
DELEGATION OF POWER

SCHEDULE – I: POWERS RESERVED FOR THE BOARD OF DIRECTORS**1. BUDGET AND ACCOUNTS :**

- 1.1 Perspective Plan, Annual Budgets including Capital, Revenue, Manpower, Ways and Means.
- 1.2 Annual Accounts and Recommendation for Declaration of Dividend.

2. PROCUREMENT :

- 2.1 Approval of the proposals for placement of orders for procurement of required assets/capital expenditure items, materials, equipments, tools, stores and spares, imports including from Russian sources, approval of works, sub-contracts, facility hire etc. in excess of value ₹100 crore in each case for sanctioned projects (para 5 of Schedule-IV refers).
- 2.2 Approval of proposals for Capital Expenditure exceeding ₹ 5 crore in each case in respect of the items provided for in the Capital Budget approved by the Government. Any programme of capital expenditure exceeding ₹ 20 crore on additions, replacement, renewal of assets will require Government approval as per Articles of Association.
- 2.3 Approval of capital expenditure where detailed Project Reports have been prepared with estimates of different components parts of the project Reports, have been approved by Government (As per the Articles of Association)..
- 2.4 Any deviation resulting in substantial modification in and/or the scope of the components of the sanctioned projects.

3. PERSONNEL :

- 3.1 Personnel Policies relating to sanctioned strength, service conditions, wages and salary structures including pay scales and allowances, bonus, retirement benefits, welfare schemes, Canteen subsidy, Leave Rules, Standing Orders, Conduct, Discipline and Appeal Rules, etc.
- 3.2 Creation / Appointment / Promotion to posts in the rank of General Manager and above, termination of services / acceptance of resignations including contractual bonds in regard to officers in the rank of General Manager and above.

4. BORROWINGS :

- 4.1 Pledging of Company's property.
- 4.2 Raising of Loans, Debentures and Overdrafts with Banks.

5. COMMERCIAL :

- 5.1 Agreements involving foreign collaboration for Licence Production and Transfer of Technology, Technology joint ventures, Strategic alliances subject to Government approval as required under Articles of Association.
- 5.2 Appointment of Sole Selling Agents subject to approval in the General Meeting.
- 5.3 Policy guidelines for appointment of Selling Agents.
- 5.4 Sale / Alienation / disposal of land and buildings.
- 5.5 Sale / Lease or disposal of whole, substantially the whole of the undertaking of the Company subject to approval in the General Meeting.
- 5.6 Sale of know-how and licensing to parties in India and outside India.
- 5.7 Engagement of technical consultants exceeding ₹.10 lakh in each case and ₹.50 lakh in total in a financial year.

6. ADMINISTRATION:

- 6.1 Grants / Donations (i) of non-recurring nature to cultural and other organizations exceeding ₹50,000/- in total in a financial year (ii) for charitable and other purposes exceeding ₹ 50,000/- in total in a financial year.
- 6.2 Grant/Donations of a non-recurring nature to professional bodies/institutions connected with Shipbuilding Industry exceeding ₹ 2 lakh in each case and exceeding ₹.5 lakh in total in a financial year.
- 6.3 Gifting to recognized Research and Educational institution of discarded assets, tooling and equipment.
- 6.4 Acceptance of disputed claims.
- 6.5 Investments in shares and securities.
- 6.6 Powers to be exercised by the Board only at the Meetings as per Section 291 and Section 292 of the Companies Act.
- 6.7 Employment of Consultants.
- 6.8 Approval of rules relating to TA & DA payable to employees while on temporary duty to places in India and abroad.
- 6.9 Expenditure on participation in Seminars, Courses, Exhibitions abroad.

7. **WRITE- OFFS :**

- 7.1 Write-off of expenditure on abandoned Projects.
- 7.2 Abandoning of legal suits, arbitration cases etc.
- 7.3 Declaring Plant, Machinery & Equipments valued at Written Down Value (WDV) of above ₹100 lakh in each case as surplus / redundant / obsolete / unserviceable / beyond economic repairs and their disposal.
- 7.4 Write-off of irrecoverable balances from Customers / Suppliers and others exceeding ₹ 2 lakh in each case.
- 7.5 Write-off of shortage of cash exceeding ₹ 5,000/- in a financial year.
- 7.6 Grant of compensation to third parties including Company employees arising from any cause.

8. **GENERAL :**

- 8.1 The Board of Directors shall exercise all such additional powers as may be authorized by the Government to MoU signing PSUs from time to time.
- 8.2 Exercise of powers by the Board is subject to approval of the Government / General Body Meeting wherever required.
- 8.3 Any item of revenue expenditure / write offs etc. beyond the delegated power to Chairman & Managing Director / approved budget listed in Schedule-III will be subject to approval of Board of Directors.
- 8.4 Such of the powers not specifically listed herein or not specifically covered under delegation to Procurement Sub-Committee (Schedule –II) or Chairman & Managing Director (Schedule–III) are reserved for the Board of Directors.

