

AIR INDIA LIMITED

INSTRUMENT OF DELEGATION OF FINANCIAL POWERS

AIR INDIA LIMITED

INSTRUMENT OF DELEGATION OF FINANCIAL POWERS & FUNCTIONS

In terms of Clause 25 & 29 of Article 132 of the Articles of Association of the Company, the Board is empowered to make, vary and repeal bye laws for the regulation of the business of the Company, its officers & servants and whereas the Company deems it necessary for the efficient conduct of its business and the day to day administration of its affairs to delegate certain functions, powers and authorities to its officers in respect of the functions within their charge as specified from time to time.

The Company hereby directs that the Officers mentioned in this order shall exercise the functions and powers hereby delegated to enable them to achieve the targets to be laid as per provisions of Para 21 of the Instrument.

1. GENERAL :

- 1.1 This Instrument of Delegation shall come into force with effect from 1st March 2017 .
- 1.2 All previous orders or instruments of delegation of powers which have been in force hereto shall stand repealed from this date. However, the powers exercised by the officers under the regulations/standing orders that existed shall not become void.

2. NOMINATION OF OFFICERS TO EXERCISE POWERS :

The Financial Powers delegated under this Instrument shall be exercised by the designated Executives/Officers indicated hereunder to exercise the functions and powers delegated hereby to each of the said Executives and Officers :

A. CHAIRMAN AND MANAGING DIRECTOR / MANAGING DIRECTOR

B. DY.MANAGING DIRECTOR /JT. MANAGING DIRECTOR

C. HEADS OF CORPORATE FUNCTIONS

- (I) DIRECTOR (COMMERCIAL)
- (II) DIRECTOR (FINANCE)
- (III) DIRECTOR (PERSONNEL)
- (IV) DIRECTOR (OPERATIONS)
- (V) CHIEF VIGILANCE OFFICER
- (VI) EXECUTIVE DIRECTOR (SECURITY)
- (VII) EXECUTIVE DIRECTOR (IT)
- (VIII) EXECUTIVE DIRECTOR (MATERIALS MANAGEMENT)
- (IX) EXECUTIVE DIRECTOR (FLIGHT SAFETY)
- (X) EXECUTIVE DIRECTOR (IOCC & CMS)

- (XI) EXECUTIVE DIRECTOR (CORPORATE AFFAIRS)
- (XII) EXECUTIVE DIRECTOR (TRAINING)
- (XIII) EXECUTIVE DIRECTOR (CUSTOMER SERVICES)
- (XIV) EXECUTIVE DIRECTOR (GROUND HANDLING)
- (XV) EXECUTIVE DIRECTOR (ENGINEERING)
- (XVI) EXECUTIVE DIRECTOR (PROJECTS)
- (XVII) EXECUTIVE DIRECTOR (HEADQUARTERS)
- (XVIII) EXECUTIVE DIRECTOR(REVENUE MANAGMENT)
- (XIX) COMPANY SECRETARY

D. UNIT HEADS OF CORPORATE FUNCTIONS

- (I) EXECUTIVE DIRECTOR (FINANCE)
- (II) EXECUTIVE DIRECTOR (OPERATIONS)
- (III) EXECUTIVE DIRECTOR (PERSONNEL & INDUSTRIAL RELATIONS)
- (IV) EXECUTIVE DIRECTOR (STRATEGY & NETWORK PLANNING)
- (V) EXECUTIVE DIRECTOR (SALES & MARKETING)
- (VI) EXECUTIVE DIRECTOR (CARGO)
- (VII) EXECUTIVE DIRECTOR (CUSTOMER SERVICES)
- (VIII) GENERAL MANAGER (QUALITY MANAGEMENT SERVICES)
- (IX) GENERAL MANAGER (PROPERTIES & FACILITIES)
- (X) GENERAL MANAGER (MEDICAL SERVICES)
- (XI) GENERAL MANAGER(INTERNAL AUDIT)

E. DIVISIONAL HEADS OF CORPORATE FUNCTIONS

- a) DIVISIONAL HEADS OF CORPORATE FUNCTIONS LIKE GENERAL MANAGER-PERSONNEL/INDUSTRIAL RELATIONS/FINANCE/ MATERIALS MANAGEMENT/LEGAL/COMMERCIAL/SECURITY, ETC.

F. SECTIONAL HEADS OF CORPORATE FUNCTIONS

- a) SECTIONAL HEADS OF CORPORATE FUNCTIONS LIKE DY GENERAL MANAGER/SR.AGM/AGM-PERSONNEL/INDUSTRIAL RELATIONS/ FINANCE/MATERIALS MANAGEMENT/LEGAL/COMMERCIAL/ SECURITY, ETC.

G. REGIONAL DIRECTORS

- (I) REGIONAL DIRECTOR (NORTHERN REGION)
- (II) REGIONAL DIRECTOR (SOUTHERN REGION)
- (III) REGIONAL DIRECTOR (WESTERN REGION)
- (IV) REGIONAL DIRECTOR (EASTERN REGION)

H. REGIONAL HEADS AT FOREIGN STATIONS :

- (i) REGIONAL MANAGER (AMERICAS)

- (ii) REGIONAL MANAGER (UK & EUROPE)
- (iii) REGIONAL MANAGER (GULF, MIDDLE EAST & AFRICA)
- (iv) REGIONAL MANAGER (ASIA PACIFIC)

I. REGIONAL HEADS OF CORPORATE FUNCTIONS :

- a) REGIONAL HEADS OF CORPORATE FUNCTIONS LIKE GENERAL MANAGER-PERSONNEL/INDUSTRIAL RELATIONS/FINANCE/COMMERCIAL / MATERIALS MANAGEMENT/OPERATIONS/ SECURITY, ETC.

