

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

HINDUSTAN AERONAUTICS LIMITED

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	5/8
2. Internal Controls	6	10/12
3. Support to Employees	7	4/14
4. Conflict of Interest	4	2/8
5. Customer Engagement	6	4/12
6. Supply Chain Management	5	5/10
7. Agents, Intermediaries and Joint Ventures	10	2/20
8. Offsets	4	0/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	5	6/12
TOTAL		41/110
BAND		D

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
1
Comments
There is evidence that the company publishes statements against corruption and in support of ethical business practices, which are endorsed by senior figures other than the company leadership. Publicly available statements made by the company's leadership are indirect in nature.
Evidence
<p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.iii] FOREWORD</p> <p>Dr. R K TYAGI Chairman</p> <p>Rules, regulations, procedures and guidelines need continuous as well as periodic updation to keep them in sync with dynamic reality. I am pleased to note the effort of the Vigilance Department of HAL to completely revise and update its Manual issued in November 2009 for the benefit of HAL Community. I find that the revised four volume edition comprehensively covers all the activities of the Vigilance Department. It includes all the current instructions on Vigilance administration issued by CVC, MOD and DOPT etc.</p> <p>In HAL, 2013-14 has been the year for bringing all our guidelines up to date. Our Delegation of Powers, Procurement Manual, Works Manual, Recruitment Manual, Vigilance Manual etc. all reflect today's relativity and will help our executives to discharge their duties without fear or favour.</p> <p>I complement Shri Anurag Sahay, IRS, CVO and his team of Officers for their timely initiative and contribution towards an effective and vibrant Vigilance administration in HAL.</p> <p>[p.iv] VM CHAMOLA Director HR</p> <p>FOREWORD</p> <p>Vigilance cannot be considered as an activity merely to prevent corruption. Considered holistically, it can acquire a more meaningful role. In fact, vigilance has to be seen as a part of the overall risk management mechanism of an organization whereby systems are structured in such a manner so as to prevent leakages even while making the organization transparent and accountable in its dealings with customers both internal and external.</p> <p>The need of a Comprehensive Vigilance Manual has always been felt strongly so that all the relevant issues relating to a case could be examined in correct perspective and without a last minute pressure of locating the relevant instructions / guidelines here and there. Integrity of administration and honesty of officials manning it are indispensable factors to ensure good governance.</p> <p>The extent to which we can make our internal machinery effective and responsive to the customers depends on the sincerity and probity of the officials. I am pleased to note that Corporate Vigilance has brought out the Vigilance Manual which consolidates various guidelines issued by the Central Vigilance Commission over the years and will be useful for carrying out the vigilance activities effectively. The Manual comprehensively covers all important aspects of Vigilance matters.</p> <p>The action plan for the vigilance functionaries in terms of inspections, investigations, various reports and returns have been compiled in great detail to enable effective functioning. The current revised edition has been</p>

meticulously compiled by Vigilance department. I wish to place on record my appreciation for the initiative taken by Corporate Vigilance headed by Sri Anurag Sahay, IRS, CVO and his dedicated Team Members.

[p. vii] T SUVARNA RAJU Director of Design and Development

FOREWORD

I am extremely happy to put on record that Vigilance Department has punctiliously revised the existing Vigilance Manuals. It is pleasure to share that HAL Vigilance Department in recent past, has taken innumerable initiatives to streamline vigilance related activities in the company.

Vigilance Manuals stipulating the legal and procedural framework is a 'sine qua non' for the efficient working of the Vigilance Department. Vigilance cannot be considered as an activity to merely prevent corruption. It does have a more meaningful role. In fact, Vigilance has to be seen as a part of the overall risk management mechanism of an organization whereby systems are structured in such a manner so as to prevent leakage even while making the organization transparent and accountable in its dealing with customers and stakeholders.

The objective of corruption free HAL cannot be done entirely by a small team of 40 plus Vigilance Officers. Undoubtedly, unless all stakeholders are involved in the process, effective Vigilance cannot be achieved. Every one working in their position, department have to come forward to fill the loopholes in the system. To cull out all relevant circulars and guidelines in form of a manual is a laudable initiative. This is a major step towards bringing awareness of various Vigilance concepts and practices in the organization.

I am sure all the Manual would prove very handy to all employees in facilitating easy reference of various rules and regulations concerning vigilance related matters and would assist them in performing their duties and responsibilities in an efficient and vigilant manner.

I congratulate Shri Anurag Sahay, CVO and his team for bringing out this updated/revised manual.

[p.ix] ANURAG SAHAY, I.R.S. Chief Vigilance Officer

FOREWARD

It is a matter of great privilege for me to present before the HAL Community, a completely revised and updated Vigilance Manual.

[...]

We accord highest priority to creating vigilance related awareness in the Company. Through our various publications, we strive to create awareness amongst our executives of the rules, regulations and guidelines which outline the perimeter of our operations.

I am confident that the new vigilance manual will be a useful guide, not only to the Vigilance functionaries, but also to all the officers and workmen of the Company. eve in its various articulations has stressed on the need for participative vigilance.

I would urge HAL Community to refer to the Manual for guidance, and contribute their share in enhancing accountability and transparency in our decision making processes.

[p.23] THE PLEDGE :

(Administered by Chairman, HAL to Vigilance Functionaries during the Bi-Annual Conference, 25th Apr to 27th Apr 2012)

"We, the Vigilance Professionals of Hindustan Aeronautics Limited, do hereby solemnly pledge that we shall continuously strive to bring about integrity and transparency in all spheres of our activities. We also pledge that we shall work unstintingly for eradication of corruption in all spheres of life .We shall remain Vigilant and work towards the growth of our Organization. Through our collective efforts, we shall bring pride to our organization and provide value based service to our countrymen. We shall strive to achieve total satisfaction of all stakeholders through result oriented quality anti corruption services with trust, integrity and efficiency. We shall exhibit the highest

standards of ethical behavior in our official and personal conduct. We shall do our duty conscientiously and act without fear or favour”.

Question
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
1
Comments
<p>There is evidence that the company has anti-bribery and corruption policies which apply to all employees, including those working for subsidiaries and other controlled entities, as well as executive and non-executive directors. There is evidence that these policies explicitly prohibit bribery and commercial bribery.</p> <p>However, there is no evidence that the company's policies prohibit facilitation payments or payments to public officials.</p>
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf [p.16] CORRUPTION RISK MANAGEMENT (CRM) SUB - POLICY I)</p> <p>PREAMBLE:</p> <p>a) Hindustan Aeronautics Limited (HAL), a public sector undertaking under the Ministry of Defence is premier Aerospace Complex in Asia involved in Design & Manufacture of aircraft & helicopters, aero engines, accessories and avionics (www.hal-india.com), with vision to become a significant global player in the aerospace industry.</p> <p>b) Our business is built on seven core values. Integrity is one of seven core values in the company and a key for ethical and good corporate governance.</p> <p>c) HAL has in place procedures and policies for all core business processes to ensure ethical and good corporate governance and uphold integrity of all stakeholders including third parties involved directly and indirectly in business transactions with the company.</p> <p>d) Our business processes are continuously updated to strive towards Transparency, Openness, Integrity and Accountability in all our business processes.</p> <p>[p.17] IV) Objectives</p> <p>The objective is to create and implement a Corruption Risk Management (CRM) policy with holistic framework that minimises the risks of corruption, which shall aim at:</p> <p>a) Raising awareness among all stakeholders about CRM and commitment for zero tolerance towards corruption.</p> <p>b) To identify corruption risks associated with risk prone specific business processes, evaluate & rate the risks and put in place mitigation measures to address each type of risks.</p> <p>c) Defining responsibilities of management and stakeholders in implementing this policy, identification and prevention of corruption.</p> <p>d) Deterrent action against corrupt conduct by strict, prompt and uniform enforcement of Anti-corruption regulations and laws.</p>

e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies.

f) Monitoring and Review of Policy at regular intervals to cope up with operational demands.

g) Learning from experiences & continually improving compliance, ethical decision making and integrity quotient of the Organization.

[p.18] SCOPE:

The scope of this policy covers the following:

a) This policy applies to all stakeholders including but not limited to all Whole time Board of Directors, and Independent Directors, Senior Management, Officers and other employee(s), ex-employee(s) working as advisors / consultants, persons engaged on contract / temporary basis, consultants etc.

b) This policy is applicable to external stakeholders through incorporation of appropriate clauses intenders / agreements / contracts etc.

c) External stakeholder shall include but not limited to suppliers / contractors / sub-contractors / Joint Ventures / Ancillaries / service providers / other outside agencies & representatives of suppliers / contractors / subcontractors / service providers / other outside agencies, who are doing business with the company and or any other parties having a business relationship with the company or any person acting in an official capacity for or on behalf of any of suppliers / contractors / subcontractors / service providers / Joint Ventures / Ancillaries / other outside agencies.

[6] Whistle Blower Policy (Document)

Accessed 25/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf>

[p.1] 2. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Code of Conduct ('the Code'), which lays down the principles and standards that should govern the actions of the Company and its employees. Any potential violation of "the Code", however insignificant or perceived, as such would be a matter of serious concern for the Company. The role of the employees in pointing out violation of the Code cannot be undermined. There is a provision under "the Code" requiring employees to report violations.

[26] 2018-19 Annual Report (Document)

Accessed 08/04/2020

<https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf>

[p.86] Declaration of Compliance with the Code of Conduct

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for Central Public Enterprises, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members & Senior Management of Hindustan Aeronautics Limited, for the year ended 31st March, 2019.

[signed]

(R. Madhavan) Chairman & Managing Director

Date: 13th June, 2019

[p.92] 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The policy covers the Company. In addition, the Company has adopted Integrity Pact with all vendors/ suppliers/ contractors/ service providers for all Orders/Contracts of value ` 500 lakhs and above.

The pact essentially envisages an agreement between the prospective vendors/bidders and the Principal (HAL), committing the Persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.iv) VM CHAMOLA Director HR

FOREWORD

Vigilance cannot be considered as an activity merely to prevent corruption. Considered holistically, it can acquire a more meaningful role. In fact, vigilance has to be seen as a part of the overall risk management mechanism of an organization whereby systems are structured in such a manner so as to prevent leakages even while making the organization transparent and accountable in its dealings with customers both internal and external.

The need of a Comprehensive Vigilance Manual has always been felt strongly so that all the relevant issues relating to a case could be examined in correct perspective and without a last minute pressure of locating the relevant instructions / guidelines here and there. Integrity of administration and honesty of officials manning it are indispensable factors to ensure good governance.

The extent to which we can make our internal machinery effective and responsive to the customers depends on the sincerity and probity of the officials. I am pleased to note that Corporate Vigilance has brought out the Vigilance Manual which consolidates various guidelines issued by the Central Vigilance Commission over the years and will be useful for carrying out the vigilance activities effectively. The Manual comprehensively covers all important aspects of Vigilance matters.

The action plan for the vigilance functionaries in terms of inspections, investigations, various reports and returns have been compiled in great detail to enable effective functioning. The current revised edition has been meticulously compiled by Vigilance department. I wish to place on record my appreciation for the initiative taken by Corporate Vigilance headed by Sri Anurag Sahay, IRS, CVO and his dedicated Team Members.

[p.ix] ANURAG SAHAY, I.R.S. Chief Vigilance Officer

FOREWARD

It is a matter of great privilege for me to present before the HAL Community, a completely revised and updated Vigilance Manual.

The present manual is released in four volumes,

- Vol. 1 Organisation & Policy
- Vol. 2 Disciplinary Proceedings
- Vol. 3 Technical Guidelines: Procurement,
- Vol. 4 Contract & Services Compendium Guidelines

We have updated the Manuals in the light of our experience in Vigilance Administration since Nov 2009, i.e. the period of release of the last manuals. We have also endeavoured to include the latest guidelines, court decisions, and the various changes in Vigilance Administration in HAL, such as Online Vigilance Clearance System, System of Vigilance Sensitisation of Recruitment Committee etc.

We accord highest priority to creating vigilance related awareness in the Company. Through our various publications, we strive to create awareness amongst our executives of the rules, regulations and guidelines which outline the perimeter of our operations.

I am confident that the new vigilance manual will be a useful guide, not only to the Vigilance functionaries, but also to all the officers and workmen of the Company. Even in its various articulations has stressed on the need for participative vigilance.

I would urge HAL Community to refer to the Manual for guidance, and contribute their share in enhancing accountability and transparency in our decision making processes.

[p.3] Core Values:

[p.4] Integrity – We believe in a commitment to be honest, trustworthy, and fair in all our dealings. We commit to be loyal and devoted to our organization. We will comply with all requirements so as to ensure that our organization is always worthy of trust.

5. Citizens Charter for HAL

This Charter is a declaration of our commitment, expectations and highest standards with total quality to achieve excellence in Design, Manufacture and Maintenance of Aerospace defence equipment, Software development for Aerospace application and Design Consultancy by managing the business on commercial lines in most fair, honest and transparent manner, with corruption free service for the benefit of the customers who are our partners in progress to ensure safe custody of public money.

Commitment : We shall accomplish our mission with

- (i) Absolute integrity and dedication
- (ii) Total customer satisfaction
- (iii) Honesty and transparency

[p.7] Corruption Free Services :

We shall ;

- (i) Shall adopt systems and procedures which leave no scope for any corrupt practices
- (ii) Maintain absolute confidentiality of the information/ complaints
- (iii) Believe means and ends cannot be separated. Good ends call for good means. Good means cannot but lead to good ends. There shall be no need for any one at any time to offer bribe or any other inducement for doing business with us. We shall promptly and expeditiously enquire into all genuine and legitimate complaints of corruption against any employee of our organization.
- (iv) Shall always be honest and transparent and would like to be seen as honest. We shall not claim any judicial privilege for our documents and records except in rare cases that too in the interest of national security.
- (v) Shall implement all the policies and directives of Central Vigilance Commission

[2] Conduct Discipline and Appeal Rules – 1984 (Document)

Accessed 25/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/CDA-Rules-Booklet.pdf>

[p.5] RULE 4 Code of Conduct :

i) Every officer of the Company shall at all times-

- a) maintain absolute integrity;
- b) maintain devotion to duty; and
- c) do nothing which is unbecoming of an officer of the Company or any act which may bring disrepute to the Company.

ii) Every officer of the Company shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being under his control and authority.

iii) Rules that are to be followed by officers in respect of specific matters/ transactions such as sale/purchase of property, gifts, contacts with foreign national etc., are stipulated in Schedule-I. Breach of any of these rules would be deemed as misconduct and the officers who violate these provisions are liable for disciplinary action in accordance with the provisions contained in these rules.

[p.6] RULE 5

Further, the following acts would be deemed to be misconduct and officer committing such acts would be liable to disciplinary action :

[p.7] xiv) Accepting or offering any illegal gratification or indulging in any corrupt practice;

xv) Possession of pecuniary resources or property disproportionate to the known sources of income by the officer or on his behalf by another person which the officer cannot satisfactorily account for;

[9] Code of Conduct for Senior Management and Directors (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf>

[p.1] CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF HINDUSTAN AERONAUTICS LIMITED

1. INTRODUCTION

1.1 This Code shall be called „The Code of Business Conduct & Ethics for Board Members and senior Management“ of Hindustan Aeronautics Limited (Hereinafter referred to as „the Company“).

1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

1.3 This Code for Board Members and Senior Management has been framed specially in compliance with the Guidelines on Corporate Governance issued by Department of Public Enterprises(DPE), Ministry of Heavy Industries & Public Enterprises.

1.4 It shall come into force with effect from the 1st January, 2008.

2. DEFINITIONS AND INTERPRETATIONS :

2.1 The term „Board Members“ shall mean Directors on the Board of Directors of the Company.

2.2 The term „Whole-time Directors or „Functional Directors“ shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.

2.3 The term „Part-time Directors“ shall mean Directors on the Board of Directors of the Company who are not in whole-time employment of the Company.

[p.2] 3. APPLICABILITY :

3.1 This code shall be applicable to the following personnel :-

a) All Whole-time Directors including Chairman and Managing Director of the Company.

b) All Part-time Directors including Independent Directors under the provisions of law.

c) Senior Management.

3.2 The Whole-time Directors and Senior Management (Grade IX & above) should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

[p.3] 5. GENERAL MORAL IMPERATIVES :

[...]

5.2 Be honest and trustworthy & practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Public Enterprises.

[p.4] 5.5 Pledge & Practice

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

[p.6] 6.7 Be upright and avoid any inducements :-

The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit for personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency.

[p.8] 7.5 Specific guidelines to Independent Directors

In addition to the general code of conduct for the Directors and other personnel referred to in this code, the following guidelines of conduct shall also be complied with by the Independent Directors:

I. Guidelines of professional conduct: An independent director shall:

(a) uphold ethical standards of integrity and probity;

[p.11] 7.6 Compliance with the Code of Business Conduct and Ethics

7.6.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code : The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.6.2 Treat Violations of this code as inconsistent association with the organization. Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.6.3 Annual Compliance Reporting : All Board Members and Senior Management shall affirm compliance of this Code within 30 days of close of every financial year. A proforma of Annual Compliance Report is at Appendix – II”. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his/her association with HAL.

[p.14] CODE OF CONDUCT FOR BAORD MEMBERS & SENIOR MANAGEMENT ANNUAL COMPLIANCE REPORT*

I, Do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the “Code of Business Conduct and Ethics for Board Members and Senior Management of HAL” during the financial year ending 31st March, 200__.

[22] Vigilance Manual Vol. II – Disciplinary Proceedings (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%202.pdf>

[p.110] 7.25 Effective punishment of the corrupt through traps

1. One of the main weaknesses in the present system of vigilance is that the corrupt public servants many a time escape punishment. Effective and prompt punishment of the corrupt is a sin qua non to change the present atmosphere of cynical apathy in the organizations under the purview of the CVC. There is a need to the issue of tackling corruption to create a healthy atmosphere that corruption will not be tolerated.

[p.167] ACTS OF MIS-CONDUCT AS PER STANDING ORDERS AND CDA RULES – AWARD OF PUNISHMENTS

[...]

Taking or giving bribes or any illegal gratification or indulging in any corrupt practice in connection with the employment or company's property.

Demotion / Dismissal.

[10] Principles and Policies on Business Responsibility (Document)

Accessed 11/07/2019

https://hal-india.co.in/Common/Uploads/DMS/Principles_and_Policy_on_Business_Responsibility.pdf

[p.1] 1. Key Principles

1.1 The Company has adopted the following nine key principles of Business Responsibility, prescribed in SEBI guidelines:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

[...]

2.0 Policies

2.1 Ethics, transparency and Accountability

2.1.1 The Company believes in value based governance and practices. It is committed to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and senior management have a responsibility to set exemplary standards of ethical behavior, both internally within the organisation, as well as in their external relationships. Management shall constantly endeavour to inculcate this ethical behaviour at all levels in the organization so that it becomes an essential part of the work culture among all HAL employees. Every employee of HAL shall conduct himself and deal on behalf of the company with professionalism, honesty and integrity, while conforming to high moral and ethical standards.

2.1.2 All business decisions and transactions shall be fair and, transparent, amenable to disclosure and be visible to relevant stakeholders. HAL believes that transparency means explaining Company's policies and actions to those to whom it has responsibilities. Therefore, the Company shall ensure maximum appropriate disclosures without jeopardizing the Company's strategic interests. Internally, transparency means openness in Company's relationship with its employees as well as the conduct of its business in a manner that will bear scrutiny. The Company believes that transparency enhances accountability. Everything it does must stand the test of public scrutiny.

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
2
Comments
There is evidence that the company's board of directors and its audit committee provide oversight of its anti-corruption programme.
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%202020-08-2018.pdf [p.23] XI) Review of Policy & Corruption prevention controls</p> <p>The Corruption Risk Management Policy will be reviewed as and when required by Risk Cell CO in coordination with CVO, HAL. The CRM policy will be reviewed annually during Risk Management Conference organized as per the mandate of the approved Risk Management policy. All such reviews will be based on:</p> <p>The outcome of such review will be put up to Management (Board of Directors) with suitable recommendations for additional / deletion / modification of policy and implementation of adequate controls / modification of procedures / manuals etc to mitigate risks of corruption. On approval the changes would be notified by the Management for information and compliance by all stakeholders.</p> <p>The Risk Cell of Corporate Office will report its collective findings to Management Committee (MC) & Audit Committee of the Board on annual basis (based on annual conference) about compliance to CRM policy and details of complaints, investigation status, action taken, review of controls / procedures, instances of non compliance of CRM policy and actions taken to strengthen policy on basis of previous lessons learnt based on investigations.</p> <p>[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf [p.12] iii) Review of Vigilance work by Board</p> <p>The Commission's instructions vide No.98/VGL/51 dated 9/12/2003 requires that the Board of Directors review the Vigilance Work in the organization and the CVO should send a copy of such review to the</p> <p>[p.13] Commission. It has been observed that in a number of organizations, the CVOs are not invited to the Board Meeting. In the absence of the CVO, the review of the vigilance work by the Board would not be meaningful. The Commission has, therefore, decided that the CMDs/CEOs should ensure that the CVO of the organization is invited and remains present at the time of the review of vigilance work by the Board.</p> <p>[Document makes reference to the Central Vigilance Commission, a government anti-corruption body]</p> <p>[p.119] OFFICE MEMORANDUM</p> <p>The undersigned is directed to refer to the OMs of this Department on the subject mentioned above and to state that it has been decided to modify and merge all these guidelines suitably as follows :-</p> <p>(a) The Chief Vigilance Officer (CVO) of a PSU will report directly to the Chief Executive as required under the approved Action Plan on anticorruption measures.</p> <p>[p.120] (h) Progress of vigilance work/disciplinary cases needs to be reviewed periodically and it has been decided that the Board of Directors of PSUs will continue to undertake such review at least once in six months.</p>

Question
1.4. Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?
Score
1
Comments
<p>There is evidence that the company’s Chief Vigilance Officer has responsibility for implementing and managing all anti-corruption activities at the company. There is evidence of reporting and feedback activities between the Chief Vigilance Officer and the company’s Chairman of the Board of Directors.</p> <p>However, evidence suggests that the Chief Vigilance Officer is not a senior executive.</p>
Evidence
<p>[3] Vigilance Department Overview (Webpage) Accessed 24/06/2019 https://hal-india.co.in/About%20Us/M_39</p> <p>The Vigilance department plays a vital role in ensuring that the Rules and laid down Procedures of the Govt and Company are adhered to in all circumstances and the discretionary powers vested with the individuals are exercised judiciously so that there is transparency in all official dealings. Vigilance Department pioneers the Anti-Corruption work of the Company.</p> <p>The Vigilance Department primarily focuses on Preventive and Punitive role. Another role is detective / surveillance. Preventive Vigilance is a pro-active approach, which looks at creating awareness and education on anti-corruption measure, simplification of rules and procedures, plugging loopholes in the system. Punitive vigilance deals with disciplinary action against the employees who have engaged in corrupt activities.</p> <p>The major work profile of the Department comprises investigation of complaints, preventive vigilance like surprise inspections, regular scrutiny of procurement and contracts files and carrying out CTE type inspections, etc.</p> <p>Vigilance Department in HAL has been instrumental in bringing far-reaching policy changes in almost every sphere of activity of the Company, like implementation of e-payments, e-tendering, computerization of Annual Property Returns etc to mention a few. The changes brought in due to the initiatives have not only streamlined the system but also paid rich dividends in the form of savings to the Company. The Department has been in the forefront striving consistently to improve vigilance administration, by usage of leveraging technology aiming to reduce bottlenecks/delays in systems/processes and thereby bring in more transparency and expediency in handling businesses of the organization. Vigilance department through its various preventive vigilance activities is making all efforts to reduce scope for corruption.</p> <p>HAL is one of very few CPSEs to have its independent vigilance cadre, which has resulted in autonomous and efficient internal regulatory mechanism. The Head of the Vigilance Department in HAL is Chief vigilance Officer (Officer on deputation from Central government deputed by the CVC).</p> <p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf</p> <p>[p.20] a) Vigilance Department:</p> <ol style="list-style-type: none"> i. The divisional / corporate vigilance department shall identify the corruption related risks based on complaints, intelligent information sources and other means and rate the risks with suggested mitigation measures. ii. The divisional vigilance department to submit annual report to CVO, HAL. iii. It is responsibility of Corporate Vigilance Office (being Head office for Vigilance) to consolidate the corruption risks identified at division as well as corruption risks identified by Corporate Vigilance and submit comprehensive annual report to Management including corruption risks identified and suggested measures to mitigate, minimize / eliminate and control these risks

