

GROUP: PERSONNEL & ADMINISTRATION	POLICY – 14
	PAGE 1 OF 20
	Issue Date: Feb. 16, 1976
TITLE: DELEGATION OF AUTHORITY POLICY	Effective Date: December 19, 1975
	Supersedes: March 12, 1970

**1.0.0 SCOPE**

This Policy outlines the extent of authority delegated by Chairman and Managing Director to designated Group Heads.

**2.0.0 DETAILS**

The following are, for purposes of this Policy, the Group Heads who have been delegated powers to the extent shown in the attachment (pp.2-16).

- ED/ General Manager – Plant
- ED/ General Manager – Marketing & Distribution
- ED/ General Manager – Finance and Accounts
- ED/ General Manager – Personnel & Administration

The delegated powers are to be exercised in accordance with the various MFL Policies and Procedures, and agreements and contracts entered into by the Company with Third Parties. Wherever policies are not in existence, powers shall be exercised in accordance with the appropriate procedures.

The above Group Heads may, by writing, sub-delegate the authority down to any level desired by them, but it is to be understood that the vicarious responsibility is theirs.

In regard to all matters in which specific delegation has not been made under the Policy, the “competent authority” as defined in the relevant specific policy will prevail.

Wherever concurrence is necessary, it should be obtained prior to getting the approval of competent authority.

All the powers delegated are subject to approved budget provision.

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 2 OF 20

GM (P) - General Manager – Plant  
GM (M&D) - General Manager- Marketing & Distribution  
GM (F & A) - General Manager-Finance & Accounts  
GM (P & A) - General Manager- Personnel & Administration  
ED - Executive Director

A - Approve  
C - Concur  
R - Recommend  
I - Implement

S.No	Nature of Powers	Extent of Powers	GM	GM	GM	GM
			Plant	M&D	F&A	P&A
<b>1 MANUFACTURE</b>						
A.	Operations					
a	Plan, change and modify, product mix, pattern of production or packing & marking specifications.	As approved by Board/CMD	A	C	-	C
b	Modify process designs And equipment, and plan shutdowns, startups.	Subject to the approval of CMD	A	-	-	-
c	Advertise/call for tender And accept tenders/ quotations for materials and services	As limited by Purchase Policy	A	-	-	-
d	Disposal of Capital Assets instructions of the Board*/CMD	As limited by	A	A	A	-

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TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 3 OF 20

S.No	Nature of Powers	Extent of Powers	GM	GM	GM	GM	P&A
			Plant	M&D	F&A		
e	Production Planning and Scheduling	Full Powers		A	C	-	-
f	Scheduling Raw material purchase/consumption	Full Powers		A	-	-	-
g	Quality standards within approved specifications	Full Powers		A	C	-	-
h	Issue of cold and hot work permits	Full Powers		A	-	-	-

\* (1) Where the written down value of the asset to be disposed of, exceeds Rs.5 lakhs, the Chairman Managing Director shall report his recommendation to the Board of Directors before the disposal action is taken;

(2) In respect of Plant & Machinery, a Technical Committee consisting of

- a. General Manager – Plant or his delegate
- b. Deputy General Manager – Tech Services or his delegate
- c. Deputy General Manager – maintenance or his delegate shall give the disposal recommendations to the Chairman and Managing Director for final approval.

(3) The G.M –F & A shall report regularly to the Board of Directors through the General Manager – Personnel & Administration all cases of write-off Capital Assets in excess of Rs.2.5 lakhs (written-down value of the

individual assets arising from their sale.

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY-14
	PAGE 4 OF 20

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
<b>B</b>	<b>Maintenance</b>					
a	Annual Maintenance	As approved by Board/CMD	A	-	-	-
b	Emergency Maintenance	Post Notification to CMD/GM(F&A)	A	-	-	-
c	Job Planning	Full Powers	A	-	-	-
d	Yard Supervision & overall cleanliness of the Plant	Full Powers	A	-	-	-
e	Fabrication of tools/ spares like bolts & nuts in the MFL Machine shop within maintenance requirements and accounts of the above	Full Powers	A	-	-	-
f	Hire of equipments, men to/from MRL & other companies	Subject to hire of matl. & equipment policy. Report to GM(F&A)for issuing debit note/	A	-	C	-

making payments.

