

## **Corporate Quality Policy**

(as amended up to 01-02-2017)

- ☒ 1) This policy is applicable to all the units of Isgec Heavy Engineering Limited. The policy aims to achieve the objective of attaining standards of quality equal to the best in the world.
- ☒ 2) It is the policy of the company that all goods & services whether procured or supplied shall be of good quality as per customer specifications or as per company's specifications.#
- ☒ 3) The quality as defined shall be attained even at higher cost.#
- ☒ 4) In each Unit/Corporate Department, there will be one person in overall charge of quality. He or she will not be in any way dependent upon or subordinate to the operational departments.
- ☒ 5) Quality Officers/Auditors are to be appointed for each department including support functions.#
- ☒ 6) A decision made by the Quality Officer may be reviewed only by the Unit Head in the case of Units and by Department Heads in the case of Department that are not part of a Unit. The Review must be in writing.
- ☒ 7) The Quality Officer may perform other duties as well but such duties are to be independent of operations. Exceptions, if any, are to be made with the explicit consent of MD in writing.#
- ☒ 8) There are many circumstances in which normal Quality Procedure cannot apply or are difficult to apply, e.g. for site work, maintenance, after sales service etc. in such important cases, an adequate Quality Plan is to be drawn up and the Quality Officer is required to approve it. The Divisional Manager and the Quality Officer are severally authorised to declare a circumstance 'an important case' for this purpose.#
- ☒ 9) a - The Quality Officer shall be predetermined and notified in writing. It shall be the responsibility of the respective Unit Heads or Department Heads (in the case of Department which are not part of a unit) to issue this notification.  
b - A copy of this quality policy shall also be available with each Division/Unit Head and be prominently displayed.  
c - Each copy of this notification shall carry at the top the word 'as amended upto (date.....)'  
d - The Unit/Department Heads shall be responsible for circulating amendments in this quality policy as and when necessary.
- ☒ 10) Every Failure of the Quality Policy shall be thoroughly analysed (by respective Quality Officer) and a report shall be made to MD. It will be the responsibility of the Unit Heads/Division Heads to ensure that this is done.#
- ☒ 11) There shall be a review of the implementation of this notification every year in the Management Review Meeting. The head of Quality of each Unit/Department shall be responsible for conveying the annual review and shall fix agenda for the review. He or she will also be responsible for maintaining the minutes. In the case of any difficulty, he or she shall report to MD. The review will be chaired by the Unit Heads/Department Heads (in the case of departments which are not part of a Unit).

# for details refer Annexure



Managing Director

# Corporate Quality Policy

(as amended up to 01-02-2017)

## ANNEXURE

### Explanation for Point No. 2 :

- a) It does not mean that every product has to be a Mercedes. If the specification calls for a Maruti, the product shall be a good Maruti. It will not be dented or have broken windows. The product could even be specified as a "second hand Ambassador". In such cases, some definition of the quality expected would have to be made, preferably (but not necessarily) in writing by consultation between the concerned departments/divisions.
- b) Each employee, section, and department must treat the next stage in the process as his/her/its "Internal Customer" to whom he/she/it has to deliver a quality product or service. This would be applicable to line functions such as Design, Engineering, Manufacturing etc. as well as to services rendered by Accounts, Personnel etc. to other departments/divisions.
- c) Services will include activities such as erection, commissioning, after sales service, and any other work such as design, drawing, fabrication, testing, and heat treatment for outside customers or for other divisions.

### Explanation for Point No. 3

The Company will not, for example, necessarily buy from the cheapest source. Of course, efforts will be made to deliver adequate quality in an economical manner.

### Explanation for Point No. 5

- (i) A Quality Officer may be responsible for more than one area depending upon the size of the Unit/Department.
- (ii) The Unit Heads/Division Heads should investigate the need to appoint Quality Officers for other areas.

### Explanation for Point No. 7

- (i) The Quality Officer may have some other designation and may do other work, provided it is not connected with operations. For example, in a certain division the Engineering Manager may also be designated as the Quality Officer for production; he may look after a number of departments including Quality Control, Design, R&D etc. In no case, however, would he have under his charge departments such as Production, Contracts or Planning; in fact, he has to be scrupulously kept away from such departments.
- (ii) If this is not possible for any reason, then MD can be requested to approve an alternate arrangement, and this approval has to be taken in writing.

### Explanation for Point No. 8

It should be very clear that whosoever is to implement the special procedure in such cases, is to be responsible to the Quality Officer for all quality matters even if that person reports to somebody else for the purpose of other duties. For example, at a construction site, if Quality Plan has been drawn up and separate Quality Control personnel are not posted, evidently the site in-charge or some other operational person would undertake responsibility for ensuring implementation of the Quality Plan. Any issues relating to this Quality Plan, any non-compliance thereof or other such matters should be dealt with by the Quality Officer and not by the Head of Construction Department.

### Explanation for Point No. 10

The Quality Policy Officer of the concerned area shall analyse in sufficient detail the failure of Quality Policy, so that:

- (i) Immediate corrective actions can be taken to address the failure, and
  - (ii) Appropriate preventive actions can be taken to minimise the complaints and avoid their recurrence.
- The report should be made fairly quickly and if it requires time to analyse the complaint and take corrective actions, then a preliminary report may be submitted in the meanwhile.