J. REGIONAL DIVISIONAL HEADS OF CORPORATE FUNCTIONS :

- a) REGIONAL DIVISIONAL HEADS OF CORPORATE FUNCTIONS LIKE DY. GENERAL MANAGER -PERSONNEL/IR / FINANCE / COMMERCIAL /MATERIALS MANAGEMENT/ OPERATIONS/ SECURITY, ETC.

K. REGIONAL SECTIONAL HEADS OF CORPORATE FUNCTIONS/ STATION MANAGERS :

- a) REGIONAL SECTIONAL HEADS OF CORPORATE FUNCTIONS LIKE ASSTT. GENERAL MANAGER- PERSONNEL/IR / FINANCE / COMMERCIAL/ MATERIALS MANAGEMENT/OPERATIONS/ SECURITY, ETC.

Notes:

- I. Regional Heads / Regional Divisional Heads / Regional Sectional Heads will normally be the Executives of the level of General Managers/Dy. General Managers/Sr. Asstt. General Managers/ Assistant General Managers or Officers in equivalent scale of pay.
- II. In case of change in designation or deletion, the CMD / Managing Director is authorised to designate the category appropriately. In case of additions, the CMD / Managing Director is authorised to designate the category to which the new designation belongs.
- III. CMD/ Managing Director is authorized to nominate any senior Executive to designate the Station Managers both in India and overseas appropriately depending upon the operational requirement of the Station as equivalent to Regional Divisional/Sectional Head.

3 GENERAL CONDITIONS OF DELEGATION

- 3.1 Board of Directors of Air India Ltd. shall have full powers subject to the provisions of Companies Act 2013, Memorandum of Association & Articles of Association and Directives received from Govt. of India, from time to time.
- 3.2 CMD / Managing Director, subject to provisions of Companies Act 2013 Memorandum of Association & Articles of Association and Directives received from Govt. of India

from time to time and as per policies, rules, regulations and Budgets as approved by the Board of Directors and Principles of Financial Propriety and subject to general supervision and control by the Board of Directors, is authorized to exercise all or any of the powers vested in the Board for the management and administration of the Company, except on the matters in respect of which prior approval of Board of Directors is necessary.

- 3.3 All project for acquisition of Aircraft / Engines / Simulator / APUs which require Capital Expenditure will be approved by the Board as per the Govt. guidelines provided the project has been approved by the Ministry of Civil Aviation, Project Appraisal Agencies including PIB and Cabinet Committee of Economic Approvals (CCEA), wherever necessary.
- 3.4 Board of Directors of Air India Ltd. shall have powers to form any Sub-Committee of members of the Board / Sr. Executives of the Company, which shall be authorized to exercise the powers as delegated by the Board of Directors to such Sub-Committee.
- 3.5 All powers delegated hereunder shall be exercised by the Officers within their administrative jurisdiction and in accordance with the rules, regulations, instructions and procedures in force from time to time, including those in respect of financial concurrence/consultation as may be laid down from time to time.
- 3.6 When urgent action is needed in respect of any matter on which the decision of the Board is normally required, the CMD / Managing Director shall have the power to act in such manner as he/she may deem fit in the interest of the Company, provided that any action taken in exercise of this power shall be reported to the Board in its next meeting.
- 3.7 The CMD / Managing Director shall be entitled to exercise any or all of the powers vested in any Officer of the Company subordinate to him. The CMD / Managing Director shall have administrative jurisdiction over all Officers of the Company as well as the Regions, Stations and Establishments of the Company.
- 3.8 In the absence of the CMD / Managing Director, the Executives so nominated by Govt. or the CMD / Managing Director may exercise such powers of the CMD / Managing Director as may be required for the day-to-day functioning, provided however that such action shall be reported to the CMD / Managing Director, as soon as practicable.
- 3.9 Director-Finance / Director-Commercial / Director-Personnel / Director-Operations/ Dy. Managing Director / C.V.O. / Executive Director / Regional Director / Sr. Officers in the same function may exercise any or all the powers given to the Officers subordinate to them.
- 3.10 If in any area, any of the Officers to whom powers are delegated hereunder is absent for any period, one of his immediate Deputies nominated by him may exercise the powers delegated here under during such absence provided such action shall be reported to the immediate superior Officer as soon as practicable.
- 3.11 Officers exercising powers under this Instrument shall observe the same vigilance in respect of expenditure of the Company's fund, as a person of ordinary prudence would exercise, in respect of expenditure of his own money.

- 3.12 None of the Officers to whom powers have been delegated hereunder can further nominate any of their subordinates to exercise the powers so delegated to them except in the circumstances as mentioned in 3.5 above.
- 3.13 Powers exercised under this Instrument by any of the Officers upto the level of Divisional Head (Corporate) / Regional Head shall report such action to his immediate superior.
- 3.14 In the exigencies of administration, the CMD / Managing Director is authorized to reduce or enhance by written order, the powers hereby delegated to any Officer or class of Officers.
- 3.15 Whenever the concurrence of Finance is required, the CMD / Managing Director is authorized to lay down the limits of such powers for the Officers.
- 3.16 The CVO is entitled to exercise the powers of Functional Directors within his/her administrative jurisdiction and in accordance with the rules, regulations, instructions and procedures including those in respect of financial concurrence as may be laid down from time to time.

4. CAPITAL EXPENDITURE

a) BUDGETED :

The Authorities specified below are authorized to sanction Capital expenditure not exceeding the limits indicated below, on any item within the Capital Budget allotted. All such expenditure will be reported to the Director- Finance / Executive Director- Finance.

