

FINANCIAL POWERS

AIR INDIA ENGINEERING SERVICES LIMITED
(A wholly owned subsidiary of Air India Limited)

GENERAL ORDER OF DELEGATION OF FUNCTIONS & POWERS (FINANCIAL)
MADE BY THE COMPANY UNDER THE PROVISIONS OF ITS MEMORANDUM
AND ARTICLES OF ASSOCIATION

Air India Engineering Services Limited (hereinafter referred to as the 'Company') deeming it necessary for the efficient running of its day-to-day administration, in exercise of the powers conferred upon it, under the provisions of Memorandum and Articles of Association, do hereby by this general order, direct upon the approval by the Board of Directors that the officers mentioned in this order may exercise the functions and powers hereby delegated:-

1. NOMINATION OF OFFICERS TO EXERCISE POWERS

The delegation of powers under this Instrument shall be exercised by the officers named hereunder, to exercise the functions and powers delegated hereby, to each of the said officers, subject to the provisions of the Memorandum and Articles of Association of the Company.

- i) Chairman/Chairperson - CMD Air India
- ii) Chief Executive Officer
- iii) Functional Director
- iv) Executive Director (ED)
- v) Heads of Departments at Headquarters
- vi) Deputy Department Heads at Headquarters
- vii) Sectional Heads at Headquarters
- viii) Departmental Heads at Regions
- ix) Deputy Departmental Heads at Regions
- x) Sectional Heads at Regions.

HEADS OF DEPARTMENTS AT HEADQUARTERS

- i) Director- Finance *
- ii) Director- Personnel *
- iii) Executive Director (Engineering)
- iv) Company Secretary
- iv) Chief of Stores & Purchase

*Till the time Director Finance and Director Personnel are appointed by the Government, Chief of Finance and Chief of Personnel respectively will exercise the powers stated in this instrument.



DEPUTY DEPARTMENTAL HEADS AT HEADQUARTERS

1. General Manager

SECTIONAL HEADS AT HEADQUARTERS

1. Dy. General Manager

DEPARTMENTAL HEADS AT REGIONS

1. General Manager

DEPUTY DEPARTMENTAL HEADS AT REGIONS

1. Dy. General Manager

SECTIONAL HEADS AT REGIONS

Sr. Asstt.Gen.Manager / Chief Manager / Asstt. Gen. Manager
(subject to implementation of new designation)

2. GENERAL CONDITIONS

- a) The Chairman will be entitled to exercise all the powers stated in this Instrument of Delegation.
- b) All power delegated hereunder shall be exercised by the Officers within their administrative jurisdiction and in accordance with the Rules, Procedures, Regulations and instructions issued and in force from time to time.
- c) In exigencies, the C.E.O. may act in respect of all matter on which the approval of the Board is normally required, in such manner as he may deem fit, in the interest of the Company, without consulting the Board, provided that action taken in exercise of this power shall be reported to the Board in its next meeting.
- d) The C.E.O shall be entitled to exercise any or all of the powers vested in any Officer of the Company subordinate to him. The CEO shall also have the administrative jurisdiction over all officers of the Company subordinate to him.
- e) During the temporary absence of the C.E.O. on account of leave/sickness/training/duty travel etc, the Directors/ Executive Director so authorized by the C.E.O. in writing may exercise the powers provided however, that such action shall be reported to the C.E.O. as soon as practicable.
- f) During the temporary absence of the Directors/Executive Director, the Departmental Head or any Officer nominated by the Directors/Executive Director in writing may exercise the power, provided such authorization shall be reported to the C.E.O. for ratification.



- g) During the temporary absence of any Departmental Head, the Dy. Departmental Head, where there is any, or any officer nominated by the Departmental Head may exercise the powers of Departmental Head, provided that such authorization shall be reported to the Executive Director for ratification.
- h) The Directors/Executive Director may exercise any or all of the powers vested in any Officer of the Company subordinate to him.
- i) The Departmental Head of the Company may exercise any or all of the powers vested in any Officer subordinate to him.
- j) To facilitate exigencies of administration, the Chairman/C.E.O. is authorized to reduce or withdraw, by written order, the powers delegated to any class of officers or an individual, but, such powers cannot be increased without the Board's approval.
- k) The senior most Regional Departmental Head will co-ordinate the functions of all the Departments in the Region.
- l) None of the Officers to whom powers have been delegated can further nominate any or their subordinate to exercise the powers so delegated to them.
- m) Officers exercising power under this Instrument shall observe the same vigilance in respect of expenditure as a person of ordinary prudence would exercise in respect of expenditure of his own money.

