

THE STATE TRADING CORPORATION OF INDIA LIMITED : NEW DELHI

DELEGATION OF POWERS

(Effective from 1.3.1995)

Schedule-A (2) : Trade and Business Matters (Regions/Branches)

Authority	Extent of powers	Remarks
1. Canalised Imports/Exports including trade on Govt. account		
NIL		
2. Non-canalised Exports - to make offers/conclude business on the basis of back-up offers from Associates		
RM	Upto Rs. 10 crore	
BM	Upto Rs. 3 crore	
CMM	Upto Rs. 2 crore	
MM	Upto Rs. 1 crore	
Note : Enhanced powers to BM, STC Ahmedabad for export of Castor Oil.		
BM STC Ahmedabad shall exercise powers upto Rs. 5 crores in respect of export of Castor Oil only. Proper safeguards shall be taken in export contracts as well as back to back contracts to avoid claim on STC. Fortnightly report to be sent to Finance/CMD.		
3. Non-canalised exports - to make offers/conclude business without back-up stocks or domestic purchase orders or back up offers from associates		
RM	Upto Rs. 3 crores [2]	
BM (not below MM rank)	Upto Rs. 1.5 crore (2)	
BM (below MM rank)	Upto Rs. 25 lakh (2) outstanding at any time for a commodity	

S.T.C. - D.O.P.

4. **Off-Shore Trade as per approved guidelines**

NIL

5. **a) Non-canalised imports/sales (1)**

RM	Upto Rs. 1 crore)	(1) Subject to note at S. No.
)	2 of Notes forming part of
BM	Upto Rs. 50 lakhs)	Schedule and subject to
)	overall profitability.

5. **b) Processing of Cashewnuts - indigenous purchase/import of raw nuts for processing (3)**

RM Mumbai	Full powers)	Total value of inventory not
)	to exceed Rs. 5 crore at any
)	point of time.
)	Proposals to be put up to RM
)	through BAC.

5. **c) Processing of Castor seeds - all matters pertaining to procurement and crushing (4)**

Committee consisting of RM Mumbai CFM or GM (Fin) Mumbai, BM Ahmedabad	Full financial powers)	Subject to a maximum quantity of 10,000 MTs. during any one financial year
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5. ***d) Business transactions in gold/silver conclusion of Business with foreign suppliers & sale to local parties**

BMs of STC Ahmedabad, Mumbai, Chennai, Hyderabad, Calcutta, Kochi Bangalore and Jalandhar with concerned Associate Finance	Upto Rs. 10 crores per transaction but the value at any one time for any one buyer should not exceed Rs. 10 crores and any purchases in excess of Rs. 10 crores on any day shall have prior approval of Gold/Silver Import Committee at CO.)	Import of bullion to be undertaken as per guidelines issued by CO from time to time. The delegation of powers should be used very carefully and in no case the business should result in loss to STC. A report giving full details of each business concluded and disposal effected should be submitted to CO immediately for information and review by the Management.
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*Added vide circular nos. 168 dt. 7.1.2000, 180 dt. 7.11.01 and 184 dt. 24.2.03

6. **Purchase/sale of items domestically**
- | | | | |
|---------------|-----------------------|---|---------------------------------------|
| RM | Upto Rs. 3 crore (2) |) | Subject to overall profitability. (1) |
| | |) | |
| BM (not below | Upto Rs. 1.5 crore(2) |) | |
| MM rank) | |) | |
| BM (below | Upto Rs. 1 crore(2) |) | |
| MM rank) | |) | |
7. **(a) Purchase of Imported cars**
- | | | | |
|--------|-------------|---|--|
| BM/CMM | Full powers |) | As per guidelines laid down by the Ministry of External Affairs. |
|--------|-------------|---|--|
- (b) Sale of Imported cars not involving loss**
- | | | | |
|--------|-------------|---|--|
| BM/CMM | Full powers |) | |
|--------|-------------|---|--|
- (c) Sale of Imported cars involving loss**
- NIL
8. **Exports involving loss**
- NIL
9. **Disposal of damaged/deteriorated/surplus stock**
- | | | | |
|----|------------------|---|--|
| RM | Full Powers |) | Subject to : |
| BM | Upto Rs. 3 crore |) | - Stocks being approved as surplus by Dir. or certified as damaged/deteriorated by surveyors |
| | (sale value) in |) | |
| | case of |) | |
| | open tenders |) | |
| | Upto Rs. 10 lakh |) | - There being no loss over purchase price in sale of surplus stock |
| | (sale value) in |) | |
| | case of |) | |
| | limited tenders |) | - Sale being made to the highest tenderer |
| | |) | - As per Govt. guidelines for stocks held on Govt. account |
| | |) | |
| | |) | |

