

Andrew Yule & co. Limited

Delegation of Powers (Chief Executive, Grade – F)

<u>Sl. No.</u>	<u>Description</u>	<u>Financial Concurrence</u>	<u>Chief Executive Grade F</u>
1.	(i) Capital Expenditure (each Case) subject to the provision in the approved budget and following the purchase procedure (ii) Extension-planning, Uprooting , Replanting and rejuvenation at Tea Gardens. (iii) Construction/Extension of building of Tea Gardens	F F	Specific – Up to Rs. 1Lakh Non – Specific - Rs. 10,000 If the expenditure, whether itemwise or in aggregate does not exceed 10% of the approved budget.
2.	A) Sales B) Discount & special price through discount for standard product	F F	For non-standard items as per authority approved by the Executive Committee of Management (terms and conditions of Sales Contract). In case of tenders valued above Rs. 2.50 crores, approval of the Chairman/committee of Board will be required. By CE if there is profit after normal discount.
3.	Domestic Auction Centre	F	Allocation to different auction centers (Domestic) by Chief Executive.
4.	Sale of Scrap	F	
	a) Scrap sale including Tea Waste per annum (after determining floor price)		Up to Rs.5 Lakhs up to Rs. 1 Lakh (subject to the procedure of Scrap sales.)
	b) Reserve Price (in case of auction)		Approval of CE on recommendation of Tender Committee which will be constituted at the Divisional level.
5.	Disposal of obsolete / unusable non-moving stores & stock for each Unit per case	F	Book value up to Rs. 50,000
6.	Purchase of Raw Materials (in each case of single purchase)	F	Rs. 25 Lakhs
7.	(i) Purchase of bought-out items & components, loose tools (in each case of single purchase)	F	Rs. 15 Lakhs

	(For items imported from collaborators of single source items (monopoly in nature) the approval should be taken once at the beginning of the year which should be valid for the rest of the year including the time-to-time change in price)		
	(ii) Consumables stores and spare parts for production and repairing and maintenance of building plant & machinery etc. in each case of single purchase.	F	Rs. 5 Lakhs
	(iii) Purchase of Tea Seeds, Clonal Cuttings, Tea Nursery Plants.	F	Rs. 4 Lakhs
8.	(i) Purchase of Power/Fuel, Coal, Petrol. Diesel & Furnace Oil (in each case of single purchase) (ii) Electricity	F F	Rs 10. Lakhs Unit head without limit
9.	i) Sub-contracting with parties materials (in each case of single purchase)	F	Rs. 10 Lakhs
	ii) Sub-contracting without parties' materials including erection jobs(in each case of single purchase)	F	Rs. 5 Lakhs
10.	Advance to Suppliers :		
	a) For purchase of coal, fuel, oil, steel, copper and clearing, customs duty and port charges	F	100% advance to Division / Unit head.
	b) For purchase of raw materials, stores spare parts, repair & maintenance (Excludes pro-forma payment / against material delivery in case of material of a proprietary nature and administrative items)	F	Advance up to 10% of the value of contract or Rs. 5000/- which is higher may be given by the persons authorized for making purchase.
11.	Transport Contract – Rate Contract /Annual Estimated value of rate contract (variation of rate or terms to be approved by the next higher authority)	F	Rs. 25 Lakhs.
12.	Selection/Appointment of Clearing Agent for Port/Rly., subject to recommendation of Tender Committee	F	By Chief Executive or General Manager
13.	i) Labour Contract for Project, Civil Works including erection :		

	(a) With materials ; (b) Without materials;	F F	Rs. 12 lakhs Rs. 6 lakhs
	(ii) Any other Contract (iii) Canteen contract per annum per contract	F F	Rs. 1 lakhs Rs. 5 lakhs
14.	Salaries / Wages	F	To be approved by Unit Head of Accounts for disbursement / GM of the Region in case of Region.
15.	(A) Salary Advance (Unit Level) (to be determined on case to case basis & on merit)	F	Up to 15 days' salary at any one time (subject to concurrence of Unit personnel deptt.) repayable in not exceeding 12 monthly instalments by Unit head not to below C-2. CE may approve up to one month's salary repayable as above in consultation with the Unit Personnel Deptt.
	(B) - Do - (Head Office)	F	Same as above subject to the concurrence of Corporate Personnel Deptt.
16.	Sanction of Over Time	F	C-2 and above, subject to approval of Unit/Corporate Personnel deptt. For Tea Gardens, by Garden Manager, for Regions by Region GM.
17.	Bonus	F	As per Payment of Bonus Act.
18.	Rent – (per Month) For purely temporary warehouse / godown hiring for a maximum period of 6 months by CE/GM of respective division at a total rent for the period (refundable Security Deposit may be paid subject to concurrent of Chief Accountant of the respective division. Agreement in this regard to be vetted by the Legal Dept.) Any increase in rent/variation of terms & conditions will require the approval of the next higher authority. Renewal of existing agreements under prevailing terms/conditions for the premises under occupation should be done by CE of respective division.		Not Exceeding Rs. 1 Lakh

