

1.2 Power and Duties of its 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 and 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

HAL Board of Directors have delegated Powers of Authorities to different Committees and sub Committees and various Executives to exercise their duties efficiently and effectively. Powers that are vested to different Committees and sub Committees and various Executives and their limits are listed in Delegation of Powers (DoP). DoP is amended from time to time based on the approval by the Board of Directors and the same is intimated to all the stakeholders.

The Board has delegated Powers to different Committees like Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility and Sustainable development Committee, Stakeholders Relationship Committee, Management Committee, Technology & Design Policy Committee, Procurement Committee, HR Committee, Risk Management Committee, R&D Sub-Committee etc.

In addition to above, powers have also been delegated to senior executives of the Company like CMD, Functional Directors, CEOs, Heads of Divisions, Level I Executives, Functional and Departmental Heads within the Divisions and other Functional Heads of Complex and Corporate office etc. in compliance with regulatory requirements and to ensure timely decision. Powers are delegated commensurate with the requirement of the Executives at various levels.

The exercise of the powers by the Board / Sub Committees of the Board / Chairman & Managing Director and other Delegates are subject to compliance with the provisions of the Companies Act 2013, SEBI Act 1992 and any other laws applicable on the Company. These powers are revised from time to time depending upon Organizational 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 DoP is amended from time to time and the prevailing DoP was issued in 2025.

Powers of Authority have been delegated to various functional executives under various broad heads as follows:

- Capital Sanctions
- Administrative approval and Award of Works Contracts
- Provisioning approval and placement of orders for Goods
- Provisioning approval and placement of orders for Services

- Provisioning approval and placement of orders for Sub Contract/ Outsourcing,
- Approval and Engagement of Consultants
- Approval for Incurrence of Revenue Expenditure
- Various other Heads like Finance, Human Resources, Medical, Legal, Sports, Educational Institutions

Chairman & Managing Director is authorized to exercise full powers in respect of items not listed in the DOP schedules as “Residuary Powers”.

Further, work allocation at various levels is done based on functional requirements and is mainly captured in the Mutually Agreed Tasks statement.

The broad duties which executives are required to perform are as follows:

- I. Technical Duties: Technical duties include Planning, Designing, Procurement, Production, MRO (Maintenance, Repair & Overhaul), Safety etc.
- II. Financial Duties: These include Budgetary Estimations, Fund Management, Procurement, Receipts and Payments, Preparation of Financial Statement and its certification by various Auditors like Statutory, Internal, Government audit etc.
- III. HR Duties: HR function includes Manpower Planning, Recruitment, Promotions, Performance Management, Policy Formulation, Training & Development, Establishment matters, Statutory Compliance, Industrial Relations, Employee Welfare, Corporate Social Responsibility activities, etc.
- IV. Administration Duties: These duties include Security, Fire & Safety, Vigilance, Facilities Management, etc.
- V. Medical: Medical functions include Hospital Management, Industrial Health Centre / First Aid Centre, Periodic Health Check-ups, etc.
- VI. Legal Duties: Legal duties include cases pertaining to Company Law, Labour Law, Civil Law & Criminal Law.
- VII. Quality Management System (QMS): Implementation of AS / ISO – QMS requirements at all production /overhaul divisions and R&D Centres of HAL.