SCHEDULE-II : POWERS DELEGATED TO PROCUREMENT SUB-COMMITTEE OF BOARD OF DIRECTORS

- 1. The Procurement Sub-Committee of Board of Directors (PSC) is delegated with full powers to approve the proposals for placement of orders for procurement of required assets / capital expenditure items, materials, equipments, tools, stores and spares, imports including from Russian Sources, approval of works, sub contracts and facility hire etc. beyond value ₹ 30 crore and up to value ₹100 crore in each case for sanctioned projects (Para 5 of Schedule –IV refers).
- 2. The minutes of the meeting of PSC shall be placed before the Board for information.

SCHEDULE -III : DELEGATION OF POWERS TO THE CHAIRMAN & MANAGING DIRECTOR

In order to ensure that the operations of the Company are carried out in an effective manner, the Chairman & Managing Director of the Company be and is hereby delegated the following powers:

1. To manage, conduct, supervise and carry on the Company's business and to sign its name in respect of its said business and to do all such matters and things as may be requisite or expedient for conducting and carrying on the Company's business as the Chairman & Managing Director may consider necessary or expedient in the interests of the Company expressly including undertaking and carrying on any new business or business or venture in trade or commerce as may be authorized by the Company's Board of Directors, subject however to the provisions contained in Clause 26 hereunder.
2. To appoint and employ assistants, officers, servants, labourers, agents, brokers, contractors and other workers for any of the purposes aforesaid at any remuneration, commission or salary and from time to time to dismiss, discharge or retire such assistants, officers, servants, labourers, agents, brokers, contractors and other workers and to appoint and employ others in their places, subject to limitations hereinafter appearing in clause 26 hereunder.
3. To open, maintain, operate and close any account or accounts with such Bank or Banks as the Board may select or appoint, and subject to provision of Section 292 of the Companies Act, 1956 to obtain loans or overdrafts, cash credit and other non-funded based credit limits from any Bank or Banks on such terms and conditions as the Board may authorise.
4. To make, sign, draw, accept, endorse, retire, discount, re-discount, sell, negotiate or otherwise execute cheques, promissory notes, Letters of credit, indemnities, guarantees, bills of exchange, hundies, drafts, bills of lading, pay and delivery orders, warrants and other negotiable instruments.
5. To receive deposits, and accept payment or delivery and to make, sign and give receipts and to give effectual discharges in the name of the Company for moneys, goods and properties payable or deliverable to and claims and demands of the Company including all money orders, registered or insured parcel, etc.
6. To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgages.
7. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
8. To refer any claim demands or disputes by or against the Company to arbitration and observe and perform the awards.

9. To ask, demand, sue for, recover and receive of and from all persons and bodies politic or Corporate liable to pay, transfer and deliver the same respectively all sums of money, stocks, shares, funds, interests, dividends, debts, goods, effects and things now or at any time hereafter owing or payable or belonging to the Company solely or jointly with any person or persons by virtue of any share or any security for money or upon any balance of accounts or under or at foot of any balance of accounts or under or at foot of any mortgage or otherwise howsoever.
10. To take all necessary proceedings either civil or criminal for the due management and protection of all hereditaments and promises or any share or security to or in which the Company may for the time being be interested or entitled solely or jointly with any person or persons as aforesaid and for ejecting the tenants or bring attachment before or after judgment or issuing execution and for realizing by sale or otherwise all or any property that might be seized or attached by the process of any Court and to obtain payment of moneys realized by means of such attachment or execution and thereupon to pass proper receipts and discharges for the same.
11. To make, sign, execute, declare, swear and affirm, present and file all applications, complaints, plaints, petitions, affidavits, written statements, counter claims, memoranda of appeal, statements of claims, pleadings or any other documents expedient or necessary to be made, signed, executed, declared, sworn, affirmed presented or filed and such documents again to receive back.
12. To accept service of any writ of summons or other legal process and to appear in person to represent in any suit, proceedings or matter whether now pending and which may hereafter be commenced in any Court and before all judicial or other Officer whatsoever as by the said attorney shall be thought advisable and for the Company and in Company's name or otherwise to institute, defend and carry to appeal and final execution any action or other proceedings in any Court of Justice for the recovery of any debt, sum of money, right, title, interest, property matter or thing whatsoever now due or payable or to become due or payable or in any wise belonging to the Company solely or jointly with any person or persons by any means or any account whatsoever and the same action or proceeding to prosecute or discontinue or become non suit if the said attorney shall see cause.
13. For all or any of the purposes as set out above to appoint and engage any Notaries Public, Solicitors, Advocates, Pleaders or other legal practitioners and to remove them and appoint other or others in their stead and to pay and allow all fee costs and expenses necessary to be paid or allowed.
14. To appear before any Registrar or Sub-Registrar or other Officer appointed under the Indian Registration Act 1908 or other Act for the time being in force for the registration of assurances and to present for registration also to acknowledge and admit execution for and on the Company's behalf of any agreement, conveyance, re-conveyance, lease, assignment, surrender, declaration of trust, trust deed, appointment of trustees, exchange or any other document or assurance or writing already executed or to be executed in