3. **APPLICABILITY**

The instrument will be applicable w.e.f. 13-08-2013.

4. **CAPITAL EXPENDITURE**

a) **BUDGETED**

Capital expenditure not exceeding the following amounts may be sanctioned by the following officers within limits of the Capital Budget allotted to the division / function / department concerned, provided that a statement of Capital sanctions so issued shall be submitted monthly to the Chief of Finance HQRS. Stores & Purchase Executives at HQRS will obtain the concurrence of Director Finance before finalizing the Purchase Order. Similarly the Regional S&P Executives will obtain the concurrence of Regional Finance Head before finalizing the Purchase Order.

AIRCRAFT RELATED

Authority	Limits for Capital exp. For any one budgeted project or item.
CEO	Full Power as delegated by Board of Directors.
ED (Engg)	Rs. 12 Crore
G.M (Engg)	Rs. 6 Crore
DGM (Engg)	Rs. 1 Crore



OTHER THAN AIRCRAFT RELATED

Authority	Limits for Capital exp. For any one budgeted project or item.
CEO	Full Power as delegated by Board of Directors.
ED (Engg)	Rs. 50 Lakhs.
G.M (Engg)/Departmental Heads at Hqrs./Region	Rs. 25 Lakhs.
DGM (Engg)/Dy.Departmental Heads at Hqrs./Region	Rs.5 Lakh.

b) NON BUDGETED

Non-budgeted Capital expenditure shall be subject to the following limits and a statement of sanctions issued shall be reported every month to Chief of Finance, Headquarters. Stores & Purchase Executives at HQRS will obtain the concurrence of Director Finance before issuing the Purchase Order. Similarly the Regional S&P Executives will obtain the concurrence of Regional Finance Head before issuing the Purchase Order.

AIRCRAFT RELATED

Authority	Limits for Non-budgeted Capital exp. For any one project or item through re-appropriation
CEO	1 Crore
ED (Engg)	Rs. 25 Lakhs.
G.M (Engg)	Rs. 10 Lakhs.

OTHER THAN AIRCRAFT RELATED

Authority	Limits for Non-budgeted Capital exp. For any one project or item through re-appropriation
CEO	Rs. 5 lakhs.
ED (Engg)	Rs. 2 Lakhs.
G.M (Engg)/Departmental Heads at Hqrs./Region	Rs. 1 Lakh.



**c) EXCESS OF ACTUAL EXPENDITURE EXCEEDING BUDGETED AMOUNTS/
SANCTIONED AMOUNT**

If the actual expenditure on a project or item provided in the capital expenditure budget exceeds the budgeted amount and/or the amount originally sanctioned, the authorities empowered to sanction capital expenditure may also sanction such excess expenditure to the extent indicated below provided that the excess can be met by re-appropriation from the items sanctioned.

Up to 10% of the amount originally sanctioned or Rs. 50 lakhs whichever is lower.

5. REVENUE EXPENDITURE

a) BUDGETED

i) RECURRING

Subject to such rules and procedures as may be prescribed from time to time for exercise of the financial control and scrutiny of proposal, the Departmental Heads at headquarters, the Deputy Departmental Heads at headquarters, Departmental Heads at Regions, Station Engineer may incur recurring expenditure not exceeding the amount of Budget allotted on each head pertaining to their administrative spheres.

ii) NON RECURRING

In respect of non-recurring expenditure, the same shall be authorized by the under mentioned Officers as per the limits specified against each, subject to availability of budget allotments. All such expenditure will be reported to Director Finance. Stores & Purchase Executives at HQRS will obtain the concurrence of Director Finance before issuing the Purchase Order. Similarly the Regional S&P Executives will obtain the concurrence of Regional Finance Head before issuing the Purchase Order.

