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SHAKAMBHARI GROUP # SteelWithin	**SHAKAMBHARI ISPAT & POWER LTD.** (Formerly known as Ess Dee Aluminium Ltd.)		
STANDARD OPERATING PROCEDURE			
Title: Physical Verification of Inventories			**Page No.** 1 of 2
SOP No.	**Version No.**	**Effective Date**	**Next review date**
SIPL/WHS/007	00	07.07.2026	06.07.2028

1.0 PURPOSE

1.1 To define a procedure for physical verification of inventories in the warehouse and production department.

2.0 SCOPE

2.1 This SOP applies to Warehouse and Production departments.

3.0 REFERENCE(S) & ATTACHMENTS

3.1 References

3.1.1 ISO 15378:2017

3.2 Attachments

3.2.1 Attachment- I : Physical Stock Taking Format SIPL/WHS/007/F01/00

4.0 RESPONSIBILITY

4.1 Warehouse Department Person:

4.1.1 To prepare the SOP.

4.1.2 To prepare a list of the SOP in Warehouse Department.

4.2 Production Head:

4.2.1 To ensure the training of the SOP to all concerned department personnel involved in implementation of the SOP.

4.2.2 To ensure the implementation of the SOP after training.

4.3 Quality Assurance Person:

4.3.1 To check the SOP.

4.3.2 To maintain the original copy of the SOP.

4.3.3 To issue controlled copy of the SOP.

4.3.4 To maintain issuance record of SOP.

4.3.5 To retrieve the controlled copy of the SOP when it is superseded/obsolete and maintain its record.

4.4 QA Head:

4.4.1 To approve new or revised SOP.

4.4.2 To ensure the implementation of the defined system.

4.5 Plant Head:

4.5.1 To approve new or revised SOP.

4.5.2 To ensure the implementation of the defined system.

5.0 DISTRIBUTION

5.1 Quality Control

5.2 Production

5.3 Warehouse

6.0 DEFINITION(S) & ABBREVIATION(S)

6.1 Definitions

6.1.1 Nil

6.2 Abbreviations

6.2.1 RM: Raw Material

6.2.2 SFG: Semi-Finished Goods

6.2.3 FG: Finished Goods

Prepared By:	Checked By:	Approved By:
05.07.2026	05.07.2026	05.07.2026

7.0 PROCEDURE

7.1 Guidelines:

7.1.1 Stock verification shall be carried out every month, i.e. at the closing of the last day of the month.

7.1.2 After taking physical stock, it shall be verified with the stock shown in ERP in the accounts department. The difference (if any) shall be analyzed.

7.1.3 The difference shall be accepted if the difference in a single item is more than 10 kg (if stock quantity is less than 100 kg), or if the difference in a single item is more than 5% (if stock quantity is more than 100 kg).

7.1.4 If the difference is not within the acceptable limits as shown above, corrective action shall be taken for rectification.

7.1.5 The following inventories shall be verified with the physical stock:
7.1.5.1 RM/PM stock
7.1.5.2 FG stock

7.1.6 The following inventories shall be taken in inventories and the value of the same shall be assessed:
7.1.6.1 Semi-finish stock

7.1.7 Physical stock taken shall be signed by the respective area head.

7.2 Process of Taking Physical Stock:

7.2.1 Start the stock taking from one end of the location and ensure no material is left out.

7.2.2 Fill in the details like location, date, etc., in the 'Physical Stock Taking Format'.

7.2.3 Check the roll/box/container details and enter them in the format, like roll no., net weight, etc.

7.2.4 Put a sign on the roll to make sure that the specified roll has been entered in the physical stock.

7.2.5 Similarly, take stock of each and every roll/box/container in that location.

7.2.6 If any remarks are available on the roll/box/container, put the same on the stock taking format for better clarity about the material.

7.2.7 On completion of stock taking of the entire location, type the same in an Excel sheet.

7.2.8 Make the comparative stock report in case of RM/PM and FG to calculate the difference.

8.0 REVISION HISTORY

Revision No.	00	Effective Date	07.07.2026	CC No.	NA
Details of revision: New SOP					