Company's favour or by the Company solely or jointly with any person or persons and also to do all things necessary for the acknowledgement admission and registration of the aforesaid writings, documents, deeds of assurance as may from time to time be required to be presented, acknowledged or registered by the Company.

15. To apply to all courts tribunals and officers for copies of documents and papers, to file and receive back documents, to deposit and withdraw moneys, for and on behalf of the Company.
16. To make any declaration, to swear any affidavit in proof of and for realization of debts due or to be due to the Company in any proceedings whatsoever taken or hereafter to be taken by or against any person or persons firm or firms company or companies under any act of ordinance now in force or to come to force in future and do all lawful actions requisite for effecting the premises.
17. To pay and obtain refund of stamp duty or payment of Court fees paid on any documents paper or writing and to apply for inspection of and inspect Judicial records in which the Company may be interested.
18. To institute, appear upon, oppose, assent to or arrange as to any insolvency composition or arrangement with creditors of the Company.
19. To appear or represent the Company at any meeting of any other Company or Companies or of creditors under any proceedings of law in which the Company is or may for the time being be interested as shareholder, creditor, stockholder, debenture-holder, debenture stock holder, or otherwise and to propose or oppose or second resolutions and to vote thereat and on all resolutions whatsoever for and on behalf of the Company.
20. To appear and act on behalf of and represent the Company, in all matters before Central Government, State Governments, similar other authorities under all other legislature, public bodies, public officers, local self-government bodies, Unions, Debt Settlement Boards and similar other Boards, Tribunals, Police and Revenue Officers, Land Acquisition Officers, Military Authorities and all Government Officers and Officers of the Corporation of Mumbai and other Municipalities, District Officers, Division Commissioners, Deputy Commissioners, and their respective Subordinate Officers and also before all authorities and Officers of Income Tax, Agricultural Income Tax, Telegraphs, Posts, Railways, Excise, Forest and other authorities and Officers and to sign and execute all applications, returns, objections, documents and papers that may be required from or by the Company in or in relation to any matter in which it is interested or may be concerned in any way.
21. To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
22. To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques release, contracts and documents.

23. To become member of any Engineering, Industrial, Technical Trade, Commercial, Business, Labour, Management, Productivity or Medical Chamber, Associations, Councils, Panels etc. as may be considered expedient and nominate representatives thereto.
24. To represent the Company as a member of any Company, Corporation Society or association in which the Company is or hereafter may be possessed of any stocks shares, or in which the Company may be in any manner interested or concerned and to vote at all meetings of shareholders or members of any such Company, Corporation, Society or Association as aforesaid.
25. To substitute and appoint from time to time one or more substitute or substitutes with the same or more powers and such substitute or substitutes to remove at the discretion and other or others to appoint.
26. To exercise the following financial and administrative powers, subject to the exclusions in respect of powers reserved for the Board as per Schedule-I and powers delegated to Procurement Sub-Committee as per Schedule-II and the General Conditions of delegation as per Schedule-IV and the Cannons of Financial Propriety as per Schedule-V and the Orders issued by the Government of India for implementation by the Central PSUs from time to time:

	NATURE OF POWER DELEGATED	EXTENT OF POWER DELEGATED
26.1	<u>PERSONNEL</u>	
(1)	Creation/Abolition of Posts on approved scales of pay and initial fixation of pay.	Creation/abolition of posts up to and inclusive of DGM and granting upto 5 increments at the time of recruitment.
(2)	Appointment of individuals in the sanctioned posts by promotions or by fresh appointments, confirmation.	Full powers in respect of posts up to and inclusive of Deputy General Manager.
(3)	Fixation / Extension of joining time on transfer.	Full Powers
(4)	Acting promotions and grant of acting allowance in training/leave vacancies lasting over 30 days.	Full Powers
(5)	Confirmation, Extension of Probation	Full Powers in respect of posts up to and including the post of Deputy General Manager.
(6)	Acceptance of resignation	Full powers in respect of posts up to and including the rank of Deputy General Manager.