Corporate Functions-Corporate/Regional Level :

Authority	Limits upto which sanction can be accorded for any one item
CMD / Managing Director	Full Powers
Director-Finance	Rs. 24 Crores Sanction in excess of Rs. 12 Crores with the concurrence of CMD/MD
Director-Commercial / Director-Personnel/Director- Operations	Rs. 16 Crores Sanction in excess of Rs. 8 Crores with the concurrence of DF
ED – Finance	Rs. 16 Crores Sanction in excess of Rs. 8 Crores with the concurrence of DF
ED – Materials Management	Rs. 12 Crores Sanction in excess of Rs. 6 Crores with the concurrence of ED-Finance
ED - IT ED - Engg. ED - Ground Handling ED - Cargo	Rs. 10 Crores Sanction in excess of Rs. 5 Crores with the concurrence of ED-Finance

ED-Operations ED-Flight Safety ED-Training ED - Strategy & Network Planning ED - Security ED -Customer Services ED- Sales & Marketing	Rs. 6 Crores Sanction in excess of Rs. 3 Crores with the concurrence of ED-Finance
ED – Personnel & IR ED – Corporate Affairs ED - IOCC & CMS ED- Projects Company Secretary	Rs. 4 Crores Sanction in excess of Rs. 2 Crore with the concurrence of ED-Finance.
RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	Rs. 12 Crores Sanction in excess of Rs. 6 Crore with the concurrence of ED- Finance.
Regional Manager (Americas) Regional Manager (UK & Europe) Regional Manager (Gulf, Middle East & Africa) Regional Manager (Asia / Pacific)	USD 800,000 Sanction in excess of USD 400,000 with the concurrence of Regional Finance Manager
GM - Quality Mgt. Services / GM - Properties & Facilities GM - Medical Services GM – Internal Audit	Rs. 2 Crores Sanction in excess of Rs. 1.50 crores with the concurrence of ED-Finance.
Divisional Heads -Corporate/ Regional	Rs. 1.50 crores Sanction in excess of Rs. 1 crore with the concurrence of ED- Finance
Sectional Heads – Corporate / Regional	Rs. 1 crore Sanction in excess of Rs. 50 Lakhs with the concurrence of ED -Finance.

b) NON-BUDGETED : (BY REAPPROPRIATION)

- i) The authorities specified below are authorized to sanction Capital expenditure not exceeding the limits indicated below on any project or item not provided in the budget :

Corporate Functions-Corporate/Regional Level :

Authority	Limit on any one item
CMD / Managing Director	To the extent of the Block Provision in the approved Capital Budget
Director-Finance	Rs. 60 Lakhs in any one month and Rs. 24 Lakhs per item.

c) **EXCESS OF ACTUAL EXPENDITURE OVER BUDGETED AMOUNTS / SANCTIONED AMOUNTS:**

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.100 lakhs, whichever is lower.

5. **REVENUE EXPENDITURE :**

i) **BUDGETED :**

Subject to such rules and procedures as may be laid down, the authorities specified in Clause 2 above may incur recurring expenditure not exceeding the budget allotment under each head pertaining to their jurisdiction, after following the laid down procedures.

ii) **NON-BUDGETED :**

Normally, all revenue expenditure would be provided for in the Budget. However, expenditure under some heads of account may exceed the Budget allotment due to reasons not foreseeable at the time of formulation of the Budget, such as opening of new stations, operation of additional service/s, increase in flying hours, increase in rentals, duties & taxes, increase in tariff etc. The authorities specified below are authorized to incur such recurring / non-recurring Revenue Expenditure under any Head in excess of the amount whether provided or not in the Revenue Expenditure Budget to the extent indicated. However the matter shall be reported to the Board in the Revised Budget .

Corporate Functions-Corporate/Regional Level :

Authority	Limit on any one item
CMD / Managing Director	Full Powers
Director-Finance	Rs. 3 Crores in the aggregate in a year under any head for which no provision is made in the revenue expenditure budget. Individual cases exceeding Rs. 1.50 crores will be with the concurrence of CMD/MD
Director-Commercial / Director-Personnel/ Director- Operations/ ED – Finance	Rs. 2 Crores in the aggregate in a year under any head for which no provision is made in the revenue expenditure budget. Individual cases exceeding Rs. 1 crore will be with the concurrence of DF

6 CONTRACTS :

Subject to funds being available under the appropriate budget head and the expenditure having been sanctioned by the Competent Authority and in accordance with such rules and procedures as may be prescribed from time to time the following powers may be exercised by the Officers specified against each for execution of contracts of catering / outsourcing / Hotel accommodation / taking on lease or leave and license or on any other basis any premises / provide technical or other service etc. within the limits indicated :

- (i) To award and place orders for execution of works, supply of equipment, spare parts and other stores and / or rendering of services required by the Company and in that behalf to execute or authorize the execution of appropriate contracts.