Authority	Limits for Non-recurring Expenditure
CEO	Full Power as delegated by Board.
ED(Engg.)	Rs. 5 Lakhs..
G.M. (Engg.)/Departmental Heads at Hqrs./Region.	Rs. 1 Lakh.
DGM (Engg)/Dy. Departmental Heads at Hqrs./Region	Rs.25,000/-



b) NON -BUDGETED

Normally all revenue expenditure is to be met through Budget, however, some heads may exceed the Budget allotted, due to unforeseeable reasons for which no budget was provided, the following shall be the limits.

Authority	Limits - Individual items
CEO	Full Power as delegated by Board
ED (Engg)	Rs. 1 Lakh.
G.M (Engg)/Departmental Heads at Hqrs./Region	Rs.50,000/-

In all the cases of such expenditure, the increase will be reflected in the periodical statement submitted to Manager, Finance with explanations and justifications and later included in the revised estimates.

C) In the event of any new job contract awarded to the company by any outside party, the powers to incur expenditure for executing such contract will be :-

Authority	Limits for each item-Original cost of acquisition.
CEO	Full Power as delegated by Board.
ED (Engg)	Rs. 2 Crore.
G.M (Engg)	Rs. 1 Crore .

6. WAIVER OF CANCELLATION, DEMURRAGE CHARGES, ETC.

For maintaining goodwill of the company or because of any other reason, the following waiver powers are available :-

Authority	Limits each occasion.
CEO	Rs. 2 lakhs
ED (Engg.) at Hqrs & GM (Engg) at Regions.	Rs. 50,000/-

7. DONATIONS

For donations to institutions for charitable or instructional purposes of unserviceable and redundant equipment, and cash donations subject to the relevant provisions in the memorandum and Articles of Association of the company and companies Act, the following limits apply :-

Authority	Limits each item Saleable value	To be intimated to
CEO	Rs.50,000/-	Board of Directors
Executive Director	Rs. 10,000/-	C.E.O.

The equipment should have been declared redundant by the Scrap Board Committee.

8. COMPENSATORY, EX-GRATIA PAYMENTS AND OUT OF COURT SETTLEMENTS ETC.

Such payments may be sanctioned in addition to other things to maintain the goodwill and in the best interests of the company to the parties to the following limits :-

Authority	Limits-each item	To be intimated to
CEO	Rs.10 lakh	Board of Directors
ED(Engg.)	Rs. 2 lakh	CEO & Director Finance

9. PURCHASES/SERVICES /CONTRACTS/ORDERS REQUIRED BY COMPANY

Subject to funds availability and purchase procedures as laid down from time to time, the following officers may negotiate and place orders on behalf of the company or enter into contracts for purchase of material, civil works, services required, outsourcing, hotel accommodation, taking on lease or leave and license or on any other basis any premises etc. subject to the following limits. Stores & Purchase Executives or concerned Executives at HQRS will obtain the concurrence of Director Finance before issuing the Purchase/Work Order. Similarly the Regional S&P Executives or concerned Executive will obtain the concurrence of Regional Finance Head before issuing the Purchase /Work Order.

AIRCRAFT RELATED

Authority	Limits
CEO	Full Power as delegated by Board of Director.
ED (Engg)	Rs. 12 Crore.
G.M (Engg)	Rs. 6 Crore.
DGM (Engg)	Rs. 1 Crore.

OTHER THAN AIRCRAFT RELATED

Authority	Limits
CEO	Full Power as delegated by Board of Directors.
ED (Engg)	Rs. 50 Lakhs.
G.M (Engg)/Departmental Heads at Hqrs./Region	Rs. 25 Lakhs.
DGM (Engg)/Dy.Departmental Heads at Hqrs./Region	Rs. 5 Lakh.

10. SERVICES RENDERED BY THE COMPANY TO THIRD PARTIES

Subject to such rules and procedures as may be prescribed from time to time and, in consultation with the Director Finance/Regional Finance Head, the following officers may enter into contracts in respect of rendering any services within the limits specified below:-

Authority	Limits for each contract
CEO	Full Power as delegated by Board
ED (Engg)	Rs. 12 Crore.
G.M (Engg)/Departmental Heads at Hqrs./Region	Rs. 6 Crore.
DGM(Engg)/Dy.Departmental Heads at Hqrs./Region	Rs. 1 Crore.

In case any services are provided to third party by AIESL on immediate basis like loaning of spares, flight handling or maintenance services etc. the limits as above will be applicable.

