

Chapter I

Introduction

The powers delegated by the Board to the Managing Director as also to other designated officers of the company are embodied in the following delegation of authorities

The powers and authorities delegated to the designated officers as per this delegation shall be exercised subject to the following conditions:

1. The powers will be subject to provisions of the Companies Act 1956, as amended from time to time, the Memorandum and Articles of Association of the Company, the directives of the Government and instructions of other relevant constitutional authorities such as Central Vigilance Commission (CVC) etc. and policies laid down by the Board from time to time.
2. The delegated powers will be exercised by the officers in respect of the SBU(s) / function(s) / department(s) under their control & supervision.
3. Authorities delegated to any officer under this delegation can be exercised by his superior/controlling officer(s).

4. Relevant concurrences must be obtained where ever mentioned in this delegation.
5. In case of disagreement between the concurring authority and the approving authority, the approving authority may over rule the concurring authority with reasons to be recorded in writing. However, all such cases shall be brought to the notice of the authority one level higher than the approving authority, not below the level of GM, as and when these occur.
6. The powers shall be exercised automatically by the officers/ incumbents to the post to whom delegation have been made unless specifically restrained by MD in terms of clause 8 below.
7. MD may sub delegate any powers delegated herein under Chapter III to any officer who is not covered under this delegation, to meet the operational needs of the company.
8. Any or all of the powers delegated here-in to designated officials , other than whole time Directors, may be restricted/ withdrawn/revoked/modified/amended by the MD in writing and such restriction/ withdrawal/ revocation/ modification/ amendment shall be reported to the Board for its post facto approval.

9. Financial limits prescribed under this delegation may be altered/enhanced by MD in writing depending on operational needs and such amendments shall be reported to the Board.

10. Self sanctioning authority delegated to the officers would be as per Chapter IV.

11. Abbreviations used in this document are as under:-

- MD—Managing Director
- Dir— Whole time Director
- D (F)—Director (Finance)
- ED (HR)—Executive Director (Human Resource)
- ED (T)—Executive Director (Technical)
- ED—Executive Director
- GM—General Manager, including officers in Gr. H & above designated otherwise
- GM (F)—General Manager (Finance)
- CS—Company Secretary, irrespective of the designation
- Head (Legal)—Head of Legal Department, irrespective of designation
- Head (IA)—Head of Internal Audit, irrespective of designation
- CMA—Chief Medical Adviser/ Medical Consultant/ Retainer, as the case may be
- SBU —Strategic Business Unit
- CHRD&C—Corporate Human Resource Development and Communications Department
- RHRD – Regional HR Department
- SBU HR Head – Head of HR for the SBU
- Standing Committee – MD, Director (Finance) and the concerned ED (if directly reporting to MD) / Director.

12. Wherever delegation of authority is denoted as “ED / Dir”, in such cases authority for sanction can be exercised by the whole time Directors and EDs who are directly reporting to MD.

Chapter II

Powers/Authorities of Managing Director

Managing Director is the Chief Executive Officer of the Company who in association with other Directors and Officers of the company, implements/executes the policies laid down by the Board. Managing Director enjoys substantial powers of management and draws power from the directions of the Board as also from statutes such as the Companies Act 1956.

The Managing Director will exercise the following powers in course of the conduct of the business of the company subject to the direction, superintendence and control of the Board of Directors of the Company.

1. To purchase or otherwise acquire for the company any fixed assets, intellectual property and other rights and privileges at such prices or for such consideration and on such terms and conditions as may be deemed fit, provided that any such purchase over Rs.300 lakhs in each case will be reported to the Board by the MD. Reporting to the Board is not required if such purchases are pre-approved, in principle, by the Board.
2. To sell any Fixed Asset (including Capital expenditure in progress) of the company excluding Land, Building and similar other Real Estate, for such prices and at such

consideration and upon such terms and conditions as may be deemed fit, subject to the provision that the original cost of any such single asset as on 31st March, preceding the date of sale does not exceed Rs.50 lakhs. Clause 9.4 of existing Purchase Manual of the Company shall accordingly stand revised. In addition, Standing Committee's authority under same clause is enhanced to Original cost of Rs.100 lakhs.

3. (a) To approve capital expenditure up to 10% in excess of the budget approved by the Board in respect of any item/proposal forming part of annual Capex Budget.
(b) In respect of Projects approved by the Board, MD may approve expenditure in excess of the approved project cost as follows:-
 - For projects costing upto Rs.10 crores – 10%
 - For projects costing above Rs.10 crores – increase upto 5% or Rs.1 crore , whichever is higher.
4. To approve write off of items of fixed assets as are considered necessary/prudent due to impairment and obsolescence of assets . All such cases shall be reported to the Board, annually , for information.
5. To approve in full excess in revenue expenditures over the budget provisions where the excess expenditure is due to or arising from statutory reasons/obligations, increase in tariffs regulated by Government or Statutory authorities and/or

increase in level of operation and / or for meeting emergency requirements.

6. To approve revenue expenditure (including that of contingency requirement), other than cost of goods / services & items covered by para 5 up to 15% in excess of the budget to meet the exigencies of business.
7. To approve in full payment of demurrage/detention charges, etc., incurred in the course of running the business of the Company.
8. To approve in full penalties/ fines and such other liabilities arising from the violation of statutory regulations/ obligations incurred in the course of running the business of the company.
9. To approve write offs of bad debts / short payments /irrecoverable advances up to Rs.1 lakh per customer/ supplier per year and upto a total annual amount not exceeding 0.50% of the previous year's Profit before Tax (PBT) of the company. This aggregate limit per year is inclusive of all other write offs, other than write-offs specifically approved by the Board. A statement of such write offs, indicating the Unit wise / SBU –wise total amount for the year, shall be put up to the Board for information.