[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf>

[p.119] OFFICE MEMORANDUM

The undersigned is directed to refer to the OMs of this Department on the subject mentioned above and to state that it has been decided to modify and merge all these guidelines suitably as follows :-

(a) The Chief Vigilance Officer (CVO) of a PSU will report directly to the Chief Executive as required under the approved Action Plan on anticorruption measures.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

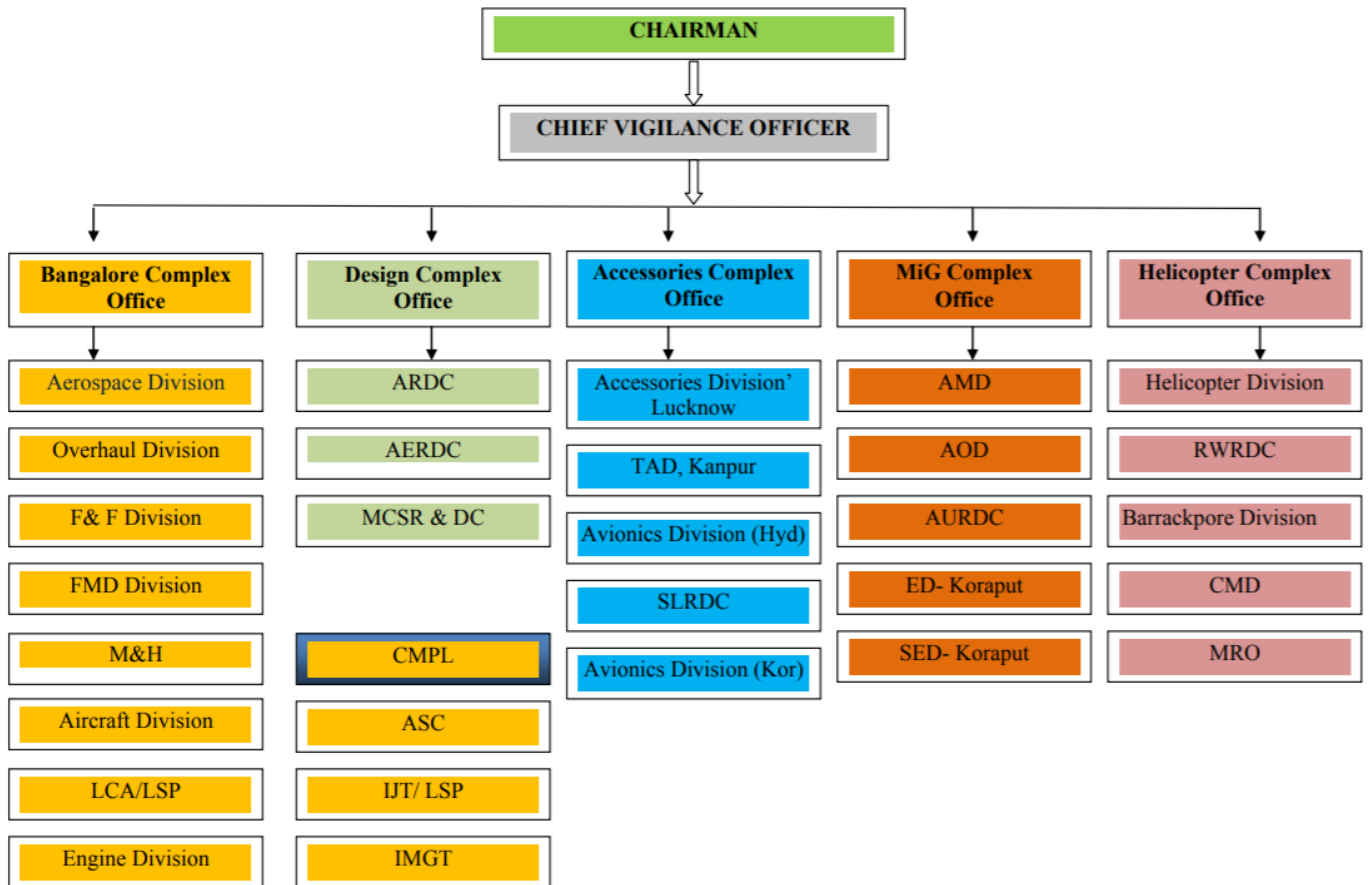
Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.23] HAL is one of very few CPSEs to have its independent vigilance cadre, which has resulted in autonomous and efficient internal regulatory mechanism. The Head of the Vigilance Department in HAL is Chief Vigilance Officer (Officer on deputation).

[p.24]

VIGILANCE SET-UP IN HAL



[p.27] All the Vigilance Officers of the Department are adequately trained to understand, implement and guide the subordinate staff in the implementation of the Quality Standards as per the laid down procedures. They are also trained as Qualified Internal Auditors to carry out Internal Audit periodically of each and every Complex /Division Vigilance Unit to ensure that the Quality Management Procedures are properly implemented.

[...]

(a) Duties of Chief Vigilance Officer :

(i) To act as a link between HAL and Central Vigilance Commission on the one hand and HAL and Ministry of Defence on the other. To investigate and report on the complaints forwarded by the Central Vigilance Commission/ Ministry against officials of HAL. Also to assist/advise the Chairman HAL, in combating corruption.

(ii) To ensure that assessments are made of the scope and modes of corruption and malpractices in the HAL and to suggest measures to check them.

(iii) To examine rules and procedures/ to remove loopholes and defects with a view to eliminate or minimize factors, which provide opportunities for corruption and malpractices.

(iv) To plan and enforce regular inspections, surprise checks for detecting failures in quality or speed of work, which be indicative of the existence of corruption or malpractice.

(v) To scrutinize all complaints and information received in the Corporate Office having vigilance angle and to arrange for adequate enquiries to be made and action to be taken on the reports received.

[p.28] (xiii) To collect and maintain, for the information of Chairman statistics and other particulars about vigilance and anti-corruption work done in various units of HAL.

(xiv) To place before the Chairman a list of Executives having a bad reputation or a dubious past for suitable action.

[p.29] (xx) The CVO will assess the performance of the Vigilance officers in the capacity of Initiating Authority/Reviewing Authority as the case may be and would be responsible for the general administration (including detailing for training, transfer/job rotation, promotion, sanction of leave, disciplinary action etc) of the Vigilance officers and workmen in the Divisions and Corporate Office.

(xxi) The CVO is vested with the financial powers within the sanctioned budget for the Vigilance Department and administrative authority equivalent to that of the Functional Director of HAL for the smooth functioning of the Vigilance Department.

[p.34] 3. Authority for carrying out Vigilance Work in HAL

The Chief Vigilance Officer and the Vigilance Officials (posted in the Complex/Division) are the extended arms of the Central Vigilance Commission and are duty bound to implement the anti-corruption measures of the Government in HAL, completely and effectively.

[26] 2018-19 Annual Report (Document)

Accessed 08/04/2020

<https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf>

[p.44] Vigilance

The Vigilance Department of the Company is headed by the Chief Vigilance Officer (CVO), an IPoS Officer on deputation from the Govt. of India. Vigilance Officers and Staff are posted to the Corporate Office and all the Divisions and Complexes of the Company.

2. Internal Controls

Question
2.1 Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
2
Comments
There is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of its anti-bribery and corruption programme. There is evidence that the results of risk assessments are reviewed by the board on at least an annual basis. There is additional evidence that the results of such reviews are used to develop tailored mitigation plans and to update specific parts of the company's anti-bribery and corruption programme.
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%202020-08-2018.pdf [p.6] 8.6 Mitigation of Corruption Risks</p> <p>8.6.1 The Corporate Vigilance Office will consolidate the corruption risks identified by Corporate Vigilance and submit and suggest measures to mitigate minimize / eliminate and control corruption risks. The details of this sub-policy are placed in Annexure – 9.</p> <p>8.6.2 The Corporate Vigilance Department will forward Annual Report on status of complaints received and cases of violations of CRM Policy to Risk Cell for submission to the Management Committee & Audit Committee.</p> <p>8.7 Mitigation of Legal Risks</p> <p>8.7.1 CO Legal Section and Company Secretariat will review the risks arising out of practical difficulties involved in legal and statutory compliances and the mitigation plans required will be prepared by the respective Divisional / Complex offices.</p> <p>8.8 Annual Review</p> <p>8.8.1 An annual Risk Management Conference will be held to share and review the deployment of the Risk Management Policy. A report on the same will be placed before the MC Audit committee of the Board every year before 31st May.</p> <p>[p.17] II) FRAME WORK</p> <p>As mandated by the DPE (Department of Public Enterprises) & CVC (Central Vigilance Commission) guidelines / instructions, public sector enterprises need to implement Corruption Risk Management policy and identify areas vulnerable to corruption. The policy framework all needs to identify and implement the measures required to mitigate, minimize / eliminate and control corruption related risks.</p> <p>III) STATEMENT</p> <p>a) HAL is committed to promote and adhere to the highest standards of probity, transparency and accountability in business operations and management of the organization. Through this policy, we commit fully and unequivocally to adopt a zero-tolerance approach towards corruption and we further commit to ensure compliance to the anti-corruption policy of organization and laws of state.</p> <p>b) We shall continue to make all efforts to eliminate corruption associated with company business activities and promote transparency, accountability and integrity at all levels and across stakeholders through effective prevention, identification and punishment of all corrupt practices by leveraging Information Technology enabled</p>

tools. The policy outlines the company's systematic approach to identification, reporting, response & mitigation of corruption risks.

IV) OBJECTIVES

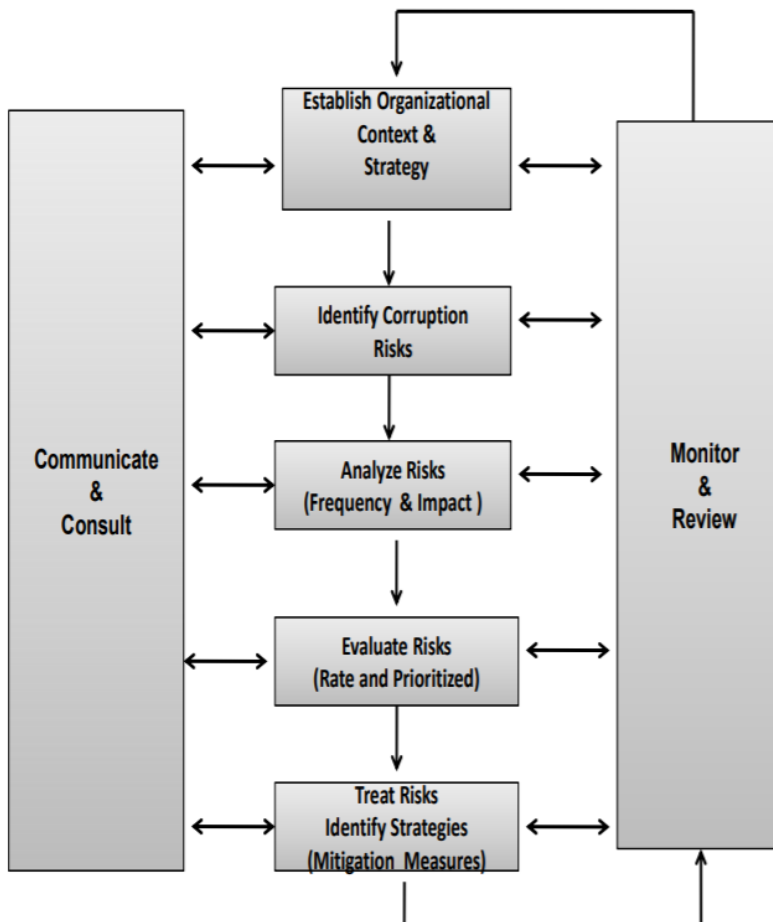
The objective is to create and implement a Corruption Risk Management (CRM) policy with holistic framework that minimises the risks of corruption, which shall aim at:

- a) Raising awareness among all stakeholders about CRM and commitment for zero tolerance towards corruption.
- b) To identify corruption risks associated with risk prone specific business processes, evaluate & rate the risks and put in place mitigation measures to address each type of risks.
- c) Defining responsibilities of management and stakeholders in implementing this policy, identification and prevention of corruption.
- d) Deterrent action against corrupt conduct by strict, prompt and uniform enforcement of Anti-corruption regulations and laws.
- e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies.
- f) Monitoring and Review of Policy at regular intervals to cope up with operational demands.

[p.18] g) Learning from experiences & continually improving compliance, ethical decision making and integrity quotient of the Organization.

[p.19]

VI) CRM PROCESS - GRAPHICAL REPRESENTATION



STAGES INVOLVED IN CORRUPTION RISK MANAGEMENT PROCESS

[p.20] a) Vigilance Department:

It is responsibility of Corporate Vigilance Office (being Head office for Vigilance) to consolidate the corruption risks identified at division as well as corruption risks identified by Corporate Vigilance and submit comprehensive annual report to Management including corruption risks identified and suggested measures to mitigate, minimize / eliminate and control these risks

[p.21] IX) Corruption Risk Assessment (Actions Constituting Corruption):

a) The risk of corruption may occur in any sphere of business activities and may evolve in the light of changing circumstances and working environment or external influences or loophole in policies / procedures. In its endeavor to proactively address risks of corruption, it shall be ensured that a proper corruption risk management process is in place. Corruption Risk assessment shall focus on a thorough analysis of the functional activities in close collaboration with internal stakeholders involved in the processes with a view to identify potential corruption risk areas. The corruption risks shall also be identified based on complaints and other sources.

b) The corruption risks linked to business activity / processes and rating to identify the impact of corruption risks shall be done as per Enclosure - 01. The report on corruption risks shall be submitted based on the guidelines and as per format specified at Enclosure - 01.

X) Corruption Prevention, Identification of Risks & its management (through Policy, Procedures, Audits, Surprise checks, Clarity in Reasonability and Accountability, Complaint handling)

a) Corruption Prevention:

Company has laid down the following procedures / policies (which is illustrative and not exhaustive) towards ensuring compliance to high

[p.22] standards of ethics, transparency and fairness in all sensitive functional areas. The same shall be updated and circulated to all as and when required.

- i. Senior Officers Code of Conduct
- ii. Officers Code of Conduct (HAL CDA Rules, 1984)
- iii. Standing Orders for Workmen
- iv. Manuals / Procedure for recruitment, promotion, purchases, outsourcing, Works.
- v. Delegation of Power to ensure proper responsibility and accountability for approvals.
- vi. Preventive and punitive vigilance activities & other initiatives of Vigilance department.
- vii. Signing of Integrity pact by bidders.
- viii. Undertaking from employees engaged on contract basis etc.
- ix. Job Rotation in sensitive functional areas.
- x. Security system

b) Identification of Corruption Risks:

- i. Company stakeholders who become aware of or suspect a violation of this Policy are under an obligation to report the same to the Company.
- ii. Each of stakeholder will be encouraged to report wrongdoing and notify the company of suspected violations of the company's CRM policy and applicable regulations.
- iii. Any non compliance will be also identified through routine auditing of files, Accounts, Project Reports etc by Auditors / Routine or Surprise verification by vigilance department.
- iv. Promotion of Whistle blower policy.

[p.23] XI) Review of Policy & Corruption prevention controls

The Corruption Risk Management Policy will be reviewed as and when required by Risk Cell CO in coordination with CVO, HAL. The CRM policy will be reviewed annually during Risk Management Conference organized as per the mandate of the approved Risk Management policy. All such reviews will be based on:

- i. Inputs from Chief Vigilance Officer, HAL based on findings of various cases related to corruption;
- ii. Inputs from various stakeholders;
- iii. Due to the changes in the regulations / Govt. guidelines or best practices etc.

iv. Need to strengthen effectiveness and adequacy of the Internal Control System to provide assurance that they are effective in countering corruption opportunities. The outcome of such review will be put up to Management (Board of Directors) with suitable recommendations for additional / deletion / modification of policy and implementation of adequate controls / modification of procedures / manuals etc to mitigate risks of corruption. On approval the changes would be notified by the Management for information and compliance by all stakeholders.

XII) Information to Management Committee and Audit Committee

The Risk Cell of Corporate Office will report its collective findings to Management Committee (MC) & Audit Committee of the Board on annual basis (based on annual conference) about compliance to CRM policy and details of complaints, investigation status, action taken, review of controls / procedures, instances of non compliance of CRM policy and actions taken to strengthen policy on basis of previous lessons learnt based on investigations.

[p.24] The Corporate Vigilance Department will forward Annual Report on status of complaints received and cases of violations of CRM policy to Risk cell for submission to the Management Committee & Audit Committee.

[3] Vigilance Department Overview (Webpage)

Accessed 24/06/2019

https://hal-india.co.in/About%20Us/M_39

Vigilance Department in HAL has been instrumental in bringing far-reaching policy changes in almost every sphere of activity of the Company, like implementation of e-payments, e-tendering, computerization of Annual Property Returns etc to mention a few. The changes brought in due to the initiatives have not only streamlined the system but also paid rich dividends in the form of savings to the Company. The Department has been in the forefront striving consistently to improve vigilance administration, by usage of leveraging technology aiming to reduce bottlenecks/delays in systems/processes and thereby bring in more transparency and expediency in handling businesses of the organization. Vigilance department through its various preventive vigilance activities is making all efforts to reduce scope for corruption.

Question
2.2. Is the company’s anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
2
Comments
<p>There is evidence that the company’s entire anti-corruption programme is subject to a regular audit and review process to ensure maximum efficacy and that it is consistent with best practice and the business risks facing the company, including provisions for continuous improvement. There is also evidence that audit findings are presented to the board, with clear ownership assigned to units and/or individuals for planned updates and improvements to the programme.</p>
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf [p.6] Mitigation of Corruption Risks</p> <p>8.6.1 The Corporate Vigilance Office will consolidate the corruption risks identified by Corporate Vigilance and submit and suggest measures to mitigate minimize / eliminate and control corruption risks. The details of this sub-policy are placed in Annexure – 9.</p> <p>8.6.2 The Corporate Vigilance Department will forward Annual Report on status of complaints received and cases of violations of CRM Policy to Risk Cell for submission to the Management Committee & Audit Committee.</p> <p>8.7 Mitigation of Legal Risks</p> <p>8.7.1 CO Legal Section and Company Secretariat will review the risks arising out of practical difficulties involved in legal and statutory compliances and the mitigation plans required will be prepared by the respective Divisional /Complex offices.</p> <p>8.8 Annual Review</p> <p>8.8.1 An annual Risk Management Conference will be held to share and review the deployment of the Risk Management Policy. A report on the same will placed before the MC Audit committee of the Board every year before 31st May.</p> <p>[p.16] CORRUPTION RISK MANAGEMENT (CRM) SUB - POLICY I) PREAMBLE:</p> <p>[...]</p> <p>c) HAL has in place procedures and policies for all core business processes to ensure ethical and good corporate governance and uphold integrity of all stakeholders including third parties involved directly and indirectly in business transactions with the company.</p> <p>d) Our business processes are continuously updated to strive towards Transparency, Openness, Integrity and Accountability in all our business processes.</p> <p>[p.17] IV) OBJECTIVES</p> <p>The objective is to create and implement a Corruption Risk Management (CRM) policy with holistic framework that minimises the risks of corruption, which shall aim at:</p> <p>[...]</p>

e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies.

f) Monitoring and Review of Policy at regular intervals to cope up with operational demands.

[p.18] g) Learning from experiences & continually improving compliance, ethical decision making and integrity quotient of the Organization.

[p.21] b) Line / Staff Management:

i. CRM policy implementation and compliance shall be driven by strong tone at the top management through strong administration and oversight of compliance.

ii. It is the responsibility of Head of division and Heads of every department to promote the anti-corruption policy within their areas of operation and to maintain an effective control system. They shall provide information to vigilance department on any noncompliance and potential corruption risks.

iii. It is responsibility of Corporate Management to take adequate mitigation and control measures based on annual report submitted by Vigilance and also ensure implementation of same by bringing in requisite changes in policy / procedures and administrative measures and other means as necessary.

[...]

IX) Corruption Risk Assessment (Actions Constituting Corruption):

a) The risk of corruption may occur in any sphere of business activities and may evolve in the light of changing circumstances and working environment or external influences or loophole in policies / procedures. In its endeavor to proactively address risks of corruption, it shall be ensured that a proper corruption risk management process is in place. Corruption Risk assessment shall focus on a thorough analysis of the functional activities in close collaboration with internal stakeholders involved in the processes with a view to identify potential corruption risk areas. The corruption risks shall also be identified based on complaints and other sources.

b) The corruption risks linked to business activity / processes and rating to identify the impact of corruption risks shall be done as per Enclosure - 01. The report on corruption risks shall be submitted based on the guidelines and as per format specified at Enclosure - 01.

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vi. Preventive and punitive vigilance activities & other initiatives of Vigilance department.

vii. Signing of Integrity pact by bidders.

viii. Undertaking from employees engaged on contract basis etc.

ix. Job Rotation in sensitive functional areas.

x. Security system

b) Identification of Corruption Risks:

- i. Company stakeholders who become aware of or suspect a violation of this Policy are under an obligation to report the same to the Company.
- ii. Each of stakeholder will be encouraged to report wrongdoing and notify the company of suspected violations of the company's CRM policy and applicable regulations.
- iii. Any non compliance will be also identified through routine auditing of files, Accounts, Project Reports etc by Auditors / Routine or Surprise verification by vigilance department.
- iv. Promotion of Whistle blower policy.

[p.23] XI) Review of Policy & Corruption prevention controls

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- ii. Inputs from various stakeholders;
- iii. Due to the changes in the regulations / Govt. guidelines or best practices etc.
- iv. Need to strengthen effectiveness and adequacy of the Internal Control System to provide assurance that they are effective in countering corruption opportunities. The outcome of such review will be put up to Management (Board of Directors) with suitable recommendations for additional / deletion / modification of policy and implementation of adequate controls / modification of procedures / manuals etc to mitigate risks of corruption. On approval the changes would be notified by the Management for information and compliance by all stakeholders.

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The Risk Cell of Corporate Office will report its collective findings to Management Committee (MC) & Audit Committee of the Board on annual basis (based on annual conference) about compliance to CRM policy and details of complaints, investigation status, action taken, review of controls / procedures, instances of non compliance of CRM policy and actions taken to strengthen policy on basis of previous lessons learnt based on investigations.

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[26] 2018-19 Annual Report (Document)

Accessed 08/04/2020

<https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf>

[p.44] Preventive and Proactive Vigilance has been the thrust area of the Vigilance Department. Some of the major initiatives by the Department during the year were:

x Amendment to Purchase Manual:

Vigilance took initiative and organised a brainstorming session on the prevailing Supply Chain Management of the Company. As a result, 16 amendments were issued to the Purchase Manual which will help Managers in the decision-making and procurement process.

x System studies were carried out to streamline procedure for:

x Engagement of job contract labour/ skilled contract labour vis-à-vis their attendance and payments;

x Management of HAL schools including engagement of teachers;

x Procurement of medicines;

x Measures towards cost efficiency and cost reduction.

x Sensitisation on Vigilance: 76 (Seventy six) sessions were conducted to sensitise the HAL fraternity to be vigilant and join hands in curbing corruption. Workshops were held across the Divisions on Vigilance-related topics.

x Workshops: Several workshops were conducted with important functionalities/stakeholders in areas like Material Management, Finance, HR, Service Contracts, and Work Contracts.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.v] K NARESH BABU Managing Director

Foreward

[...]