(7)	Waiver of notice period on resignation.	Full powers to the extent of shortfall in the notice period after fully adjusting the outstanding en-cashable portion of accrued Privilege Leave till the relieving date in respect of posts up to and including the rank of Deputy General Manager.
(8)	Disciplinary action, etc.	As per Mazagon Dock Officers Conduct, Discipline & Appeal Rules and certified Standing Orders.
(9)	Termination of services	Full powers in respect of posts up to and including the rank of Deputy General Manager.
(10)	Deputation of Officers to Government Departments (State/Central), PSUs (State/ Central) and JVs in which the Company is a Promoter/Partner.	Full powers within the guidelines approved by the Board / by the Government from time to time.
(11)	Deputation of officers abroad for training or on temporary duty or specific project assignment.	Full Powers in respect of officers below Board level and subject to approval of Government in respect of Board level appointees. Particulars of foreign visits along with gist of reports of the concerned officers indicating accomplishment of tasks undertaken/executed during such tours will be intimated to the Board.
(12)	Establishment of Job Titles	Full Powers in respect of posts up to and including the post of Deputy General Manager.
(13)	Authorize officers to exercise powers of higher posts.	Full Powers in respect of posts up to and including the rank of Deputy General Manager. For a period not exceeding 6 months in respect of posts of Additional General Manager and above.
(14)	Grant of normal annual increments.	Full Powers
(15)	Duty moves of the Officers and the payment of T.A & DA. to places in India & abroad.	Full Powers in respect of duty moves and as per TA & DA rules approved by the Board.
(16)	Authorizing employees on case to case basis to travel by a higher class by Rail / by different route other than shortest route/ by Air.	Full Powers
(17)	Cancellation charges on air/rail etc. and hotel bookings.	Full Powers
(18)	Agent's Commission for booking tickets.	Full Powers
(19)	Grant of local conveyance/ reimbursement.	Full Powers

(20)	Terms & Conditions for Overseas Assignment.	Full powers as per rules approved by the Board.
(21)	To act as Controlling Officer for Travelling Allowance claims.	Full Powers
(22)	Grant of Leave/Leave encashment to employees.	Full Powers as per rules approved by the Board.
(23)	Working Hours, Working days, Weekly Off days and Paid Holidays.	Full Powers in accordance with the Company's Personnel Policies approved by the Board & applicable Labour Laws.
(24)	Sanction of advance for purchase of conveyance by Employees.	Full Powers as per rules approved by the Board.
(25)	Sanction of Festival Advance to Employees.	Full Powers as per rules approved by the Board.
(26)	Sanction of recoverable interest free advance to employees in connection with Natural Calamities and fixation of instalments for recovery.	Full Powers as per rules approved by the Board
(27)	Incentive to employees towards Family Planning Programme.	Full Powers as per rules approved by the Board.
(28)	Incentives for attaining Professional/ Higher Educational Qualifications etc. by employees.	Full Powers as per rules approved by the Board.
(29)	Sanction of LTC/LTA claims.	Full Powers as per rules approved by the Board.
(30)	Payment for welfare of the Employees.	Full Powers subject to Welfare Budget approved by the Board.
(31)	Payment of Interest Subsidy to employees on House Building Loans obtained from Financial Institutions.	Full Powers as per approved scheme by the Board.
(32)	Expenditure on immediate safety of employees, Plant and Machinery etc.	Full Powers as per budget approved by the Board.
(33)	Permission to allow acceptance of honoraria fees/ rewards/ awards.	Full Powers up to ₹15,000/- per person per year.
(34)	Payment of pension, gratuity, compensation etc. covered by Company's rules or any obligation as may be awarded by the Competent Authorities under the Statutes regarding such matters.	Full Powers
(35)	Declaring Awards/Rewards to employees.	₹10,000/- in each case within the Budget approved by the Board.
(36)	Grant of overtime wages to employees	Full Powers within the Budget approved by the Board.
(37)	To fix instalments for recovery of overpayment or other dues.	Full Powers
(38)	Engagement of Casual/Temporary Labour including Apprentices.	Full powers within the Budget approved by the Board.

(39)	To make changes in internal organization, Structure/Transfer of employees.	Full Powers
(40)	Allotment of residential accommodation to employees and fixation of rent/licence fees.	-Full Powers as per rules approved by the Board
(41)	Granting of Furniture to residence of Senior Executives.	Full Powers as per rules approved by the Board.
26.2	<u>WORKS AND CAPITAL EXPENDITURE</u>	
(1)	Approval of proposals for Works and Capital Expenditure.	Full powers upto ₹5 crore in each case inclusive of cost escalations, if any, within the Capital Budget approved by the Board and Government as per Articles of Association. Upto ₹30 lakh to cover any item (s) of urgent nature not itemized in the Capital Budget and lumpsum provision made in the capital Budget approved by the Board and Government as per Articles of Association.
(2)	Acceptance of Tenders for Works and Capital Expenditure.	Full Powers up to which power is delegated to the Board to sanction capital expenditure. Orders for items costing above ₹ 20,000/- should except in exceptional cases involving extreme urgency be placed only after invitation of Tenders, Cars & Lorries being excluded. This would cover placement of orders up to the limit mentioned against sanctions accorded by Government also.
26.3	<u>PROCUREMENT :</u>	
(1)	Cash Purchase	Up to ₹ 20,000/- in each case.
(2)	Procurement of required assets/capital expenditure items, materials, equipments, tools, stored and spares, imports including from Russian sources, works /sub-contracts/facility hire etc. for sanctioned projects when Open Tender/limited tenders are invited .	Full Powers to approve the proposals for placement of orders for procurement of items of value upto ₹30 crore in each case. (Para 5 of Schedule IV refers)
(3)	Award of Contracts to meet urgency without calling for Tenders for Materials/Services for execution of Project.	Upto estimated value ₹10 lakh in each case and the reasons for the same to be recorded clearly in writing.