Corporate Functions-Corporate/Regional Level :

Authority	Limits (Value of Contract)
CMD / Managing Director	Full Powers
Director-Finance	Rs. 24 Crores
Director-Commercial	Rs. 16 Crores
Director-Personnel / Director- Operations	Rs. 10 Crores
ED – Finance	Rs. 16 Crores
ED – Materials Management ED-Sales & Marketing ED-Customer Service	Rs. 12 Crores
ED - IT ED - Engineering ED - Ground Handling ED - Cargo	Rs. 10 Crores
ED - Strategy & Network Planning ED – Operations ED - Flight Safety ED -Training ED – Security ED-Sales & Marketing	Rs. 6 Crores
ED – Personnel & IR ED – Corporate Affairs ED-IOCC & CMS ED-Projects ED- Headquarters ED- Revenue Management Company Secretary	Rs. 4 Crores
RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	Rs. 12 Crores

Regional Manager - Americas Regional Manager – UK & Europe Regional Manager – Gulf, Middle East & Africa Regional Manager- Asia / Pacific	USD 800,000
GM - Quality Mgt. Services GM - Properties & Facilities GM – Medical Services GM – Internal Audit Divisional Heads -Corporate & Regional	Rs. 2 crores
Sectional Heads - Corporate	Rs. 1.50 crores
Sectional Heads - Regional	Rs. 1 crore

- (ii) To execute or authorise the execution of Contracts of employment with any persons(s) as per the powers delegated under the Instrument of Delegation of Administrative Powers.
- (iii) To take on lease or Leave & License or any other basis, any premises required by the Company and in that behalf, to execute or authorize the execution of Deeds of Lease, Agreements of Leave & License and other documents and Agreements on behalf of the Company:

Corporate Functions-Corporate/Regional Level :

Authority	Limits (Annual Value of each Contract)
CMD / Managing Director	Full Powers
Director-Finance / Director-Commercial / Director-Personnel/ Director- Operations	Rs.1.50 crores
ED - Finance ED – Corporate Affairs	Rs. 75 lakhs
ED – Materials Management ED - IT GM - Properties & Facilities RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	Rs. 50 lakhs
RM - Americas RM – UK & Europe RM – Gulf, Middle East & Africa RM - Asia / Pacific	USD 500,000

- (iv) To undertake to provide technical or other services on behalf of the Company and to execute or authorise the execution of any contracts, agreements and other documents and writings in relation thereto:

Corporate Functions-Corporate/Regional Level :

Authority	Limits (Annual Value of each Contract)
CMD / Managing Director	Full Powers
Director-Finance / Director-Commercial / Director-Personnel / Director- Operations	Rs.1.50 crores

ED - Finance ED – Corporate Affairs ED - Cargo RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	Rs. 75lakhs
RM- Americas RM – UK & Europe RM – Gulf, Middle East & Africa RM- Asia / Pacific	USD 100,000
ED – Materials Management/ED-IT/ED-Security	Rs. 50 lakhs

- (v) To give any premises of the Company on lease or Leave & Licence or any other basis and to give any equipment of the Company on hire or lease or any basis and to enter into any such arrangements as may be deemed to be in the best interest of the Company and to execute or authorise the execution of Deeds of Lease Agreements or Leave & Licence, Agreements of Hire and other documents and writings in relation thereof.

Corporate Functions-Corporate/Regional Level :

Authority	Limits (Annual Value of each Contract)
CMD / Managing Director	Full Powers
Director-Finance / Director-Commercial / Director-Personnel / Director- Operations	Rs.1.50 crores .
ED - Finance ED – Corporate Affairs ED – Materials Management ED - IT ED - Security GM - Properties & Facilities GM – Medical Services RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	Rs. 75 lakhs
RM - Americas RM – UK & Europe RM – Gulf, Middle East & Africa RM - Asia / Pacific	USD500,000

- (vi) To appoint any Consultant on Retainer basis in the interest of the Company.

assets which have become unserviceable or are considered beyond economical repairs / lost / obsolete to the extent indicated :

Corporate Functions-Corporate/Regional Level :

Authority	Due to normal wear & tear (Rs.)	Due to theft / fraud / negligence (Rs.)	Obsolescence / accident / other reasons (Rs.)
CMD / Managing Director	Full Powers	Full Powers	Full Powers
Director-Finance	6 Crores	1 Crore	1.2 Crores
Director-Commercial	4 Crores	1 Crore	1.2 Crores
Director-Personnel/ Director-Operations	3 Crores	1 Crore	1.2 Crores
ED – Materials Management ED – Strategy & Network Planning ED - IT ED-Sales & Marketing ED-Customer Services ED-Operations ED-Flight Safety ED-Training ED-Security ED-IOCC & CMS ED-Projects ED- Headquarters ED- Revenue Management Company Secretary GM - Quality Mgt. Services GM - Properties & Facilities ED - Finance ED – Personnel & IR ED – Corporate Affairs ED - Engineering ED - Ground Handling ED - Cargo	1 Crore	6 Lakhs	60 Lakhs
RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	1Crore	6 Lakhs	60 lakhs
RM - Americas RM – UK & Europe RM – Gulf, Middle East & Africa RM - Asia / Pacific	USD 150,000	USD 9,000	USD 90,000
GM – Medical Services GM - Internal Audit Divisional Heads -Corporate / Regional	30 Lakhs	—	—

Sectional Heads-Corporate / Regional	10 Lakhs	—	—
Country Manager / Stn. Mgr.	40,000	—	—

- Notes :**
1. No Asset should be written off without the recommendation of a Scrap Board constituted for the purpose.
 2. Any proposal to write-off an asset which has any abnormal aspect will be referred to Finance for their concurrence and other scrapping action to be intimated to Finance.
 3. Write-off exceeding Rs. 12 Lakhs in each case arising due to theft, fraud, culpable negligence and Rs. 60 Lakhs in other cases is to be reported to the Board.

b) DISPOSAL :

1. As regards disposal of items surplus to requirements which are in serviceable condition, approval of the CMD / Managing Director / Director-Finance / Director-Commercial / Director-Personnel/ Director- Operations/, has to be obtained and disposal action to be initiated by the ED-Materials Management.

