

**THE STATE TRADING CORPORATION OF INDIA LIMITED : NEW DELHI**

**DELEGATION OF POWERS**

(Effective from 1.3.1995)

**Schedule-A (1) : Trade and Business Matters (Corporate Office)**

<b>AUTHORITY</b>	<b>EXTENT OF POWERS</b>	<b>REMARKS</b>
<b>1. Canalised Imports/Exports including Trade on Govt. account</b>		
COM	Full Powers	
Dir with Dir (Fin)	Upto Rs. 3 crore	
CGM	upto Rs. 1 crore	
CMM	upto Rs. 75 lakh	
<b>2. Non-canalised exports - to make offers/conclude business on the basis of back-up offers from associates</b>		
COM	Full Powers	
Director	Upto Rs. 10 crore	
CGM	Upto Rs. 3 crore	
CMM	Upto Rs. 2 crore	
<b>3. Non-Canalised exports - to make offers/conclude business without back-up stocks or domestic purchase orders or back up offers from Associates</b>		
COM	Full powers	
Director	Upto Rs. 5 crore [1]	
CGM	Upto Rs. 3 crore [1]	

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- CMM Upto Rs. 50 lakh [1] )  
 outstanding at any)  
 time for a commodity)
- 4. Off Shore Trade**
- COM Full powers ) As per approved guidelines  
 )  
 Director Upto Rs. 10 crore) )  
 CGM Upto Rs. 3 crore) )
- 5. (a) Non-Canalised\* Imports/Sales (2)**
- COM Full powers  
 Director Upto Rs. 5 crore ) (2) Subject to overall profit-  
 ) ability.  
 CGM Upto Rs. 1 Crore )
- 5. (b) Non-Canalised Imports/Sales - Gold and Silver (4)**
- Gold/Silver Imports Committee ) Upto Rs. 75 crore in a day.  
 consisting of : Dir (Gold) ) Cases exceeding this limit  
 Dir — I/C - F, CGM (Gold) ) will be put up to COM.  
 and CGM (Fin) )
- 6. Purchase/Sale of items domestically**
- COM Full powers  
 Director Upto Rs. 3 crore (1) )  
 CGM Upto Rs. 2 crore (1) ) (2) Subject to overall profit-  
 CMM Upto Rs. 50 lakh (1) ) ability

\* Powers for purchase of Edible Oils under OGL against specific indents received from private parties are given in circular no. 155 dated 3.2.1998 attached.

7. (a) **Purchase of imported cars**  
 CMM Full powers As per guidelines laid down by the Ministry of External Affairs

(b) **Sale of imported cars not involving loss**

CMM Full powers

(c) **Sale of imported cars involving loss**

Director Full Powers

8. **Exports involving loss**

COM Full powers

Dir with Dir (Fin) Upto Rs. 10 lakh

9. **Disposal of damaged/deteriorated/surplus stock**

COM Full powers

Director Full powers Subject to :

CMM Upto Rs. 3 crore ) - Stocks being approved as  
 (sale value) in ) surplus by Dir. or certified  
 case of open ) as damaged/deteriorated  
 tenders ) by surveyors  
 Upto Rs. 10 lakh )  
 (sale value) in ) - There being no loss over  
 case of limited ) purchase price in sale of  
 tenders ) surplus stock  
 ) - Sale being made to the  
 ) highest tenderer  
 ) - As per Govt. guidelines for  
 ) Stocks held on Govt.  
 ) account

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- 10. Fixation of trading margins**
- |          |             |                            |
|----------|-------------|----------------------------|
| COM      | Full powers |                            |
| Director | Full powers | As per approved guidelines |
- 11. Expenditure on export samples**
- |          |                 |  |
|----------|-----------------|--|
| COM      | Full powers     |  |
| Director | Upto Rs. 50,000 |  |
| CGM      | Upto Rs. 20,000 |  |
| CMM      | Upto Rs. 10,000 |  |
- 12. Enrolment/termination of suppliers in India**
- |     |             |                             |
|-----|-------------|-----------------------------|
| CMM | Full Powers | As per approved guidelines. |
|-----|-------------|-----------------------------|
- 13. Enrolment/termination of foreign suppliers**
- |          |             |                            |
|----------|-------------|----------------------------|
| Director | Full powers | As per approved guidelines |
|----------|-------------|----------------------------|
- 14. Appointment/termination of Selling Agents in India or abroad and payment of commission**
- (a) On deal-to-deal basis**
- |     |             |                             |
|-----|-------------|-----------------------------|
| CMM | Full powers | ) Overseas commission to be |
|     |             | ) as per RBI guidelines     |
- (b) On a fixed term basis**  
**(Other than sole selling agents)**
- |          |                 |                               |
|----------|-----------------|-------------------------------|
| COM      | Full powers     | ) Commission to be paid after |
| Director | Upto 3 years at | ) realisation of full payment |
|          | a time          | ) without any claim           |
| CGM      | Upto 3 years at | )                             |
|          | a time in India | )                             |

