

RIGHT TO INFORMATION ACT, 2005

II POWERS AND DUTIES OF HAL OFFICERS AND EMPLOYEES

Hindustan Aeronautics Limited (HAL) is a Public Sector Undertaking under the Department of Defence Production, Ministry of Defence, Govt. of India. The powers of Company Officials are well defined at all levels in the organization. Duties are assigned to its Officers & Workmen from time to time which are in line with the objectives specified in the Memorandum of Association of the Company. The powers and duties of employees of the Company are derived from the job descriptions, manuals, terms & conditions of appointments and delegation of powers enunciated by the Company.

Delegation of Powers

The powers have been delegated to the Chairman, Whole-time Directors, Executive Directors/General Managers, Chief of Projects / Chief Designers, Functional Heads and Department/Group Heads of the Company to empower them to discharge their duties & functions commensurate with the responsibilities. These powers are revised from time to time depending upon Organisational requirements and also as per Guidelines of the Department of Public Enterprises (DPE) & Administrative Ministry i.e. Department of Defence Production, Ministry of Defence. The prevailing DoP is issued in 2012.

Powers have been reserved for the Board of Directors and its Sub-Committees also. The details of powers reserved for the Board and its Sub-Committees indicated below, are enumerated in the Annexures:

- (1) Powers reserved for the Board of Directors
- (2) Powers exercised by the Management Committee
- (3) Powers exercised by the Design Policy Committee
- (4) Powers exercised by the Procurement Sub-Committee

While discharging the duties and responsibilities, employees are complying with the provisions of the Companies Act 1956 & other applicable statutes, rules and regulations.

POWERS RESERVED FOR THE BOARD OF DIRECTORS

Sl. No.	Particulars
1.	<p>BUDGET, ACCOUNTS AND PLANS</p> <p>Annual Capital and Performance Budgets, Design Perspective Plan, Corporate Plan, Restructuring Proposals, Manpower Budget, Accounts & Appropriation and recommendation for Declaration of Dividend.</p>
2.	<p>I) CAPITAL SANCTIONS:</p> <p>a) For Plant & Machinery and Civil works etc. towards Modernization, new / existing Projects, Improvement & rationalization, replacement, IT plan & welfare exceeding Rs. 20 Crore in each case.</p> <p>b) Incurrence of capital expenditure on other items of emergent nature exceeding Rs. 20 Lakh in each case.</p> <p>II) APPROVAL OF PROJECTS:</p> <p>a) Project Reports and Estimates for new projects, expansion/ additions/modifications to existing facilities or establishment of new units and facilities.</p> <p>b) Approval of Design Development Projects / Schemes including Technology demonstration/ feasibility / project definition studies and build of technology demonstrators</p> <p>i) projects included in Design Perspective Plan (DPP) exceeding Rs. 10 Crore in each case</p> <p>ii) projects not included in Design Perspective Plan exceeding Rs. 5 Crore in each case</p> <p>All development projects routed through DPP should have specific approval of CFA.</p> <p>III) APPROVAL FOR FORMATION OF BUSINESS ALLIANCES:</p> <p>Formation of Joint Ventures, Mergers & Acquisitions, strategic alliances and any foreign collaboration arrangements, subject to the applicable government guidelines.</p>