8 SCRAPPAGE, WRITE-OFF, DISPOSAL AND OBSOLESCENCE OF AIRCRAFT STORES AND SPARES :

Subject to such rules and procedures as may be prescribed, the Officers specified below are authorized to sanction scrapping and order disposal of aircraft stores and spares that have become unserviceable or beyond economical repairs in the normal course of maintenance, overhaul, servicing and repair of aircraft, power plant and accessories etc. and write-off due to theft, fraud, negligence or any other reasons to the extent indicated below :

Corporate Functions-Corporate/Regional Level :-

Authority	Acquisition cost of each item not to exceed the limit laid down below :		
	Due to normal wear & tear (Rs.)	Due to theft / fraud/ Negligence (Rs.)	Obsolescence/Accident/ other reasons (Rs.)
CMD / Managing Director	Full Powers	Full Powers	Full Powers
Director-Finance	3 Crores	60 lakhs	1.5 Crores
ED – Finance ED - Materials Management ED – Engineering ED – Training	1.2 Crores	25 Lakhs	60 lakhs
RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	1.2 Crores	25 Lakhs	60 lakhs

Notes :

1. No item should be written off without the recommendation of a Scrap Board constituted for the purpose. The Scrap Board will consist of the representative of the Head of the User Unit, one representative of the Finance Department and one representative from Materials Management Department.
2. All cases exceeding Rs. 60 Lakhs in the case of normal wear & tear and obsolescence and Rs. 12 Lakhs in other cases to be reported to the Board.

9 SCRAPPAGE, OBSOLESCENCE, DISPOSAL AND WRITE-OFF OF NON-AIRCRAFT STORES AND SPARES :

Subject to such rules and procedures as may be prescribed, the authorities specified below are empowered to sanction scrapping and order disposal of non-aircraft stores and spares which have become unserviceable or beyond economical repairs in the normal course of maintenance, overhaul, servicing, repairs, etc. and write-off due to theft, fraud, negligence or any other reasons to the extent indicated below:

Corporate Functions-Corporate/Regional Level :

Authority	Acquisition cost of each item not to exceed		
	Normal wear & tear/obsolescence & disposal (Rs.)	Loss due to theft / negligence or any other reasons (Rs.)	To be intimated to
CMD / Managing Director	Full Powers	Full Powers	Director-Finance
Director-Finance	2 Crores	1 Crore	
Director-Commercial / Director-Personnel / Director-Operations	1Crore	50 lakhs	Director-Finance
ED – Materials Management ED – Strategy & Network Planning ED – Sales & Marketing ED - IT ED-Flight Safety ED-Training ED-Customer Services ED – Security ED-IOCC & CMS ED-Projects ED- Headquarters ED- Revenue Management Company Secretary GM - Quality Mgt. Services GM - Properties & Facilities ED - Finance ED – Personnel & IR ED – Corporate Affairs ED - Engineering	12 lakhs	2.5 lakhs	ED-Finance

ED - Ground Handling ED - Cargo			
RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	12 lakhs	2.5 lakhs	ED-Finance
RM - Americas RM - UK & Europe RM - Gulf, Middle East & Africa RM - Asia / Pacific	USD 18,000	USD 4,000	
Divisional Heads-Materials Management (Corporate & Regional)	60,000	12,000	

- Notes :**
1. No item should be written off without the recommendation of a Scrap Board constituted for the purpose. The Scrap Board will consist of the representative of the Head of the User Unit, one representative of Finance Department and one representative from Materials Management Department.
 2. All cases exceeding Rs. 60 Lakhs in the case of normal wear & tear and obsolescence and Rs. 12 Lakhs in other cases to be reported to the Board.

10 WRITE-OFF OF LOSSES OF STORES, SHORTAGES, DEMURRAGE CHARGES, PENALTIES, ETC. :

Subject to such rules and procedures as may be prescribed, the authorities specified below are empowered to sanction adjustments of excesses in stores, spare parts and other materials and to authorize write-off of loss of stores, shortages as a result of physical verification or penalties, demurrage charges, etc. arising out of the normal functions of purchasing, cleaning, storing and issue of materials to the extent indicated overleaf:

Corporate Functions-Corporate/Regional Level :-

Authority	Limit in each case or at a time
CMD / Managing Director	Full Powers
Director-Finance	Rs. 60 Lakhs
Director-Commercial	Rs. 30 Lakhs
ED – Materials Management RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	Rs. 1.2 Lakhs
Divisional Heads-Materials Management (Corporate & Regional)	Rs. 60000
Sectional Heads – Materials Management (Corporate & Regional)	Rs. 12000

11 WRITE-OFF OF IRRECOVERABLE LOANS, ADVANCES, DEBTS AND OTHER DUES :

Subject to such rules and procedures as may be prescribed, the authorities specified below are empowered to authorize write-off of loans, advances, debts and/ or dues from employees or other outside parties in cases.

- where the amounts due are considered irrecoverable; or
- where the expenditure likely to be involved in recovery is disproportionate to the amount of dues involved; or
- where the legal proceedings are not considered desirable.

