

RIGHT TO INFORMATION ACT, 2005**VIII. STATEMENT OF THE BOARD, COMMITTEES AND OTHER BODIES CONSISTING OF TWO OR MORE PERSONS CONSTITUTED AS HAL'S PART OR FOR THE PURPOSE OF ITS ADVICE, AND AS TO WHETHER MEETINGS OF THOSE BOARDS, COUNCILS, COMMITTEES AND OTHER BODIES ARE OPEN TO THE PUBLIC, OR THE MINUTES OF SUCH MEETINGS ARE ACCESSIBLE FOR PUBLIC**

1. Meetings of Board, Committees and other Bodies are not open to the Public, or the minutes of such meetings are not made accessible for public as the nature of business of HAL is that of a Strategic Defence Establishment.
2. The Company is managed on sound professional and ethical lines for the optimal benefit of all the stakeholders' viz. shareholders, employees, customers and the community at large. Besides complying with the statutory requirements of the principles of Corporate Governance i.e. constitution of Board and Audit Committee, disclosure under Companies Act, compliance of Accounting Standards etc., the Company has set its own guidelines for good governance. These Guidelines include:
 - Ethical standards to be followed in order to provide goods and services of highest standard in a complaint free environment. The Citizen Charter of the Company contains ethical standards to be followed. Integrity, Credibility, Quality (ICQ) are the three values being practiced across the Organisation to provide a value frame work.
 - Explicit rules, regulations and procedures have been laid down in various areas in order to observe transparency in decision making. These rules are updated from time to time. With increased use of IT (ERP under implementation), the levels of transparency has further gone up.
 - Accountability follows from transparency. Performance parameters/ levels are laid down, i.e. Company level, Complex level, division level and further broken down to the level of officers. Performance is reviewed at appropriate levels in the Ministry of Defence, Board of Directors, Sub-Committees of Board, Chairman and Committee of Full Time Directors. Besides, achievement of targets is one of important criterion for evaluation of performance of an executive.

- The Board and its sub-Committees viz. Audit Committee, Nomination and Remuneration Committee, CSR & SD Committee, Stakeholders Relationship Committee, IPO Committee, Management Committee, Procurement Sub-Committee and Technology and Design Policy Committee meet periodically to discuss and approve various proposals and to review and monitor the performance of the Company in various areas. The Committees provide guidance and directions for sustained growth, diversification and firming up future plans of the Company.

3. **Board Meeting**

- 3.1 The Company has devised an effective control mechanism at Board level to monitor the performance of effective management. Information on the performance in a structured format is regularly put up to the Board of Directors for evaluation.

4. **COMMITTEES OF THE BOARD**

The Board of Directors has constituted the following sub-committees with specific terms of reference. The proceedings of the meetings of the Committees are reported to the Board of Directors.

A. **Audit Committee**

In terms of the provisions of Section 177 of the Companies Act, 2013 and Rules made there under and Corporate Governance Guideline of DPE, the Board of Directors of the Company has constituted Audit Committee and prescribed the terms of reference as specified in the Companies Act and DPE Guidelines. The last re-constitution of the committee was made at the 406th Board Meeting held on 22nd September, 2017 consisting of 4 (four) part-time non official directors / independent directors and one part-time official director/ government nominee director. One of the part-time non-official director/ independent director is the Chairman of the Committee. Company Secretary of the Company is the Secretary of the Committee.

B. **Nomination and Remuneration Committee**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Rules made there under and Corporate Governance Guideline of DPE, the Board of Directors of the Company has constituted Nomination and Remuneration Committee and prescribed the terms of reference as specified in the Companies Act and DPE Guidelines. The last re-constitution of the committee was made at the 406th Board Meeting held on 22nd September, 2017 consisting of 4 (four) part-time non official directors / independent directors and one part-time official director/ government nominee director. One of the part-time non-official director/ independent director is the Chairman of the Committee. Company Secretary of the Company is the Secretary of the Committee.

C. CSR and SD Committee

In terms of the provisions of Section 135 of the Companies Act, 2013 and Rules made there under and Guideline of DPE, the Board of Directors of the Company has constituted CSR and Sustainable Development Committee and prescribed the terms of reference as specified in the Companies Act and DPE Guidelines. The last re-constitution of the committee was made at the 406th Board Meeting held on 22nd September, 2017 consisting of 2 (two) part-time non official directors / independent directors and 3(three) functional/ whole-time directors. One of the part-time non-official director/ independent director is the Chairman of the Committee. Company Secretary of the Company is the Secretary of the Committee.

D. Stakeholders Relationship Committee

In terms of the provisions of Section 178(5) of the Companies Act, 2013 and Rules made there under, the Board of Directors of the Company has constituted Stakeholders Relationship Committee and prescribed the terms of reference as specified in the Companies Act. The last re-constitution of the committee was made at the 406th Board Meeting held on 22nd September, 2017 consisting of 1 (one) part-time non official director / independent director and 2(two) functional/ whole-time directors. Part-time non-official director/ independent director is the Chairman of the Committee. Company Secretary of the Company is the Secretary of the Committee.

E. IPO Committee

An IPO Committee was formed in December, 2011 for the purpose of considering Disinvestment proposals. The re-constitution of the committee was made at the 406th Board Meeting held on 22nd September, 2017 consisting of 4 (four) functional/ whole-time directors. Director- Human Resources is the Chairman of the Committee. Company Secretary of the Company is the Secretary of the Committee.

F. Management Committee

A Management Committee comprising of Chairman and Managing Director, Full Time Directors and Chief Executive Officers has been constituted. Company Secretary is the Secretary of the Committee. The Management Committee members meet periodically to discuss important policies and matters bearing on the Company operations. The proceedings of the meeting of the Management Committee are reported to the Board of Directors at their next meeting.

G. Procurement Sub-Committee

- G.1 Regarding delegation of powers in respect of procurement of items, the Board at its 255th meeting held on 4th May 2002, had constituted the Procurement Sub-Committee of the Board to consider and approve procurement and placement of

orders for purchase of raw materials, plant & machinery, tools, spares, services and also for approval of works for the value as mentioned in the Delegation of Powers approved by the Board from time to time. The Committee is headed by Chairman and Managing Director with two Full Time Directors and one Part Time Official Director as members. Company Secretary is the Secretary of the Committee.

- G.2 The minutes of the meeting of Procurement Sub-Committee along with a brief note on the proposals approved are placed before the Board for information.

H. Technology and Design Policy Committee

Another Committee which was constituted by the Board is the Technology and Design Policy Committee headed by the Chairman and Managing Director and all Full Time Directors as its members. General Manager (ARDC) is the Secretary of the Company. The Committee provides direction and monitors the Design and Development activities in the Company. The proceedings of the meeting of the Technology and Design Policy Committee are reported to the Board of Directors at their next meeting.