10. **Fixation of trading margins**
 RM Full powers As per approved guidelines
11. **Expenditure on export samples**
 RM Upto Rs. 20,000
 BM Upto Rs. 10,000
12. **Enrolment/termination of suppliers in India**
 BM Full powers As per approved guidelines.
13. **Enrolment/termination of foreign suppliers**
 RM Full powers As per guidelines
14. **Appointment/termination of selling agents in India or abroad and payment of commission**
- (a) **On deal-to-deal basis**) Overseas commission to
) be as per RBI guidelines
 BM Full powers)
)
- (b) **On a fixed term basis**)
(other than sole selling agents)) Commission to be paid after
) realisation of full payment
 RM Upto 3 years at a) without any claim
) time in India)

15. (a) **Appointment of Agents/Contractors for shipping, handling, transport, storage, Packing, Bagging, Forwarding, Clearing, survey, Stevedoring, Ocean Freight Booking, Claim Recovery, Processing, Tinning, Testing, Labour, etc. and termination of such arrangements**

RM Upto 3 years at a time to India

BM Upto 2 years at a time in India

- (b) **Payments to Agents/Contractors etc. under (a) above as per terms of contract**

BM Full powers

MM Upto Rs. 1 lakh

DMM Upto Rs. 50,000

16. (a) **Signing of contracts as per offers made**

- (b) **Establishment of BID Bond/performance Bond/Indemnities etc. as per offers made or contracts signed**

- (c) **Acceptance of Buyer's LC, assigning of LC, etc. as per the contract**

- (d) **Signing of other contracts/agreements as per terms approved by the competent authority**

*BM/CMM/ Full powers

CMM (at Branches)

MM Upto Rs. 3 crore

DMM Upto Rs. 1 crore

*Amended vide circular no. 183 dt. 18.12.02

17. a) **Amendment of contracts**

Same authority as Full powres
is competent to
conclude the contract

b) **All matters including extension in shipment period and condonation of delay in submission of BG not involving any financial liability to the Corporation. (6)**

Director (Marketing) Full powers

18. **Payment as per contract (including payment by LC)**

BM Full powers

MM Upto Rs. 3 crore

DMM Upto Rs. 1 crore

19. **Opening of LC after deal has been concluded but before actual signing of the formal contract**

RM Full powers Terms and conditions of the contract to have the approval of the competent authority

20. **Payment of Insurance premia, custom duty, port charges, octroi, transportation charges, storage and handling charges, fees and any other charges payable by the Corporation excluding those items specifically mentioned elsewhere in this schedule**

BM Full powers Insurance cover to be arranged by Insurance Division

MM Upto Rs. 1 lakh at CO as per requirement of divisions at CO/Branches.

DMM Upto Rs. 50,000 In respect of Insurance

premia, powers to be exercised by the respective managers in the Insurance Division.

21. Expenditure incidental to trade including purchase of containers for storage of edible oils

RM Full powers

BM Upto Rs. 10 lakh

22. Routine Indemnities/Guarantees/BID-Bonds (Incidental to trade)

BM/CMM Full powers

Bid-bonds to be executed only in respect of contracts/offers approved by competent authority.

