under "Document Date").
c) PO number
d) Supplier name
e) Item description
f) Quantity received

6.4.3 GRN shall be generated in the SAP system.

6.4.4 Information regarding the inspection status shall be written in the GRN if applicable.

6.5 HANDLING OF NONCONFORMING GOODS

6.5.1 If goods are found nonconforming:
a) No GRN shall be raise for nonconforming goods.
b) NCR shall be raised by QC.

6.5.2 Purchasing shall coordinate with the supplier for:
a) Replacement
b) Return
c) Repair
d) Concession (if approved)

6.6 RETRIEVE OF GRN RECORD

6.6.1 Details of GRN shall be accessible in SAP by relevant parties

6.6.2 Respective people in charge are now able to print out the GRN in case there is a need to use hardcopy of GRN.

6.6.3 The printed GRN copy can be attached to the incoming item (i.e box) as mean for identification for Trading goods.

6.6.4 Logistics can use this printed GRN copy as a means for identification and traceability of the trading items.

6.6.5 The GRN, together with the Traveller or Manifest, shall be used to ensure proper identification and traceability of items for integration into actuation devices or related services.

UNCONTROLLED

6.7 INVENTORY UPDATE

6.7.1 Accepted goods shall be:
a) Tagged or labeled
b) Moved to designated storage locations

6.7.2 Inventory records shall be updated based on GRN quantity.

7.0 RECORDS

7.1 The following records and forms shall be maintained:

7.1.1 Goods Receipt Note (GRN) SAP Generated

7.2 All records shall be retained and maintained in accordance with the Essem Group of Companies (EGC) document retention policy, with a minimum retention period of five (5) years as required by ISO 9001 and ISO 45001, and a minimum of ten (10) years as required by API Q1, unless otherwise specified by applicable legal, statutory, regulatory, or customer contractual requirements, in which case the longer retention period shall prevail.

UNCONTROLLED