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 5 OF 20

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
<b>C</b>	<b>Technical Services</b>					
a	Substitute raw materials by cheaper/better ones subject to meeting product specifications	Subject to the approval of CMD	A	C	C	-
b	Authorise expenditure on various items of capital works including works contracts	As approved by Board/CMD limited to the amounts mentioned in the Capital Work Order Policy	A	-	-	-
c	Excess over authorised expenditure in budgeted items	Limited to 10% of the budgeted allocation, with post notification to CMD	A	-	C	-
d	Authorise expenditure on Capital items for which lump sum provision is made for unforeseen works in the budget, including workds contract	As approved by CMD, subject to limit of Rs.50,000/- per items of unforeseen work, limited to Rs.1,50,000 per year	A	-	C	-



TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 6 OF 20

<b>S.No</b>	<b>Nature of Powers</b>	<b>Extent of Powers</b>	<b>GM Plant</b>	<b>GM M&amp;D</b>	<b>GM F&amp;A</b>	<b>GM P&amp;A</b>
e	Authorise expenditure on items not provided for in the budget	In emergent circumstances only upto a limit of Rs.5,000 at a time with the concurrence of GM(F&A)and post notification to CMD	A	-	C	-
f	Issue advertisements for jobs/works/contracts	Full Powers				
g	Accept/reject tenders for works. Levy conditions for execution of work, levy fines, penalties and take appropriate action for delayed completion or speeding up completion	Subject to Purchase Policy	A	-	C	-
h	Provide process, testing Lab testing equipment inspections including testing of raw materials	Full Powers	A	-	-	-

	finished products, chemicals etc.					
I	Provide Lab testing facilities to others debit notes	Report to GM(F&A) for raising	A	-	-	-

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 7 OF 20

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
J	Maintain approved list of contractors	Full Powers	A	-	-	-
k	Ensure safety of plant and personnel, Issue of safety apparels, safety bulletins and safety education	Full Powers				
l	Maintain Central Library	Full Powers				
<b>D Stores</b>						
a	Advertise call , accept, reject tenders/quotations negotiate for supply of materials and services appropriate action for delayed completion or speeding up completion	As limited by Purchase Policy- Execution of contracts, indemnity bond & bank guaranteed, termination of contracts to be cleared by GM(P&A)	A	-	-	C

Contracts of value in  
Excess of Rs.20 lakhs to  
Be approved by Board.  
Also award of contracts  
On a single tender basis  
Or nomination basis in  
Excess of Rs.1 lakh has to  
Be notified to Board thru  
GM(P&A).

TITLE: DELEGATION OF AUTHORITY POLICY			POLICY – 14			
			PAGE 8 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&DF&A	GM P&A	GM P&A
b	Declare surplus equipments, unserviceable stores or scrap and arrange for their disposal	Limited by scrap disposal policy	A	-	C	-
c	Appoint clearing agents for clearing and transporting of stores including plant and machinery	Limited by purchase policy contracts to be cleared thru GM(P&A).	A	-	-	C
d	Accept/reject materials including raw materials, spares, plant and machinery equipment, etc.	Full powers as per policy and contract	A	A	A	A
e	Authorise issue of materials thru MIN/Return of material thru MRN etc.	Full powers	A	A	A	A
f	Authorise issue of materials outpasses	Full powers	A	A	A	A



g	Stationery and forms control	Full powers with systems clearance	A	A	A	A
h	Write off shortage of stores & spares	Rs.15,000 per transaction upto Rs.1,00,000 per year	A	-	C	-
	{ Except as provided CMD {in Policy reg. { Asset Disposal { Write Off	post notification to CMD				

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY -14
	PAGE 9 OF 20

<b>S.No</b>	<b>Nature of Powers</b>	<b>Extent of Powers</b>	<b>GM Plant</b>	<b>GM M&amp;D</b>	<b>GM F&amp;A</b>	<b>GM P&amp;A</b>
i	Maintain approved list of vendors	Full powers	A	-	-	-
j	Custody of materials including fixed assets		A	A	A	A
k	Procure raw material spares for plant and machinery etc. including issue of advertisements, calling tenders, etc.	Full powers subject to Purchase Policy/Powers of Board/CMD	A	-	-	-
<b>II. MARKEITNG &amp; DISTRIBUTION</b>						
<b>A Marketing</b>						
a	Sale of products or withhold sale to particular customers	Within terms of agreement approved by Board/CMD	-	A	C	-
b	Pricing products and special prices for slow moving products	As approved by Board/CMD	-	A	C	-
c	Grant commissions/discounts	As approved by Board/CMD	-	A	C	-
d	Sales adjustments for issue of credits/debit notes for Mistake in rates/discounts/ST /rail freight/short receipts/ Loss in transit	Full powers	-	A	C	-