19.	Purchase of Medicine (other than First Aid)	F	On recommendation of Medical Officer at the Unit and Consultants at the Tea Estates – where there is no Medical Officer/Consultant at the Unit, the requirement of the routine medicine should be recommended by HO Medical Officer / Consultant.
20.	Rates/Taxes (in case the increase in rate exceeds 15 % per annum, the matter should be referred to Legal Dept)	-	Rs. 5 Lakhs.
21.	Repair/Maintenance (per job) Bldg./Plant & Machinery Motor Car/ Vehicle Furniture / Fittings, Air Conditioners Tractors / Trailors (For Tea Gardens) Note : In case of Tea gardens, the Managers will havethe same authority as that of Dy. GM (D-2)	F	Rs. 2.50 Lacs Rs. 0.30 Lac Rs. 0.10 Lac Rs. 0.50 Lac
22.	Repair / Renovation of own / rented house or flats	F	As per Rules of the Company- to be approved by Grade “B” and above.
23.	Car Expenses – Car given for Office & personal use.	-	As per Rule of the Company – to be approved by Grade “B” and above.
24.	After – sale rectification / modification/repair/replacement :		
	(i) Outside gurantee period	F	Up to Rs. 0.50 lakh
	(ii) Within gurantee period (per order) subject to 5% of value i.e. original cost of equipment	F	Up to Rs. 2 lakhs
25.	Insurance – Renewal of existing Policy or undertaking of any new policy	F	Not below C-2 level of each Divn/Unit (Concurrence of Chief Accountant of the respective Divn. Will be necessary).
26.	Excise Duty / Sales Tax / Customs & Other Duties / Levies, taxes, dues, Statutory fee etc.	F	Normal payment by not below C-2 (Manaer). In case of penalty, Additional Liabilities, interest aggregating up to Rs. 50,000/- by CE with the concurrence of Finance Controller.
27.	Demurrage / Wharfage (per case) or excess / additional port rent.	F	Chief Executive/GM of the Region for Unit Head
28.	(a) Legal Expenses(per bill) – (for initiating legal actions, approval from the concerned Director would be required)	-	Rs. 20,000/-
	(b) For obtaining legal opinion (per bill)	-	Rs. 20,000/-

29.	Sanction of expenses for postage, telephone, telex, non-judicial stamp paper etc.(per case)	-	Without limit
30.	Printing & Stationary (per order) including Computer stationary	-	Rs. 60,000/-
31.	Research & development Expenses (per case or project)	F	Up to rs. 50,000/- (in case of Capital Expenditure normal procedure should be followed)
32.	Advertisement – (a) Tenders / Notice in Newspaper (per insertion) (b) Sales Conference Exp. (per case) (c) Gift Items – Expenditure to be restricted as per I.T. Act.	- F F	Up to Rs. 30,000/- Up to Rs. 50,000/- Up to Rs. 10,000/- (per annum per Division)
33.	Advertisement to Souvenir, Journals (per insertion) (subject to clearance of PR/Publicity Cell)	-	Rs. 5,000/-
34.	Newspaper, Books, periodicals, journals, magazines (Maximum amount per annum per Unit)	-	Up to Rs. 25,000/- by CE Up to Rs. 10,000/- by Unit / Dept. head.
35.	Sanction of Inland Tour / Traveling Expenses.	-	(i) Not below the rank of D-1 (Sr. Manager) or Unit head as per rule of the Company (ii) Not below Divisional In-Charge for each respective branch (iii) Garden Managers at Tea Gardens
36.	Sanction for hire of car (including fuel)/taxi and other traveling expenses (per case) Note : In case of Tea gardens, the Managers will have the same authority as that of DGM (D-2)	-	Rs. 15,000/-
37.	Granting of Tour Advance (excluding fare)	-	Rs. 15,000/- CE may approve any variation/relaxation fro T.A. Rules in extraneous circumstances. Financial concurrence of Chief Accountant / Unit Accountant and will be necessary. Up to Rs. 2000/- by Tea Garden Managers (Not below Grade C-2)
38.	Foreign Telex & trunkcall	-	Asst. General Manager and above.
39.	For other certificates of Auditors	-	Up to a fee of Rs. 5000/- by Financial Controller.