Amend vide circular no. 159 dt. 5.1.99

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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**

Dir with Dir      Full powers  
(Fin)

Director            Upto 2 years at a  
                          time abroad

CGM                Upto 3 years at a  
                          time in India

CMM                Upto 2 years at a  
                          time in India

- (b) **Payments to agents/contractors etc. under (a) above as per terms of Contract**

CMM                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**

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- |     |                  |  |
|-----|------------------|--|
| CMM | Full powers      |  |
| MM  | Upto Rs. 3 crore |  |
| DMM | Upto Rs. 1 crore |  |
17. a) **Amendment of contracts**
- Same authority as Full powers  
is competent to  
conclude the contract
- b) (3) **All matters including extension in shipment period and condonation of delay in submission of BG not involving any financial liability to the Corporation.**
- Director (Marketing) Full powers
18. **Payment as per contract (including payment by LC)**
- |     |                  |  |
|-----|------------------|--|
| CMM | 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**
- |     |             |   |
|-----|-------------|---|
| CGM | Full powers | Terms and conditions of the contract to have the approval of the competent authority. |
|-----|-------------|---|
20. **Payment of insurance premia, customs 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.**

CMM	Full powers	) Insurance cover to be arranged by Insurance Division at
		) CO as per requirement of
MM	Upto Rs. 1 lakh	) divisions at CO/Branches.
		) In respect of Insurance
DMM	Upto Rs. 50,000	) 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**

Director	Full powers
CGM	Upto Rs. 10 lakh
CMM	Upto Rs. 5 lakh

**22. Routine Indemnities/Guarantees/Bid-Bonds (incidental to trade)**

CMM	Full Powers	Bid-bonds to be executed only in respect of contracts/offers approved by competent authority
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**23. Settlement of self Insurance**

CMM (SIS)	Full powers
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**24. Compounding/Settlement of claims (other than liquidated damages) not involving negligence of any employee**

Director	Full powers
CGM	Full powers (where recoverable from third party)

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

Director	Full powers
CGM	Upto Rs. 5 lakh
CMM	Upto Rs. 1 lakh

**26. Waiver of liquidated damages provided for in the contract**

COM	Full powers	)	
Director	Upto 10% subject to	)	
	ceiling of Rs. 10 lakh	)	In consultation with Law
CGM	Upto 10% subject to	)	
	ceiling of Rs. 50,000	)	
CMM	Upto 10% subject to	)	
	ceiling of Rs. 20,000	)	

**27. Write-off of bad debts/waiver/abandon etc.**

COM	Full powers	Not exceeding the powers vested in Chairman (5)
Dir with Dir (Fin.)	Upto Rs. 1 lakh	
CGM	Upto Rs. 5000	

**28. Loans/Advances to business associates for export (against security)**

Dir	Upto Rs. 50 lakh	)	Loans and advances to be granted within the approved norms for directly or indirectly maintaining/augmenting exports of the Corporation
CGM	Upto Rs. 25 lakh	)	
GM	Upto Rs. 15 lakh	)	



- |     |                 |   |                               |
|-----|-----------------|---|-------------------------------|
| CMM | Upto Rs. 5 lakh | ) | Maximum amount of such        |
|     |                 | ) | loans and advances out-       |
|     |                 | ) | standing at any point of time |
|     |                 | ) | not to exceed Rs. 25 crore    |
- 29. Bill Marketing Scheme**
- |          |                  |   |                                    |
|----------|------------------|---|------------------------------------|
| Director | Full Powers      | ) | Credit facilities to be extended : |
| CGM      | Upto Rs. 20 lakh | ) | - as per the Bill Marketing        |
|          | for a maximum    | ) | scheme approved by                 |
|          | of 90 days       | ) | Board,                             |
|          |                  | ) | - On secured basis against         |
|          |                  | ) | guarantee/letter of credit         |
|          |                  | ) | opened by a nationalised           |
|          |                  | ) | commercial bank, scheduled         |
|          |                  | ) | bank, or any other first class     |
|          |                  | ) | bank.                              |
- 30. (a) Opening of bank account**
- |           |             |  |  |
|-----------|-------------|--|--|
| CGM (Fin) | Full powers |  |  |
|-----------|-------------|--|--|
- (b) Operating of bank account**
- |           |                     |  |                              |
|-----------|---------------------|--|------------------------------|
| CGM (Fin) | Full powers to      |  | In case of one man offices,  |
|           | authorise any       |  | bank account may be operated |
|           | two of the mana-    |  | signly as authorised by CGM  |
|           | gers to operate     |  | (Fin)                        |
|           | the account jointly |  |                              |
- 31. Capital Expenditure - original work**
- |                       |                 |  |  |
|-----------------------|-----------------|--|--|
| Dir with Dir<br>(Fin) | Upto Rs. 2 lakh |  |  |
|-----------------------|-----------------|--|--|
- 32. Technical and marketing collaboration not requiring Govt. approval**
- |     |             |  |  |
|-----|-------------|--|--|
| COM | Full powers |  |  |
|-----|-------------|--|--|
- 33. Appointment of consultants, experts, designers, etc.**
- |     |             |  |  |
|-----|-------------|--|--|
| COM | Full powers |  |  |
|-----|-------------|--|--|