26.4	<u>MANUFACTURING</u> :	
(1)	Power, Fuel, Gas, Water & other utilities.	Full Powers
(2)	To award contracts for Loading, Unloading, Handling, Transport, Conveyance, Cleaning, Maintenance, Canteen and such other services etc.	Full powers
(3)	Transport of materials by other than the cheapest route/mode.	Full Powers
(4)	Maintenance and repairs of roads and buildings, machinery, furniture & Office equipment, vehicles etc.	-Full powers as per Budget approved by the Board
(5)	Entering into Memorandum of understandings, agreements/ contracts with business partners in India and abroad to obtain Technology and Know-how related to Systems Engineering and designs, required for execution of sanctioned projects.	Full powers - to be intimated to Board.
(6)	Cost variation in the execution of Contracts undertaken.	Cost variations up to 10% of each of the significant cost elements in the execution of contracts i.e. Material Cost, Subcontract Cost, Direct Expenses, Number of mandays etc. Increase under any significant cost element beyond 10% to be intimated to the Board.
26.5	<u>ADMINISTRATION</u> :	
(1)	Publicity & Advertisement.	Full Powers as per Budget approved by the Board.
(2)	Participation in Seminar/Training Courses/ Conferences/ Exhibitions within India.	Full Powers as per Budget approved by the Board
(3)	Grant of Fees, TA and DA to Technicians, Experts, etc. including sanction of advances of TA.	Full Powers
(4)	Grant of TA to candidates called for interview for recruitment/joining.	Full Powers
(5)	Payments for Membership of Organizations	Full powers regarding Organizations connected with matters of interest to the Company.
(6)	Entertainment	Full Powers as per the budget approved by the Board.
(7)	Expenditure on ceremonial occasions	Full Powers as per the Budget approved by the Board.

(8)	Hiring of Cars and other Facilities	Full Powers as per the Budget approved by the Board.
(9)	To sanction residential telephones and cellular phones.	Full Powers
(10)	To fix rents, lease rents for offices, quarters, shops, dry docks, jetties, launches, barges etc.	Full Powers
11)	(a) Engagement of services of experts / technicians as per terms and conditions in the Licence Agreement and in line with the projections made in approved PPR/DPR where available and grant of TA/DA. (b) Technical Consultants (c) Professionals, Advisers like Doctors, Advocates, Tax Consultants (Income Tax, Sales Tax, Excise, Customs) etc. on retainer basis or on payment of specific fees.	Full Powers Not exceeding ₹10 lakh in each case and ₹50 lakh in total in a financial year. Full Powers as per budget approved by the Board.
(12)	For re-conditioning/repair of Plant, Machinery and equipment not covered in PPR/ DPR/ Licence Agreement.	Full Powers as per the Budget approved by the Board.
(13)	Legal expenses	Full Powers as per the Budget approved by the Board.
(14)	(a) Grant/Donations of non-recurring nature for charitable and other purposes. (b) Grant/Donations of a non-recurring nature to cultural and other organizations. (c) Grant / Donations of a non-recurring nature to professional bodies/ institutions connected with Shipbuilding Industry.	Up to ₹ 50,000/- in total in a financial year. Up to ₹.50,000/- in total in a financial year. Up to ₹.2 lakh in each case and subject to ₹5 lakh in total in a financial year.
(15)	Statutory & other insurance of Company's movable / immovable property. Insurance of personnel. Professional liability Insurance. Project Insurance. Insurance of Assets To withdraw, cancel, reduce, write off claims on Insurance Companies and others.	Full Powers Full Powers. Full Powers. Full Powers. Full Powers. Full Powers.
(16)	Expenditure on Research & Development	Full Powers as per the Budget approved by the Board.