Sl. No.	Particulars
	<p>IV)APPROVAL FOR SIGNING OF MOUs/ INTEGRITY PACT: MOUs having financial implications/commitments, Execution of Integrity Pact with deviations from the approved format with information to MoD and CVC through CVO.</p> <p>Entering into Collaboration with University, Academic or a Research Institute</p> <p>V)FORMULATING POLICIES ON</p> <ul style="list-style-type: none"> • Selling Agency • Corporate Social Responsibilities / Sustainable Development • JVs & Ancillary Industries.
3.	<p>Deviation in excess of 10% of the approved project cost or involving substantial modifications in the scope of the sanctioned projects.</p> <p>For such deviations from the approved scope of work, prior approval of Board should be taken.</p>
4.	<p>Approval for abandonment or foreclosure of company financed R & D projects / schemes and write-off of expenditure exceeding Rs. 2 Crore on the abandoned / foreclosed projects</p>
5.	<p>PERSONNEL :</p> <p>* Policy matters relating to service conditions, wages and salary structures including allowances, perquisites, bonus, Incentive Schemes, Performance Linked Payments, retirement benefits, not requiring Government's approval.(* subject to government guidelines, if any)</p> <p>New policies / schemes related to employees/officers. Post Retirement Medical Scheme / Pension Scheme as per Govt. guidelines Policy relating to engagement of superannuated Employees, Service Personnel. Policy on Engagement of Consultants / Experts/Advisors etc. Policy on Security of Establishment.</p>
6.	<p>Appointment / Promotion to posts in Grade-IX and above but below Board level. Creation of posts below the Board level in Grade-VIII, IX & X will require the approval of Administrative Ministry.</p> <p>Termination of services /acceptance of resignations including powers to waive notice period and contractual bonds in regard to Officers in Grade IX and above, but below Board level.</p>

Sl. No.	Particulars
7.	a)Disciplinary Authority under CDA Rules for officers in Grade-IX and Grade -X b)Appellate Authority under CDA Rules for Grade- VII to Grade -X c) Approval of Optional Retirement for Grade- IX and Grade- X d) Approval of Premature Retirement for Grade –IX and Grade -X
	OTHER MATTERS :
8.	Purchase / Sale / Alienation / Lease / Disposal of Land and Buildings.
9.	Sale / Lease or disposal of whole, substantially the whole of the undertaking of the Company subject to approval in the General Meeting
10.	Pledging of Company's Property.
11.	Raising of Loans, Debentures and Overdrafts with Banks, subject to provisions of Companies Act, 1956.
12.	Approval to sign Commercial Contracts with bidders or Sale Contracts with customers involving unlimited third party liability
13.	To obtain new technology & know how by purchase or other arrangements and agreements involving foreign collaboration, subject to Government Guidelines
14.	Sale of know-how and licensing to parties in India.
15.	Appointment of Sole Selling Agents subject to approval in General Meeting.
16	WRITE-OFFs * a) Losses of plant and equipment, tool, stores, materials etc. exceeding Rs.10 Lakh in each case where the loss is not due to theft, fraud, negligence and exceeding Rs. 2 Lakh in each case when the loss is due to theft, fraud and negligence. b) Dues exceeding Rs. 2 Lakh in each case, due to the Company becoming irrecoverable. c) Shortage of cash exceeding Rs. 10,000/- in each case.
17.	Grant of compensation to other than Company employees arising from any cause exceeding Rs.5 Lakh in each case.
18.	Grants/ Donations to a) Cultural and other organizations exceeding Rs.50000 per annum not directly relating to Company's business or welfare to Employees subject to approval in General Meeting if amount exceeds limits prescribed in the Companies Act. b) Non-recurring nature to Professional Bodies / Institutions connected with Aeronautical Industry exceeding Rs. 5 Lakh in each case.
19.	Gifting to Government Agencies, recognized Research Institutions and Educational Institutions of discarded assets, tooling where written down value is up to Rs. 20 Lakh and materials and equipment where the scrap value is up to Rs. 20 Lakh
20.	Any expenditure on objects which has not been recognized as fit object for expenditure by the Company subject to approval in General Meeting, where the amount exceeds limits prescribed in the Companies Act.
21.	The Board of Directors shall exercise all such additional powers as may be authorized by Government to Navratna and MOU signing PSUs from time to time.