**34. Investment of surplus funds as per Guidelines**

Board Full powers

\*Dir. In Charge(Fin) Upto Rs. 10 crore for periods in consultation with a Committee consisting of CGM(F), 91 days. GM(F)/CFM.

- A Fortnightly Report on investments made by Dir. in Charge (Fin) to be put up to COM for information & comments, if any. The observations of COM to be kept in view while making further investments.

\*COM Investments above Rs. 10 crores OR investments for periods exceeding 91 days.

- Investments to be made only in Securities approved by Board & falling within guidelines prescribed by Board/MOC/MOF/DPE, etc.

\* Approved by Board at its 485th meeting held on 26.11.97

- Overall limit of investment outstanding at any time shall not exceed Rs. 700 crores.

- To be reported to the Board at its next meeting.

**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

GM 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 Div. personnel and  
or Consultant establishment matters

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

GM with Legal Division Full powers Appointment to be in accordance 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.

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

**(c) Payment of stamp duty, court fees, etc.**

CMM with Legal Division Full powers

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

CMM/CFM/  
Co. Secy. Full powers\*

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

\* includes powers 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 agreements including lease deeds, licence agreements, hypothecation deeds, mortgage deeds, letters of lien, indemnity bond, 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 things connected with or incidental to the above.

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

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

For CMM/GM/CGM approval of the next higher authority to be obtained

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

Dir 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**

CGM Full powers When accommodation as per entitlement is not available

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

Dir Full powers

**Notes :** Notes forming part of this Schedule attached.

## NOTES APPLICABLE TO SCHEDULE - A (1)

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. The extent of powers indicated in this schedule apply to each case unless otherwise specified.
3. \*These powers shall be exercised by the Competent authorities with due concurrence of Associate Finance. In case of a difference of opinion with Finance, the matter may be sorted out with Dir(Fin). In the event of there being a difference of opinion between the Chairman and the Dir(Fin), the Chairman may refer the issue to Board for a decision of ex-post-facto ratification in emergent cases. In such cases, a verbatim copy of the observations of Dir(Fin) will also be placed before the Board.
4. Associate Finance, for the purpose of this Schedule, will mean a finance manager of rank not less than the level shown below :

<b>Competent Authority</b>	<b>Associate Finance</b>
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

\* Amended vide circular no. 159 dt. 5.1.99

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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.

5. CGM/GM/CMM/MM will include all managers of equivalent ranks.
6. Powers delegated to a lower authority can be exercised by higher authority.
7. 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.
8. 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.
9. The powers of the managers posted at the foreign offices are defined separately in the Manual of Foreign Offices.
10. (3) 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.

#### **GUIDELINES FOR INVESTMENT OF SURPLUS FUNDS**

Investment of surplus funds both temporary as well as long term to be made in :

- Govt. securities,
- terms deposits with commercial banks/financial institutions/public sector Corporations,

- trade and/or other bills with commercial banks,
- treasury bills of RBI,
- deposits with Govt. companies and Corporations,
- units of Unit Trust of India,
- bonds issued by statutory Corporations and Govt. companies.

The overall limit of investment outstanding at any time not to exceed Rs. 700 crore.

Investment Committee, to be constituted by Chairman, to consist of two Directors including Dir (Fin).

A quarterly statement showing details of investments to be placed before the Board.

#### Reference to Amendments

1. Amended vide circular No. 138 dt. 21.3.1997
2. Amended vide circular No. 118 dated 20.6.95
3. Amended vide circular No. 134 dated 6.8.96
4. Amended vide circular No. 153 dated 12.11.1997
5. Amended vide circular No. 148 dated 13.08.1997
6. Amended vide circular No. 158 dt. 24.12.98
7. Amended vide circular No. 159 dt. 5.1.99

Sd/-

**(A.K. GUPTA)**  
Company Secretary