Corporate Functions-Corporate/Regional Level :

Authority	Limit in each case (Rs.)		With the concurrence of
	Employees	Other parties	
CMD / Managing Director	Full Powers	Full Powers	
Director-Finance	3 Lakhs	60 Lakhs	CMD/MD
Director-Commercial / Director-Personnel / Director- Operations	2.4 Lakhs	40 Lakhs	Director-Finance
ED - Finance	12000	1.2 Lakhs	Director-Finance
ED - Materials Management ED - Strategy & Network Planning ED - Operations ED - Training ED - Flight Safety ED - Sales & Marketing ED - IT ED - Security ED - IOCC & CMS ED-Projects ED- Headquarters ED- Revenue Management Company Secretary GM - Quality Mgt. Services GM - Properties & Facilities GM – Medical Services ED –Customer Services ED – Personnel & Industrial Relations ED – Corporate affairs ED - Engineering ED - Ground Handling ED - Cargo	12000	1.2 Lakhs	ED - Finance
RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	12000	1.2 Lakhs	ED - Finance

RM - Americas RM – UK & Europe RM – Gulf, Middle East & Africa RM - Asia / Pacific	USD 150	USD 1,500	ED - Finance
Divisional Heads (Corporate & Regional) abroad.	—	80000	ED - Finance

12 WRITE-OFF LOSS OF CASH :

The authorities specified below are empowered to authorize write-off of loss of cash due to theft, fraud, negligence or acts of God (not recoverable from insurance or otherwise) to the extent indicated below :

Corporate Functions-Corporate/Regional Level :

Authority	Limits in each case (Rs.)	With the concurrence of
CMD / Managing Director	4 Lakhs	
Director-Finance	1.5 Lakhs	
Director-Commercial / Director-Personnel/ Director- Operations	1 Lakh	Director-Finance
ED - Finance	50000	Director-Finance
ED – Materials Management ED - Strategy & Network Planning ED - IT ED – Customer Services ED – Security ED-Sales & Marketing ED-IOCC & CMS ED - Operations ED – Personnel & IR ED – Flight Safety ED - Training ED – Corporate Affairs ED - Engineering ED - Ground Handling ED - Cargo ED-Projects ED- Headquarters ED- Revenue Management Company Secretary GM - Quality Mgt. Services GM - Properties & Facilities GM – Medical Services GM – Internal Audit RD - Northern Region RD - Southern Region RD - Western Region RD - Eastern Region	12000	ED - Finance

RM - Americas RM – UK & Europe RM – Gulf, Middle East & Africa RM - Asia / Pacific	USD 600	ED - Finance
Divisional Heads (Corporate & Regional) abroad.	USD 300	ED - Finance

13 NOTE PERTAINING TO CLAUSE 7 TO 12 :

While approving the write off of losses etc. involving theft, fraud or negligence, Officers empowered under Clauses 7 to 12 will ensure that appropriate corrective action has been taken after proper investigation.

14 REFUND OF TIME-BARRED TICKETS/ DOCUMENTS :

Tickets become time-barred on the expiry of two years from the date of issue. Subject to such rules and procedures as may be prescribed, the authorities mentioned below may authorize refund partially or fully on a ticket which is time-barred, if such refund is considered necessary in the interest of the Company.

Authority	Time Limit
GM - Commercial of Regions in India / RMs Abroad	Upto 24 months from the date of becoming time barred provided the credit is open in the books of accounts.

15 SUBSCRIPTION & PURCHASE OF MEMBERSHIP OF INSTITUTIONS:

Subject to provisions in the Budget, the authorities specified below are empowered to sanction expenditure for securing memberships of Institutions within the limits indicated, if they are satisfied that such membership of such Institutions is in the interests of the Company.

Authority	Limit for Membership/(s) of Institutions
CMD / Managing Director	Full Powers
Director (Commercial) / Director (Finance)/ Director (Personnel) / Director- Operations	Rs.1 Lakh
Executive Directors	Rs.50,000

16 COMPENSATORY AND EX-GRATIA PAYMENT & OUT OF COURT SETTLEMENTS :

The authorities specified below, with the concurrence of D.F. / ED – Finance are empowered to sanction to its employees and Company's clientele, refunds, compensatory or ex-gratia payment or Out of Court Settlement to the extent indicated where such payments of refunds are considered necessary or desirable to maintain goodwill and are in the interest of the Company:

Authority	Limit (Rs.)	To be reported to
CMD / Managing Director	15 Lakhs	Sanction exceeding Rs. 7.5 Lakhs to be reported to the Board.
Director (Commercial) / Director (Finance)/ Director (Personnel) / Director- Operations	6 Lakhs	Sanction exceeding Rs. 3 Lakhs to be reported to the CMD /MD.
Executive Directors / Regional Director / GM- Legal	1.2 Lakhs in any one case	
Divisional Heads (Corporate & Regional) abroad only	USD 900 in any one case	
Sectional Heads (Corporate) abroad only	USD 450 in any one case	
Sectional Unit Heads (Regional) abroad only	USD 250 in any one case	
Airport Manager	8,000/- in any one case	
Duty Manager	4,000/- in any one case	

17 **PERMANENT ADVANCES, IMPRESTS AND REFUND FLOATS :**

The ED-Finance / General Manager-Finance at Regions are empowered subject to such guidelines and procedures as laid down from time to time to authorize placement of permanent advances, imprests floats, refund floats and temporary advances to the extent considered necessary in the case of any Officer of the Company.

18 **LOANS AND ADVANCES :**

a) **LOANS :**

Subject to such rules, regulations and instructions issued in this behalf, the authorities specified below are authorised to grant loans to employees of the Company for the purposes indicated below. All such loans granted will be within the budget allocations made and shall be intimated to ED – Finance .

Authority	Type of Loan
ED – Corporate Affairs	All types of Housing Loans, Vehicle Loans & Miscellaneous loans.
Regional Directors / Heads	All types of Housing Loans, Vehicle Loans & Miscellaneous loans.

b) ADVANCES :

ED-Corporate Affairs, Regional Directors / Heads are authorised to grant interest free advances of pay subject to a ceiling of Rs.60,000/- or 3 months' PF pay, whichever is less to an employee affected by floods, cyclones and other natural calamities of exceptional severity or any other hardship to enable him to tide over such emergency or hardship to the extent indicated. The advances will be recoverable in not more than twelve monthly instalments.