(17)	Nomination of Company Executives to manage the affairs of P.F. Trust, Co-op Society, Canteen Management, Welfare Clubs etc.	Full Powers.
(18)	<p>(a) Stipulation/ Waiver of EMDs/ Security Deposits relating to Contracts.</p> <p>(b) Payments of EMDs/Security Deposits/Advances for supplies/ expenses/ services and furnishing of Performance Bank Guarantees.</p> <p>(c) Stipulation of the requisite value of Performance Bank Guarantees for Works/ Project Contracts</p> <p>(d) Payment of margin money, advances for supply of materials and services duly secured / Deposits with Government Departments.</p>	<p>Full Powers</p> <p>Full Powers.</p> <p>Full Powers</p> <p>Full Powers</p>
(19)	Payment of applicable Taxes and Duties including Sales Tax, Income Tax, Excise Duty, Customs Duty, Octroi, Cess etc.	Full Powers
(20)	<p>(a) Payment of levies/penalties, demurrages, wharfages, belated payment charges.</p> <p>(b) Interest on overdue payments for supplies/expenses</p>	<p>Full Powers. To be intimated to the Board</p> <p>Full Powers. To be intimated to the Board</p>
(21)	Appointment of External Audit Firms for Internal Audit including fixation of remuneration.	Full Powers.
(22)	<p>Grant of extension of time beyond the period stipulated in contracts / purchase orders with levy of LD.</p> <p>Waiver of agreed compensation/ liquidated damages/ penalty in cases of late deliveries/ completion of contract.</p>	<p>Full Powers.</p> <p>Full Powers. Cases exceeding ₹.10 lakh to be intimated to the Board</p>

(23)	Rates and Taxes, Bank charges, Printing & Stationery, Foreign Exchange Variation, Business Promotion Expenses, Books & Periodicals, Postage, Telephones, Training, Security Services, Lease rentals, Canteen, Software, Marine/Apprentice Training School, Miscellaneous Office expenses, township maintenance, Guest House and Public Relations, Refreshments/ Lunch/ Dinner in Meetings/ Business Conferences & Seminars, Expenditure in connection with Parliamentary Committees and other Committees and other contingent expenditure etc.	Full Powers as per Budget approved by the Board.
26.6 (1)	<u>REVENUE</u> : (a) Sales within India (b) Entering into Memorandum of Understanding with business partners in India. (c) To give discounts, rebates on indigenous order or sale and reduction in prices in price negotiation in respect of sales within India.	Full Powers. If any order/contract value is not covering the total cost, the details and justification for undertaking the same on marginal cost basis/part recovery of overheads will be intimated to the Board Full Powers. To be intimated to the Board Full Powers. If net realization is below the total cost, the details and justification for the same will be intimated to the Board.
(2)	(a) Exports : (b) Entering into Memorandum of Understandings (MOUs) with foreign Business Partners. (c) To give discounts, rebates on any export order and reduction in prices in price negotiation in respect of exports.	Full Powers. If any order/contract value is not covering the total cost even after considering export subsidy, the same is to be intimated to the Board giving details / justification. Full Powers. To be intimated to the Board. Full Powers. If net realization including export subsidy is below the total cost, the details and justification for the same will be intimated to the Board.
(3)	Sale of Scrap and surplus materials including approval of Reserve Price.	Full Powers
(4)	Fixation of Fees / Charges for any services rendered by the Company.	Full Powers

	Appointment of Selling Agents.	Full Powers in accordance with the policy guidelines approved by the Board.
26.7	<u>WRITE OFFS :</u>	
(1)	Write off of losses on materials including shortages on physical verification and other reasons: (a) Not due to theft or fraud or negligence. (b) Due to theft or negligence	Not exceeding ₹.50,000/- in each case. To be intimated to the Board annually. Not exceeding ₹12,500/- in each case after due investigation. To be intimated to the Board annually.
(2)	(a) Write off of shortage of cash/soiled notes. (b) Write off of irrecoverable balances from the deceased employee(s) left over after fully adjusting any and all attachable dues. (c) Write off of irrecoverable amounts due from customers /suppliers and third parties other than Company employees.	Not exceeding ₹5,000/- in a financial year after due investigation. Full Powers. To intimated to the Board annually. Up to ₹2 lakh in each case. To be intimated to the Board annually.
(3)	(a) Declaring Plant, Machinery & Equipment as surplus/ redundant/ obsolete/ unserviceable / beyond economic repairs and their disposal, including approval of reserve price. (b) Declaring materials, stores and spares as surplus / redundant / obsolete / unserviceable their disposal, including approval of reserve price. Demolition of unwanted structures	Full Powers up to ₹25 lakh Written Down Value. If the written down value of the item to be disposed off exceeds ₹25 lakh but does not exceed ₹100 lakh, the same may be approved for disposal on the recommendations of a Committee of Directors consisting of D(F), CGM(MW) and the concerned Functional Director. To be intimated to Board annually. -The aggregate cost of procurement of such disposals not exceeding ₹200 lakh in a financial year and the loss in respect of such item(s) not exceeding 20% of the cost of procurement. To be intimated to Board annually. ₹25,000/- Written Down Value in each case.