Regular review and updating of policies and manuals is also a strong indicator of an organisation which is live and active, more so for an anti corruption entity like that of the Vigilance Department. It gives the double advantage. To the Department in specific, by ensuring delivery of professional anti corruption services and the organisation in general to meet the ethical requirements in the discharge of duties which is the cornerstone of good corporate governance. I am therefore doubly delighted that Vigilance Department in HAL which is in the forefront of pursuing regular updating and reviewing of various Manuals and policies, is leading by example by publishing the revised Vigilance Manuals. I am sure that the efforts of the Department would help HAL to deliver quality products based on strong fundamentals of integrity and ethics. I compliment Shri Anurag Sahay, IRS, the Chief Vigilance Officer and his team for this remarkable endeavour and wish the Department all the success in partnering the HAL to reach greater heights and realise the common goals and objectives.

[p.23] Vigilance Department in HAL has been instrumental in bringing far-reaching policy changes in almost every sphere of activity of the Company, like implementation of e-payments, e-tendering, computerization of Annual Property Returns etc to mention a few. The changes brought in due to the initiatives have not only streamlined the system but also paid rich dividends in the form of savings to the Company. The Department has been in the forefront striving consistently to improve vigilance administration, by usage of leveraging technology aiming to reduce bottlenecks/delays in systems/processes and thereby bring in more transparency and expediency in handling businesses of the organization. Vigilance department through its various preventive vigilance activities is making all efforts to reduce scope for corruption.

[p.26] Quality Objectives :

1. To meet customer needs and expectations by attending to all anti-corruption issues judiciously and expeditiously in a climate of absolute professional competence and honesty by meeting all applicable regulatory requirements.
2. To sustain and maintain the highest standard of quality management system in anti-corruption services in conformity with the policies/guidelines of government of India, CBI, CVC and HAL, with Trust Integrity Efficiency and timely completion of tasks.
3. To critically examine various systems and procedures of the Company to ensure their conformity to policies and norms of Government of India CVC and HAL with a view to bring in transparency and expeditiousness in adherence by all employees.

[p.27] 4. To strive for continual improvements to achieve ultimate goal of Total Quality Management in Anti-Corruption Services.

[...]

All the Vigilance Officers of the Department are adequately trained to understand, implement and guide the subordinate staff in the implementation of the Quality Standards as per the laid down procedures. They are also

trained as Qualified Internal Auditors to carry out Internal Audit periodically of each and every Complex /Division Vigilance Unit to ensure that the Quality Management Procedures are properly implemented.

[...]

(a) Duties of Chief Vigilance Officer :

(i) To act as a link between HAL and Central Vigilance Commission on the one hand and HAL and Ministry of Defence on the other. To investigate and report on the complaints forwarded by the Central Vigilance Commission/ Ministry against officials of HAL. Also to assist/advise the Chairman HAL, in combating corruption.

(ii) To ensure that assessments are made of the scope and modes of corruption and malpractices in the HAL and to suggest measures to check them.

(iii) To examine rules and procedures/ to remove loopholes and defects with a view to eliminate or minimize factors, which provide opportunities for corruption and malpractices.

(iv) To plan and enforce regular inspections, surprise checks for detecting failures in quality or speed of work, which be indicative of the existence of corruption or malpractice.

[p.34] 3. Authority for carrying out Vigilance Work in HAL The Chief Vigilance Officer and the Vigilance Officials (posted in the Complex/Division) are the extended arms of the Central Vigilance Commission and are duty bound to implement the anti-corruption measures of the Government in HAL, completely and effectively. In order to achieve the above objectives, all Vigilance Officials are duly empowered by the Chief Vigilance Officer with the following authority :-

[...]

(b) All Vigilance Officials are empowered to seize records/ documents/ files/information (contained in any electronic storage device in any form)/ articles, for the purpose of vigilance investigation;

(c) All Vigilance Officials are empowered to examine employees of HAL for vigilance enquiries/investigation, record their statement, obtain their signature on such statements/obtain their signature samples etc.

[p.73] Periodic Review and Evaluation

The Principal periodically reviews the effectiveness of Integrity Pact Program through all or some of the following :

[IEM is Independent External Monitor]

- i. IEM will have to submit a Quarterly Report on the progress and effectiveness of Integrity Pact Program.
- ii. IEM and senior leadership of the Principal will do a self-assessment of Integrity Pact Program's effectiveness and identify areas / ways to improve.
- iii. Principal will have to conduct a complete and periodic review by an outside agency, including Government Officials, suppliers, Independent Observers etc. about IP's effectiveness in reducing corruption.
- iv. Principal will have to meet with CVC and TI-India on an annual basis to discuss the above.

[p.103] Preparation of Annual Action Plan: As per CVC guidelines an "Action Plan" will be drawn every year for the period from April to March. In the Action Plan systematic Vigilance Inspections will be planned which will cover all the departments of HAL. Corporate office will draw an action plan for all the Divisions/Complexes. The Vigilance Inspections will also be planned for Liaison offices and other HAL offices located at various places. Based on the Action Plan drawn by the Corporate Office the divisional vigilance departments will draw their own detailed action plan and conduct the vigilance inspections and forward a report accordingly. The inspections carried out as per Action Plan are besides the routine and surprise inspections, which may be normally carried out by the vigilance department. The Action Plan should essentially consist of the departments including sensitive and non-sensitive, their sections and places of interaction with public where the vigilance inspections are intended to be conducted. Once the Action Plan is conceptualised and put on paper responsibilities should be delegated to the

[p.104] officers and staff to carry out vigilance inspections systematically and record their observations. The irregularities noticed during the inspection may be further investigated to pin point the responsibilities of the individuals for the lapses, which will be forwarded separately under the investigation reports for initiation of

Disciplinary Proceedings if warranted. The Action Plan should include a thorough study of systems, procedures, rules & regulations, to be carried out during the period. After the systems are studied thoroughly the loopholes/lacunae are to be pointed which aid manipulations/malpractices and also suggest remedial measures to plug the loopholes.

Vigilance Awareness programmes should be planned in the Action Plan periodically in co-ordination with the training department of the Divisions for both Executives and Non Executives.

[5] Achievements of Department (Webpage)

Accessed 03/04/2020

https://hal-india.co.in/Achievements%20of%20Department/M_47

Structured Meeting with Management

Structured Meeting with Management (At Division/Complex/CO level) are conducted to monitor progress of the pending disciplinary cases. Introduction of new reporting system, i.e., Four-Part Report has been instrumental in identifying the stages at which the delays occur in processing the cases and to take necessary follow-up action with the concerned authorities to expedite the action. This initiative has brought down the time taken considerably in concluding Vigilance cases.

Online Compliant Handling System

HAL Vigilance department has online compliant handling system which has cut down delays in processing and concluding the cases and also in taking timely preventive action wherever required

Systems Improvement

System studies were carried out across divisions of HAL in the areas of Time lag in placement of purchase orders, Acceptance of materials, Payment to vendors, Material issued to outsourcing vendors, idling, delay installation and commission of machines, CSR works, Labour contracts. Points requiring systemic correction as noted during system studies and investigations were brought to the notice of the Management for suitable intervention. Total 19 circulars issued by management towards systems improvement. Some of them are:

- Guidelines on Finalization of Receiving Reports (RR) and Payments to vendors;
- Guidelines for Real Time Gross Settlement (RTGS), Bank reconciliation etc.;
- Streamlining procedures for Material issued to Sub-contractors, rejection w.r.t. Outsourcing vendor including Material Gate pass system;
- Land Management Policy;

[9] Code of Conduct for Senior Management and Directors (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf>

[p.11] 7.7.1 Continual Updation of Code This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board

[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf>

[p.99] VIGILANCE COMMITTEE MEETING RECONSTITUTION OF VIGILANCE COMMITTEES

1. According to para 7 Chapter-I of Vigilance Manual, a Vigilance Committee shall be constituted in each Division comprising of the General Manager, who will be the Chairman and Chief / Senior Manager (S&V) who will be the Member-Secretary and other officers to be appointed by Chairman/Director (Personnel) as Members. Consequent to the bifurcation of Vigilance Department and considering the geographical location of the various complexes/ Divisions the officers who will constitute the Vigilance Committee is given as per Annexure-I enclosed. Hereafter Vigilance Head of the Complex/division will be the Member-Secretary of the Vigilance Committee Meeting.

2. The Committee constituted as above will meet once in 3 months as indicated in our letter No HAL/ED(S&V)/64/96 dated 25th Apr 96. The general guidelines on conduct of Vigilance Committee Meeting will be as per Annexure II. (HAL/CO/VIG/55/99/66 dated 12/16 Feb 99)

ANNEXURE-II GENERAL GUIDELINES FOR VIGILANCE COMMITTEE MEETING

The Vigilance Committee constituted should strictly adhere to the time schedule with reference to the periodicity fixed for the Meeting, draw out agenda

[p.100] Agenda Points:

[...]

4. Streamlining of Procedures. There are numerous cases pertaining to false LTC, TA/DA, Medical Claims etc. Similarly numerous lacunae observed in Purchase Manual and Contracts etc, could be discussed by the Vigilance Committee during the meeting. The Chairman of the Committee can also ask Vigilance and P&A Department to study problem areas for improving effectiveness through the laid down procedures and suggest remedial measures to plug the loopholes in the procedures. This will go a long way in improving the effectiveness of work being carried out in our Company.

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
2
Comments
<p>The company publicly commits to investigating incidents promptly, independently and objectively. There is evidence that the company takes steps to ensure the independence of its investigations and it commits to establishing root causes, putting in place remediation plans and reporting investigative findings to senior management and the board. For whistleblowing cases, there is evidence that there is a procedure in place that stipulates documentation and actions to be taken at every step of the case, from receipt to final outcome, and that the company commits to ensure whistleblowers are informed of the outcome, if they so wish. There is also evidence that the company's Vigilance Commission receives and reviews summary information of all incidents and their status in the organisation and its subsidiaries, on at least an annual basis.</p>
Evidence
<p>[8] Online Complaint – Vigilance (Webpage) Accessed 07/07/2019 https://hal-india.co.in/Online%20Complaint/M_51 Online Complaint</p> <p>As per Central Vigilance Commission guidelines, no action will be taken on Anonymous / Pseudonymous Petition / Complaints.</p> <p>We request you to post your Complaint in the Vigilance Complaint Form only to address serious issues for which you would like the intervention of the Vigilance department of the Company. Please do not use this particular forum to address any other queries.</p> <p>Upon receipt of complaint, verification will be done to ascertain whether <u>Vigilance angle</u> exists in the complaint or not and complaint will be processed only if there is a <u>Vigilance angle</u>. Hence, complaints having clear cut <u>Vigilance angle</u> can only be addressed.</p> <p>For faster processing of the complaint, it is suggested that Complainant may provide his/her E-mail ID in the field mentioned in the Complaint Form.</p> <p>Please be sure that your matter merits the attention of the Vigilance Department. If so, please Click here to submit your Complaint and Check online Complaint status</p> <p>[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf [p.99] VIGILANCE COMMITTEE MEETING RECONSTITUTION OF VIGILANCE COMMITTEES</p> <p>1. According to para 7 Chapter-I of Vigilance Manual, a Vigilance Committee shall be constituted in each Division comprising of the General Manager, who will be the Chairman and Chief / Senior Manager (S&V) who will be the Member-Secretary and other officers to be appointed by Chairman/Director (Personnel) as Members. Consequent to the bifurcation of Vigilance Department and considering the geographical location of the various complexes/ Divisions the officers who will constitute the Vigilance Committee is given as per Annexure-I enclosed. Hereafter Vigilance Head of the Complex/division will be the Member-Secretary of the Vigilance Committee Meeting.</p> <p>2. The Committee constituted as above will meet once in 3 months as indicated in our letter No HAL/ED(S&V)/64/96 dated 25th Apr 96. The general guidelines on conduct of Vigilance Committee Meeting will be as per Annexure II. (HAL/CO/VIG/55/99/66 dated 12/16 Feb 99)</p> <p>ANNEXURE-II GENERAL GUIDELINES FOR VIGILANCE COMMITTEE MEETING</p> <p>The Vigilance Committee constituted should strictly adhere to the time schedule with reference to the periodicity</p>

fixed for the Meeting, draw out agenda

[p.100] Agenda Points :

2. Review of Pending Vigilance Cases. The committee should identify the problem areas in various vigilance cases, find a solution for speedy disposal and if required may call the Enquiry Officer to attend such meeting with a view to ensuring that the Disciplinary proceedings are finalized within the stipulated time frame viz six months from the date of appointment of Inquiry Officer, in this connection attention to Chairman letter issued vide No HAL/P&A/97/1753 dated 16.12.97 is also invited.

[6] Whistle Blower Policy (Document)

Accessed 25/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf>

[p.1] 2. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Code of Conduct ('the Code'), which lays down the principles and standards that should govern the actions of the Company and its employees. Any potential violation of "the Code", however insignificant or perceived, as such would be a matter of serious concern for the Company. The role of the employees in pointing out violation of the Code cannot be undermined. There is a provision under "the Code" requiring employees to report violations.

3. Accordingly, this Whistle Blower Policy (the Policy) has been formulated with a view to provide a mechanism for employees of the Company to approach the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit of the Company.

[p.2] SCOPE

5. This policy is an extension of the HAL Code of Conduct, circulated vide letter No.CO/SEC/305/COC/2008 dated 11th March 2008 as revised from time to time. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

6. Whistle Blower should not act on their own in conducting any investigative activities nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit or other identified Investigators.

7. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit as the case may be.

[p.3] ELIGIBILITY

8. All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be related to matters concerning the Company.

DISQUALIFICATIONS

9. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

a) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

b) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

[p.4] INVESTIGATION

17. All Protected Disclosures reported under this policy will be thoroughly investigated. The Chairman of the Audit

[p.5] Committee / Director (HR) / Head of Systems Audit of the Company or any authorized person / agency including Vigilance Department will investigate under the authorization of the Audit Committee.

18. The Chairman of the Audit Committee / Director (HR) / Head of Systems Audit may at his discretion consider involving any Investigators for the purpose of investigation.

19. The decision to conduct an investigation taken by the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit is by itself not an accusation and is to be treated as a neutral fact finding process.

20. The identity of a Subject(s) and the Whistle Blower will be kept confidential to the extent possible, given the legitimate needs of law and the investigation.

21. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

22. Subject(s) shall have a duty to co-operate with the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit or any of the Investigators during investigation to the extent that such co-operation will not compromise selfincrimination protections available under the applicable laws.

23. Subject(s) have a right to consult with a person or persons of their choice, other than the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit / Investigators and / or members of the Audit Committee and / or the Whistle Blower. Subject(s) shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

24. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witness shall not be influenced, coached, threatened or intimidated by the Subject(s).

25. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

26. Subject(s) have a right to be informed of the outcome of the investigation. If allegations are not substantiated, the subject

[p.6] should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company. However, interest of the Company will prevail over the other.

27. The investigation shall be completed normally within thirty days of the receipt of the Protected Disclosure.

28. No 'Disclosure' which is more than 3 years old from the date of noticing the said unethical behaviour, suspected fraud, violation etc., will be taken up, in order to prevent any person from raising issues with ulterior motive.

[...]

INVESTIGATORS

34. Investigators are required to conduct a process towards fact finding and analysis. Investigators shall derive their authority and access rights from the Chairman of Audit Committee /

[p.7] Director (HR) / Head of Systems Audit when acting within the course and scope of their investigation.

35. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.

36. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or Director (HR) or Head of Systems Audit, as the case may be, which establishes that :-

i. the alleged act constitutes an improper or unethical activity or conduct, and ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific

information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

DECISION

37. Head of Systems Audit / Director (HR) will submit their report after investigation to the Chairman, Audit Committee. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable HAL Conduct, Discipline & Appeal Rules, 1984 (CDA Rules).

REPORTING

38. The Director (HR) or Head of Systems Audit shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him / her

[p.8] since the last report together with the results of investigations, if any, on quarterly basis.

RETENTION OF RECORDS / DOCUMENTS

39. All documents relating to such Protected Disclosure made through the procedures outlined above shall be retained for at least five years from the date of the 'Protected Disclosure', after which the information may be destroyed unless the information may be relevant to any pending or potential litigation, inquiry, or investigation, in which case the information will be retained for the duration of that litigation, inquiry, or investigation and therefore as necessary.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.27] All the Vigilance Officers of the Department are adequately trained to understand, implement and guide the subordinate staff in the implementation of the Quality Standards as per the laid down procedures. They are also trained as Qualified Internal Auditors to carry out Internal Audit periodically of each and every Complex /Division Vigilance Unit to ensure that the Quality Management Procedures are properly implemented.

[...]

(a) Duties of Chief Vigilance Officer:

(i) To act as a link between HAL and Central Vigilance Commission on the one hand and HAL and Ministry of Defence on the other. To investigate and report on the complaints forwarded by the Central Vigilance Commission/ Ministry against officials of HAL.

Also to assist/advise the Chairman HAL, in combating corruption.

[...]

(iv) To plan and enforce regular inspections, surprise checks for detecting failures in quality or speed of work, which be indicative of the existence of corruption or malpractice.

(v) To scrutinize all complaints and information received in the Corporate Office having vigilance angle and to arrange for adequate enquiries to be made and action to be taken on the reports received.

(vi) To refer to Central Bureau of Investigation in consultation with Chairman those complaints and information which require enquiries by them and to ensure that Central Bureau of Investigation is given all the assistance in all enquiries by way of arranging production of records files, etc.

[p.28] (ix) To ensure speedy processing of vigilance cases at all stages. About cases requiring consultation with CVC, a decision whether the case has vigilance angle shall in every case be taken by CVO.

(x) To ensure that the competent disciplinary authorities do not adopt a dilatory or lax attitude in processing vigilance cases, thus knowingly or otherwise helping the suspect, particularly in case of those officers/workmen who are due to retire.

[p.29] (b) Duties of Desk Officer, Admin-Vigilance at Corporate Office :

[...]

(vii) Anti –Corruption Work :

- (a) Processing of complaints till disposal
- (b) Processing of disciplinary cases till disposal
- (c) Handling cases pertaining to CVC /CBI/Ministry /HAL till disposal
- (d) Vetting of Vigilance cases, charge sheets , review of cases
- (e) Investigation of cases.
- (f) Replies to Lok Sabha / Rajya Sabha Questions pertaining to HAL.

[p.30] (iv) Promptly communicate all information regarding vigilance matters to his superiors.

[p.33] (h) DUTIES OF VIGILANCE STAFF :

[...]

- (i) Investigate all vigilance cases entrusted to him and submit a written report to his superiors.
- (ii) Responsible for collection of information regarding corrupt officials.

[p.58] Punitive Vigilance

Punitive Vigilance deals with Vigilance cases, which is investigated, enquiry is held and penalty is imposed.

Following actions are to be taken on the punitive vigilance aspects :

- (i) To receive complaints from all sources and scrutinize them with a view to finding out if the allegations involve a vigilance angle or otherwise.
- (ii) To maintain and reflect the complaints in appropriate registers and update them from time to time. To follow the guidelines of CVC while handling complaints.
- (iii) To investigate into such specific and verifiable allegations that involved vigilance angle in accordance with the requirements as laid down in the ISO Manual;
- (iv) To investigate into the allegations forwarded by the Commission or by the CBI;
- (v) To complete investigations in a time bound manner as laid down by CVC.
- (vi) To process the investigation reports expeditiously for obtaining orders of the competent authorities about further course of action to be taken and also obtaining Commission’s advice on the investigation reports where necessary;
- (vii) To ensure that the charge sheets to the concerned employees are drafted properly and issued expeditiously

[p.75] 5. Complaint Handling

Receipt of information about corruption, malpractice or misconduct on the part of public servants, from whatever source, would be termed as a complaint. Dictionary definition of complaint is that statement that one is aggrieved or dissatisfied; formal protest; illness. In official parlance, complaints are communications reporting grievances of malpractices and are the starting point of punitive vigilance work. Complaints are an important source of information about the corruption, malpractice and misconduct on the part of public servants. However, before initiating any action on oral complaints, their identity should be verified. Any allegation having a scope of corruption or corrupt practices has a “Vigilance Angle”. The purpose of a complaint may be to settle scores. Complaints can be screened as under : -

- (a) Whether the subject matter is within the executive power of the Central Government, or Organisation.
- (b) Having vigilance or non-vigilance angle.
- (c) Pertains to misconduct having rational connection with the present employment.

The following is the procedure of handling complaint as per CVC :-

(a) Every Vigilance Section/Unit in the Division/Complex will maintain a vigilance complaints register in Form CVO-1, in two separate parts for category 'A' and category 'B' employees. Category 'A' includes such employees against whom Commission's advice is required whereas category 'B' includes such employees against whom Commission's advice is not required. If a complaint involves both categories of employees, it should be shown against the higher category, i.e. category 'A'.

(b) Every complaint, irrespective of its source, would be entered in the prescribed format in the complaints register chronologically as it is received or taken notice of. A complaint containing allegations against several officers may be treated as one complaint for the purpose of statistical returns.

(c) Entries of only those complaints in which there is an allegation of corruption or improper motive; or if the alleged facts prima facie indicate an element or potentiality of a vigilance angle should be made in the register.

[p.76] Complaints, which relate to purely administrative matters or technical lapses, such as late attendance, disobedience, insubordination, negligence, lack of supervision or operational or technical irregularities, etc. should not be entered in the register and should be dealt with separately under "nonvigilance complaints".

(d) A complaint against an employee of a public sector enterprise or an autonomous organisation may be received in the administrative Ministry concerned and also in the Central Vigilance Commission. Such complaints will normally be sent for inquiry to the organisation in which the employee concerned is employed and should be entered in the vigilance complaints register of that organisation only. Such complaints should not be entered in the vigilance complaints register of the administrative Ministry in order to avoid duplication of entries and inflation of statistics, except in cases in which, for any special reason, it is proposed to deal with the matter in the Ministry itself without consulting the employing organisation.

(e) Each complaint will be examined by the Chief Vigilance Officer to see whether there is any substance in the allegations made in it to merit looking into. Where the allegations are vague and general and prima facie unverifiable, the Chief Vigilance Officer may decide, with the approval of the head of his department, where considered necessary, that no action is necessary and the complaint should be dropped and filed. Where the complaint seems to give information definite enough to require a further check, a preliminary inquiry/ investigation will need to be made to verify the allegations so as to decide whether, or not, the public servant concerned should be proceeded against departmentally or in a court of law or both. If considered necessary, the chief vigilance officer may have a quick look into the relevant records and examine them to satisfy himself about the need for further inquiry into the allegations made in the complaint. The information passed on by the CBI to the Ministry/Department regarding the conduct of any of its officers should also be treated in the same way.

(f) A complaint which is registered can be dealt with as follows :

- (i) file it without or after investigation; or
- (ii) pass it on to the CBI for investigation/appropriate action; or
- (iii) pass it on to the concerned administrative authority for appropriate action on the ground that no vigilance angle is involved; or
- (iv) take up for detailed investigation by the departmental vigilance agency.

[p.79] Gist of Complaint Handling Policy in HAL In line with the CVC's directions, HAL has issued "Complaint Handling Policy" vide letter No HAL/P&A/ 27(1)/Policy/2009/251 dt 13 May 2009 and HAL/P&A/27(1)/Policy/2009/251 Dt 19th Sept 2011. Features of Complaint Handling Policy are as under :-

[p.80] (a) CVO should have access to all complaints.

(b) Vigilance Department would act as the Nodal Agency for handling all complaints received in the Organization.

(c) All the complaints received by the Divisions/Offices are to be forwarded to the CVO, irrespective of whether the complaint bears Vigilance angle or not.

(d) CVO would decide whether the complaint attracts Vigilance angle or not and dispose the complaint accordingly.

All complaints and information received from sources received by the Department at Division/Complex will be forwarded directly to the CVO after retaining a copy of the same. Vigilance investigation into the allegations made in the complaint will be decided by the CVO and complaint number will be allotted in case detailed investigation is ordered. Details of the complaint will be entered in the CVO's Complaint Register and will be assigned a complaint

number.