Sl. No.	Particulars
22.	<p data-bbox="228 579 893 604">Approval for placement of purchase orders/award of contracts for/on</p> <p data-bbox="228 636 1474 688">a) Procurement of Goods, Services and Works of value more than Rs. 120 Crore, subject to the condition that the project / programme has the approval of the Competent Authority.</p> <p data-bbox="228 695 1258 720">b) Development orders for establishing new sources of supply exceeding Rs. 4 Crore for sanctioned projects.</p> <p data-bbox="228 726 1474 779">c) Single Tender basis on JVs promoted by the Company exceeding Rs. 15 Crore, in line with the approved policy, MoD guidelines and statutory provisions as per Companies Act, 1956.</p> <p data-bbox="228 785 1356 810">d) Outsourcing to Licensors/OEM sources in case of exigencies due to constraints of technological absorption/capacity.</p>
23.	Affixation of Common Seal of Company on Indemnity Bonds to PSUs/Govt. Dept for Advance / performance

Note: Exercise of powers by the Board, where required, is subject to approval of Government / General Body Meeting.

* Power to write-off exercised by other delegatee is put-up to the Board along with the Annual Accounts.

ANNEXURE – II A**POWERS TO BE EXERCISED BY THE MANAGEMENT COMMITTEE**

Sl. No.	Particulars
1.	For sanction and incurrence of capital expenditures for Plant & Machinery, Civil works towards Modernization, new / existing Projects, Improvement & rationalization, replacement, IT plan & welfare up to Rs. 20 Crore in each case.
2.	Appointment of Selling Agents.
3.	Gifting to Government Agencies, recognized Research Institutions and Educational Institutions of discarded assets, tooling where written down value is up to Rs. 10 Lakh and materials and equipment where the scrap value is up to Rs. 10 Lakh.
4.	Formulating policies/guidelines related to Warranty Management, Product Support, IPR (Intellectual Property Rights), Quality Improvement, Information Technology, Export, Out Sourcing, Design Outsourcing, Indigenization, Advertising or any other process improvement, Conducting Recruitment/Promotion Tests by outside agencies.
5.	Making modifications / amendments /changes in matters like works/contract procedures, purchase procedures, Recruitment & Promotion Rules, Service Conditions / Rules, TA/DA Rules, Medical, Housing, Education, Interest Subsidy Schemes, policies relating to Sports, Welfare Associations, Sponsorships, Corporate Communication, extending facilities /assistance to cultural and external organizations etc.
6.	Policies relating to Contract Labour & engagement of Security Agencies
7.	Approval of Works Manual, Purchase Manual, Stores Manual, Accounts Manual, Cost Manual, Systems Audit Manual, HR Manual etc.,

Note : Minutes of Management Committee Meetings to be placed before the Board for information

ANNEXURE – II B**POWERS TO BE EXERCISED BY THE DESIGN POLICY COMMITTEE**

Sl. No.	Research, Development and Indigenisation	Extent of Delegation
1.	Approval of Design Development Projects / Schemes including Technology demonstration/ feasibility / project definition studies and build of technology demonstrators i) projects included in Design Perspective Plan (DPP) ii) projects not included in Design Perspective Plan	Up to Rs. 10 Crore in each case Up to Rs. 5 Crore in each case
2.	Approval for placement of orders for establishing new/ alternate sources of supply under indigenization program including development orders.	Up to Rs. 4 Crore.
3.	Approval for abandonment of projects / schemes and write-off of expenditure on the abandoned projects which are Company financed.	Rs.2 Crore.

Note : Minutes of Design Policy Committee Meetings to be placed before the Board for information

ANNEXURE – II C

POWERS TO BE EXERCISED BY THE PROCUREMENT SUB-COMMITTEE

Sl. No.	Particulars
1.	<p>Approval for placement of purchase orders/award of contracts for procurement of Goods, Services and Works of value beyond Rs. 60 Crore and up to Rs. 120 Crore subject to the condition that the project / programme has the approval of the Competent Authority.</p> <p>Chairman is however delegated with full powers for purchase of materials on the basis of DGS&D or Corporate Office Rate Contracts or where prices are controlled /administered by the Government [reference Serial No. C 2(a) of Annexure III].</p>

Notes: The minutes of the Meeting of the Procurement Sub-Committee to be placed before the Board for information.