10. To approve write off of shortages of fixed assets at original cost up to Rs.1 lakh per item per year, not exceeding in aggregate 0.10% per year of the original cost of the previous year's total fixed assets of the company, other than write-offs specifically approved by the Board. A statement of such write offs indicating the Unit wise / SBU wise total amount for the year shall be put up to the Board for information.
11. To approve write off / adjustments of shortages & excesses of stocks up to Rs. 20,000 per item per year. A statement of such write offs / adjustments indicating the Unit wise / SBU wise total amount for the year shall be put up to the Board for information
12. To approve write down in the value of stock to meet the requirement of Accounting Policies of the Company.
13. To open, operate, close Bank Accounts in any Bank in India or abroad after obtaining approval from Statutory authority (ies), if required under the law.
14. To approve maintenance of imprest fund with petty cashier / any other employee as per requirement of unit/ branch. Also to approve advances to individuals for Company's business.

15. To execute on behalf of the Company, Counter Guarantees/ Indemnities against guarantees issued by Banks/ financial institutions, within the limits of facilities approved by the Board and to execute other Deeds, Contracts, Agreements, Bonds and Instruments as may be required in this connection and for any other purpose in the normal course of business of the Company.
16. To execute documents, deeds, bonds and other papers relating to Customs, Excise, Cenvat, Service Tax, Sales Tax/VAT or for any other statutory bodies as and when required.
17. To buy, sell, endorse, transfer, negotiate and/ or other wise deal with Promissory Notes, Securities, Guarantees, Bonds and Debentures issued by the Government, Local bodies and Financial Institutions for and on behalf of the Company, as per the policy approved by the Board.
18. To operate/ approve forward booking contracts in terms of Foreign Exchange Policy / Risk Management Policy approved by the Board.
19. To institute, conduct and defend any suit or other proceeding by or against the Company or its employees or its agents/associates, engaged directly or otherwise by the company.

20. To engage lawyers/advocates/counsels on behalf of the Company; to sign and execute Warrants, Power of Attorney, Vakalatnama etc.; to sign and verify complaints, written statements, affidavits and other papers and documents in connection with legal proceedings and do such other things as may be required in connection with any legal proceeding.
21. To approve Legal Expenses as and when required in conduct of business of the company.
22. To compound or abandon any suit or allow time for payment for satisfaction of any debts due and /or any claim or demands by the Company involving any write-off/waiver not exceeding Rs. 2 Lakhs in each case.
23. To make and give receipts, releases and other discharges for monies payable to the Company and for claims and demands of the Company involving write off/waiver of claims upto Rs. 2 lakhs in each case.
24. To refer any claim or demand by or against the company to arbitration and observe and perform awards.
25. To enter into, perform and observe any contracts or arrangements on behalf of the company subject to the provision of the Companies Act 1956.

26. To create and sanction filling up of posts including up-gradation of positions from lower to higher grades upto one level below GM, ie, Officer Gr. "G", as at present.
27. To approve selection, recruitment, placement, confirmation and promotion of employees upto officers one level below GM i.e., officers in Gr. G, as at present, as also to approve selection in respect of Management Trainees /Executive Trainees/Supervisory Trainees.
28. To effect transfers of employees of all categories excepting wholetime Directors, which shall be governed by government directives as applicable from time to time.
29. To accept / approve resignation, retirement of employees upto the level of ED, to sanction premature retirement (other than VRS) on medical / other grounds for employees and to approve disciplinary proceedings / award of penalty/ punishment of employees upto the level of ED.
30. To review, amend, modify and alter the compensation structure and other terms and conditions of service of all categories of employees as required from time to time within the guidelines prescribed, if any, by the Government.

31. To sanction tours including foreign tours as per the rules of the company and Government guidelines applicable from time to time.
32. To approve reimbursement of any claim or expense incurred by the employee or ex-employees on the Company's work / interests.
33. To approve Connectivity policy of the Company covering sanction of telephone and mobile phone connection to employees and approve any exceptions to recommended level of connectivity as per Connectivity Policy of the Company.
34. To approve and introduce new systems, procedures and manuals for better governance, in addition to making amendments from time to time to any existing systems, procedures and manuals of the company within the overall policy framework / guidelines, if any, approved by the Board.
35. To approve engagement of external consultants, retainers, business associates, agents, dealers, etc, on case-to-case basis depending on the business requirements of the Company.
36. To approve Memorandum of Understanding / other appropriate arrangements in connection with Tie-ups , Collaborations, Joint Ventures , etc.

37. To delegate from time to time any of the aforesaid powers and authority to any officer of the Company.

Note

In addition to the powers delegated to the Managing Director under this Delegation of Authority, he/she would also exercise the powers and authorities given to him/her, under various manuals/ rules / policy like, the Manual of Service Terms and Conditions for Officers, Conduct Discipline & Review Rules for Officers, Purchase Manual, Promotion Policy etc., including such specific delegations that may be provided by the Board, on case to case basis to him/her, from time to time. Further, MD is also authorized to make minor modifications to all Manuals, Rules and System & Procedures etc. without affecting their basic structure and policy framework.