19 SPECIAL PAYMENTS AND REWARDS :

a) SPECIAL PAYMENTS :

The CMD / Managing Director in consultation with Director Finance are authorised to sanction expenditure not exceeding Rs.12 Lakhs per occasion and not exceeding Rs. 10 Lakhs per occasion respectively.

b) REWARDS :

The authorities specified below are authorised to sanction reward to any employee of the Company not exceeding the limits indicated below in each case for outstanding service, exemplary courage, loyalty, creativity and devotion to duty :

Authority	Limits per case (Rs.)
CMD / Managing Director	1,20,000/-
Director (Commercial) / Director (Finance)/ Director (Personnel)/ Director- Operations	60,000/-
Executive Directors	12,000/-

20 TARIFF/ RATES

Director (Commercial), ED-Sales & Marketing/ ED – Cargo/GM-Revenue Management-Commercial, Hqrs, or any other Officer empowered by the Chairman & Managing Director will fix the tariff/ rates for various operations/ activities keeping in view the competitive scenario. In case where the total revenue achieved is below cash cost of operations/ operating service / activities, the tariff/ rates would be maintained only for a short period. The fixation of tariff/ rates must be reviewed on a regular periodic basis for increasing the revenue. The GM-Commercial at Regions will have the power to offer discounts/waiver of excess baggage/refunds/cancellation charges as per the rules and policies framed from time to time.

The performance of the fares / route will be regularly scrutinized by the concerned Head through a monitoring mechanism so that the viability of any fare changes viz-à-viz the traffic generated could be ascertained and corrective action initiated in consultation with the Committee constituted by CMD/CD for the purposes such as RRC.

21 TARGET FIXATION

Targets will be set by the ED-Sales & Marketing / ED - Cargo in terms of revenue and physical parameters viz. ATKMs, RTKMs, Load factor, No. of passenger, yield and other applicable parameters. Such targets should be communicated to Regions / Stations / Activity Centers and the delegated authorities will be accountable for achievement of the targets laid down.

22 INVESTMENT OF SURPLUS FUNDS

CMD/ Managing Director/ Director (Finance) 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 Heavy Industries & Public Enterprises 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.

GUIDELINES FOR THE EXERCISE OF THE INSTRUMENT OF DELEGATION OF FINANCIAL POWERS

- 1 Para 3 of the Instrument of Delegation of Financial Powers lays down certain general conditions regarding the exercise of powers of various officers. Powers delegated can be exercised by the officers concerned within the jurisdiction of their administrative spheres.
- 2 The Delegation of Powers lays down the financial limits for sanctioning Capital and Revenue expenditure, write off of assets / book debts / loss of cash, scrapping and disposal of aircraft and non-aircraft stores and entering of contracts for stores, civil works / others etc. to the Officers at various levels. While exercising the powers, the concerned Officer should ensure that the expenditure is sanctioned and incurred in the overall interests of the Company.
- 3 The powers delegated only authorize the competent Officers to sanction expenditure and that these delegations do not authorize them to over-ride the purchase procedure or other instructions issued from time to time regarding procurement of items or relating to civil works.
- 4 The monetary limits of powers delegated apply to a Project as a whole and the Project should not be split to bring the Project within the competence of a lower authority. This is a basic financial principle and any breach of this principle is bound to be viewed seriously.
- 5 The Officers to whom powers are delegated may, to the extent they consider necessary, consult the Officers of the Finance Function at appropriate levels while exercising their powers.

CAPITAL EXPENDITURE

- 6 Budget Allocations will be released by the ED – Finance to Heads of Corporate Functions/Unit Heads of Corporate Functions / Regional Heads. The Heads of Corporate Functions / Unit Heads of Corporate Functions/ Regional Heads would release the Budget allocations to respective departments/ stations.

Allocations so released to be sub-allocated by EDs of Corporate Functions / Unit Heads of Corporate Functions as well as Regional Heads to various sub units / Station Managers / Airport Managers. Each unit / sub unit / Station Managers / Airport Managers will submit a statement of sanctions released every month to the ED – Finance.

CAPITAL EXPENDITURE (BUILDING PROJECTS)

- 7 While framing the Project, ED-Regions will maintain proper liaison with ED- Corporate Affairs/ GM-P&F. GM-P&F, will keep the Regions informed of such instructions as are received from time to time.
- 8 Procedure for inviting tenders will be followed as per the guidelines issued from time to time.
- 9 In cases where appropriate financial sanction exists, the ED – Regions can award the job where cost does not exceed Rs. 6 crores.

REVENUE EXPENDITURE

- 10 Budget Allocations will be released by the ED – Finance to Heads of Corporate Functions, Unit Heads of Corporate Functions as well as Regional Heads. The Heads of Corporate Functions, Unit Heads of Corporate Functions as well as Regional Heads would release the Budget allocations to respective Departmental / Regional Heads.

The Unit Heads /Divisional Heads / Sectional Heads of Corporate Functions both at Corporate Level and at Regional level can authorise incurring of Revenue Expenditure within the generality of the provisions of **Para 5** of the Instrument. Thus Sectional Heads can authorise expenditure like rentals, taxes, telephone & telecommunication expenses, electricity and water bills, parking & landing fees, repairs to furniture and fittings, uplift of meals & snacks for passengers and crew and other similar expenditure where rates have already been approved. In case where rates have not been approved, Sectional Heads can incur expenditure up to Rs 10,000/- on each occasion.