The complaint number allotted by the Corporate Office shall thereafter be used for all future correspondence. Where detailed investigation is ordered based on the outcome of checks/ scrutiny carried out as per Action Plan, Surprise Checks, Intensive Examinations, CTE Type Inspections, system Studies, Scrutiny of Files, etc, the same will be allotted Case Number. The case number allotted by the Corporate Office shall thereafter be used for all future correspondence. At the Corporate Office complaints/cases will be handled Division/ Complexwise and separate pages will be allotted in the Complaint Register (CVO Complaint Register). Information received from sources/informants will be first reduced to writing. The same will be sent to the CO under intimation to the Complex HODs as applicable. Action on the information will be taken up on specific directions from the CO. Information wherein urgent action is required to be taken will be communicated to CVO on telephone for further directions

[p.93] Annexure 'A' FORMAT -VIGILANCE REPORT

[p.95] 10. Recommendation for systemic improvement.

- Punitive action on detection of corruption does not by itself lead to a logical conclusion unless it is able to prevent recurrence of the lapse. Any fraud, corruption, irregularity or impropriety indicates a failure of control mechanism or gaps in systems and procedures. Therefore, each case throws up an opportunity to identify these control failures and suggests ways of plugging them to prevent recurrence of the lapse. Therefore, at the end of the report the CVO should also try to recommend systemic improvements in order to prevent the risk of a recurrence of the lapse / misconduct.

[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.22] c) Complaint Management (by Vigilance Department)

i. Any complaint related to corruption received by any stakeholder shall be referred to CVO, HAL for taking action as per laid down complaint handling policy of the company.

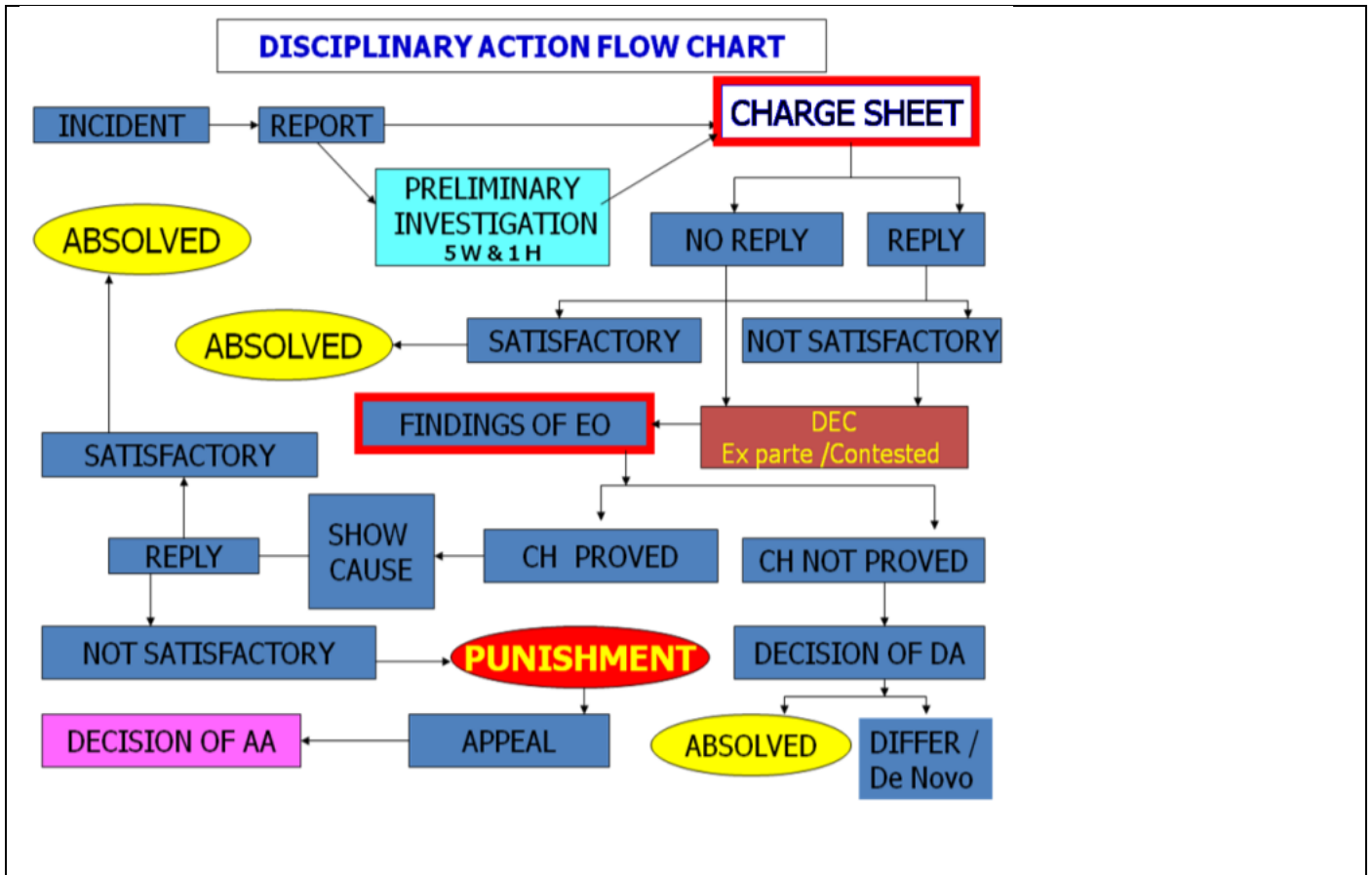
ii. Any stakeholder can lodge Complaint online by logging into HAL website. All complaints will be handled by Vigilance department as per Complaint handling procedure as detailed in Vigilance Manual within the time limits as defined.

[22] Vigilance Manual Vol. II – Disciplinary Proceedings (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%202.pdf>

[p.166]



Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
1
Comments
<p>There is evidence that the company assures itself of the quality of its internal investigations by ensuring that investigative staff are adequately trained.</p> <p>However, it is not clear that the company assures itself of the quality of both incident investigations and whistleblowing cases. Additionally, while there is some evidence suggesting that the company reviews its investigative procedures, it is unclear if this occurs at least every three years or in response to any changes in the regulatory environment. Furthermore, there is no evidence to suggest that the company has a system in place for escalating complaints about the investigative process itself.</p>
Evidence
<p>[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf [p.15] EVALUATION/PERFORMANCE OF ORGANISATIONS AND DEFENCE PSUs UNDER DEPTT. OF DEFENCE PRODUCTION</p> <p>[p.16] The Heads of PSUs/Organisations and CVOs are also requested to do the following for effecting an overall improvement in their organization.</p> <p>[...]</p> <p>(f) They should carry out project study in sensitive and other areas of larger interest to the vigilance and see that the recommendations are implemented.</p> <p>(g) They should train the vigilance staff in investigative skills either through In - house resources or with the help of outside agencies such as CBI, CVC, Railways, ISTM etc.</p> <p>[p.17] (h) They should ensure prompt and thorough investigation without bias. They should also ensure that investigations are conducted in an open and objective manner with least publicity.</p> <p>[p.27] All the Vigilance Officers of the Department are adequately trained to understand, implement and guide the subordinate staff in the implementation of the Quality Standards as per the laid down procedures. They are also trained as Qualified Internal Auditors to carry out Internal Audit periodically of each and every Complex /Division Vigilance Unit to ensure that the Quality Management Procedures are properly implemented</p> <p>[p.42] VIGILANCE RELATED CASES CONSULTATION WITH VIGILANCE DEPARTMENT</p> <p>In supersession of all earlier circulars on the above subject, the following system of consultation with Vigilance Department on vetting of chargesheets and informal consultations at various stages of disciplinary proceedings is hereby notified :</p> <p>[p.43] (d) In the event of the delinquent employee exercising his right of Appeal against an order issued by the Disciplinary Authority to the Appellate Authority, the Appellate Authority is required to forward his tentative findings along with a copy of the Appeal of the delinquent employee made to the Appellate Authority for scrutiny and comments regarding acceptance, non acceptance or partial acceptance of the tentative findings of the Appellate Authority and about the imposition of minor /major penalty, exoneration, issuance of advisory etc. to the CVO for comments before issuance of his order. The Appellate Authority will, in all cases refer the matter to the CVO irrespective of the scale I grade of the employee.</p> <p>[5] Achievements of Department (Webpage) Accessed 03/04/2020 https://hal-india.co.in/Achievements%20of%20Department/M__47</p>

Online Compliant Handling System

HAL Vigilance department has online compliant handling system which has cut down delays in processing and concluding the cases and also in taking timely preventive action wherever required

Systems Improvement

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[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.17] OBJECTIVES

[...]

e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.7] Complaints and grievances:

We shall:

- (i) Keep our complaint and grievance redressal machinery open and receptive to you.
- (ii) Acknowledge your complaints and commit ourselves to redress them within a period of thirty working days on receipt of the complaints.
- (iii) Should you still have any complaint or grievance you may take up the matter with the designated officer heading the Public Grievance Committee at our Corporate and Divisional offices.
- (iv) Acknowledgement of grievances and disposal thereof within 30 days. In case of any complaint or grievance, please take up the matter with the officer nominated by the division for redressal of public grievance in the division which is headed by an officer of the DGM rank

[p.8] (v) Promptly take action against the complaints by going into the genuineness and roots of the complaints and within a time frame attend to the grievances

[p.27] (a) Duties of Chief Vigilance Officer:

[p.28] (xvi) To ensure adequate training in anti-corruption measures are conducted for the officers and staff of the Department.

[p.39] Training:

A yearly training programme will be prepared by the Corporate Office for the Executives and staff separately. The training will be imparted to the staff centrally in the form of training capsules at least twice a year. For the Executives, the Corporate Office will organize Workshops.

The Executives will be deputed to various training courses conducted by Government Institutes such as CBI Academy, Central Forensic Science Laboratory, Central Detective Training School, and other training institutes of the State / Central Govt. Besides these, Officers may be deputed to attend Seminars and Workshops organized by Universities/ private establishments. Deserving officers will be given opportunity to attend international seminars/workshops/ training programmes.

Deserving officers will be given opportunity to attend international seminars/workshops/ training programmes.

Quality:

The Vigilance Department shall strive to maintain the highest standards of quality in its investigations, conduct and reporting.

Productivity:

The Vigilance Department will contribute towards increased productivity by studying various systems and procedures. Identify time consuming, laborious and cumbersome procedures in consultation with the concerned departments and recommend changes where required.

[p.91] (i) Question : What are the Stages of a Vigilance Investigation ?

There are two stages of Vigilance Investigation :

- (a) Verification Report (VR)
- (b) Detailed Investigation (DI)

In all future correspondences, CO (Vig) will mention in abbreviated form (VR) or (DI).

(ii) Question : What is a Verification Report (VR) ?

A VR is an initial report called on a Complaint/Source Information/Referral from MOD or CVC etc. to seek answers to the following :

[...]

(h) Any other recommendations such as System Improvement / Closure etc.

At the state of VR records may be examined on need basis. However, the Officers/Officials involved are not to be examined.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
2
Comments
There is evidence that the company reports instances of corruption to the board of directors. The company indicates that its Chief Vigilance Officer is responsible for referring material findings to the relevant authorities.
Evidence
<p>[6] Whistle Blower Policy (Document) Accessed 25/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf [p.7] DECISION</p> <p>37. Head of Systems Audit / Director (HR) will submit their report after investigation to the Chairman, Audit Committee. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable HAL Conduct, Discipline & Appeal Rules, 1984 (CDA Rules).</p> <p>REPORTING</p> <p>38. The Director (HR) or Head of Systems Audit shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him / her</p> <p>[p.8] since the last report together with the results of investigations, if any, on quarterly basis.</p> <p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.27] (a) Duties of Chief Vigilance Officer :</p> <p>(i) To act as a link between HAL and Central Vigilance Commission on the one hand and HAL and Ministry of Defence on the other.</p> <p>To investigate and report on the complaints forwarded by the Central Vigilance Commission/ Ministry against officials of HAL.</p> <p>[...]</p> <p>(v) To scrutinize all complaints and information received in the Corporate Office having vigilance angle and to arrange for adequate enquiries to be made and action to be taken on the reports received.</p> <p>(vi) To refer to Central Bureau of Investigation in consultation with Chairman those complaints and information which require enquiries by them and to ensure that Central Bureau of Investigation is given all the assistance in all enquiries by way of arranging production of records files, etc.</p> <p>[p.28] (xiii) To collect and maintain, for the information of Chairman statistics and other particulars about vigilance and anti-corruption work done in various units of HAL.</p> <p>(xiv) To place before the Chairman a list of Executives having a bad reputation or a dubious past for suitable action.</p>

(xv) To supervise timely submission of various Reports & Returns that need to be submitted to CVC/Ministry/CBI.

[p.76] (f) A complaint which is registered can be dealt with as follows :

(i) file it without or after investigation; or

(ii) pass it on to the CBI for investigation/appropriate action; or

(iii) pass it on to the concerned administrative authority for appropriate action on the ground that no vigilance angle is involved;

[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.22] c) Complaint Management (by Vigilance Department)

i. Any complaint related to corruption received by any stakeholder shall be referred to CVO, HAL for taking action as per laid down complaint handling policy of the company.

ii. Any stakeholder can lodge Complaint online by logging into HAL website. All complaints will be handled by Vigilance department as per Complaint handing procedure as detailed in Vigilance Manual within the time limits as defined.

d) Action against corrupt conduct Based on investigation carried out by Vigilance department / Central Bureau of Investigation (CBI) / Police in case the complaint is referred to CBI / Local Police to investigate on account of limitation of jurisdiction of Vigilance, the report will be submitted to Disciplinary authority for

[p.23] appropriate action against those involved in corrupt conduct as per CDA rules / Standing Order of company apart from any legal provisions if applicable. However cases where company does not have jurisdiction to take action, legal action will be taken as per prevailing regulatory frame works (As per Contract Terms, Provisions of Integrity Pact, Prevention of Corruption Act, 1988 (as amended from time to time), The Lokpal and the Lokayuktas Act, 2013 (as amended from time to time) and other regulations effective at that point of time.

Question
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?
Score
1
Comments
<p>There is evidence that the company publishes high-level data from ethical or bribery and corruption-related incidents and investigations involving company employees at all levels. The publicly available data includes the number of reports received, the number of investigations launched and the number of disciplinary actions brought against employees. The data covers the most recent reporting year.</p> <p>However, there is no evidence that the company disaggregates its data to indicate the number of reports received via whistleblowing channels.</p>
Evidence
<p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.44] During the year, the Vigilance Department handled 313 complaints; and 1,123 Surprise/ Routine checks & CTE Type inspections were carried out in the Divisions in corruptionprone areas. Based on the outcome of checks/inspections and complaints, 34 cases were taken up for further investigation. The investigations on 27 cases were concluded with 14 cases referred for disciplinary action, six cases for administrative action while seven cases were closed with nothing adverse found during investigation.</p> <p>During the year, final orders awarding 3 major penalties, 8 minor penalties, 25 advisory, 5 counselling, 1 warning and 2 exoneration were issued by the concerned disciplinary authorities.</p> <p>[...]</p> <p>Fraud Reporting During the year, a fraud involving misappropriation of funds of ` 1,876 lakh by a Company Official in Koraput Division of the Company was reported. The matter is under investigation by the CBI. The details of the same are covered under Clause 21 of Note No. 49 of the financial statements</p>

3. Support to Employees

Question
<p>3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?</p>
Score
<p>1</p>
Comments
<p>There is evidence that the company provides a training module that outlines the basic principles of the anti-bribery and corruption policy, including the whistleblowing options available to employees.</p> <p>However, the company receives a score of ‘1’ because it is unclear how frequently employees must undertake refresher training and whether this is at least every two years. The company also does not expressly state in publicly available information that all employees across its operations and countries of operation must complete training, and that it is available in all relevant languages.</p>
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%202020-08-2018.pdf [p.20] VII) Publicity & Training</p> <p>Awareness will be created among all related stakeholders through wide publicity and training. Towards this adequate information and awareness about CRM policy & related regulations in case of violations, Complaint lodging in case of notice of any violations etc. will be created through:</p> <ul style="list-style-type: none"> a) Internal and external web enabled applications, b) Appropriate display at entrance of divisions or offices at Reception, Security Gates, Head of Divisions office / Complex offices / Corporate Offices, Administrative department, c) Regular awareness classes to all stakeholders to spell out the company’s expectations for compliance with its corporate policies and procedures as well as anti corruptions laws and regulations. Training sessions shall be well documented & archived. d) Handbooks to newly recruited employees, undertaking by employees / consultants / those engaged on contract basis etc to ensure compliance to CRM policy. <p>[5] Achievements of Department (Webpage) Accessed 03/04/2020 https://hal-india.co.in/Achievements%20of%20Department/M_47 Video Tutorial</p> <p>TEJAS TALK, a Video Tutorial, was introduced to spread awareness among the HAL employees. Each video of 10-15 minutes duration contains crisp and relevant information on a particular subject. It will be used by VOs while conducting relevant sessions. Till now videos on following subjects have been released:</p> <p>Complaint Handling Policy;</p> <p>Vigilance Angle;</p> <p>RTI;</p>

Irregularities in Public Procurement.

[3] Vigilance Department Overview (Webpage)

Accessed 24/06/2019

https://hal-india.co.in/About%20Us/M_39

The Vigilance Department primarily focuses on Preventive and Punitive role. Another role is detective / surveillance. Preventive Vigilance is a pro-active approach, which looks at creating awareness and education on anti-corruption measure, simplification of rules and procedures, plugging loopholes in the system.

Question
<p>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</p> <ul style="list-style-type: none"> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
1
Comments
<p>There is some evidence indicating that the company provides tailored anti-bribery and corruption training to employees identified as filling high risk positions, as well as executives and board members.</p> <p>However, there is no evidence that training is provided for middle management or that the training for these groups is refreshed annually.</p>
Evidence
<p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.37] Functional and Administrative control over Vigilance Officials:</p> <p>All matters pertaining to functional and administrative control over vigilance officials like, recruitment, induction, grant of leave, training, transfer/job rotation, promotion, movement/temporary duty/forwarding of applications/writing of Performance Appraisal Reports/Disciplinary action etc would be exercised by the Chief Vigilance Officer.</p> <p>5. Administrative facilities to be extended to Vigilance Officials:</p> <p>[Document describes different programmes and training which only members of the vigilance department undergo]</p> <p>[p.39] Training :</p> <p>A yearly training programme will be prepared by the Corporate Office for the Executives and staff separately. The training will be imparted to the staff centrally in the form of training capsules at least twice a year. For the Executives, the Corporate Office will organize Workshops.</p> <p>The Executives will be deputed to various training courses conducted by Government Institutes such as CBI Academy, Central Forensic Science Laboratory, Central Detective Training School, and other training institutes of the State / Central Govt. Besides these, Officers may be deputed to attend Seminars and Workshops organized by Universities/ private establishments. Deserving officers will be given opportunity to attend international seminars/workshops/ training programmes.</p> <p>[p.103] Preparation of Annual Action Plan</p> <p>[p.104] The Action Plan should include a thorough study of systems, procedures, rules & regulations, to be carried out during the period. After the systems are studied thoroughly the loopholes/lacunae are to be pointed which aid manipulations/malpractices and also suggest remedial measures to plug the loopholes.</p> <p>Vigilance Awareness programmes should be planned in the Action Plan periodically in co-ordination with the training department of the Divisions for both Executives and Non Executives.</p>

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
0
Comments
There is insufficient evidence that the company measures and reviews the effectiveness of its anti-bribery and corruption and communications training programme.
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf [p.17] IV) Objectives</p> <p>[...]</p> <p>e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies.</p> <p>[p.20] VII) Publicity & Training</p> <p>Regular awareness classes to all stakeholders to spell out the company’s expectations for compliance with its corporate policies and procedures as well as anti-corruptions laws and regulations. Training sessions shall be well documented & archived.</p> <p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.103] Preparation of Annual Action Plan</p> <p>[p.104] The Action Plan should include a thorough study of systems, procedures, rules & regulations, to be carried out during the period. After the systems are studied thoroughly the loopholes/lacunae are to be pointed which aid manipulations/malpractices and also suggest remedial measures to plug the loopholes.</p> <p>Vigilance Awareness programmes should be planned in the Action Plan periodically in co-ordination with the training department of the Divisions for both Executives and Non Executives.</p>

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
Evidence
No evidence found.

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
0
Comments
There is no evidence that the company makes a public commitment to support and protect those who refuse to act unethically in situations which result in lost business for the company.
Evidence
<p>[6] Whistle Blower Policy (Document) Accessed 25/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf [p.6] Protection</p> <p>29. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this policy.</p> <p>30. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.</p>

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
1
Comments
<p>There is evidence that the company promotes a clear policy of non-retaliation against all employees, including whistleblowers and those who report bribery and corruption incidents. The company indicates that whistleblowers may include third parties, suppliers and joint venture partners, and therefore it is inferred that its non-retaliation policy also applies to them.</p> <p>However, there is no evidence that the company assures itself of its employees' confidence in this commitment through surveys, usage data, or other clearly stated means.</p>
Evidence
<p>[6] Whistle Blower Policy (Document) Accessed 25/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf [p.3] ELIGIBILITY</p> <p>8. All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be related to matters concerning the Company.</p> <p>DISQUALIFICATIONS</p> <p>9. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.</p> <p>a) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.</p> <p>b) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.</p> <p>[p.6] Protection</p> <p>29. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this policy.</p> <p>30. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.</p> <p>[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf [p.174] PROTECTION AND NON-VICTIMIZATION OF SUPPLIERS/ CONTRACTORS</p> <p>The GOI Resolution on "Public Interest Disclosure and Protection of informer" seeks to provide protection to all complainants from harassment and victimization in the organisation concerned. While special care has been taken</p>

to ensure that the names of complaints are not disclosed in actual practice it is seen that sometime it is possible to deduce the identity of the complaints within the organisation. The CVOs have to take special care to ensure that under no circumstances the complaints are harassed simply because they dared to blow the whistle on procedurally incorrect or wrong actions especially on the part of the higher officers.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.35] 4. Protection to Vigilance Officials for acts done in good faith:

The Vigilance functionaries conduct enquiries/investigations on behalf of the CVO/Management. During the course of investigations/enquiries to unearth, the facts of the case or which is warranted to bring the case to a logical conclusion the acts of the functionary should not be treated prejudicial to good order and discipline or malafide intention. The acts of the Vigilance functionaries are to be treated as done in good faith and in the best interests of the Company and no

[p.36] Disciplinary Action should be initiated against the Vigilance Functionary. Whenever disciplinary action against any Vigilance Officer is contemplated, authority to sanction is the Chairman through CVO and in case of Vigilance Workmen, CVO will be the sanctioning authority.

As per the CVC Circular No. 16/03/2006 on Protection against victimization of officials of the Vigilance Units of various Ministries/Departments/organizations calls for the need to allow the vigilance officials to work independently and freely without any fear, which is the foundation for effective vigilance administration in any organization. The Committee had also recommended that “those working in Vigilance Organizations should have an assurance that good and efficient work in the Vigilance Organization will enhance their opportunities for promotion and not become a sort of disqualification”.