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 10 OF 20

<b>S.No</b>	<b>Nature of Powers</b>	<b>Extent of Powers</b>	<b>GM Plant</b>	<b>GM M&amp;D</b>	<b>GM F&amp;A</b>	<b>GM P&amp;A</b>
e	Issue debit notes for realisation of interest/service charges	Full powers	-	A	C	-
f	Fix terms of agreement for sales contracts	As approved by Board/ CMD Agreement & Contracts to be cleared by GM(P&A)	-	A	C	-
g	Conclude/terminate agreement	-do-	-	A	C	-
h	Purchase of stationery and supplies for Ares Offices	Within budgeted limit	-	A		-
I	Approve hiring of accommodation on adhoc basis for conducting training programs organized by M&D Group and conducting FOs' meeting	Upto Rs.1,500 per time	-	A	-	-
j	Disposal of unserviceable packing materials	Upto a value of Rs.5,000 per time	-	A	-	-
k	Dispose off-spec products	Limited by Fertilizer Control Order	-	A	C	-

TITLE: DELEGATION OF AUTHORITY POLICY			POLICY – 14			
			PAGE 11 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
B	Market Development					
a	release advertisements and promotional materials in various media	Subject to Company Policy as agreed to by CMD	-	A	-	-
b	Expenses on field promotion/ agro services		-	A	-	-
c	Appoint Advertising Agency		-	A	C	-
C	Distribution					
a	Conclude/terminate annual transport/warehouse contracts and labour handling contract	Committee of 4, one from Finance & 3 from M&D recommends	-	A	C	C
b	Emergency adhoc warehouse contracts	Upto Rs.10,000 at a time Above Rs.10,000 at a time	-	A	-	-
c	Emergency adhoc warehouse contracts	Upto Rs.5,000 at a time	-	A	C	-
d	Emergency adhoc labour handling contracts	Upto Rs.5,000 at a time	-	A	-	-
e	Pay railways for freight demurrage, staff salaries etc.	Full powers	-	A	-	-
TITLE: DELEGATION OF AUTHORITY POLICY			POLICY – 14			

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
<b>III</b>	<b>FINANACE &amp; ACCOUNTS</b>					
a	Give receipts, releases and other discharge for moneys payable to MFL for claims and demands of MFL	Full powers	-	-	A	-
b	Write off losses (other than Write off of shortage of stocks & spares)	Rs.5,000 per transaction & Rs.50,000 per year with post notification to CMD	R	R	A	R
c	Sanction maintenance of imprest funds and advance for payment	Rs.5,000 per Transaction & Rs 50,000 per year	R	R	A	R
d	Invest MFL funds in short & Long term deposits	According to guidelines - of Board/CMD	-	-	A	-
e	Borrow short-term/long funds from Banks/Financial Institutions	According to guidelines - of Board/CMD	-	-	A	-

TITLE: DELEGATION OF AUTHORITY POLICY			PAGE 13 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
f	Provide adequate insurance coverage for plant raw materials, project, inventories personal accident workmen's compensation, vehicle insurance of all departments and all other insurance liabilities	All Heads of Depart. will furnish basic data & submit their recommendation to Finance dept. GM(F&A)will arrange for insurance. In case Dept. Head recommendation is not accepted, CMD's approval will be obtained. GM(F&A) will report quarterly to CMD regarding status of insurance coverage	R	R	A	R
g	Payment of bills of vendors/ contractors and bills for services or discharge of claims against the company		-	-	A	-
h	Maintenance of books of the Company and have them audited by Internal/External auditors appointed by Board	Subject to delegation and directions of Board/ CMD	-	-	A	-
I	Safe custody of company funds, contracts, documents etc.	Full powers	-	-	A	-
j	Settlement of employees claims	Full powers subject to Company Policy	R	R	R	A

TITLE; DELEGATION OF AUTHORITY POLICY			PAGE 14 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
k	Coordinating preparation of annual budget, supplementary budget, cash flows and financial analysis	According to directives of CMD/Board	-	-	A	-
l	Preparation of financial reports	Full powers	-	-	A	-
m	Review/Initiate procedures/systems of the Company	CMD's approves	R	R	C	R
n	Accept Hundis/other Bills of Exchange and Letter of Credit etc.	Full powers	-	-	A	-
o	Issue invoices/credit notes/debit notes	On the advice of other Group Heads	R	R	A	R
<b>IV</b>	<b>PERSONNEL &amp; ADMINISTRATION:</b>					
a	Recruit regular personnel	On request from the Group/Dept.Head concerned with the approval of CMD and as per the recommendation of Selection Committee approved by concerned Group/Dept. head	A	A	A	A/I

