

The State Trading Corporation of India Ltd. New Delhi

VIGILANCE DIVISION

No. STC/CO/VIG/01022/2017

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Circular No. 9/2017

**Sub: Role of executives in processing, approving and implementation of trade proposals**

During examination of cases concerning Trade Transactions, it has been observed that some of the executives particularly at junior level require more clarity about their role and responsibility in processing the trade proposals, to enable them to work more efficiently and effectively.

2. Consequently, on the basis of extant practices in the Corporation, the guidelines regarding the role and responsibility of executives in processing, approving and implementation of trade proposals have been compiled (**Annexure-I**) for guidance and necessary action.

  
(Arvind Kumar Kadyan)  
Chief Vigilance Officer

**Copy to:**

1. All Divisional Heads (CO & Branches)
  2. All Branch Managers
  3. ES to Directors
  4. ES to CMD
- } *to ensure circulation among all executives in CO/ Branch.*

THE STATE TRADING CORPORATION OF INDIA LIMITED: NEW DELHI

ROLE OF EXECUTIVES IN PROCESSING / APPROVING / IMPLEMENTATION OF TRADE PROPOSALS

I. Role of AM/DM/MM

- To scrutinise the proposals received for availing financial assistance and obtain all required documents from the party duly signed by the Authorised person;
- To examine the feasibility of trade proposal;
- To carry out background check of the party;
- To examine the credibility / creditworthiness of the party as per STC guidelines / instructions issued from time to time;
- To check the quality of securities provided by the party;
- Submit the proposal / to next higher authority with the recommendation / justification for acceptance / rejection of the proposal;
- To monitor the implementation of trade transactions as per STC trade guidelines / instructions issued from time to time.

II. ROLE OF CM/DGM/GM/Head of Marketing/Head of Finance

- To examine to ensure whether the proposals received for availing financial assistance has been properly examined and to check whether all required documents are enclosed duly signed by the authorised person of the party ;
- To examine to ensure the feasibility of trade proposal;
- To examine to ensure and comment whether the proposal for financing has been processed and put up as per STC Trade Guidelines / instructions along with all relevant papers duly signed by the authorised person;
- To examine to ensure and comment whether information required to carry out background check of the party has been collected;
- To examine to ensure and comment about the credibility / creditworthiness of the party as per STC guidelines / instructions issued from time to time;
- To examine to ensure and comment about the quality of securities provided by the party to safeguard the interest of the Corporation;
- In case there are outstanding amount beyond usance period, reasons for the same shall be mentioned along with action plan;
- Submit the proposal / to next higher authority with the recommendation / justification for acceptance / rejection of the proposal.
- To monitor the implementation of trade transactions as per STC trade guidelines/ instructions issued from time to time.

### III. ROLE OF CGM / HEAD OF DIVISION / BRANCH MANAGER

- To recommend / approve proposals for financial assistance as per DoP, complying with STC trade guidelines / instructions;
- To ensure that proposal has been processed as per STC trade guidelines;
- To issue instructions / guidelines regarding processing of trade proposals, whenever any new item is taken up for financing and arrange internal training;
- To ensure that there are no outstanding amount (beyond usance period) against the Associate;
- To obtain and examine the reasons for undue delay in recovery and issue directions for initiating recovery action;
- To ensure and obtain regular physical inspection reports of stocks as per STC guidelines from subordinates / Branch;
- To ensure while recommending / approving finance proposals that STC is not exposed to risk, without adequate and enforceable securities;
- To monitor the implementation of trade transactions on regular basis;
- To ensure that when the proposal is submitted to Corporate office / COM , all facts are put up along with comments specifically reasons for outstanding amount and how the interest of STC will be protected;
- To submit the proposal to next higher authority with the recommendation / justification for acceptance / rejection of the proposal;
- To ensure and monitor implementation of trade transactions as per STC trade guidelines/ instructions issued from time to time.

### IV. ROLE OF DIRECTORS

- To recommend/ approve proposals for financial assistance as per DoP, complying with STC trade guidelines/ instructions;
- To consider the justification for further financing where there is outstanding amount against the party and see what kind of securities have been provided by the party to safeguard the financial interest of the Corporation;
- To regularly monitor/ review the cases where amount is outstanding beyond usance period and issue directions for recovery action and stop further financing;
- To monitor the progress of trade transactions undertaken by Branches/Corporate Office.