- 11 Powers for incurring non-budgeted revenue expenditure have been delegated on the assumption that they will be exercised judiciously and only in case where incurring of such expenditure is unavoidable. In each case not covered by the provision of **Para 5 (ii)** of the Instrument, the reasons for incurring non-budgeted expenditure would be recorded in writing. This power is also not to be exercised to regularize the expenditure incurred in excess of the limits provided in **Para 5(ii)** of the Instrument.

Normally, the justification for non-budgeted expenditure would arise only when it leads to an improvement in revenue earnings. In other cases, it should be carefully considered if the expenditure can be postponed to the next financial year. Where the extra expenditure is met by re-appropriation, it should be ensured that funds are re-appropriated from a similar head of account and also the expenditure for the year under that account head would be managed within the allocation so reduced.

- 12 Daily Allowance can be approved by the Divisional Heads - Corporate & Regional Heads with the proviso that all tours would normally be authorised by the Heads of Corporate Functions / Unit Heads / Regional Heads.

Daily Allowance of the Sectional Heads will be approved by the Divisional Head and the Sectional Heads will approve the Daily Allowance of the employees working under their jurisdiction.

Unit Heads – Corporate Functions / Regional Heads, Heads of Corporate Functions will countersign their own Daily Allowance Bills.

- 13 Wherever traveling allowance bill contain any items other than the Daily Allowance, they will be scrutinized by the respective Unit Heads of Corporate Functions and Regional Heads concerned

and approved by them, if such extra expenditure is covered by the instructions issued from time to time.

- 14 At stations abroad some Repair & Maintenance Works particularly to the Motor Transport and Equipment, can be authorised by the Sectional Heads concerned. Normally, such expenditure should not exceed Rs 20,000/- on any one occasion. However, there have been instances where because certain repairs were not carried out to the motor vehicles, taxis were hired at considerable expenditure. In such cases, the Station Managers should incur the required expenditure and send full justification to the Regional Head concerned. A copy of such communication will be attached to the bill for the concerned job.

Similarly, Station Managers/Airport Managers would exercise their discretion in regard to the interrupted trip expenses and other such unusual expenditure and give full justification thereof in the communication to their concerned Regional Heads. Copy of such communication would be attached to the concerned bill.

- 15 Increase in actual expenditure over the Budget in respect of recurring/non-recurring revenue expenditure will be reported by the regions to ED-Finance in the monthly statements with justifications and other explanations and later incorporated in the revised estimates.

16 **LOANS & ADVANCES**

The advances permitted under **Para 18** of the Instrument, will not be paid unless the floods/cyclone or natural calamities have been so accepted by the Corporate Office. Terms & Conditions of the loan will be laid down by the Corporate Office from time to time.

17 **SPECIAL PAYMENTS & SUBSCRIPTIONS**

Special payments & subscriptions will be authorised sparingly and in exceptional circumstances otherwise the value of the awards will be watered down.

18 **WRITE-OFF OF ASSETS**

Scrap Board envisages in **Para 7** of the instrument will consist of ;

- (a) Unit Head / Regional Head of the holding Unit or their nominee;
- (b) ED-Finance / General Manager- Finance or his nominee;
- (c) ED-Materials Mgt. / General Manager- Materials Mgt. or his nominee

- I. Write off of above Rs 1 crores each due to normal wear & tear and write off of aircraft and aero engines will be reported to the Board.
- II. Write off exceeding Rs 12 Lakhs in each case arising due to theft, fraud, culpable negligence and Rs. 60 Lakhs in other cases shall also be reported to the Board.

19 **SCRAPPING & DISPOSAL OF AIRCRAFT STORES**

Write off of aircraft / non-aircraft stores of above Rs 60 Lakhs in case of normal wear and tear and obsolescence and Rs 12 Lakhs in other cases to be reported to the Board.

20 **DECLARING AND DISPOSAL OF SURPLUS ASSETS AND STORES.**

Unit Heads of Corporate Functions in consultation with ED-Finance & the Regional Directors, in consultation with General Manager- Finance in the Regions may declare surplus and authorise disposal of such assets and stores other than Aircraft, Aero-engines, modules and their stores and spares that may become surplus to the requirement.

21 LOSS OF STORES & EQUIPMENT

Write off of losses in excess of Rs 5 lakhs in each case shall be intimated to the ED-Finance for reporting thereof to the Board.

22 WRITE OFF OF IRRECOVERABLE DEBT (PARA 11)

General Manager- Finance will ensure that monthly statements of write-offs are submitted to the ED-Finance within 15 days of the end of each month. The ED-Finance will ensure that write-offs in excess of Rs 60 Lakhs in each case are reported to the Board.

23 NOTE PERTAINING TO PARAS 7 to 12

General Manager - Finance will be associated in devising corrective measures for avoiding losses that may have been written off under **Paras 7-12** of the instrument. The report of the action taken will be submitted to the ED-Finance by the concerned Department.

24 COMPENSATORY/EX-GRATIA PAYMENTS/REFUNDS

It will be the responsibility of the officer to whom subordinate authority has to report to ensure that a monthly statement of payments authorized under **Para 16** of the instrument are duly reported to him, scrutinized by him and countersigned.

25 SUBSCRIPTION TO MEMBERSHIP OF INSTITUTIONS

Subscription for securing membership of institutions in excess of Rs. 100,000 p.a. in each case shall be reported to the Board.

26 PURCHASE BUDGET

Powers have been delegated under **Para 6 (i)** of the instrument to allot funds to incur expenditure. It should be noted that the provisions of the Stores Manual and other instructions that may be issued from time to time, are followed in procuring any of the items.