40.	(i) Certification by Chartered Accountants, Cost Accountants, Practicing Company Secretary	-	Fee not exceeding Rs. 1000/- by Head of Accounts at Unit Fee not exceeding Rs.2000/- by Chief Accountant of respective Divisions. Above Rs.2000/- and upto Rs.5000/- by Financial Controller / Company Secretary.
	(ii) Obtaining Technical Certificates	-	Up to Rs. 5000/- by CE of respective Divns. Upto Rs. 1500/- by Unit Head
41.	Expenses for :- (i) Subscription to Trade/Industry Association, Professional bodies (Per annum per case)	F	Up to Rs.50,000/-
	(ii) Other subscription (in case of Tea Gardens, the Manager will have the authority of D-2 level)	F	Rs. 4,000/-
42.	Misc. Expenditure (per case)	F	Up to Rs. 4,000/- (C-1 up to Rs.500/-) (B up to Rs. 200/-) For Tea Garden : Manager/Actg.Manager up to Rs.2000/- (per case)
43.	Credit Notes(in each case)-		
	a) errors, omissions, mistakes in rates / calculation and on return of materials when documents sent through bank	-	By Chief Accountant of respective Divisions.
	b) For other reasons	F	Rs. 20,000/-
	c) Tea samples to brokers	-	As per trade norm by Garden Manager. Above trade norm by CE.
	d) Complimentary issue of tea	-	Up to 5 KGs per garden or issue by Garden Manager and above.
44.	Write off of stock shortage at Unit Adjustment of shortage/excess (net)	F	Up to 0.1% of yearly consumption (based on last year's consumption) subject to monetary limit of Rs.50,000/- to be approved by CE.
45.	Rectification entries for stock Adjustment	F	Chief Accountant of respective Divisions not below the rank of D-1.
46.	Handling / Evaporation Loss :- (i) In case of Normal Loss (ii) In case of Abnormal Loss (List of materials in this regard indicating normal loss to be prepared in advance.)	F F	Not below the rank of C-2 To be decided upon by the CE of respective Divisions.

47.	Stock shortage of Food Stuff at Tea Gardens.	F	Up to 3%
48.	Reduce/waive liquidated damages & penalty on purchase :- a) Extension of time for delivery / execution in respect of purchases and contracts b) In case of Capital Assets for Projects (In case of any loss incurred on the contract, the financial implications thereof to be examined and clearance of next higher authority to be obtained)	F F	One step above and level One step above the level as per DoP.
49.	Write back of liabilities & provisions	F	Up to Rs.2 lacs in each case by the Chief Accountant
50.	Statutory contribution – PF, ESI and others	-	Not below the rank of Grade B
51.	Contribution to various funds viz. Gratuity, Pension & others (Trustee managed funds)	-	Chief Accountant of each Divn. For General Division Financial Controller.
52.	Difference between manufactured and saleable Tea	F	Up to 3% by CE
53.	Deputation of employees to training, seminar etc., course fee in each case (to be routed through HRD Section of Admin. Dept. ; in case of Staff & workers, it should be routed through Corporate Personnel Dept.)	-	Up to Rs. 10,000/-
54.	Entertainment Expenses for Company's Guests (in each case)	-	Up to Rs. 3,000/-
55.	Medical Advance	F	Up to Rs. 3,000/-
56.	Sanction for Employees' Welfare (in each case)	F	Up to Rs. 10,000/-
57.	Sanction of leave/LTC encashment, reimbursement of LTC (subject to leave being approved by the sanctioning authority)	-	As per Rules of the Company. Not below the level of Grade B.
	In case of Tea Gardens	-	By the Manager/Acting Manager
58.	Reimbursement of expenses in respect of other benefits / amenities	F	As per Rules of the Company – not below the rank of Grade C-2

59.	Soft furnishings of Tea Garden Bungalows, Company's Flats / Buildings (replacement of curtains, cushions etc.)	F	CE – per flat/building up to Rs. 25,000/- per annum within the approved budget.
60.	Personal Telephone used for official excluding rental	F	Up to Rs. 3,000/-
61.	Security Deposit with customers, Authorities	F	Up to 5% of the Order value by CE
62.	Guest House Expenses (Daily basis) Food / provision / stores & others	-	Rs. 5,000/-
63.	Testing fees (non-recoverable) per item		Up to Rs. 1.00 Lac
64.	Material loan given with deposit of value of materials	F	By chief Executive
65.	Patty Cash payment for :- i) Local conveyance ii) Printing & Stationery iii) Misc. tiffin expenses	F	By Department Head.