11. PROMOTIONAL RATES & CONCESSIONS

In the best commercial interests of the company, promotional tariffs upto the following discount limits may be allowed subject to prior consultation with Finance

Authority	Limits each occasion.
C.E.O..	10 % of any rates
Executive Director	5 % of any rates
GM (Engg)	2 % of any rates.

12. DISPOSAL AND ° WRITE OFF OF SURPLUS, UNSERVICEABLE & UNREPAIRABLE ASSETS.

The following are the limits for the purpose for declaring items as unserviceable due to normal wear and tear, unrepairable or to declare items surplus :-

AIRCRAFT RELATED

Authority	Limits for each item-Original cost of acquisition.
CEO	Full Power as delegated by Board.
ED (Engg)	Rs. 2 Crore , with the concurrence of Director Finance.
G.M (Engg)	Rs. 1 Crore with the concurrence of Director Finance.
DGM (Engg)	Rs. 10 lakh , with the concurrence of Director Finance.



OTHER THAN AIRCRAFT RELATED

Authority	Limits for each item-Original cost of acquisition.
CEO	Full Power, as delegated by Board
ED (Engg)	Rs. 5 lakh sanction in excess of Rs. 2.5 lakh with the concurrence of Director Finance.
G.M (Engg)/Departmental Heads at Hqrs./Region	Rs. 2 lakh , sanction in excess of Rs.1 lakh with the concurrence of Director Finance.

The assets can be written off only on the recommendation of a Scrap Board constituted for the purpose consisting of representatives of User Department, Finance and Stores. Provided further that write off exceeding the above limit in each case due to normal wear and tear will be reported to the Board.

In case of theft, fraud and willful negligence, the Executive Director(Engg.) in consultation with the Chief of Stores and Purchase & Director Finance of the company may allow such write offs upto Rs.50,000/- each time. The CEO is empowered to approve write off upto any limit, however, for such write off involving amount exceeding Rs., 5,00,000 the Board of Directors have to be intimated.

13. SCRAPPING, DISPOSAL AND WRITE OFF OF AIRCRAFT RELATED STORES ITEMS & AIRCRAFT SPARES.

The following are the limits for the purpose:-

Authority	Limits for each item – Original Acq. Cost A/c Stores
CEO	Full Power as delegated by Board
ED (Engg)	Rs. 2.5 Crore , with the concurrence of Director Finance.
G.M (Engg)	Rs. 50 lakhs with the concurrence of Director Finance.
DGM (Engg)	Rs. 10 lakhs , with the concurrence of Director Finance.



The write off, scrapping and disposal of **Aircraft Stores** arising out of obsolescence due change in design or due DGCA's (Civil Aviation Authorities) instructions or the manufacturer recommendation or due to completion of shelf life, shall be done provided that each write off/scrapping/disposal exceeding the maximum limit indicated above shall be reported to the Board of Directors.

In case of write off, **Aircraft Spares & Stores** arising due to theft, fraud & culpable negligence etc. the following shall be the limits :-

Authority	Limits for each item – Original Acq. Cost A/c Stores
CEO	Full Power as delegated by Board.
ED (Engg)	Rs. 50,000/- with the concurrence of Director Finance.
G.M (Engg)	Rs. 25,000/- with the concurrence of Director Finance.

Other than Aircraft related Items

The write off non-aircraft store items shall be done only on the recommendation of a duly constituted Scrap Board which shall consist of one representative each of the User Department, Stores Department & Finance Department- not below the level of Deputy Departmental Heads. Such write off will be approved by GM (Engg) in Region and ED (Engg.) in HQRS.

In the cases of write off of non-aircraft Spares and Stores items arising due theft, fraud, culpable negligence, etc., the following shall be the limits :-

Authority	Limits for each item – Original Acq. Cost A/c Stores
CEO	Full Power as delegated by Board.
ED (Engg)	Rs. 10,000/-
G.M (Engg)	Rs. 5,000/-



14. WRITE OFF OF LOSSES, OVERPAYMENTS, DEMURRAGE CHARGES, PENALTIES ETC.

Write off of such losses, etc. out of normal purchasing, clearing, storing and issue of materials may be authorized by the following :-

Authority	Limits in each case or at a time.
CEO	Full Power as delegated by Board
ED (Engg)	Rs. 10 Lakhs, with the concurrence of Director Finance.
G.M (Engg)	Rs. 5 Lakhs , with the concurrence of Director Finance.