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
1
Comments
<p>There is evidence that the company operates whistleblowing and incident reporting channels, which are open to all employees, as well as third parties, contractors and joint venture partners. There is evidence that these channels allow for confidential reporting.</p> <p>However, evidence indicates that the company only offers internally operated channels that do not allow for anonymous reporting. It is also unclear if the company also operates advice channels. There is no evidence that the company's reporting channels are available in all countries of operation and in multiple languages.</p>
Evidence
<p>[8] Online Complaint – Vigilance (Website) Accessed 07/07/2019 https://hal-india.co.in/Online%20Complaint/M_51 Online Complaint</p> <p>As per Central Vigilance Commission guidelines, no action will be taken on Anonymous / Pseudonymous Petition / Complaints.</p> <p>We request you to post your Complaint in the Vigilance Complaint Form only to address serious issues for which you would like the intervention of the Vigilance department of the Company. Please do not use this particular forum to address any other queries.</p> <p>Upon receipt of complaint, verification will be done to ascertain whether <u>Vigilance angle</u> exists in the complaint or not and complaint will be processed only if there is a <u>Vigilance angle</u>. Hence, complaints having clear cut <u>Vigilance angle</u> can only be addressed.</p> <p>For faster processing of the complaint, it is suggested that Complainant may provide his/her E-mail ID in the field mentioned in the Complaint Form.</p> <p>Please be sure that your matter merits the attention of the Vigilance Department. If so, please <u>Click here to submit your Complaint</u> and <u>Check online Complaint status</u></p> <p>[6] Whistle Blower Policy (Document) Accessed 25/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf</p> <p>[p.1] 3. Accordingly, this Whistle Blower Policy (the Policy) has been formulated with a view to provide a mechanism for employees of the Company to approach the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit of the Company.</p> <p>[p.3] Procedure</p> <p>All Protected Disclosures concerning operational management should be addressed to the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit of the Company for investigation.</p> <p>* Smt. Dipali Khanna F No.-2079, Sect B, PKT-2/3, Vasant Kunj, New Delhi – 110070.</p> <p>[p.4] Address of the Director (HR) Director (HR) Hindustan Aeronautics Ltd., 15/1, Cubbon Road BANGALORE – 560 001.</p> <p>Address of the Head of Systems Audit :- Head of Systems Audit Hindustan Aeronautics Limited Corporate Office 15/1, Cubbon Road BANGALORE – 560 001. *</p>

To be notified from time to time.

13. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting.

14. (i) The protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Director (HR) / Head of Systems Audit as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation within 10 days from the date of its receipt. (ii) The Chairman of the Audit Committee / Director (HR) / Head of Systems Audit as the case may be, shall forward a copy of the Protected Disclosure to the Chief Vigilance Officer (CVO) within 10 days from the date of its receipt for information.

15. Protected Disclosures should be factual and have prima facie evidence / proof, not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

16. Anonymous petitions will not be entertained whatsoever.

[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.21] c) Other Stakeholders: All other stakeholder including third parties shall read, be familiar with and strictly comply with the policy. They shall actively report corruption to Vigilance department or Management and also prevent corruption practices.

[p.22] c) Complaint Management (by Vigilance Department)

i. Any complaint related to corruption received by any stakeholder shall be referred to CVO, HAL for taking action as per laid down complaint handling policy of the company.

ii. Any stakeholder can lodge Complaint online by logging into HAL website. All complaints will be handled by Vigilance department as per Complaint handling procedure as detailed in Vigilance Manual within the time limits as defined.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.7] Complaints and grievances:

We shall:

- (i) Keep our complaint and grievance redressal machinery open and receptive to you.
- (ii) Acknowledge your complaints and commit ourselves to redress them within a period of thirty working days on receipt of the complaints.
- (iii) Should you still have any complaint or grievance you may take up the matter with the designated officer heading the Public Grievance Committee at our Corporate and Divisional offices.
- (iv) Acknowledgement of grievances and disposal thereof within 30 days. In case of any complaint or grievance, please take up the matter with the officer nominated by the division for redressal of public grievance in the division which is headed by an officer of the DGM rank

[p.77] The Commission has issued instructions that no action is to be taken by the administrative authorities, as a general rule, on anonymous/pseudonymous complaints received by them. When in doubt, the pseudonymous character of a complaint may be verified by enquiring from the signatory of the complaint whether it had actually been sent by him. If he cannot be contacted at the address given in the complaint, or if no reply is received from him within a reasonable time, it should be presumed that the complaint is pseudonymous and should accordingly be ignored.

However, if any department/organisation proposes to look into any verifiable facts alleged in such complaints, it may refer the matter to the Commission seeking its concurrence through the CVO or the head of the organisation, irrespective of the level of employees involved therein. Although, the Commission would normally also not pursue

anonymous/ pseudonymous complaints, yet it has not precluded itself from taking cognizance of any complaint on which action is warranted.

In the event of the Commission deciding to make an inquiry into an anonymous or pseudonymous complaint, the CVO concerned will be advised to look into the complaint, should make necessary investigation and report the results of investigation to the Commission for further course of action to be taken. Such complaint should be treated as a reference received from the Central Vigilance Commission and should be entered as such in the vigilance complaints register and in the returns made to the Commission. Where the Commission asks for an inquiry and report considering that the complaint is from an identifiable person, but it turns out to be pseudonymous, the administrative authority may bring the fact to the notice of the Commission and seek instructions whether the matter is to be pursued further.

The Commission will consider and advise whether, notwithstanding the complaint being pseudonymous, the matter merits being pursued. Sometimes, the administrative authority may conduct investigation into a pseudonymous complaint under the belief that it is a genuine signed complaint, or for any other reason. The Commission need not be consulted if it is found that the allegations are without any substance. But if the investigation indicates, prima facie, that there is some substance in the allegations, the Commission should be consulted as to the further course of action to be taken if it pertains to category "A" employee.

[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf>

[p.12] On receipt of any complaint containing allegations against any tender in process, the tender process need not be stopped. However, the allegations should be brought to the notice of the competent authority, including the purchase committee, tender committee, negotiation committee, etc, and the complaint should be taken up for investigation independently.

[p.22] CIRCULAR – WHISTLE BLOWER POLICY

The Board of Directors of the Company has approved the Whistle Blower Policy in order to establish a mechanism for employees to report to the management about un-ethical behavior, actual or suspected fraud or violation of the Company general guidelines on conduct or ethics policy.

2. A copy of the „Whistle Blower Policy" is enclosed for your information and for circulation in your Division / Complex / Office.

3. The Whistle Blower Policy will become operative with immediate effect.

[5] Achievements of Department (Webpage)

Accessed 03/04/2020

https://hal-india.co.in/Achievements%20of%20Department/M_47

Online Compliant Handling System

HAL Vigilance department has online compliant handling system which has cut down delays in processing and concluding the cases and also in taking timely preventive action wherever required

[9] Code of Conduct for Senior Management and Directors (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf>

[p.10] III. Duties of Independent Directors :

[...]

(k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

[p.12] 7.7.2 Where to seek clarifications : Any member of the Board and Senior Management requiring any clarification regarding this code of conduct may contact Company Secretary / any officer specifically designated by the Board of Directors.

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
2
Comments
<p>There is evidence that the company has policies covering conflicts of interest, actual, potential and perceived, which apply to all employees, board members, and employees of the wider corporate group, as well as contractors and third parties. These policies cover potential conflicts of interest including personal relationships, financial interests and outside employment, as well as those linked to government relationships</p>
Evidence
<p>[10] Principles and Policies on Business Responsibility (Document) Accessed 11/07/2019 https://hal-india.co.in/Common/Uploads/DMS/Principles_and_Policy_on_Business_Responsibility.pdf [p.2] 2.1.4 Employees at all levels shall put National interest, Public interest and the Company's interest above personal interest while discharging his/her duties and responsibilities and avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases of conflict of interest are:</p> <p>Related Party Transactions: Entering into any transactions or relationship with the Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).</p> <p>Outside Directorship: Accepting Directorship on the Board of any Company that competes with the business of the Company.</p> <p>Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards the Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.</p> <p>Use of Official position for personal gains: Should not use their official position for personal gains.</p> <p>2.1.5 HAL employees shall not, directly or indirectly through their family and other connections, solicit or accept any personal fee, commission or other form of remuneration arising out of transactions involving the Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc. However, the Company and its employees may, with full disclosure, accept and offer gifts of nominal value, provided such gifts are customarily given and / or are of a commemorative nature.</p> <p>[9] Code of Conduct for Senior Management and Directors (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf [p.6] 6.7 Be upright and avoid any inducements :-</p> <p>The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit for personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency.</p> <p>[p.7] 7. SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS AND SENIOR MANAGEMENT</p>

Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be :

[p.8] Related Party Transactions: Entering into any transactions or relationships with the Company in which they have a financial or other personal interest (either directly or indirectly such as through a family members or relation or other person or other organization with which they are associated.

Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.

Consultancy / Business / Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.

Use of official position for personal gains: Should not use their official position for personal gains

[p.11] 7.6 Compliance with the Code of Business Conduct and Ethics

Treat Violations of this code as inconsistent association with the organization.

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.67] 4. Integrity Pact

Originally called the “Island of Integrity”, the Integrity Pact (IP) was designed and launched by Transparency International in the 1990s with the primary objective of safeguarding public procurement from corruption. “Integrity Pact” is a process in which voluntary agreements are made, involving bidders and the Government, to restrict opportunities for corruption in a particular project. Central Vigilance Commission through its Office Order No.41/12/07 dated 4.12.2007 has emphasized the importance of adoption of Integrity Pact in Government procurement activities.

It contains rights and obligations to the effect that neither side will pay, offer, demand or accept bribes, or collude with competitors to obtain the contract, or while carrying it out.

[Document continues to describe requirements of the Integrity Pact]

[p.70] Commitments and obligations of Principal:

The Principal will commit to have ethical and corruption-free business dealings with counter parties.

The Principal will value its relationship with all counter parties and will deal with them in a fair and transparent manner.

[...]

Will exclude all associates who may be prejudiced or have a conflict of interest in dealings with counter parties.

[11] Vigilance Manual Vol. III -Technical Guidelines (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf>

[p.55] 5.6 Selection and Employment of Consultants

1. The issue of role and professional liability of consultants in government contracts has been under consideration in the Commission for quite some time. The Commission has decided that following guidelines, be kept in view while finalizing the contracts for engaging consultants.

2. Conflict of Interest.

The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the employer under the contract.

3. The contract shall include provisions limning future engagement of the consultant for other services resulting from or directly related to the firm's consulting services in accordance with following requirements:-

4. The consultants shall provide professional, objective, and Impartial advice and at all times hold the employer's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other employers. or that may place them in a position of being unable to carry out the assignment in the best interest of the employer. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:

(i) Conflict between consulting activities and procurement of goods, works or non-consulting services (i.e., s erVICES other than consulting services covered by these Guidelines) - A firm that has been engaged by the employer to provide goods, works or nonconsulting services for a project, or any affiliate that directly or indirectly controls, is controlled by or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any affiliate that directly or indirectly controls is controlled by or is under common control with that firm, shall be disqualified from subsequently providing goods, works or services {other than consulting services covered by these Guidelines) resulting from or directly related to the consulting services for such preparation or implementation. This provision does not apply to the

[p.56] various firms (consultants, contractors or suppliers) which together are performing the Contractor's obligations under a turnkey or design and build contract.

(ii) Conflict among consulting assignments - Neither consultants (including their personnel and sub- consultants), nor any affiliate that directly or indirectly controls, is controlled by or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assigning an employer in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.

(iii) Relationship with Employer's staff - Consultants (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff of the Employer (or of the project implementing agency) who are directly or indirectly involved in any part of:

(i) the preparation of the TOR for the assignment.

(ii) the selection process for the contract, or

(iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the contract.

(iv) A consultant shall submit, only one proposal, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a subconsultant, or an individual to participate as a team member, in more than one propose l when circumstances justify and if permitted by the RFP.

(v) Unfair Competitive Advantage - Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided

consulting services related to the assignment in question, To that end, the Employer shall make available to all the short listed consultants, together with the request for proposals, all information that would in that respect give a consultant a competitive advantage.

[p.57] 5. Professional Liability - The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards or the profession. As the consultant liability to the Employer will be governed by the applicable law, the contract need not deal with this matter. The client (purchaser) may, however, prescribe other liabilities depending on the requirement in each case without any restriction on the Consultant's liability as per the applicable law.

[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf>

[p.330] Restrictions on Board Level Officers joining Private Commercial Undertakings after their retirement:

a) "No Functional Director of the Company including Chairman, who has retired/resigned from the service of the Company, after such retirement/resignation, shall accept any appointment or post, whether advisory or administrative in any Firm or Company, whether Indian or Foreign, with which the Company has or had business relations, within 1 year from the date of retirement, without prior approval of the Government.

The term 'retirement' includes "resignation" but not cases of those whose term of appointment was not extended by the Government for reasons other than proven misconduct. The term ' business relation' includes 'official dealings' as well;

b) Functional Directors, including the Chairman, who after superannuation or resignation accept appointment in private commercial firms without prior sanction of the Government, will hence forth be debarred from being appointed as Full Time / Part Time Directors of CPSEs;

[2] Conduct Discipline and Appeal Rules - 1984 (Document)

Accessed 25/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/CDA-Rules-Booklet.pdf>

[p.3] Application : These rules shall apply to all officers of the Company in Grade-I and above including officers on contract service and Government officers on deputation, other than those appointed by the President of India and Armed Services Personnel.

[p.25] IV. Restriction on other employment etc.

No officer of the Company shall, except with the previous sanction of the Competent Authority,

[p.26] Engage directly or indirectly in any trade or business or undertake any other employment; Provided that an officer may, without such sanction, undertake honorary work of a social or charitable nature or occasional work of literacy, artistic or scientific character subject to the condition that his official duties do not thereby suffer;

2. Every officer of the Company shall report to the Competent Authority, if any member of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency;

3. No officer of the Company shall, without the previous sanction of the Competent Authority except in the discharge of his official duties take part in the registration, promotion or management of any bank or other company which is required to be registered under the Companies Act. 1956(1 of 1956) or other law for the time being in force or any co-operative society for commercial purposes; Provided that an officer on the Company may take part in the registration, promotion of a society substantially for the benefit of the employees of the Company, registered under the Co-operative Societies Act 1912 (2 of 1912) or any other law for the time being in force or of a literary, scientific or charitable society registered under the Societies Registration Act. 1860(21 to 1860) or any corresponding law in force.

4. No officer of the Company may accept any fee or any pecuniary advantages for any work done by him for any public body or any private person without the sanction of the Competent Authority;

[p.27] 5. Employment of near relative of the officer of the Company in any firm enjoying patronage of the Company:

i) No officer shall use his position or influence directly or indirectly to secure employment in the Company or any firm enjoying patronage of the company for any person related whether by blood or marriage to the officer or to the officer's wife or husband, whether such a person is dependent on the officer or not.

ii) No officer shall except with the previous sanction of the Competent Authority, permit his son, daughter or any member of the family to accept employment with any company or firm, with which he has official dealings or with any company or firm, having official dealings with the company provided that where the acceptance of the employment cannot await the prior permission of the Competent Authority, the employment may be accepted provisionally subject to the permission of the Competent Authority, to whom the matter shall be reported forthwith.

iii) No officer shall in the discharge of his official duties deal with any matter or give or sanction any contract to any company or firm or any other person if any member of his family is employed in that Company or firm or under that person or if he or any member of his family is interested in such matter or contract in any other manner and the officer shall refer every such matter or contract to his official superior and the matter or the contract shall thereafter be disposed of according to the instructions of the authority to whom the reference is made.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
0
Comments
<p>The company states that all employees must report if a close relative has a role at a company in a business relationship with the company, and that board members must also declare interests which could constitute a conflict of interest.</p> <p>However, the company cannot receive a score of '1' as there is insufficient evidence that the company has in place procedures to identify, declare and manage all types of conflicts of interest across the organisation. There is also no evidence of a senior body or individual with responsibility for managing and overseeing the resolution of conflicts of interest within the organisation.</p>
Evidence
<p>[2] Conduct Discipline and Appeal Rules - 1984 (Document) Accessed 25/06/2019 https://hal-india.co.in/Common/Uploads/DMS/CDA-Rules-Booklet.pdf [p.28] Note : Employees should inform their respective Divisional/Office management through their Section/Departmental Head about employment of their near relatives (viz. father, mother, spouse, children including step children, brother, sister) in the firms with which the Division/Office of HAL have business dealing. This is with a view to protect the interest of the company and ensure that the concerned Division/Office enters into a fair and proper business/ transaction with such firms.</p> <p>[9] Code of Conduct for Senior Management and Directors (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf [p.8] 7.4 Related Party Disclosures</p> <p>The Board Members shall make disclosure of their interest in related party transaction to the Board of Directors. Senior Management Personnel shall make such disclosure to the Chairman & Managing Director/Competent Authority as per provision of the Companies Act, 2013 and Rules/Regulations made thereunder.</p> <p>7.5 Specific guidelines to Independent Directors</p> <p>In addition to the general code of conduct for the Directors and other personnel referred to in this code, the following guidelines of conduct shall also be complied with by the Independent Directors:</p> <p>I. Guidelines of professional conduct: An independent director shall:</p> <p>(a) uphold ethical standards of integrity and probity;</p> <p>[p.9] (h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;</p> <p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.37] Related Party Transactions</p> <p>There were no significant related party transactions with the Company's promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. All Related Party Transactions were placed before the Audit Committee and the Board, wherever applicable, for approval.</p>

Information pursuant to Section 188(2) of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 on contract(s) or arrangement(s) with related parties referred to in Section 188(1) of the Companies Act is attached to this Report as Annexure-I.

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
There is evidence that the company, an SOE, has a policy, based on government guidelines, which regulates the process by which its directors may join public sector companies. However, the company receives a score of '0' because there is no evidence that it has a policy regulating the processes by which it might hire current or former public officials.
Evidence
<p>[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf [p.330] (DOPT O.M. No 11013/13/98-Estt.(A) dated 24 Feb 1999)</p> <p>[...]</p> <p>"Clause. XXVIII.</p> <p>Restrictions on Board Level Officers joining Private Commercial Undertakings after their retirement:</p> <p>a) "No Functional Director of the Company including Chairman, who has retired/resigned from the service of the Company, after such retirement/resignation, shall accept any appointment or post, whether advisory or administrative in any Firm or Company, whether Indian or Foreign, with which the Company has or had business relations, within 1 year from the date of retirement, without prior approval of the Government.</p> <p>The term 'retirement' includes "resignation" but not cases of those whose term of appointment was not extended by the Government for reasons other than proven misconduct. The term ' business relation' includes 'official dealings' as well;</p> <p>b) Functional Directors, including the Chairman, who after superannuation or resignation accept appointment in private commercial firms without prior sanction of the Government, will hence forth be debarred from being appointed as Full Time / Part Time Directors of CPSEs;</p>

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company reports details of the contracted services of serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
2
Comments
The company publishes a clear statement that it prohibits corporate political contributions.
Evidence
<p>[10] Principles and Policies on Business Responsibility (Document) Accessed 11/07/2019 https://hal-india.co.in/Common/Uploads/DMS/Principles_and_Policy_on_Business_Responsibility.pdf [p.2] 2.1.6 The Company is committed to and supports the constitution and governance systems of the country. It shall not support any specific political party or candidate for political office. The Company’s conduct shall preclude any activity that could be interpreted as mutual dependence favour with any political body or person, and shall not offer or give any Company funds or property as donations to any political party, candidate or campaign.</p> <p>[24] Corporate Social Responsibility Policy (Document) Accessed 06/04/2020 https://hal-india.co.in/Common/Uploads/DMS/CSR%20Policy_09.01.2020.pdf [p.8] 5.12 Contribution of any amount directly or indirectly to any Political Party shall not be considered as a valid CSR activity.</p>

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
N/A
Comments
Evidence

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
1
Comments
There is evidence that the company has a policy covering charitable donations, in order to ensure that they are free from corruption. These measures include implementing criteria for donations and senior sign off. There is evidence that the company additionally discloses certain details of its philanthropic activities.
Evidence
<p>[2] Conduct Discipline and Appeal Rules – 1984 (Document) Accessed 25/06/2019 https://hal-india.co.in/Common/Uploads/DMS/CDA-Rules-Booklet.pdf [p.25] IV. Restriction on other employment etc.</p> <p>No officer of the Company shall, except with the previous sanction of the Competent Authority,</p> <p>[p.26] Engage directly or indirectly in any trade or business or undertake any other employment; Provided that an officer may, without such sanction, undertake honorary work of a social or charitable nature or occasional work of literacy, artistic or scientific character subject to the condition that his official duties do not thereby suffer;</p> <p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.86] (t) Corporate Social Responsibility & Sustainable Development (CSR & SD)</p> <p>The CSR Budget for the Financial Year 2018-19 worked out to ` 6,742 lakh, based on the statutory 2% of average Net Profit of preceding three years. The Wind Power Project commissioned during 2015-16 by utilising CSR Funds had generated a revenue of ` 932 lakh and the same has been added back to the CSR Budget. Thus, the CSR Target for the year 2018-19 had become ` 7,674 lakh. During the year, the Company had spent ` 7,246 lakh against the said Budget of ` 7,674 lakh towards CSR & Sustainable Development.</p> <p>[24] Corporate Social Responsibility Policy (Document) Accessed 06/04/2020 https://hal-india.co.in/Common/Uploads/DMS/CSR%20Policy_09.01.2020.pdf [p.3] POLICY STATEMENT</p> <p>We at Hindustan Aeronautics Limited (HAL) strive to accomplish our vision of becoming a significant global player in the aerospace industry and to address the concerns of economic status, environment and well being of the society through CSR initiatives.</p> <p>HAL will:</p> <ol style="list-style-type: none"> 1. Operate its CSR Projects in a socially responsible & sustainable manner, while recognizing the interests of all its stakeholders by adopting a shared value approach. 2. Ingrain the thrust of CSR and Sustainability concept across various levels in the organization by means of capacity building, awareness and training programs. 3. We are committed to allocate adequate resources and set up a suitable organization structure for steering the CSR and Sustainability in our organization and report our performance on an annual basis. <p>[p.4] 1. Objectives:</p> <p>The Objectives of the CSR projects will be as follows:</p>

- i) To carry out CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- ii) To integrate the core values of the Company with the philosophy of corporate social responsibility (CSR) and Sustainability.
- iii) To incorporate the spirit of CSR and Sustainability to the employees at all levels and to infuse into all the activities, processes, operations and transactions of the Company.
- iv) To undertake any other matter as deemed appropriate or determined by the Board from time to time in the best interest of the Company and other stakeholders of the Company.

[p.4] 3. Definitions:

3.1 "Corporate Social Responsibility (CSR)" means and includes but is not limited to:

- (i) Projects or programs relating to activities, areas or subject, specified in Schedule VII to the Companies Act, 2013; or (ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company (Board) in pursuance of recommendations of the Corporate Social Responsibility & Sustainable Development Committee of the Board subject to the condition that such Projects will include areas or subjects specified in Schedule VII of the Companies Act, 2013.

[p.5] 4. Budget & Approval:

4.1 The budgetary allocation for CSR Projects/activities for the year will be based on the profitability of the Company. The budget allocation for the CSR Projects will be 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.

4.2 The budget allocated for CSR Projects/activities planned for each financial year is expected to be spent within that year.

4.3 If the Company fails to spend the allocated budget, the Board shall, in its Report, specify the reasons for not spending the amount.

[Document continues to describe how the CSR budget is calculated]

[p.6] 5. Implementation & Review process:

5.1 The CSR Projects / Programs approved by the CSR & SD Committee may be taken up through a registered Trust or a registered Society or a Company established by the Company provided that:

a) If any Division desires to implement CSR Projects through an external agency / NGO, it should ensure that the external agency / the NGO selected has an established track record of three years in undertaking similar Projects / programs.

b) The Division should specify the CSR Projects / Programs to be undertaken through these entities (external agency / NGO / Registered Trust / Registered Society), the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

5.2 The CSR Projects /activities will be undertaken by the Company itself (in-house) excluding activities taken in pursuance of normal course of Business and this system will continue until a dedicated "Trust" is created to implement the CSR Projects / activities.

[p.7] 5.5 The Divisions will choose Projects/activities falling in areas or subjects, specified in Schedule VII of Companies Act, 2013. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR & SD Committee, but do not include any expenditure on any item not covered in areas or subjects, specified in the Schedule VII of the Companies Act, 2013.

5.6 Projects/activities which are selected under CSR should, as far as possible, be implemented in a Project mode, which entails charting the stages of execution in advance through planned processes, with mobilization of pre-estimated quantum of resources, and within the allocated budgets and prescribed timelines.