**23. Settlement of self Insurance
NIL**

24. Compounding/Settlement of claims (other than liquidated damages) not involving negligence of any employee

RM Full powers (where recoverable from third party)

25. Demurrage/loss/avoidable expenditure not due to theft/fraud/negligence

RM Upto Rs. 5 lakh

BM Upto Rs. 1 lakh

26. Waiver of liquidated damages provided for in the contract

RM Upto 10% subject to)
ceiling of Rs. 50,000) In consultation with Law
BM Upto 10% subject to)
ceiling of Rs. 20,000)

27. Write-Off of bad debts/waiver/abandon etc.

RM Upto Rs. 5000

28. Loans/advances to Business Associates for exports (against security)

RM Upto Rs. 25 lakh) Loans and advances to be
) granted within the approved
) norms for directly or indirectly
) maintaining/augmenting
) exports of the Corporation
) Since maximum amount of
) such loans and advances
) outstanding at any point of
) time is not to to exceed
) Rs. 25 crore for the entire
) Corporation, these powers
) to be exercised in consul-
) tation with CGM (Fin.) at C.O.

29. Bill Marketing Scheme

NIL

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30. (a) **Opening of Bank account**
NIL
- (b) **Operating of Bank account**
NIL
31. **Capital Expenditure - original work**
NIL
32. **Technical and marketing collaboration not requiring Govt. approval**
NIL
33. **Appointment of Consultants, Experts, Designers, etc.**
NIL
34. **Investment of surplus funds**
NIL
35. **Legal proceedings pertaining to trade, business, establishment, personnel, sales tax, custom duties, income tax and other general matters**
- (a) **To institute/defend/compound/abandon**
- | | |
|---|---|
| BM with
Legal Div. or
Consultant | Full powers for
matters other than
income tax, personnel
and establishment |
| CFM with
Legal Div.
or Consultant | Full powers for income
tax matters |

Dir (Personnel) Full powers for
with Legal personnel and
Div. or establishment matters
consultant

**(b) Appointment and change of advocates/attorneys/solicitors and
fixation/payment of professional charges and other legal
expenses**

BM with Full powers Appointment to be in accor-
Legal Div. dence with the norms laid
down by Dir (Fin) Legal fees/
charges etc. to empanelled
advocates to be paid as per
scales laid down by the C.O.
and to senior counsels as
per their normal rates of
fees/charges

(6) Payment of legal fees/
charges etc. to advocates
at rates exceeding the rates
applicable to empanelled
advocates shall be appr-
oved by Director (Legal) and
Dir (Finance).

(c) Payment of stamp duty, Court fees, etc.

BM with Legal Div. Full powers

(d) **Signing and verification of pleadings, legal documents and matters connected thereto**

BM/CMMCFM Full powers**

MM/DLA Full powers** except signing & executing bonds and guarantees The powers may be exercised by ALA in places where DLA is not posted

** includes power to :

- Sign, verify, declare and/or affirm plaints, written statements, memorandum of appeals and other pleadings, vakalatnamas, affidavits, miscellaneous applications and other similar documents including signing and issue of notices prior to institution and during the pendency of suits, appeals, revisions, reviews, arbitrations and/or other legal proceedings authorised by competent authority to be instituted/defended.
- Sign and execute agreement including lease deeds, licence agreements, hypothecation deeds, mortgage deeds, letters of lien, indemnity bonds, undertakings, pledges and other similar documents authorised by the competent authority and any further document or documents and applications, the signing/execution of which is incidental and/or necessary thereto.
- sign and verify all returns which are by law required to be made by the State Trading Corporation of India Limited.
- sign and discharge all securities including Govt. securities and documents of title to goods standing in the name of or held by the State Trading Corporation of India Ltd., authorised by the competent authority.
- invoke/enforce Bank Guarantees or any other claims of the Corporation on behalf of the Corporation.
- do all acts and things connected with or incidental to the above.

36. (a) **Travel within the country**

RM Full powers

BM For employees reporting to him, travel and stay being as per entitlement Includes powers to sanction charges levied on cancellation of journey tickets.

(b) **Relaxation in mode/class of travel**

RM Full powers

(c) **Relaxation for stay in hotels beyond entitlement where STC has empanelled hotels**

BM at branches & Protocol Manager at C.O. Full powers in respect of employees visiting the territory When accommodation as per entitlement is not available

(d) **Relaxation for stay in hotels beyond entitlement where there are no empanelled hotels**

RM Full powers When accommodation as per entitlement is not available

(e) **Sanction of full DA beyond 30 days**

Dir (Branches) Full powers

37. **ISO 9000 series certification for STC Mumbai (3)**

RM, STC Mumbai Full powers Proposal to be put up to RM through BAC.