15. WRITE OFF OF IRRECOVERABLE ASSETS, LOANS, DEBTS AND OTHER DUES

The Executive Director, Director Finance, may authorize write off of losses due to non-recovery of debt upto an amount of Rs.50,000/- in respect of anyone outside party or Rs.10,000/- for an employee of the company, if the outstanding prove irrecoverable or where recovery is not economically feasible. Write off exceeding the above limit in each case shall be authorized by the CEO and reported to the Board of Directors

16. LOSS OF CASH

The following are the limits to write off of cash loss due to theft, fraud, negligence or act of god :-

Authority	Limits each occasion.
CEO	Rs . 50,000/-
ED (Engg.) at Hqrs & GM (Engg) at Regions.	Rs. 10000/-

In all cases of write off of losses, etc. involving theft, fraud, negligence, officers empowered through this instrument will ensure that appropriate corrective action has been taken after proper investigation.



17. PERMANENT ADVANCES, IMPREST AND REFUND FLOATS

The Executive Director /Director Finance may place or cause to be placed such permanent advances, imprest floats, refund floats and temporary advances at the disposal of specified Officers as may be found necessary in connection with the incurring of the expenditure of the company subject to such guidelines and procedure as laid down from time to time.

18. GUARANTEE, BONDS.ETC.

CEO or Executive Director with the approval of CEO may on behalf of the Company, sign and execute any guarantee, bonds, bills of entry, slipping bills and such other documents and take such other steps as may be necessary to meet the requirements of Government department/authorities for purchase/transport/clearance of stores, equipment and material.

19. DISPOSAL OF PROPERTY

CEO may sell or otherwise dispose off moveable or immovable property with the prior concurrence of the Board of Directors, as per rules and procedures as may be prescribed from time to time for disposal subject to the provisions on the memorandum and Articles of Associations of the Company and the Companies Act.

20. SALES AGENCY AND OTHER COMMERCIAL AGREEMENT (OTHER THAN THOSE MENTIONED IN CLAUSE NO. 9 & 10).

Subject to such rules, procedures and guidelines as may be prescribed from time to time, Head of marketing department at Headquarters/Regions in consultation with the Finance and approval of CEO may enter into commercial agreements as may be required in the interest of the company.

21. SUBSCRIPTION AND PURCHASE OF BOOKS, MEMBERSHIP OF INSTITUTIONS AND SPONSERSHIP OF EVENTS.

Subject to provisions of Budget the authorities specified below are empowered to sanction expenditure in the interest of the company on purchase of books, manuals etc. or subscription to publications of subscription for securing membership of institutions and to give sponsorship to the events within the limits indicated :

Authority	Limits for each contract
CEO	Full Power as delegated by Board.
ED (Engg)	Rs. 5 lakhs for each financial year.
G.M (Engg)	Rs. 2 lakhs for each financial year.



22 LOANS & ADVANCES.

Subject to such rules and procedures that will be framed, the Executive Director and/or CEO may sanction loans to employee for purchase of various assets including house by an employee subject to limits laid down from time to time under such scheme which will also provide for loans for other events/items.

23. REWARDS

For outstanding services, exemplary courage, loyalty, creativity and devotion to duty, the CEO or Executive Director (Engg.) (with the prior approval of the CEO/DF) may sanction rewards to an employee of the company not exceeding an amount of Rs.10,000 on each occasion.

24. INVESTMENT OF SURPLUS FUNDS

CEO shall have powers for investment of surplus funds to the extent as delegated by the Board of Directors from time to time. Guidelines issued by Department of Public Enterprises, Ministry of industries or any other authority of Government of India with regard to investment to be made by the Public Sector undertakings shall be fully observed whenever any investment is made by the Company.

13/13


राजनी कान्त / RAJNI KANT
कंपनी सचिव / Company Secretary
एअर इंडिया इंजिनियरिंग सर्विसेस लिमिटेड
Air India Engineering Service Limited
एयरलाइन्स हाउस / Airlines House
नई दिल्ली / New Delhi-110001