26.8	<u>GENERAL:</u>	
(1)	To sanction re-appropriations between the Heads of Expenditure in the Approved Budget.	Re-appropriation in the Revenue Budget and Capital Budget between relevant heads of Expenditure up to 10% of the value of any of the individual budget head of account.
(2)	Items beyond the delegated Powers/approved budget	Any items of expenditure, write offs, etc. beyond the Powers delegated herein/ approved budget requires approval of Board
(3)	Approval of Procedural Manuals.	Full Powers relating to functional areas i.e. Finance & Accounts, Internal Audit, Purchase, Personnel, Planning, Stores, Project execution, Marketing, Information & Computer Technology etc. Copy to be tabled before the Board.
(4)	Residuary Powers	The residuary powers not covered by the powers delegated to Procurement Sub-Committee under Schedule-II or Chairman & Managing Director under Schedule -III herein shall be reserved for the Board of Directors.
(5)	Situations requiring time bound action.	In situations requiring time bound action, the Chairman & Managing Director is authorized to exercise full powers of the Board / Procurement Sub-Committee in between meetings of the Board/ Procurement Sub-Committee subject to ex-post facto approval of the Board/ Procurement Sub-Committee, as the case may be, at its next meeting.

SCHEDULE - IV : GENERAL CONDITIONS OF DELEGATION

1.1 The exercise of the powers by the Board, Procurement Sub-committee / Chairman & Managing Director or any other Delegate shall be subject to compliance with the provisions of the Companies Act, rules laid down by the Government from time to time, the Memorandum and Articles of Association of the Company, the relevant rules and regulations of the Company, the general policy laid down by the Board from time to time, the observance of Canons of financial propriety, sound commercial principles, accepted financial principles, audit requirement and the availability of funds and within the sanctioned budget.

1.2 The Chairman & Managing Director shall exercise his financial powers in consultation with the Director (Finance).

1.3 The Chairman & Managing Director shall report to and place before the Board all the papers on any financial matter on which the Director (Finance) and Chairman & Managing Director hold different views.

2.1 Chairman & Managing Director shall have the power to sub-delegate the whole or part of his powers to the whole time functional directors/other officers and the financial powers may be sub-delegated in consultation with Director (Finance) subject to: -

- i) His retaining the ultimate responsibility.
- ii) Such conditions/directions as may be prescribed/given by the Board from time to time.
- iii) Compliance with the provisions of para 1.1 above.
- iv) The powers so sub-delegated including amendments made from time to time are intimated to the Board for information.

2.2 The Delegates/Sub-delegates shall exercise their powers after due concurrence by appropriate Financial Concurrence Authority and subject to the condition that the Project/Programme has the approval of the Competent Authority.

2.3 Where there is a disagreement of views between appropriate Financial Concurrence Authority (FCA) and the Competent Financial Authority (CFA), as per delegated/sub-delegated powers, the CFA will take the decision but the matter will be reported to the next higher CFA with a copy to the FCA appropriate to such next higher CFA and also copy to Chairman & Managing Director and Director (Finance) in case CFA is a Functional Director.

3. In the absence of Chairman & Managing Director while on leave/temporary duty, he may authorize the senior most Director to look after his duties and to exercise his powers. Similarly, wherever an Officer to whom Chairman & Managing Director has sub-delegated any of his powers is absent on leave/temporary duty, he may authorize the official, who is directed to look after his duties to exercise the said powers.

4.1 The Chairman & Managing Director shall constitute such number of different tiers of Price Negotiation Committees (PNCs) as may be required for procurement of items mentioned at para-26.3 (2) of Schedule-III. The Committees shall include senior officers from the functional areas commensurate to the nature and value of purchases. The composition of various PNCs constituted/re-constituted by the Management will be intimated to the Board for information.

4.2 Director (Finance) shall be a Member of the PNCs in respect of those items of procurements which require approval of PSC and/or Board. In all other PNCs a Finance Member shall be included, who shall be an officer of an appropriate level commensurate to the purchase values.

5. The exercise of powers of purchase shall be subject to the following guidelines:

5.1 **OPEN TENDER:** Open Tendering is a system whereby even non-registered vendors/contractors are free to participate and allowed to quote against the tender advertised in at least three leading English language newspapers of all India Circulation and in the Indian Trade Journal (ITJ). In addition, all the known and

possible sources for the supply of a particular material/contract including registered/approved vendors are made aware of the requirements by sending to them a copy of the press advertisement. The advertisement may also be hosted in the GRSE's Website wherever feasible. e-Advertisement on the internet is deemed to meet the requirement of open tender/unrestricted declaration of intent to procure materials or services even if it is not accompanied by publication in news papers or ITJ and a reference of tenders, in brief, is published in leading newspapers drawing a reference to the said e-advertisement to qualify them as press/open tenders.