5.7 The Divisions may take up long gestation Projects for reaping the maximum benefits and impact towards the social, economic and environment status in the locations identified under CSR projects. For easy implementation, long-term CSR plans should be broken down into medium-term and short-term plans.

5.8 All the CSR Projects / activities proposed by the Divisions will be put up to the CSR & SD Committee of the Board for approval. Based on the recommendation of the CSR & SD Committee, the CSR Projects / activities along with CSR Policy would be put up to the Board for approval. The Board approved CSR Projects / activities will be taken up by the Divisions / Offices and the expenditure therein will be considered under CSR budget of the Company for that Financial Year. The Company, at the beginning of its financial year, will publish on its website, the approved CSR Policy, Budget and CSR Projects/ activities taken up by the Company and the Compliance / Responsibility Report and the targets achieved by the Company at the end of the Financial Year, respectively.

5.9 While implementing CSR Projects, it is mandatory to comply with the rules / regulations / laws of the State. However, expenditure on such compliance / statutory measures will not be covered under CSR's financial component and would be considered as mainstream business spend / expenditure.

[p.8] 5.10 The CSR Projects / activities that benefit only the Employees of the Company and their families will not be considered as CSR Project/ activity.

5.11 The surplus arising out of the CSR Projects / Programmes / activities, shall not form part of the business Profit of the Company.

[...]

5.15 Two-tier organizational structure is constituted to steer the CSR Projects/activities of the Company, at the Corporate level.

5.16 One Committee (CSR & SD Committee) at the Board level, headed by an Independent Director to oversee the implementation and monitoring of the CSR Projects/activities. The Board of Directors shall ensure that the activities included by the Company in its Corporate Social Responsibility Policy are related to the activities, areas or subject, specified in Schedule VII of the Act.

5.17 Second Committee at one rank below the board level, headed by GM(HR)-CO cum nodal officer. GM(HR)-CO will be assisted by all Complex HR Heads as Ex-Officio members and AGM(HR)-CO, CSR as member/Secretary. This Committee will meet on quarterly basis. Presence of all the committee members is mandatory and no sub-delegation is permitted.

[p.9] 5.19 Keeping in view of the importance of CSR Projects/activities, the HR Heads and Divisional Heads would give due diligence and also discuss the modalities and progress of CSR Projects/activities during the Divisional COM Meetings.

5.20 Excluding the Board level Committee, the performance of every employee involved in planning, implementing and monitoring of the CSR Projects / programs will be linked to the annual PARs to the extent of 5-10 marks (out of 100), to bring more work clarity and accountability.

5.21 The designated nodal officer will regularly submit reports regarding the progress in the implementation of CSR activities to Corporate Office, to be put up to the CSR & SD Committee.

5.22 The CSR & SD Committee of the Board will in turn, periodically submit the reports to the Board of Directors for their information, consideration and necessary directions.

5.23 The Board of Directors of the Company, after taking into account the recommendations of CSR & SD Committee of the Board, approves the CSR Policy for the Company and discloses contents of such Policy in its Board report and the same will be displayed on the Company's website, as per the particulars specified in the Appendix – B.

[...]

7. Impact Assessment and Evaluation:

7.1 In order to ascertain the degree of success or failure of a completed activity/project under CSR, it is required to conduct an impact assessment study.

[p.10] 7.2 All activities/projects taken under CSR of the year may be evaluated by an external specialized agency for the sake of objectivity and transparency.

7.3 External specialized agencies / NGOs with adequate experience / expertise may be engaged from the available panels maintained by the Government Ministries / Departments, Planning Commission, autonomous organizations, or the National / Regional CSR Hub.

7.4 The external agency shall evaluate the Projects/activities for the following information:

- Need for choosing the activity/project (Conduct of Baseline Survey)
- Fulfillment of the objectives for the activity/project
- Beneficiaries of the activity/project.
- Budget utilization.
- Implementation aspects.
- Timely completion of the targets.
- Impact of the activity/project on social, economic and environment perspective.

[p.11] Appendix – A

Activities relating to:-

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

[Document lists further causes]

[p.13] Appendix – B FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs
2. The Composition of the CSR & SD Committee
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent or the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other; (2) Specify. The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementing agency*
1							
2							
	TOTAL						

*Give details of implementing agency

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR & SD Committees that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/- (Chief Executive Officer or Managing Director or Director)

Sd/- (Chairman CSR & SD Committee)

Sd/- (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)

[25] Proposed CSR Projects 19-20 (Document)

Accessed 06/04/2020

http://hal-india.co.in/common/Uploads/PDFS/CSR_2019_20_Projects.pdf

[p.1]

CSR PROJECTS PROPOSED FOR 2019-2020

Name of Division/ Office	Sl. No	CSR Project/Activity Identified	Sector(s) covered in schedule VII	Location of Projects/ Programmes	Estimated Budget (in crores)
Corporate Office	1	Establishment of HAL – IISc Skill Development Centre	II	lisc New Campus at Chatlakere, Chltradurga Dist, Karnataka	14.35
	2	Training of Apprentice over and above the Statutory Limits	II	Divisions of HAL	17.00
	3	Contribution to IDEX partner, SINE IIT Bombay	IX	IIT Bombay	0.40
Sub Total					31.75

[Document contains a total of 10 pages listing proposed philanthropic and charitable projects]

[21] Corporate Social Responsibility Page (Webpage)

Accessed 06/04/2020

https://hal-india.co.in/Corporate%20Social%20Responsibility/M_113

Corporate Social Responsibility

Journey Of CSR

During the last 2 decades, Corporate Social Responsibility (CSR) has evolved from a simple philanthropic activity to integrating business interests with the community in which it operates, exhibiting social, environmental & ethically responsible behavior in governance of business generating values & long term sustainability.

HAL believes that every business entity needs to have a mechanism for giving back to the Society in which it operates. The Company's Business principles dovetail with its CSR initiatives to ensure that the society surrounding it grows along with the Company.

HAL recognizes the need to adopt CSR as a strategic tool for Sustainable Development, integration of business processes with social processes and also addresses the concern of the society around it. The Company acknowledges that its performance would also be measured in terms of economic impact, social impact and environmental impact—the Triple Bottom Line.

HAL as a responsible organization has embraced the Community-based development approach, working actively with local communities leading to Sustainable Development.

HAL Divisions are spread across the Country, even in places considered as remote (like the Division at Koraput, Odisha) where Scheduled Castes and Tribes and Aborigines constitute 65% (approx.) of the population. The very choice of such locations was intentional to take up developmental activities in the backward regions.

CSR initiatives of HAL have started as 'a call from within' and not as a compulsion. HAL has been undertaking CSR Projects / Programmes in the local areas of its Operations, with a view to improve the quality of life of the socially & economically backward groups and marginalized & weaker Sections of the Society. HAL has met needs of the people through various community developmental activities.

HAL has been taking up CSR Projects/activities in the vicinity, based on need and availability of Funds, in various Sectors like:

- **Infrastructure Development:** Construction of Bitumen / Cement Concrete / Water Bound Macadam (WBM) Roads. Construction of Community Halls along with Kitchen & Toilets. Provision of Solar / Conventional Street Lights / High-mast Lights in Villages. Rain Water Drains are also constructed along the Roads.
- **Education:** HAL has been providing school supplies like desks, benches, computers, Audio Visual Equipments and stationery items like books, pens etc., to the children studying in the Government schools in the villages. Toilets have been constructed in Govt. Schools under Swachh Vidyalaya. Based on need and availability of funds, School Buildings, Class Rooms, Labs, Boundary Walls, Kitchens, Store Rooms, Dining Halls etc., are also constructed at select places.

[...]

Drinking Water: Safe Drinking Water is provided through Open Wells and Tube Wells. Depending upon the quality of water, Reverse Osmosis (RO) systems are also provided in schools and villages.

[Webpage describes numerous philanthropic activities that the company supports]

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
0
Comments
The company publishes a commitment to engage in public policy development in adherence to all laws and regulations but publishes insufficient information to receive a score of '1'. There is no evidence that the company has a clear policy on responsible lobbying which goes beyond adhering to laws.
Evidence
<p>[10] Principles and Policies on Business Responsibility (Document) Accessed 11/07/2019 https://hal-india.co.in/Common/Uploads/DMS/Principles_and_Policy_on_Business_Responsibility.pdf [p.1] 1. Key Principles</p> <p>1.1 The Company has adopted the following nine key principles of Business Responsibility, prescribed in SEBI guidelines:</p> <p>[...]</p> <p>Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner</p> <p>[p.6] 2.7 Public and Regulatory Policy</p> <p>2.7.1 As a Corporate Citizen, the Company understands its responsibility to function within the democratic set up and the constitutional framework. It recognizes that businesses operate within the specified legislative and policy frameworks prescribed by the Government, which guide their growth and also provide for certain desirable restrictions and boundaries. The company and its employees would respect the legal/regulatory framework and shall comply with all the applicable provisions of existing local, state, national, and international laws. They shall also follow and obey the policies, procedures, rules and regulations relating to the business of the Company.</p> <p>2.7.2 In case of any grievance with any legislative/regulatory mandates, it shall seek redressal of the same and resort to policy advocacy consistent with the principles and policies contained in the Code. Wherever necessary and to the extent possible, the Company shall seek policy changes either through the Administrative Ministry to which it reports or through the trade and industry chambers and other such collective platforms.</p> <p>2.7.3 The Company believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few in a partisan manner.</p>

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
0
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes any information on its lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
1
Comments
<p>There is evidence that the company has a policy and procedures on the giving and receipt of gifts and hospitality, to ensure that they are bona fide and not used for corrupt purposes. The company explicitly addresses the risks associated with gifts given to, and received from, government officials. The company states that all gifts and hospitality given and received must be recorded and submitted.</p> <p>However, there is no explicit evidence that these records are stored in a dedicated central repository accessible to those responsible for overseeing the policy. Although the company’s Conduct Discipline and Appeal Rules document sets financial thresholds for different kinds of gifts, this document is dated in 1984 and so it is unclear whether these financial thresholds remain relevant.</p>
Evidence
<p>[10] Principles and Policies on Business Responsibility (Document) Accessed 11/07/2019 https://hal-india.co.in/Common/Uploads/DMS/Principles_and_Policy_on_Business_Responsibility.pdf [p.2] 2.1.5 HAL employees shall not, directly or indirectly through their family and other connections, solicit or accept any personal fee, Commission or other form of remuneration arising out of transactions involving the Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc. However, the Company and its employees may, with full disclosure, accept and offer gifts of nominal value, provided such gifts are customarily given and / are of a commemorative nature.</p> <p>[4] Vigilance Manual Vol. IV – Compendium of Guidelines (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf [p.286] ACCEPTANCE OF GIFTS BY GOVERNMENT SERVANTS</p> <p>Gifts are presented by the public sector undertakings, banks etc. to a number of persons including government officials during festive occasions, such as, Diwali, Christmas, New Year etc. this matter has been the subject of comments in the press, media etc. The commission has considered the matter and is of the view that this practice, at least, so far as government servants are concerned, needs to be discouraged. The CCS (Conduct) Rules provide that no government servant shall accept or permit any member of the family or any other person acting on his behalf to accept any gift except on occasions like weddings, anniversaries or religious functions. The practice of PSUs etc. sending gifts to government servants unnecessarily embarrasses them and puts them in a dilemma. The gifts are to be provided only to promote commercial/business interests and need not therefore be sent to government officials etc. who are only doing their duty.</p> <p>The Public sector undertakings, banks etc. are therefore, advised that they may follow this advice with immediate effect. The CVOs may bring this to the notice of the Chief Executives and all relevant executives.</p> <p>2. Commission also would like to receive a report from the CVOs on the gift policy of the Company followed by them in the current year and the actual expenditure incurred by them as festival gifts. The Commission hopes to receive the special report by 15th January 2004 and every year thereafter. (CVC circular No. 002/MS/70 Dt. 27 Aug 03)</p> <p>ACCEPTANCE OF GIFTS BY GOVERNMENT SERVANTS</p> <p>Please refer to the Commission’s letter No.002/MS/70 (Office Order No. 40/8/2003) dated the 27th August 2003 on the subject cited above. While the Commission reiterates its instructions issued vide the aforesaid office order and emphasizes that the practice by PSUs etc. of sending gifts to government servants on the occasion of festivals</p>

be discouraged, it is clarified that these instructions would not apply to mementoes, diary & calendar, etc. brought out by PSUs etc. for publicity and business promotion.

2. All CVOs are requested to bring this to the notice of all concerned. They should furnish a report on the expenditure incurred by them on festival gifts during this year, in their monthly and the annual report to the Commission. (CVC circular No. 004/MS/032 Dt. 22 Sep 04)

[p.287] RESTRICTIONS ON GIFTS TO GOVERNMENT SERVANTS

Please refer to ED(V)'s letter No. HAL/CO/VIG/41/2003/1626 dated 18.9.2003 enclosing therewith a copy of CVC's Circular No. 002/MS/70 dated 27.8.03, imposing restrictions on the practice of acceptance of gifts by the Government Servants.

2. While noting the advice of CVC as contained in the above communication, Chairman has directed that we should not give any festival gifts to Govt. servants, and further, desired that yearly confirmation be obtained from the Divisions/Complexes by 5th January every year on the information sought by CVC in their letter referred to above.

3. You are requested to instruct the concerned to comply with the instructions and forward the requisite information in the format enclosed at Annexure-I to Corporate Office by 5th January every year (4th January in case 5th January happens to be a holiday) to facilitate us to furnish the necessary inputs to CVC through Corporate Vigilance. (HAL/P&A/20(28)-2/VG/2003/677 dt 18 Oct 2003)

FESTIVAL GIFTS TO GOVERNMENT SERVANTS BY PSUs ETC.

Please refer to the Commissions letter No. 002/MS/70 (Office Order No. 40/8/2003) dated 27th August, 2003 and 004/MS/70 (Office Order No. 60/9/04) dated 22nd September, 2004 on the subject cited above.

2. The Commission once again reiterates its instructions issued vide the aforesaid office orders and emphasizes that the practice by PSUs etc. of sending gifts to Government servants on the occasion of festival and New Year be discouraged. All CVOs are requested to bring this to the notice of all concerned. They should furnish report on the expenditure incurred by them on festival gifts during this year in their Monthly and Annual reports to the Commission. (CVC circular No. 005/MS/25 Dt.13 Oct 05)

[2] Conduct Discipline and Appeal Rules - 1984 (Document)

Accessed 25/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/CDA-Rules-Booklet.pdf>

[p.34] XV. Gifts: Save as otherwise provided in these rules, no officer of the Company shall accept or permit any member of his family or any other person acting on his behalf to accept any gift. Explanation: The expression "Gift" shall include free transport, board, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a personal friend having no official dealings with the officer.

Note: (1) An officer of the Company shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him;

(2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of gifts is in conformity with the prevailing religious or social practices, an Officer of the Company may accept gifts from his near relatives but he shall make a report to the

[p.35] Competent Authority if the value of the gift exceeds Rs.4000/- in respect of Officers in Grade-I; and Rs.7000/- in respect of Officers in Grade-II & above;

(3) On such occasions as are specified in Subrule (2), an Officer of the Company may accept gifts from his personal friends having no official dealings with him, but he shall make a report to the Competent Authority if the value of the gift exceeds Rs.4000/- in respect of Officer in Grade-I; and Rs.7000/- in respect of Officer in Grade-II & above;

(4) In any other case, an Officer of the Company shall not accept or permit any other member of his family or any other person acting on his behalf to accept any gifts without the sanction of the Competent Authority if the value thereof exceeds Rs.1500/-. Provided that when more than one gift is received from the same person / firm within a period of 12 months, the matter shall be reported to the Competent Authority if the aggregate value of the gifts exceed Rs.1500/-. (Letter No. HAL/P&A/19(2)/2012 dated 17.05.2012).

[9] Code of Conduct for Senior Management and Directors (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf>

[p.6] 6.7 Be upright and avoid any inducements :-

The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit for personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency.

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
2
Comments
There is evidence that the company requires the involvement of its procurement department in the establishment of new suppliers and that this department is ultimately responsible for providing oversight of the company's supplier base. There is evidence that the company assures itself that proper procedures regarding the onboarding of suppliers are followed at least every three years.
Evidence
<p>[7] Purchase Manual (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/DMS/HAL%20Purchase%20Manual%20(issue%203%20-%202013).pdf [p.20] 1.3 Purchase Functions : Purchase Department is responsible for the following functions:</p> <p>a) Creation of a comprehensive and regularly updated directory of selected reliable vendors and exchange the same with other Divisions to expand sources of supply.</p> <p>b) Maintenance of vendor evaluation and rating records.</p> <p>[p.21] c) Carry out Market surveys with a view to establishing / developing new reliable and better sources of supply and keep updated with information on latest products / developments.</p> <p>d) Analysing bids / offers for decision-making by the Competent Authority.</p> <p>e) Arranging negotiations with Vendors, when necessary.</p> <p>f) Issue of Purchase Orders in time.</p> <p>[...]</p> <p>1.4 PURCHASE ORGANISATION</p> <p>1.4.1 The Purchase Department shall be organised, depending on the work load at the Division in such a manner as to efficiently discharge the functions set out at para above.</p> <p>[p.27] MARKET EXPLORATION AND SOURCE SELECTION</p> <p>3.1 The main objective of the Purchase Department is timely procurement and supply of material to the indenting departments. Non-receipt of materials ahead of time would be a burden on the cash flow of the Company and add to inventory carrying costs. It is therefore important that right source is contacted. To achieve this aim each Division shall carry out intensive market survey and prepare a register/ Database of Approved Suppliers. The following procedure shall be followed in respect of market survey, source selection and registration of suppliers in each Division.</p> <p>[p.29] 3.5 Vendor Registration</p> <p>[...]</p> <p>3.5.3 Firms seeking registration will be responsible for disclosing complete and correct information. Once registered, they will also be responsible for sending information updates on their own, within one month of any changes.</p>

3.5.4 Firms desirous of registration shall be issued with Form at Annexure-04 (in case of indigenous suppliers) or Form at Annexure-05 in case of Foreign OEMs or form at Annexure-06 for stockist/ distributors. The forms shall be issued free of cost. Though, as per the registration form, details of three years are being sought, the same should not be considered as eligibility criteria for registration as an approved vendor. In case vendors who are new or furnishing data for one to two years, depending upon commencement of their business/ establishment of facilities, committee may decide on merits for registration of the vendor considering their facilities and expertise.

[p.30] 3.8 Approval

3.8.1 Registration of Vendors will be done based on recommendations of a committee consisting of representatives from Finance, Quality Control, IMM, Methods and User Department where ever applicable.

The committee shall consider one or more of following criteria :

- a. The Vendor is called up in Design Documents/ToT agreement/Technical documents of particular aeronautical product.
- b. The Vendor for Aeronautical items shall have necessary authorization to supply such items.
- c. Technical capability and production capacity
- d. Financial soundness / stability e. Quality assurance
- f. Past performance
- h. After-sales service organisation and depth of service
- i. Details of major customers

[p.31] 3.9 It is to be ensured that the Vendor possesses the necessary professional, technical, financial and managerial resources and competence required. In case of stockist / distributors of proprietary items document evidencing OEM's authorization to be made available. In case of items of common use or standard specification items the information of stockist / distributors available in the OEM's web portal / catalogues can be considered.

[...]

3.10.2 Based on the findings and recommendations of the committee, Head of IMM Deptt shall recommend the vendor/s to Head of Division for formal approval with initial period for five years. After Head of Division's approval the vendor shall be allocated a registration number and advised the registration number allotted to them.

[p.37] 4.3.6 All provisioning and procurement of value more than Rs. 15 lakhs in case of project materials and value more than Rs.5 lakhs in case of non-project materials should be cleared through PC/MPC.

All provisioning/procurement on single tender basis except proprietary, licensor/OEM, customer nominated and licensor nominated sources should also be cleared by PC/MPC

[p.39] CHAPTER - V PURCHASE ENQUIRY AND SELECTION OF APPROPRIATE PURCHASE MODE

5.1 Tendering method should be flexible enough to accommodate different procurement methods. The most transparent method is to allow all the potential suppliers to participate in the tendering process without limitations.

[...]

Once in every two years review of the items procured on proprietary/single tender to be made and the scope for competition to be explored. A Committee needs to be constituted with the approval of Level I executive to carry out the review.

[5] Achievements of Department (Webpage)

Accessed 03/04/2020

https://hal-india.co.in/Achievements%20of%20Department/M_47

Reforms in Delegation of Powers

Need for a smooth and efficient supply chain management which will be the backbone of an organization's growth cannot be overemphasized. Vigilance Department has taken initiative to look into various aspects of "Supply Chain Management" system in HAL. A brain storming session was conducted wherein the executives from Finance, IMM, Works and Outsourcing Departments have participated and shared their domain experience and recommendations for improving Supply Chain Management in HAL were submitted to the Management. The Management Committee has concurred with many of the recommendations made in the report and 16 amendments to HAL Purchase Manual have been effected.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.42] If the goals and objectives of HAL have to be realized in an atmosphere of ethical governance and sustained development, the need for presence of a strong Vigilance Department cannot be overemphasized. Thus there is a need for constant and effective Vigilance mechanism in HAL to undertake anti-corruption measures to increase the confidence of the stake holders in a challenging and changing global economy.

Due to the delegation of powers both financial and administrative, there is hardly any Department now, which does not afford opportunities for corruption. However, in some departments these opportunities are greater when compared to others. These departments can be termed as sensitive departments, from the vigilance angle viz;

(a) Purchase Department

[...]

However some of the common

[p.43] points of irregularities in various sensitive departments are enumerated below. These are not exhaustive but only illustrative.

Purchase department:

[...]

(b) Not maintaining updated Vendor Register. (Over a period of time certain firms close down/stop dealing with the required items or change their location. Due to non maintaining of updated vendor register, the possibilities of obtaining competitive offers from firms actually dealing with the required items become less or nil). This may be due to ulterior motive to favour particular firms only.

(c) Issuance of Proprietary Certificates indiscriminately, to thwart competition.

(d) Certification of bills that come to Purchase Department (for recommendation of payments) without minimum scrutiny, thereby putting the company to wrongful loss and the vendor/supplier to wrongful gain with ulterior motives.

[...]

(i) Issue of tenders to blacklisted firms.

[p.67] 4. Integrity Pact

Originally called the "Island of Integrity", the Integrity Pact (IP) was designed and launched by Transparency International in the 1990s with the primary objective of safeguarding public procurement from corruption. "Integrity Pact" is a process in which voluntary agreements are made, involving bidders and the Government, to restrict opportunities for corruption in a particular project. Central Vigilance Commission through its Office Order No.41/12/07 dated 4.12.2007 has emphasized the importance of adoption of Integrity Pact in Government procurement activities. It contains rights and obligations to the effect that neither side will pay, offer, demand or accept bribes, or collude with competitors to obtain the contract, or while carrying it out. Also that bidders will disclose all commissions and similar expenses paid by them to anybody in connection with the contract; and that

[p.68] sanctions will apply when violations occur. These sanctions range from loss or denial of contract, forfeiture of the bid or performance bond and liability for damages, to blacklisting for future contracts on the side of the bidders and criminal or disciplinary action against employees of the Government .

[p.74] Further, it is reiterated that IP is required to be signed in respect of all Contract/Purchase Order/Agreements wherever HAL's estimated value is exceeding Rs. 20 Crs. IP would be submitted in a separate envelope clearly marked as "Integrity Pact" at the time of submission of Pre-qualification in case of Three Bid system, or along with Technical & Commercial Offers in case of Two Bid system. Vendor is required to sign and submit Pre-Contract IP irrespective of the value of the Commercial Bid submitted by the vendor However Integrity Pact is to be signed for order value of Rs 20 Cr or more even if estimated value was less than 20 Cr. (HAL/CD/617/2011/886 Dt 30th May 2011)

[11] Vigilance Manual Vol. III -Technical Guidelines (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf>

[p.63] 7. GUIDELINES ON TENDERING SYSTEM

7.1 Pre-qualification criteria (PQ) The Commission has received complaints regarding discriminatory prequalification criteria incorporated in the tender documents by various Depts./Organizations. It has also been observed during intensive examination of various works/contracts by CTEO that the prequalification criteria is either not

[p.64] clearly specified or made very stringent/very lax to restrict/facilitate the entry of bidders.