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
b	Recruit temporary personnel	With CMD's approval and post notification to GM(P&A)	A		A	A A/I
c	Fix initial pay of recruits	On recommendation of the Selection Committee and the approval of Group/Dept.Head upto 4 increments for Gr.1 thru V, and upto 25% of the minimum of the pay scale for Gr.VI & above	A		A	A A/I
d	Extension of probation or confirmation	A	A		A	A/I
e	Grant of Leave, OT, LTC, Lunch Allowance, Festival advance, educational allowance and other allowances	In accordance with Policy	A		A	A A
f	Approve travel advance,	-do-	A		A	A A



	authorise tours and travel by air, expense accounts, and medical reimbursement bills					
g	Grant pay increase	In accordance with policies and guidelines issued from time to time.	A	A	A	A/I

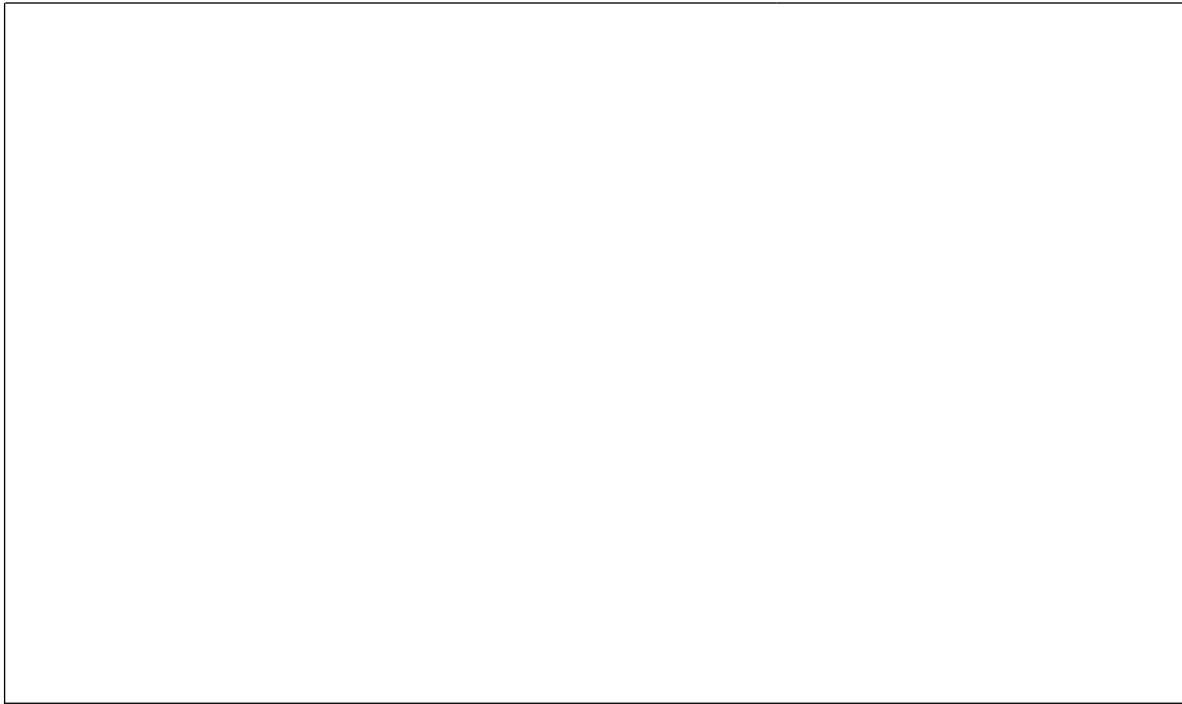
TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 16 OF 20