This system is not mandatory for purchase of items/contracts from already approved/proprietary/ customer nominated/ developed sources and also where Licence Agreements / Long Term Contracts are in force.

For all other tenders whose estimated value is above Rs. 10 lakh, open tender method as indicated above is adopted. However, due to special circumstances of the purchase/ contract, for valid reasons to be recorded, the open tender procedure may be waived and limited tenders issued with prior approval of Chairman & Managing Director.

5.2 LIMITED TENDER: In limited tender, the likely and suitable sources are addressed. To bring in adequate competition, it is necessary that at least five sources are addressed except in case of nominated Vendors by Customers, for example DGQA approved Vendors. Where the number of available sources of supply is less than five, the number of suppliers to be addressed may be reduced at the discretion of the Chairman & Managing Director. Wherever available, evaluated and approved vendor/contractors lists maintained by the Company will be used and in other cases, the suppliers/contractor to be addressed will be approved by the Chairman & Managing Director based on past experience and current market intelligence. The selection of suppliers/contractors should be carefully made based on the vendor rating or past experience. The selection of suppliers/contractors to be addressed if not included in the approved suppliers list should have the prior approval of the Chairman & Managing Director in each case.

5.3 SINGLE TENDER: Single tender refers to a case where a purchase/contract enquiry is sent to only one selected supplier (Manufacturer's retail outlet/contractor for an item of proprietary in nature or for which the requirement is for specific make, model or brand or customer nominated vendor/source). An item is called proprietary in nature when no equivalent or near equivalent substitute is available from any other source and/or all possible sources for the items quote only for the product of one manufacturer. The reasons for placement of order(s) on single tender should be clearly recorded in writing.

5.4 Repeat Order refers to Purchase Order/ Work Order placed on the previous supplier (without obtaining fresh quotations) for the same items, which were ordered on him as a result of Open/Limited Tender. Order may be placed up to 100% of the value of the original order within 12 months from the date of the original order, unless, in the meantime, further market research has disclosed a cheaper source of supply or there has been a downward trend in prices. In such a case repeat order may be placed at lower than the original order value consistent with the market trend.

5.5 Rate/Running Contracts or other long supply agreements or pre-bid agreements/ MOUs should be entered with reliable and established source(s) of supply at competitive cost.

5.6 Where Contracts (purchase orders) are entered into with nominated vendors based on single response, report of such contracts should be made to the next higher approving authority clearly recording the reasons in writing.

5.7 Amendment to Purchase Order/Work Order will be approved by the same authority which approved the purchase order duly concurred by finance, subject to the amended value (other than due to change in statutory levies), being within the financial powers of the delegate.

5.8 While processing orders for procurement of material(s) required it is to be ensured that the CFA for its approval is determined appropriately taking into consideration the value (inclusive of taxes and duties, if any) of total/future requirement including phased deliveries of such material(s) towards series production over the length of the project.

5.9 In case negotiation is required to be held with the technically acceptable L1 vendor, the Convener/Secretary of the PNC will fix suitable date(s) and venue for holding negotiation with the vendor after consulting the Chairman of the PNC and circulate the Agenda for Negotiation to all the Members of the PNC in advance of the scheduled date of negotiation. The Agenda would contain the following documents:

- (a) Brief for holding PNC.
- (b) Technical Evaluation Statement, duly vetted by TNC, if any.
- (c) Commercial Evaluation Statement with Comments.
- (d) Price Comparison Statement
- (e) Points for discussion/negotiation.

5.10 Deviations from STACs need to be discouraged. Any deviations from STACs and their financial implication are to be specifically highlighted and specific approval from Chairman & Managing Director should be obtained.

5.11 Prior to holding negotiation with the vendor, the PNCs may hold an internal meeting to work out the strategy. After the negotiations, Minutes of the discussions will be prepared and the PNCs will submit a report to the CFA recommending the procurement or otherwise.

SCHEDULE –V :CANONS OF FINANCIAL PROPRIETY

Every officer incurring or authorizing expenditure from company's funds should be guided by high standards of financial propriety. Among the principles on which emphasis is generally laid are the following :-

- i) Every officer should exercise the same vigilance in respect of expenditure incurred from company's moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

- ii) The expenditure should not be prima-facie more than the occasion demands.
- iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- iv) The amount of allowances granted to meet expenditure of a particular type, should be so regulated that an allowance is not on the whole a source of profit to the recipient.
- v) Company's moneys should not be utilized for the benefit of a particular person or section of the community unless :-
 - a) the amount of expenditure involved is insignificant, or
 - b) a claim for the amount could be enforced in a Court of Law, or
 - c) the expenditure is in pursuance of a recognized policy or custom.