Notes : Notes forming part of this Schedule attached.

Notes Applicable to Schedule - A(2)

1. The powers delegated as per this Schedule shall be exercised subject to the relevant rules and regulations and the policies and procedures laid down by the competent authority, provisions of the Companies Act and the Memorandum and Articles of Association of the Corporation.
2. As regards non-canalised imports, the regions will be free to import items specifically required by industries located in their areas subject to a limit of Rs. 1 crore in each case, except the following items which will continue to be handled by C.O. only :-
 - Canalised items, including items on Govt. account, such as edible oils, sugar, etc.
 - Pulses
 - Kerosene Oil
 - Ferrous & non-ferrous metal
 - Fertilisers
 - State Government requirements (general imports)
3. The extent of powers indicated in this schedule apply to each case unless otherwise specified.
- *4. These powers shall be exercised by the competent authorities with due concurrence of Associate Finance.

Whenever there is a difference of opinion between the Branch Manager and Finance, the matter may be referred to the Director concerned who may sort it out with Dir(Fin). In all such cases a verbatim copy of the views of Finance should also be furnished. In emergent cases, however, BM may take a decision himself with

*Amended vide circular No. 159 dt. 5.1.99.

reasons fully recorded subject to immediate report to Corporate Office and ex-post-facto approval of concerned Director and Dir(Fin).

5. Associate Finance, for the purpose of this Schedule, will mean a finance manager of rank not less than the level shown below :

Competent Authority	Associate Finance
Chairman/COM	Dir (Fin)
Director	CGM (Fin)
CGM/GM	CFM
Branches where finance function is headed by a manager of rank lower than FM	Head of Finance function
Others	FM

In the absence on tour or leave of prescribed rank of managers in Finance Division, finance concurrence may be obtained in urgent cases from the officiating manager (Fin), if any, or the manager of the next lower rank subject to all such matters being specifically brought to the notice of the concerned finance manager of the appropriate rank on his return.

6. CGM/GM/CMM/MM will include all managers of equivalent ranks.
7. Powers delegated to a lower authority can be exercised by higher authority.
8. An operating manager may seek advice of Finance even in areas where Finance concurrence is not required. However, in such cases, the final decision and responsibility will rest with the operating division.

9. Where tenders are called and lowest (highest) tender is not accepted, reasons thereof shall be recorded and approval of next higher authority taken unless the purchase (sale) policy provides otherwise.
10. In the absence of Branch Manager on tour or on leave, the next senior most manager may exercise the powers vested in the Branch Manager in respect of urgent matters subject to report to Branch Manager on his return for ratification.
11. Proposals submitted by Branches for approval by CO will clearly indicate the name and designation of the Manager in Finance who has concurred with the proposal.
12. The powers of the managers posted at the foreign offices are defined separately in the Manual of Foreign Offices.
- 13.(6) These powers shall cover conclusion of contracts both on LC as well as CAD terms. Ordinarily the payment terms will provide for irrevocable LC. In the case of CAD terms, approval of Director will be obtained.
- 14.(7) Consequent upon abolition of the concept of Regional Managers, Branch Managers of Mumbai, Calcutta and Chennai branches will exercise the powers of RMs in respect of business transactions of these Branches.

REFERENCE OF AMENDMENT

- (1) Amended vide circular No. 118 dt. 20.6.1995
- (2) Amended vide circular No. 138 dt. 21.3.1997
- (3) Amended vide circular No. 141 dt. 2.6.1997
- (4) Amended vide circular No. 145 dt. 26.6.1997
- (5) Amended vide circular No. 146 dt. 22.7.1997
- (6) Amended vide circular No. 134 dt. 6.8.1996
- (7) Amended vide CMD's circular No. 01/97 dt. 18.11.1997
- (8) Amended vide circular No. 159 dt. 5.1.99
- (9) Amended vide circular No. 164 dt. 23.9.99
- (10) Amended vide circular No. 168, 180 & 184 dt. 7.1.01, 7.11.01 and 24.2.03 respectively

Sd/-
(A.K. Gupta)
Company Secretary

S.T.C. - D.O.P.