S.No	Nature of Powers	Delegation of Authority		Appellate Authority	Appellate Authority
		Employees not appointed by Board	Employees appointed by Board		
		Approving Disciplinary Authority	Appellate Authority		
h	Issue charge-sheets and/or suspend employees	GM(P&A)		CMD	
I	Conduct inquires/ Domestic inquires	GM(P&A)		CMD	
j	i) Punish (except discharge/terminate employee)	GM(P&A)		CMD	
	ii) Punish (discharge /terminate employee)	GM(P&A) with the concurrence	CMD	CMD	Board

		of CMD			
k	Acceptance of resignation	GM(P&A)	CMD	CMD	Board

**(Amended per circular Resolution dated 19.11.03)**

TITLE: DELEGATION OF AUTHORITY POLICY			POLICY – 14			
			PAGE 16 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
l	Transfer of employees within groups	With post notification to GM(F&A)/A GM(P&A)-Full powers	A	A	A	A
m	Transfer employees from one to another group allowances	with approval of CMD and post notification to GM (F&A)	R	R	R	R/I
n	Release Public Relations Ads					A
o	Leasing of residences for MFL employees	Per Policy	A	A	A	A/I
p	Incur repairs on Company vehicles (cars, jeeps etc.)	Upto Rs.6000 per vehicle at one time	A	A	NIL	A



TITLE: DELEGATION OF AUTHORITY POLICY			POLICY – 14			
			PAGE 17 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
q	Approve hiring of accommodation on adhoc basis to conduct training session/ recruitment tests etc.	Concurrence of GM(F&A)to be obtained if the hire charges exceed Rs.2000 at a time	-	-	C	A
r	Accept tenders for award of contracts for canteen (services),buses and cars (for transport of personnel) and entering into a contract	On the recommendations of a Committee of 3 one from Finance & 2 from P&P Thangaraju with Concurrence of GM(F&A) and approval of CMD	-	-	C	A
s	Deployment of security personnel, ensure security checks and offer rewards to	Subject to requirements approved by CMD/ Security of the Plant	R	R	R	A

	security staff					
t	Running of Canteen, providing employee transport and provide first aid and medical facilities	Full Powers	-	-	-	A
u	Employee suggestion programs, service award scheme etc.	Full Powers	R	R	R	A
v	Arrange publishing of MFL Mirror	Full Powers	-	-	-	A

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 18 OF 20

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
w	Arrange/coordinate training programs	Full Powers	R	R	R	A
x	Negotiate, defend, settle, agree, refer an industrial dispute or matters regarding employees and incur expenditure thereon	Subject to directions of CMD	R	R	R	A
v	<b>GENERAL ADMINISTRATION</b>					
A	Provide telephone at residence/office/plant	According to Policy	R	R	R	R/I
b	Maintain telex services		-	-	-	-

c	Incur entertainment expenditure and hospitality expenses	Subject to Entertainment Policy	A	A	A	A
d	Authorise local and emergent purchases/printing	Upto Rs.500 at one time with post notification to Materials Manager for regularisation according to Purchase Policy	A	A	A	A
e	Buy books and periodicals		A	A	A	A
f	To grant advances for festivals for Gr.I to V	As per Policy	A	A	A	A

TITLE: DELEGATION OF AUTHORITY POLICY			POLICY – 14			
			PAGE 19 OF 20			
S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
g	To grant housing loans & vehicle advances	As per Policy & authorised by CMD. Quarterly report to CMD by authorising officers in respect of grant of vehicle advance other than motor car advance	R	R	R	R/I
h	Excute legal instruments, accept & execute surety bonds over a value of Rs.1000	As per Policy & authorised by CMD.	-	-	-	A
	Below value of Rs.1,000		-	-	-	A
	For value over Rs.1,000 to	Concurrence of	-	-	C	A

	be obtained	GM(F&A)				
I	Represent, institute, defend or abandon legal proceedings authorised by CMD	Full Powers as	-	-	-	A
j	Incur legal expenses for and on behalf of the Company	Upto a limit of Rs.5000 - at a time	-	-	-	A
		Beuond a limit of Rs.5000 at a time with the concurrence of GM(F&A)and approval of CMD	-	-	C	A

TITLE: DELEGATION OF AUTHORITY POLICY	POLICY – 14
	PAGE 20 OF 20

S.No	Nature of Powers	Extent of Powers	GM Plant	GM M&D	GM F&A	GM P&A
k	Incur expenses for postage, telegrams, installation of phones, payment of P&T bills	Subject to Policy				
	I For Offices at Manali		-	-	-	A
	II For Regional Offices		-	A	-	C
	III For Delhi Office		-	-	A	C
n	Incur expenditure on repair of office equipment, furniture, fittings and fistures					
	I For Offices at Manali and city		-	-	-	A
	II For Regional offices		-	A	-	-

III For Delhi Office

- - A -