2. The prequalification criteria is a yardstick to allow or disallow the firms to participate in the bids. A vaguely defined PQ criteria results in stalling the process of finalizing the contract or award of the contract in a nontransparent manner. It has been noticed that organizations, at times pick up the PQ criteria from some similar work executed in the past, without appropriately amending the different parameters according to the requirements of the present work. Very often it is seen that only contractors known to the officials of the organization and to the Architects are placed on the select list. This system gives considerable scope for malpractices, favoritism and corruption. It is, therefore, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.

[p.65] While framing the prequalification criteria, the end purpose of doing so should be kept in view. The purpose of any selection procedure is to attract the participation of reputed and capable firms with proper track records. The PQ conditions should be exhaustive, yet specific. The factors that may be kept in view while framing the PQ Criteria includes the scope and nature of work, experience of firms in the same field and financial soundness of firms.

[p.101] 3.0 Implementation procedure:

3.01 Adoption of IP is voluntary for any organization, but once adopted, it should cover all tenders /procurements above a specified threshold value.

3.02 The threshold value for the contracts to be covered through IP should be decided after conducting proper ABC analysis and should be fixed so as to cover 90-95% of the total procurements of the organization in monetary terms.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
1
Comments
<p>There is evidence that the company has formal procedures to conduct corruption-risk based due diligence on all suppliers. There is evidence to suggest that the company might be willing to review and/or terminate supplier relationships in circumstances where a red flag highlighted in the due diligence process cannot be mitigated.</p> <p>However, there is no evidence to suggest that highest risk suppliers are subject to enhanced due diligence, or that the company seeks to independently verify suppliers' beneficial ownership. Additionally, although there is some evidence of continuous monitoring of suppliers, there is no clear evidence that the company conducts due diligence on all suppliers at least every two years and/or when there is a change in the business relationship.</p>
Evidence
<p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.42] Due to the delegation of powers both financial and administrative, there is hardly any Department now, which does not afford opportunities for corruption. However, in some departments these opportunities are greater when compared to others. These departments can be termed as sensitive departments, from the vigilance angle viz;</p> <p>(a) Purchase Department</p> <p>[...]</p> <p>However some of the common</p> <p>[p.43] points of irregularities in various sensitive departments are enumerated below. These are not exhaustive but only illustrative.</p> <p>Purchase department:</p> <p>[...]</p> <p>(i) Issue of tenders to blacklisted firms.</p> <p>[p.67] 4. Integrity Pact</p> <p>Originally called the "Island of Integrity", the Integrity Pact (IP) was designed and launched by Transparency International in the 1990s with the primary objective of safeguarding public procurement from corruption. "Integrity Pact" is a process in which voluntary agreements are made, involving bidders and the Government, to restrict opportunities for corruption in a particular project. Central Vigilance Commission through its Office Order No.41/12/07 dated 4.12.2007 has emphasized the importance of adoption of Integrity Pact in Government procurement activities. It contains rights and obligations to the effect that neither side will pay, offer, demand or accept bribes, or collude with competitors to obtain the contract, or while carrying it out. Also that bidders will disclose all commissions and similar expenses paid by them to anybody in connection with the contract; and that</p> <p>[p.68] sanctions will apply when violations occur. These sanctions range from loss or denial of contract, forfeiture of the bid or performance bond and liability for damages, to blacklisting for future contracts on the side of the bidders and criminal or disciplinary action against employees of the Government .</p> <p>[p.71] Independent External Monitors :</p>

The Principal in consultation with CVC will appoint an IEM to oversee IP program implementation and effectiveness .Sri Dhirendra Singh IAS (Retd) is the IEM at present . IEM will be a person of impeccable integrity and knowledgeable of Government tendering/contracting processes.

[7] Purchase Manual (Document)

Accessed 08/04/2020

[https://hal-india.co.in/Common/Uploads/DMS/HAL%20Purchase%20Manual%20\(issue%203%20-%202013\).pdf](https://hal-india.co.in/Common/Uploads/DMS/HAL%20Purchase%20Manual%20(issue%203%20-%202013).pdf)

[p.31] 3.11 Removal of firm's name from the approved list

3.11.1 A firm/vendor may be removed from the list of approved suppliers, if on account of its performance or other disabilities, it is no longer considered fit to remain on the approved list. Orders, removing a firm/ vendor from the list of approved suppliers, will not be endorsed to Agencies/ Depts. other than HAL.

3.11.2 A firm's name may be removed from the approved suppliers' list for one or more of the following reasons:

[p.32] i. The Directors or officers of the firm are convicted of any criminal offence

j. The retention of the firm's name in the list of approved suppliers is not in public interest.

k. Any other reasons, which might disable the supplier from satisfactorily performing the execution of likely contracts or purchase orders.

l. Using corrupt or unfair means to gain advantage.

m. Recommendation of Vigilance duly approved and by an officer not below the rank of Director of the Company.

[p.33] 3.13 Banning of Business Dealings with Firms

3.13.1 Banning of business dealings with a firm shall be of two types:

a). Banning by one Complex/Division including its attached and subordinate offices.

b). Banning by the Company/ Ministry including their attached and subordinate offices.

3.13.2 Banning by one Complex/Division

a). An order of first type for banning business dealings with a firm shall be passed by head of the Division concerned, if applicable at Division level. If it is recommended by the Division for Complex level, banning shall be with the approval of Head of the Complex.

b). Such an order may be passed in cases where the offence is not considered serious enough to merit a banning order of the second type, but, at the same time, an order removing the name of the firm from the list of approved suppliers is not considered adequate.

c) It shall be passed for a specified period.

d) It shall be extended to allied firms also.

e) It shall be circulated to other Divisions/ offices of the company for information and caution. However, the order shall cover all the attached/ subordinate offices, of the Complex/Division issuing the order. A copy of the order should also be sent to the respective Vigilance department for information.

f) No contract of any kind whatsoever shall be placed with a banned firm including its allied firms by the Complex/Divisions issuing the order and its attached and subordinate offices after the issue of banning order. Contracts concluded before the issue of the banning order shall, however, not be affected by the banning order.

3.13.3 Banning by the Company/Ministries

An order for banning business dealings with a firm implies that all Departments/Offices of the company are forbidden from dealing with that firm and its allied firms also.

3.13.3.1 The grounds on which banning may be ordered are:

- a. Government Order to that effect
- b. If security considerations including question of loyalty to the State so warrant
- c. If the proprietor of the firm, any of its partners or the Company itself is convicted by a court of law following prosecution by the Central Bureau of investigation or under normal process of law for offences involving moral turpitude in relation to business dealings
- d. If there is strong Justification for believing that the proprietor or employee, or representative of the firm has been guilty of malpractices such as bribery, corruption, fraud substitution of tenders,
[p.36] interpolation, misrepresentation/ misinformation/ poor or substandard quality of work/ evasion or habitual default in payment of any tax levied by law
- e. Gross negligence or default in dealing with HAL enquiry/ Purchase Order.
- f. If the firm continuously refuses to return Company (Corporate Office, Complex/Division) dues without showing adequate cause, and is satisfied that this is not due to a reasonable dispute, which would attract proceedings in arbitration or court of law.
- g. If the firm/party employs a company servant, dismissed/removed on account of corruption, or employs a non-official convicted for an offence involving corruption or abetment of such an offence, in a position where he could corrupt Company servants,
- h. If at any stage, it is discovered by HAL that a person, whose Company/firm had been banned dealings earlier and again enters HAL with a new/different name of his company or as a partner of another company

[p.176] IMM Department Application for Registration as Approved Supplier (Indian Suppliers)

[p.177] Section 2: Applicant profile

2.1 Type of Ownership:

- Individual / Proprietary Partnership Ltd. Company (Pvt./ Public)
- PSU/ Govt. Undertaking Research Institute Trust
- Joint Venture or other tie-up for technology, equipment, financial backing and/or Project Management (Please specify.....)
- Other, please specify

- Enclose copies of Income Tax Return (in case of individual)/Partnership Deed/Articles & Memorandum of Association/ JV Agreement/ Certificate of incorporation/ Certificate of Registration etc as applicable, duly certified by Chartered Accountant.

[p.188] 8. HAL reserves the right to remove your firm/company's name from registered list at any time any of the following grounds / or will render registration in valid :

[p.189] j) Using corrupt or unfair means to gain advantage

9. Any of the following will also render registration in valid :

a) In case, it comes to our notice that you have rendered of false information / Mis- representation/ suppression/distortion of facts in the application for registration/ at time of assessment, it will result in cancellation of your registration and HAL-_____ Division shall reserve the right to take suitable action.

[11] Vigilance Manual Vol. III -Technical Guidelines (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf>

[p.91] 8. INTEGRITY PACT

8.1 Adoption of Integrity Pact in major Government Procurement

Activities

Ensuring transparency, equity and competitiveness in public procurement has been a major concern of the Central Vigilance Commission and various steps have been taken by it to bring this about. Leveraging technology especially wider use of the web- sites for disseminating information on tenders, tightly defining the pre-qualification criteria and other terms and conditions of the tender are some of the steps recently taken at the instance of the Commission in order to bring about greater transparency and competition in the procurement/award of tender.

[...]

3. The Integrity Pact envisages a panel of Independent External Monitors (IEMs) approved for the organization. The IEM is to review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. He has right of access to all project documentation. The Monitor may examine any complaint received by him and submit a report to the Chief Executive of the organization, at the earliest. He may also submit a report directly to the CVO and the Commission, in case of suspicion of serious irregularities attracting the provisions of the PC Act.

[p.93] Section 2 – Commitments of the Bidder(s)/ Contractor(s)

1. The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

a. The Bidder(s) / contractor(s) will not, directly or through any other persons or firm, offer promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage or during the execution of the contract.

b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s) /Contractors will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the bidder(s)/contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as

[p.94] mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the “Guidelines on Indian Agents of Foreign Suppliers” as annexed and marked as Annexure.

e. The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract. 2. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3:

Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the “Guidelines on Banning of business dealings”. Copy of the “Guidelines on Banning of business dealings” is annexed and marked as Annexure -“B”.

[p.101] 2.02 Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

3.0 Implementation procedure:

3.01 Adoption of IP is voluntary for any organization, but once adopted, it should cover all tenders /procurements above a specified threshold value.

3.02 The threshold value for the contracts to be covered through IP should be decided after conducting proper ABC analysis and should be fixed so as to cover 90-95% of the total procurements of the organization in monetary terms.

3.03 Apart from all high value contracts, any contract involving complicated or serious issues could be brought within the ambit of IP, after a considered decision of the management.

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
1
Comments
<p>There is some evidence that the company ensures that all its suppliers have adequate anti-bribery and corruption policies and procedures in place, by way of requiring suppliers to sign an Integrity Pact at the bid stage. This agreement obliges suppliers to have adequate anti-corruption standards and policies and to abide by all anti-corruption laws and regulations.</p> <p>However, there is no evidence that the company audits or reviews each supplier’s anti-corruption policies or programme. There is also no evidence that the company requires that all suppliers must have policies prohibiting facilitation payments, as well as policies which cover conflicts of interest, gifts & hospitality, and whistleblowing; Additionally, there is no evidence as to whether this assurance is only conducted when onboarding new suppliers or also when there is a significant change in the business relationship.</p>
Evidence
<p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.86] (u) Integrity Pact</p> <p>The Company has adopted and provided for signing of Integrity Pact (IP) and accordingly a clause has been introduced in the Purchase Manual. Pre-contract IP is a binding agreement between the Company and bidders for a specific contract in which the parties promise that it will not resort to any corrupt practices in any aspect or stage of the contract. The IP has strengthened the established systems and procedures by creating trust and has full support of the Central Vigilance Commission.</p> <p>For and on behalf of Board of Directors Hindustan Aeronautics Limited</p> <p>[7] Purchase Manual (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/DMS/HAL%20Purchase%20Manual%20(issue%203%20-%202013).pdf [p.77] 8.8.10 Integrity Pact</p> <p>a) The system of signing of an Integrity Pact (IP) has been introduced in HAL in line with Govt. directives for the Contract(s) / POs based on the threshold value notified from time to time.</p> <p>b) The IP essentially envisages an agreement between the prospective bidder(s) / seller(s) and the buyer committing the persons / officials of both the parties not to exercise any corrupt practices / influence on any aspect of the contract.</p> <p>[p.78] c) The main highlights of implementation of IP are as follows :</p> <p>(i) Vendors / bidders / sellers, only those who commit themselves to IP with the buyer would be considered competent to participate in the bidding process. In other words, entering into this pact would be a preliminary qualification. IP needs to be signed with all the bidders who have participated in a tender, IP format along with appropriate clause needs to be included in the RFQ if IP requirement arises based on HAL’s estimated value. In case of competitive tender, bids not accompanied with signed IP by the bidders along with the prequalification (three bid), technical bid (two bid) and price bid (single bid), the offers shall be summarily rejected.</p> <p>[p.188] 8. HAL reserves the right to remove your firm/company’s name from registered list at any time any of the following grounds / or will render registration in valid :</p> <p>[p.189] j) Using corrupt or unfair means to gain advantage</p>

9. Any of the following will also render registration in valid :

a) In case, it comes to our notice that you have rendered of false information / Mis- representation/ suppression/distortion of facts in the application for registration/ at time of assessment, it will result in cancellation of your registration and HAL- _____Division shall reserve the right to take suitable action.

[p.277] 4. Commitments of the Buyer.

4.1 The Buyer commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

- i) No employee of the Buyer, personally or through family members, will in connection with the tender, or the execution of a contract demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
- ii) The Buyer will during the tender process treat all Bidder(s) / Seller(s) with equity and reason. The Buyer will in particular, before and during the tender process, provide to all Bidder(s) / Seller(s) the same information and will not provide to any Bidder(s) / Seller(s) confidential / additional information through which the Bidder(s) / Seller(s) could obtain an advantage in relation to the process or the contract execution.
- iii) The Buyer will exclude from the process all known prejudiced persons.

4.2 If the Buyer obtains information on the conduct of any of its employees which is a criminal offence under the Prevention of Corruption Act 1988 or if there be a substantive suspicion in this regard, the

[p.278] Buyer will inform to its Chief Vigilance Officer and in addition can initiate disciplinary action.

5. Commitments of the Bidder(s) / Seller(s).

5.1 The Bidder(s)/ Seller(s) commit himself to take necessary measures to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

- i) The Bidder(s)/ Seller(s) will not, directly or through any other persons or firm, offer promise or give to any of the Buyer's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he / she is not legally entitled to, in order to obtain in exchange any advantage during the tendering or qualification process or during the execution of the contract.
- ii) The Bidder(s)/ Seller(s) will not enter with other Bidders / Sellers into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- iii) The Bidder(s)/ Seller(s) will not commit any offence under the Prevention of Corruption Act 1988: further the Bidder(s)/ Seller(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Buyer as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

5.2 The Bidder(s)/ Seller(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

[p.279] 7. Company Code of Conduct Bidders / Sellers are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior) and a compliance program for the implementation of the code of conduct throughout the company.

8. Sanctions for Violation (Disqualification from tender process & exclusion from future contracts and Criminal charges against violation by Bidders / Sellers)

8.1 If the Bidder(s)/ Seller(s), before award or during execution has committed a transgression through a violation of Clause 5, above or in any other form such as to put his reliability or credibility in question, the Buyer is entitled to

disqualify the Bidder(s)/ Seller(s) from the tender process or take action as per the procedure mentioned herein below:

- i) To disqualify the Bidder / Seller with the tender process.
- ii) To debar the Bidder / Seller from entering into any bid from Buyer for a period of five years.
- iii) To immediately cancel the contract, if already signed / awarded without any liability on the Buyer to compensate the Bidder /Seller for damages, if any. However, any lawful payment due to the Bidder/Seller for supplies effected till date of termination would be made in normal course.
- iv) To encash EMD / Advance Bank Guarantees/ Performance Bonds / Warranty Bonds, etc. which may have been furnished by the Bidder / Seller to the extent of the undelivered stores.

8.2 If the Buyer obtains knowledge of conduct of a Bidder/ Seller or of an employee or a representative or an associate of a Bidder / Seller which constitutes corruption, or if the Buyer has substantive suspicion in this regard, the Buyer will inform to its Chief Vigilance Officer.

[23] Vigilance Manual Vol. I – Organization and Policy (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf>

[p.67] 4. Integrity Pact

Originally called the “Island of Integrity”, the Integrity Pact (IP) was designed and launched by Transparency International in the 1990s with the primary objective of safeguarding public procurement from corruption. “Integrity Pact” is a process in which voluntary agreements are made, involving bidders and the Government, to restrict opportunities for corruption in a particular project. Central Vigilance Commission through its Office Order No.41/12/07 dated 4.12.2007 has emphasized the importance of adoption of Integrity Pact in Government procurement activities. It contains rights and obligations to the effect that neither side will pay, offer, demand or accept bribes, or collude with competitors to obtain the contract, or while carrying it out. Also that bidders will disclose all commissions and similar expenses paid by them to anybody in connection with the contract; and that

[p.68] sanctions will apply when violations occur. These sanctions range from loss or denial of contract, forfeiture of the bid or performance bond and liability for damages, to blacklisting for future contracts on the side of the bidders and criminal or disciplinary action against employees of the Government. IP allows companies to refrain from bribing in the knowledge that their competitors are bound by the same rules. It allows governments to reduce the high cost of corruption on procurement, privatization and licensing. The IP has shown itself to be adequate to many legal settings and flexible in its application. Since its original conception, the tool of IP has now been used in more than 14 countries worldwide and has benefited from the feedback of a variety of individuals and organizations.

Primary Objectives of IP: IP is intended to accomplish the following primary objectives :-

- (a) To enable companies to abstain from bribing by providing assurances to them that :-
 - (i) Their competitors will also refrain from bribing
 - (ii) Government procurement, privatization or licensing agencies will undertake to prevent corruption including extortion, by their officials and to follow transparent procedures and
 - (iii) To enable governments to reduce high cost and the distortionary impact of corruption on public procurement, privatization or licensing. Beyond the individual contract in question, the IP is of course also intended to create confidence and trust in the public decision making process, procurement, privatization and licensing programmes.

Operation of IP :

IP covers all the activities relating to the contract from pre-qualification of bidder, bidding and contracting proper, implementation, completion and operation. IP will cover planning, design, construction, installation or operation of the assets by the authority, the issuing by the Authority of licenses and concessions, as well as the corresponding services such as consulting services and similar technical, financial and administrative support. IP begins when the bidder submits Expression of Interest or purchases the bid document. It ends after the execution of the contract when payments have been made to the satisfaction of the contracting authority.

[p.70] Commitments and obligations of Principal : The Principal will commit to have ethical and corruption-free business dealings with counter parties.

The Principal and/or its associates (employees, agents, consultants, advisors etc) will not seek any favour, undue benefit or accept bribes for themselves or for third parties.

Will deal with all counterparties with equity, reasonableness and fairness. Will exclude all associates who may be prejudiced or have a conflict of interest in dealings with counter parties.

[p.71] The counterparty will promote and observe best ethical practices within its organization.

The counterparty will not make any false statement or allegation against the principal. The counterparty will inform the IEM : If it receives demand for a bribe or illegal payment/benefit/favour. If it comes to know of any unethical or illegal practice of the principal. Of all payments if makes to the associates of the principal.

[12] Vigilance – Integrity Pact (Webpage)

Accessed 13/07/2019

https://hal-india.co.in/Integrity%20Pact/M_45

The Integrity Pact envisages an agreement between the prospective vendor/bidder and the buyer committing the persons/officials of both the parties not to exercise any corrupt influence on any aspect of the contract. Only those vendors/bidders who have entered into such an Integrity Pact with the buyer (HAL) would be competent to participate in bidding with HAL wherever the value of each contract exceeds Rs 5 Crores.

The Central Vigilance Commission (CVC) has appointed Shri G.Rajeswara Rao, IRS (Retd.) as Independent External Monitor (IEM) to oversee the implementation of the Integrity Pact.

[13] Supplier Integrity Agreement (Document)

Accessed 13/07/2019

<https://hal-india.co.in/PDFS/Annexure-I%20Omnibus%20IP.pdf>

[p.2] 4.1 The Buyer commits itself to take all measures necessary to prevent corruption and fraudulent practices and to observe the following principles:-

i) No employee of the Buyer, personally or through family members, will in connection with the tender, or the execution of a contract demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

[p.4] Company Code of Conduct

Bidders / Sellers are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior) and a compliance program for the implementation of the code of conduct throughout the company.

[p.5] 10. Independent External Monitor(s)

10.1 The Buyer has appointed Independent External Monitor(s) for this Omnibus IP in consultation with the Central Vigilance Commission.

10.2 As soon as the Omnibus Integrity Pact is signed, the Buyer shall provide a copy thereof, along with a brief background of the case to the Independent External Monitor(s).

10.3 The Bidder(s) / Seller (s), if they deem it necessary, may furnish any information as relevant to their bid to the Independent External Monitor(s).

[11] Vigilance Manual Vol. III -Technical Guidelines (Document)

Accessed 02/04/2020

<https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf>

[p.91] 8. INTEGRITY PACT

8.1 Adoption of Integrity Pact in major Government Procurement Activities Ensuring transparency, equity and competitiveness in public procurement has been a major concern of the Central Vigilance Commission and various steps have been taken by it to bring this about. Leveraging technology especially wider use of the web-sites for disseminating information on tenders, tightly defining the pre-qualification criteria and other terms and conditions of the tender are some of the steps recently taken at the instance of the Commission in order to bring about greater transparency and competition in the procurement/award of tender.

2. In this context, Integrity Pact, a vigilance tool first promoted by the Transparency International, has been found to be useful. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer committing the persons/officials of both the parties, not to exercise any corrupt influence on any aspect of the contract. Only those vendors/bidders who have entered into such an Integrity Pact with the buyer would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification. The Integrity Pact in respect of a particular contract would be effective from the stage of invitation of bids till the complete execution of the contract.

3. The Integrity Pact envisages a panel of Independent External Monitors (IEMs) approved for the organization. The IEM is to review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. He has right of access to all project documentation. The Monitor may examine any complaint received by him and submit a report to the Chief Executive of the organization, at the earliest. He may also submit a report directly to the CVO and the Commission, in case of suspicion of serious irregularities attracting the provisions of the PC Act.

