

### 1.3 Procedure followed in decision making process

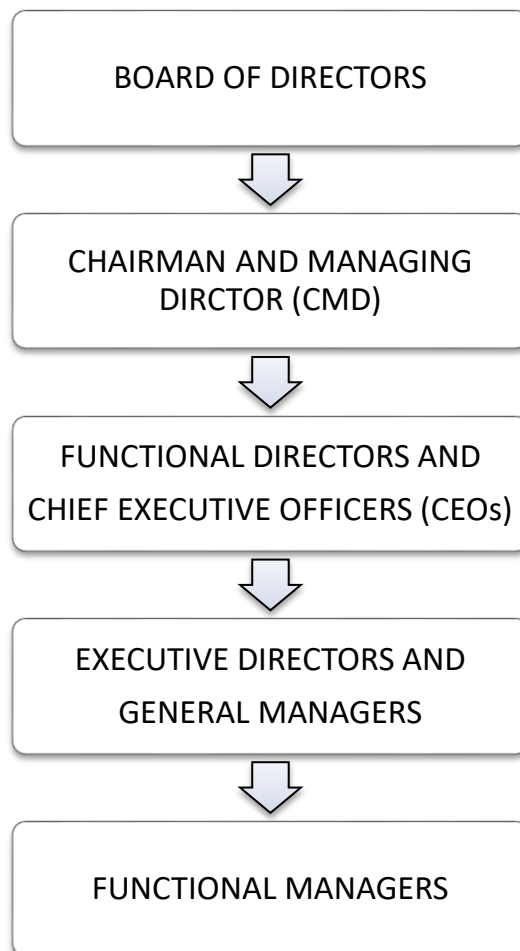
Presently, HAL has 20 Production / Overhaul Divisions, 10 Research & Development (R&D) Centres and a Facilities Management Division, located across the Country. The R&D Centres which have dedicated facilities for research, design & development and prototype activities are co-located with the manufacturing divisions for effective development and design support. The Corporate Office of the Company is located at Bangalore. HAL is administratively organised into 5 Complexes viz. Bangalore Complex, MiG Complex, Accessories Complex, Helicopter Complex and Design Complex.

#### Board of Directors / Corporate Leadership

Various Complexes and Divisions

Procedures followed in the decision-making process, including channels of supervision and accountability:

The decision making process in the Company involves the following channel:





Overall Management of the Company rests with the Board of Directors, the highest decision making body within the Company.

The Board of Directors is accountable to the shareholders of the Company, who are real owners of a Company. HAL being a Public Sector Enterprise, the Board of Directors of the Company is also accountable to the Government of India.

The primary role of the Board is that of trusteeship to protect and enhance shareholders' value. The Board oversees the Company's strategic direction, reviews corporate performance, authorizes & monitors strategic decisions, ensures regulatory compliance and safeguards interests of shareholders. The Board ensures that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

The day-to-day management of the Company is entrusted with the Chairman & Managing Director (CMD), who is supported by Functional Directors, Chief Executive Officers (CEOs), Executive Directors & General Managers and other Officers and Staff of the Company.

The Board of Directors have also set up several Committees with specific functions and powers like Audit Committee; Nomination and Remuneration Committee; CSR & SD Committee; Stakeholders Relationship Committee; IPO Committee; Management Committee; Technology and Design Policy Committee; and Risk Management Committee.

For effective discharge of its functions, the Board of Directors have delegated substantial powers to the CMD, Functional Directors / CEOs / Executive Directors / General Managers / Functional Heads / Department - Group Heads, subject to such conditions which are consistent with the need of prompt, effective and efficient discharge of responsibilities entrusted to such a Director / Officer.

CMD is accountable to the Board of Directors. Functional Directors/ CEOs are accountable to CMD.

The Company undertakes all the business related decisions in timely manner.