Annexure – 2**ANDREW YULE & COMPANY LIMITED****Powers of Chief Executive (Incumbents Grade – “F”)**

Subject to the provisions of the Companies Act, 1956, Memorandum and Articles of Association of the Company, guidelines framed by the Central Government, Codes, Rules, Regulations and policies prescribed by the Board of Directors / Committee of the Board of Directors of the Company from time to time and subject to the budget provisions, Chief Executive of the Division shall have powers to deal with the following matters and sanction expenditure thereon in addition the power as are exercisable earlier :

Sl. No.	Description	Financial Concurrence	
1.	Capital expenditure authorization	F	Up to a limit of Rs. 25 lakhs in each case and also where the expenditure exceeds 10% of the Capital Expenditure Authorization but is within the budget of the Division.
2.	Sanction reallocation of Capital expenditure	F	Within the budget provision of the Division jointly with Chief Executive of the Division. (Inter-Divisional reallocation within the overall budget of the Company by Chairman & Managing Director.)
3.	Acceptance of Order/Agreement for sales	F	Up to Rs. 10 crores in each case.
4.	Private sale of tea		Up to Rs 10% of saleable production per contract per garden.
5.	Sale of scrap	F	Up to Rs.10 lakhs at any one time.
6.	Disposal of obsolete / unserviceable stores	F	Up to a book value of Rs. 1 lakh per item
7.	Stock clearance / distress sale / of defective stock	F	Up to Rs. 1 lakh of book value at any one time.
8.	Trade Discount to dealers / customers for standard products included in 3B	F	Full power
9.	Purchase of raw materials, bought out items, components, loose tools, consumable stores and spares, tea seeds, plant & machinery, award of contract forming a component of a project, clonel outing, tea nursery plant,	F	Up to a limit of Rs. 1 crore for each item in each case subject to approved purchase procedure.

	electricity power and fuel, contract and sub-contract etc.		
10.	Advance to suppliers for purchase, repairs, maintenance etc. without bank gurantee		Up to 20% of the value subject to a limit of Rs.10 lakhs in each case.
11.	Repair / maintenance and awarding contract therefore :	F	
	(i) Buildings,plant,machinery etc.		Up to Rs. 20 lakhs in each case
	(ii) Motor cars, vehicles, tractors, trailers, furniture and fittings, air conditioners		Up to Rs. 1.00 in each case
	(iii) Company's houses/flats / owned and / or hired		Up to Rs. 1.50 lakh in each case
12.	After sales rectifications / modifications / repairs / free replacement :	F	
	(i) Within gurantee period		Up to Rs 3 lakhs per contract
	(ii) Outside gurantee period		Up to Rs. 1 lakh per contract
13.	Sanction of demurrage, wharfage and other charges	F	Full powers
14.	Advertisement for tender , notices	F	Full powers
15.	Purchase of books, periodicals, journals, magazines and other publications		Full powers
16.	Sanction of inland tour, advance therefore, traveling expenses, variation from TA Rules, hire of car/taxi on official business		Full powers
17.	Sanction of employee advance other than inland tour advance.	F	Up to Rs. 10,000/- in each case.
18.	Fees for obtaining certificates from Auditors, Chartered Accountants, Cost Accountants, practicing Company Secretaries, technical and other professionals.	F	Up to Rs. 25,000/- in each case.
19.	Appointment of Consultants / Architecets	F	Up to Rs. 50,000/- in each case.
20.	Issue of Credit Notes	F	Up to Rs. 5 Lakhs
21.	Adjustment of Stock shortage / excess revealed on verification	F	Up to Rs. 20,000/- per annum per item.
22.	Stock shortage of foodstuff at Tea Gardens.	F	Up to 5 %
23.	Nomination of employees to training, seminar etc.		Full powers.
24.	Entertainment Expenses on Company's business	F	Up to Rs 7,500/- in each case.
25.	Payment of advance for medical expenses	F	Up to Rs. 10,000/- in each case.

26.	Sanction of leave, encashment of leave / L.T.C reimbursement		Full powers subject to corporate policy in force.
27.	Deposit with customers and authorities	F	Full powers
28.	Material loan given / taken without deposit of value of material	F	Up to Rs 10 lakhs per case.
29.	Sanction for maintenance of imprest fund for Units/Branches	F	Full powers
30.	Operation of bank account , signing of cheques, pro-notes etc.	F	As per Board/Committee of Board Resolution.
31.	Complimentary issue of Company's products	F	Up to the value of Rs. 1000/- per case
32.	Acquisition of assets on lease and hire-purchased terms. (this should be treated as Capital expenditure and as per approved budget)	F	Up to Rs. 25 lakhs in each case
33.	Sanction of miscellaneous expenses	F	Up to Rs. 10,000/- in each case.
34.	Sanction / permission to travel on Company's business by a class or mode of journey higher than provided in the rules of the Company.		Full powers
35.	Sanction of advances for tours on official business		Full powers

Note :

- (i) Capital expenditure authorization formalities should be complied with in regard to every capital expenditure.
- (ii) The purchase procedure, as approved, should be adhered to wherever applicable.