[p.93] Section 2 – Commitments of the Bidder(s)/ Contractor(s)

1. The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

a. The Bidder(s) / contractor(s) will not, directly or through any other persons or firm, offer promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage or during the execution of the contract.

b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/Contractors will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the bidder(s)/contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as

[p.94] mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" as annexed and marked as Annexure.

e. The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract. 2. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.18] SCOPE:

The scope of this policy covers the following:

- a) This policy applies to all stakeholders including but not limited to all Whole time Board of Directors, and Independent Directors, Senior Management, Officers and other employee(s), ex-employee(s) working as advisors / consultants, persons engaged on contract / temporary basis, consultants etc.
- b) This policy is applicable to external stakeholders through incorporation of appropriate clauses intenders / agreements / contracts etc.
- c) External stakeholder shall include but not limited to suppliers / contractors / sub-contractors / Joint Ventures / Ancillaries / service providers / other outside agencies & representatives of suppliers / contractors / subcontractors / service providers / other outside agencies, who are doing business with the company and or any other parties having a business relationship with the company or any person acting in an official capacity for or on behalf of any of suppliers / contractors / subcontractors / service providers / Joint Ventures / Ancillaries / other outside agencies.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
1
Comments
<p>There is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain.</p> <p>However, this evidence is in the form of a simple statement and there is no evidence of how the company would achieve this in practice.</p>
Evidence
<p>[13] Supplier Integrity Agreement (Document) Accessed 13/07/2019 https://hal-india.co.in/PDFS/Annexure-I%20Omnibus%20IP.pdf [p.3] 5. Commitments of the Bidder(s) / Seller(s)</p> <p>5.2 The Bidder(s)/Seller(s) shall ensure compliance of the provisions of this Omnibus IP by its sub-supplier(s)/ sub-contractor(s), if any. Further, the Bidder/Seller shall be held responsible for any violation/breach of the provisions by its sub-supplier(s)/sub-contractor(s).</p> <p>[11] Vigilance Manual Vol. III -Technical Guidelines (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf [p.93] Section 2 – Commitments of the Bidder(s)/ Contractor(s)</p> <p>1. The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.</p> <p>a. The Bidder(s) / contractor(s) will not, directly or through any other persons or firm, offer promise or give to any of the Principal’s employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage or during the execution of the contract.</p> <p>b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.</p> <p>[...]</p> <p>[p.94] e. The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.</p> <p>2. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.</p>

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers, or the associated disciplinary actions.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
1
Comments
<p>There is evidence that the company has a policy covering the use third party consultants, without referring specifically to the term 'agents'. This policy addresses the corruption risks associated with the use of external consultants and stipulates specific controls to mitigate these risks. The company also explicitly commits to establishing and verifying that their use, in each case, necessary to perform a legitimate business function.</p> <p>However, the company does not clearly specify whether the policy also applies to subsidiaries and joint ventures.</p>
Evidence
<p>[11] Vigilance Manual Vol. III -Technical Guidelines (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf [p.74] 5.5 Policy for Engagement of Consultants/Experts</p> <p>1. The Policy for engagement of Consultants/Experts was notified in the Company vide Personnel Circular No. 685 dated 4.2.10.</p> <p>[...]</p> <p>Engagement of all Consultants will be against specific tasks & delivery principles. The problem which needs to be attended to by the Consultant will be clearly defined with the implications as they exist, as far as possible. The improvements expected out of the Consultant will also be defined clearly (not in broader terms) to enable them to be monitored / physically verified. Measurable, quantifiable and verifiable Terms & Conditions would be prescribed in the Notice Inviting Tender. The duration of the engagement and frequency of visits will also be clearly delineated.</p> <p>[p.55] 5.6 Selection and Employment of Consultants</p> <p>1. The issue of role and professional liability of consultants in government contracts has been under consideration in the Commission for quite some time. The Commission has decided that following guidelines, be kept in view while finalizing the contracts for engaging consultants.</p> <p>2. Conflict of Interest. The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the employer under the contract.</p> <p>3. The contract shall include provisions limning future engagement of the consultant for other services resulting from or directly related to the firm's consulting services in accordance with following requirements:-</p> <p>4. The consultants shall provide professional, objective, and Impartial advice and at all times hold the employer's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other employers. or that may place them in a position of being unable to carry out the assignment in the best interest of the employer.</p> <p>[p.56] (v) Unfair Competitive Advantage - Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question, To that end, the Employer shall make</p>

available to all the short listed consultants, together with the request for proposals, all information that would in that respect give a consultant a competitive advantage.

[p.57] 5. Professional Liability - The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards or the profession. As the consultant liability to the Employer will be governed by the applicable law, the contract need not deal with this matter. The client (purchaser) may, however, prescribe other liabilities depending on the requirement in each case without any restriction on the Consultant's liability as per the applicable law.

Policy for Engagement of Consultants/Experts

Ref: i) Personnel Circular No. 685 dated 04.02.10 ii) Circular No. HAL/P&A/18(55)110 dt 17.09.10

1. Further to the Policy on the subject notified vide the Circulars referred at (i) & (H) above, it was brought out that the draft Terms & Conditions for engagement of Consultants/Experts, barring specific/core areas of expertise/service, may be notified for uniform application across the Company. Specific/core areas of expertise/service required would be incorporated in the Terms & Conditions by the concerned Division/Office.

[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.16] b) Our business is built on seven core values. Integrity is one of seven core values in the company and a key for ethical and good corporate governance.

c) HAL has in place procedures and policies for all core business processes to ensure ethical and good corporate governance and uphold integrity of all stakeholders including third parties involved directly and indirectly in business transactions with the company.

[p.21] c) Other Stakeholders:

All other stakeholder including third parties shall read, be familiar with and strictly comply with the policy. They shall actively report corruption to Vigilance department or Management and also prevent corruption practices.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its agents or intermediaries.
Evidence
No evidence found.

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
There is no evidence that the company aims to establish the beneficial ownership of its agents.
Evidence
No evidence found.

Question
7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
There is evidence that the company includes anti-bribery and corruption clauses in its contracts with agents and intermediaries but does not specify that it includes audit and termination rights in these contracts.
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf [p.16] CORRUPTION RISK MANAGEMENT (CRM) SUB - POLICY I)</p> <p>PREAMBLE:</p> <p>a) Hindustan Aeronautics Limited (HAL), a public sector undertaking under the Ministry of Defence is premier Aerospace Complex in Asia involved in Design & Manufacture of aircraft & helicopters, aero engines, accessories and avionics (www.hal-india.com), with vision to become a significant global player in the aerospace industry.</p> <p>b) Our business is built on seven core values. Integrity is one of seven core values in the company and a key for ethical and good corporate governance.</p> <p>c) HAL has in place procedures and policies for all core business processes to ensure ethical and good corporate governance and uphold integrity of all stakeholders including third parties involved directly and indirectly in business transactions with the company.</p> <p>d) Our business processes are continuously updated to strive towards Transparency, Openness, Integrity and Accountability in all our business processes.</p> <p>[p.17] IV) Objectives</p> <p>The objective is to create and implement a Corruption Risk Management (CRM) policy with holistic framework that minimises the risks of corruption, which shall aim at:</p> <p>a) Raising awareness among all stakeholders about CRM and commitment for zero tolerance towards corruption.</p> <p>b) To identify corruption risks associated with risk prone specific business processes, evaluate & rate the risks and put in place mitigation measures to address each type of risks.</p> <p>c) Defining responsibilities of management and stakeholders in implementing this policy, identification and prevention of corruption.</p> <p>d) Deterrent action against corrupt conduct by strict, prompt and uniform enforcement of Anti-corruption regulations and laws.</p> <p>e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies.</p> <p>f) Monitoring and Review of Policy at regular intervals to cope up with operational demands.</p> <p>g) Learning from experiences & continually improving compliance, ethical decision making and integrity quotient of the Organization.</p>

[p.18] SCOPE:

The scope of this policy covers the following:

- a) This policy applies to all stakeholders including but not limited to all Whole time Board of Directors, and Independent Directors, Senior Management, Officers and other employee(s), ex-employee(s) working as advisors / consultants, persons engaged on contract / temporary basis, consultants etc.
- b) This policy is applicable to external stakeholders through incorporation of appropriate clauses intenders / agreements / contracts etc.
- c) External stakeholder shall include but not limited to suppliers / contractors / sub-contractors / Joint Ventures / Ancillaries / service providers / other outside agencies & representatives of suppliers / contractors / subcontractors / service providers / other outside agencies, who are doing business with the company and or any other parties having a business relationship with the company or any person acting in an official capacity for or on behalf of any of suppliers / contractors / subcontractors / service providers / Joint Ventures / Ancillaries / other outside agencies.

[p.20] VII) Publicity & Training

Awareness will be created among all related stakeholders through wide publicity and training. Towards this adequate information and awareness about CRM policy & related regulations in case of violations, Complaint lodging in case of notice of any violations etc. will be created through:

- a) Internal and external web enabled applications,
- b) Appropriate display at entrance of divisions or offices at Reception, Security Gates, Head of Divisions office / Complex offices / Corporate Offices, Administrative department,
- c) Regular awareness classes to all stakeholders to spell out the company's expectations for compliance with its corporate policies and procedures as well as anti corruptions laws and regulations. Training sessions shall be well documented & archived.
- d) Handbooks to newly recruited employees, undertaking by employees / consultants / those engaged on contract basis etc to ensure compliance to CRM policy.
- e) Incorporation of appropriate conditions in tender / contracts / orders / agreements etc.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no evidence that the company's incentive structures for agents are designed to minimise risks of anti-bribery and corruption.
Evidence
No evidence found.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for and/or on behalf of the company.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its joint ventures.
Evidence
<p>[12] Vigilance Manual – Technical Guidelines – Procurement, Contract & Services (Document) Accessed 13/07/2019 https://hal-india.co.in/Common/Uploads/DMS/Volume3.pdf [p.7] 1.8 Guidelines for establishing JVCs by DPSUs issued by MoD</p> <p>1. HAL has formed total 11 Joint Venture Companies (JVCs) till date and some proposals/projects/strategic alliances are under consideration for formation of new JVCs.</p>

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
1
Comments
<p>The company states that it accounts for anti-bribery and corruption considerations when entering into a joint venture, and obliges all joint venture partners to adhere to its anti-bribery and corruption policies. There is further evidence that it includes anti-corruption clauses in its contracts with joint venture partners.</p> <p>However, there is no evidence that the company takes steps to detect, control and prevent breaches through the inclusion of audit and termination rights in its contracts with joint venture partners.</p>
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf [p.17] OBJECTIVES</p> <p>The objective is to create and implement a Corruption Risk Management (CRM) policy with holistic framework that minimises the risks of corruption, which shall aim at:</p> <ul style="list-style-type: none"> a) Raising awareness among all stakeholders about CRM and commitment for zero tolerance towards corruption. b) To identify corruption risks associated with risk prone specific business processes, evaluate & rate the risks and put in place mitigation measures to address each type of risks. c) Defining responsibilities of management and stakeholders in implementing this policy, identification and prevention of corruption. d) Deterrent action against corrupt conduct by strict, prompt and uniform enforcement of Anti-corruption regulations and laws. e) Reviewing corruption prevention controls and strengthening legal and regulatory framework of accountability as well as enforcement agencies. f) Monitoring and Review of Policy at regular intervals to cope up with operational demands. <p>[p.18] g) Learning from experiences & continually improving compliance, ethical decision making and integrity quotient of the Organization.</p> <p>VI) Scope</p> <p>This policy is applicable to external stakeholders through incorporation of appropriate clauses intenders / agreements / contracts etc.</p> <p>c) External stakeholder shall include but not limited to suppliers / contractors / sub-contractors / Joint Ventures / Ancillaries / service providers / other outside agencies & representatives of suppliers / contractors / subcontractors / service providers / other outside agencies, who are doing business with the company and or any other parties having a business relationship with the company or any person acting in an official capacity for or on behalf of any of suppliers / contractors / subcontractors / service providers / Joint Ventures / Ancillaries / other outside agencies.</p>

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
The company states that it will communicate the importance of anti-corruption activities to all partners and third parties but there is no evidence that it commits to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
<p>[1] HAL Risk Management Policy (Document) Accessed 24/06/2019 https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf [p.17] OBJECTIVES</p> <p>The objective is to create and implement a Corruption Risk Management (CRM) policy with holistic framework that minimises the risks of corruption, which shall aim at:</p> <p>a) Raising awareness among all stakeholders about CRM and commitment for zero tolerance towards corruption.</p> <p>[p.18] V) SCOPE:</p> <p>The scope of this policy covers the following:</p> <p>a) This policy applies to all stakeholders including but not limited to all Whole time Board of Directors, and Independent Directors, Senior Management, Officers and other employee(s), ex-employee(s) working as advisors / consultants, persons engaged on contract / temporary basis, consultants etc.</p> <p>b) This policy is applicable to external stakeholders through incorporation of appropriate clauses intenders / agreements / contracts etc.</p> <p>c) External stakeholder shall include but not limited to suppliers / contractors / sub-contractors / Joint Ventures / Ancillaries / service providers / other outside agencies & representatives of suppliers / contractors / subcontractors / service providers / other outside agencies, who are doing business with the company and or any other parties having a business relationship with the company or any person acting in an official capacity for or on behalf of any of suppliers / contractors / subcontractors / service providers / Joint Ventures / Ancillaries / other outside agencies.</p>

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
There is no evidence that the company addresses the corruption risks associated with offset contracts, and there is no evidence that a dedicated body, department or team is responsible for monitoring the company's offset activities.
Evidence
<p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf</p> <p>[p.67] In the recent years, significant policy reforms have been brought out in our country to develop and strengthen the Aerospace Industry. The Foreign Direct Investment (FDI) policy has been revamped to attract the foreign investment in the industry. The Offset regulations have been amended, and a Strategic Partnership (SP) Model, DPP-2016, has been brought in, which enables Indian Private Companies to tie up with foreign OEMs to bid for the defence orders.</p> <p>[p.80] With an objective to enhance business opportunities, your Company's focus is on securing long term projects towards meeting the entire global requirements, through Offset programs accrued from the Indian Defence Capital Acquisition. Various strategic initiatives were taken to establish and progress business framework / agreement with the OEMs.</p>

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
0
Comments
There is no evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
Evidence
No evidence found.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company's offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of the beneficiaries of its offset obligations.
Evidence
No evidence found.

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
There is no publicly available evidence that the company acknowledges the corruption risks of operating in different markets, or that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
No evidence found.

Question				
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?				
Score				
2				
Comments				
<p>The company publishes a full list of its fully consolidated subsidiaries and non-fully consolidated holdings, including joint ventures and related entities. For all entities, the company discloses its percentage ownership, the country of incorporation and countries of operation. There is evidence that this list is current and updated on at least an annual basis. The data is also accompanied by a statement that it is complete at the time of publication to the best of the company's knowledge.</p>				
Evidence				
<p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.48] (a) HAL has established 12 (twelve) commercial Joint Venture Companies (JVCs) in collaboration with leading international aviation and Indian Organizations and 2 (two) subsidiary Companies. Besides, the Company also formed 2 (two) Section-8 (non-profit) Companies.</p> <p>During the year under review, the total turnover reported by the JVCs is ₹ 449.32 Crore, as per details given below:</p>				
(Amount in ₹ Crore)				
Sl. No.	Name of the JVCs	HAL share holding (%)	Turnover	Profit Before Tax
i	BAeHAL Software Ltd.	49	16.09	(2.13)
ii	Indo Russian Aviation Ltd.	48	90.20	20.98
iii	Safran HAL Aircraft Engines Pvt. Ltd.	50	106.88	11.76
iv	Samtel HAL Display System Ltd.	40	17.41	(2.31)
v	HAL-Edgewood Technologies Pvt. Ltd.	50	0.63	(0.21)
vi	HALBIT Avionics Pvt. Ltd.	50	4.05	(9.20)
vii	Infotech HAL Ltd.	50	9.09	1.29
viii	HATSOFF Helicopter Training Pvt. Ltd.	50	38.96	(7.74)
ix	TATA-HAL Technologies Ltd.	50	5.53	0.17
x	International Aerospace Manufacturing Pvt. Ltd.	50	155.45	1.48
xi	Multi-Role Transport Aircraft Ltd.**	50	0.00	(10.12)
xii	Aerospace & Aviation Sector Skill Council (AASSC) *	50	0.32	(0.56)
xiii	Helicopter Engines MRO Private Ltd.	50	0.68	(2.71)
xiv	Defence Innovation Organisation*	50	--	--
Name of the Subsidiaries				
xv	Indo Russian Helicopters Limited**	50.5	--	(0.49)
xvi	Naini Aerospace Limited	100	4.03	(12.95)
TOTAL			449.32	(13.35)
<p>Note: Figures in brackets () indicate loss * Section-8 (non-profit) Companies. ** Not commenced operation</p>				
[p.88] To, The Board of Directors Hindustan Aeronautics Limited				
1. We have reviewed financial statements and the cash flow statement of Hindustan Aeronautics Limited for the period ended 31st March 2019 and that to the best of knowledge and belief:				

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

[signed]

(C B Ananthkrishnan) Director (Finance) & (R. Madhavan) CFO Chairman and Managing Director

[p.187] Notes to the Financial Statements for the year ended March 31, 2019

Clause No.							
45A	DISCLOSURE RELATING TO Ind AS-24 ON RELATED PARTY DISCLOSURES						
(a)	The name of the transacting related party	M/s. Indo Russian Aviation Limited	M/s. BAe HAL Software Limited	M/s. Safran HAL Aircraft Engines Private Ltd	M/s. SAMTEL HAL Display Systems Limited	M/s. HAL-Edge-wood Technologies Private Limited	M/s. HALBIT Avionics Private Limited
	Country of incorporation	India	India	India	India	India	India
	Proportion of Ownership Interest	48%	49%	50%	40%	50%	50%
(b)	Description of the relationship between the parties	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
(c)	Description of the nature of the transactions	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services
	Volume of the transactions either as an amount or as an appropriate proportion on Purchase of Goods and Services and other expenses	8701	442	-	1713	74	42
(d)	2017-18	(8,996)	(729)	-	(1,085)	(15)	-
	Volume of the transactions either as an amount or as an appropriate proportion on Sale of Goods and Services	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
	Amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date on Purchase of Goods and Services and other expenses	6386	289	-	-	74	1338
(e)	2017-18	(3,810)	(393)	-	(155)	-	(2,367)
	Amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date on Sale of Goods and Services and other expenses	6	179	-	-	437	132
	2017-18	(6)	(42)	-	-	(400)	(48)

[Page contains data relating to all the company's joint ventures and subsidiaries, indicating that they are all incorporated in india]

[p.261] Notes to the Consolidated Financial Statements for the year ended March 31, 2019 Note 49 - Consolidated Notes to Financial Statements

3. In Compliance with Ind AS 112 - Disclosure of Interest in Other Entities, the required information is as follows:-

a) Details of interest in Joint Venture is as under:

Name of the Joint Ventures*	Nature of Business	Proportion of Ownership Interest (in %)	
		31 st March 2019	31 st March 2018
International Aerospace Manufacturing Private Limited (IAMPL)	Manufacturing of compressed rings, turbine blades.	50%	50%
BAeHAL Software Limited (BAeHAL)	Develop, Improve, Market, Sell, Lease or Loaning of Computer Softwares	49%	49%
Safran HAL Aircraft Engines Private Limited (Formerly known as Snecma HAL Aerospace Private Limited)	Produce Engine Parts & Components	50%	50%
SAMTEL HAL Display Systems Limited (SAMTEL)	Design, Develop & Manufacture of various types of display systems for airborne, military & Ground Applications.	40%	40%
Infotech HAL Limited (INFOTECH)	Engineering Services work in aero engines field, Technical Publications, Works from OEM.	50%	50%
HAL-Edgewood Technologies Private Limited (HAL-EDGEWOOD)	Hi-tech aerospace & Defence Product Design, Development, manufacturing & Technology Transfer.	50%	50%
HALBIT Avionics Private Limited (HALBIT)	Design, Develop, Market & Support (Operations & Maintenance) Products. *Provide support and maintenance services	50%	50%

[Document lists further companies]

* All Joint Ventures have been incorporated in India and the principal place of business is in India.

[14] Joint Venture Companies (Webpage)

Accessed 29/05/2020

https://hal-india.co.in/Joint%20Venture%20Companies/M__29

Joint Venture Companies

Name and Registered Address of the JVC	Purpose of JV	JV Partners & Shareholding Pattern
<p>BAeHAL Software Ltd., HAL Main Factory, Near Departure Lounge, Old Airport Road, Bengaluru-560 017 Karnataka, India</p>	<p>Design, Develop & Market Computer Software, Firmware Programs and provide software solutions & service to the customers.</p>	<p>HAL - 49% BAe Systems PLC, UK - 40%. BAe HAL Employees Welfare Trust, India -11%</p>
<p>Indo Russian Aviation Ltd., 15/1, Cubbon Road Bengaluru- 560001 Karnataka, India</p>	<p>Provide product support / spares for Russian / erstwhile Soviet Union origin fleet of aircraft by sourcing through its Russian partners.</p>	<p>Indian Firms HAL : 48% ICICI Bank : 5% Russian Firms RAC MiG : 31 % Ryazan :10 % Aviazapchast :6 %</p>
<p>Safran HAL Aircraft Engines Pvt. Ltd., 140/1, Hoody – White field Road, Whitefield Industrial Area, Bengaluru – 560 086 Karnataka, India</p>	<p>Centre of Excellence for production of Precision Aero engine components and assemblies as an Export Oriented Unit (EOU).</p>	<p>HAL :50% Safran Aircraft Engines, France: 50%</p>
<p>Samtel HAL Display System Ltd., 501, 5th Floor Copia Corporate Suits Plot No.9, District Centre, Jasola New Delhi – 110 025 New Delhi, India</p>	<p>Design, Development and Manufacture of various types of display systems for Airborne, Military and ground applications for sale in India and International markets.</p>	<p>HAL : 50% Samtel Group India: 60%</p>

<p>HAL Edgewood Technologies Pvt. Ltd., 3rd Floor, Old ADB Building, HAL Main Factory, Near Departure Lounge, Old Airport Road, Bengaluru-560 017 Karnataka, India</p>	<p>Development and manufacture of high technology miniature electronic modules and avionics systems for aerospace applications.</p>	<p>HAL :50% Edgewood Ventures, LLC, USA : 26% Edgewoodtechnologies Pvt. Ltd, India : 24%</p>
<p>HALBIT Avionics Pvt. Ltd., HAL Main Factory, Near Departure Lounge, Old Airport Road Bengaluru-560 017 Karnataka, India</p>	<p>Design, Development, marketing & maintenance of Simulators and Avionics products</p>	<p>HAL :50% Elbit Systems Ltd, Israel : 26% Merlin Hawk Associates Pvt. Ltd, India : 24%</p>
<p>Infotech HAL Limited, 5th Floor, Infotech IT Park, Phase 1, 110A and 110B, Electronic City, Hosur Main Road, Bengaluru – 560 100. Karnataka, India</p>	<p>Design and Engineering services in the field of Aero-Engines and Technical Publications</p>	<p>HAL : 50% Cyient (Infotech), India : 50%</p>
<p>HATSOFF Helicopter Training Pvt Ltd. Survey Nos. 3 & 4 , Opposite ARDC Main Gate, HAL, Vibhuthipura, Marathahalli Post Bengaluru-560 037 Karnataka – India</p>	<p>Provide military and civil helicopter pilot training services in India</p>	<p>HAL : 50% CAE Inc., Canada : 50%</p>

[Page contains data on a further seven joint ventures]

Question			
9.3 Does the company disclose its beneficial ownership and control structure?			
Score			
1			
Comments			
<p>The company discloses all shareholders with a stake in the company or voting rights of 25% or above, alongside each entity's percentage ownership in the company. The company is also publicly traded on two Indian stock exchanges.</p> <p>However, the company receives a score of '1' because the company does not disclose its beneficial ownership information on a freely available and accessible public register.</p>			
Evidence			
<p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.79] 15. Shareholding Pattern as on 31st March, 2019</p>			
Sl. No.	Category	Number of shares held	% of total holding
1	President of India	30,08,55,180	89.97
2	Insurance Companies	2,46,81,276	7.38
3	Resident Individuals	38,90,481	1.16
4	Banks	23,67,506	0.71
5	Mutual Funds	10,39,028	0.31
6	Bodies Corporates	2,76,522	0.08
7	Clearing Members	22,386	0.01
8	H U F	1,56,781	0.05
9	Non-Resident Indians	82,378	0.02
10	Non-Resident Indian Non-Repatriable	40,354	0.01
11	Foreign Portfolio - Corp	9,66,714	0.29
12	Indian Financial Institutions	8,385	0.00
13	NBFC	353	0.00
14	Trusts	156	0.00
Total		33,43,87,500	100.00
[p.81]			
(d) Listing on Stock Exchanges			
The equity shares of the Company are listed on the following stock exchanges:			
Name and Address	Stock Code		
BSE Ltd. P. J. Towers, Dalal Street, Fort Mumbai-400001	541154		
National Stock Exchange of India Ltd. (NSE) Exchange Plaza,C-1, G Block, Bandra- Kurla Complex, Bandra (E), Mumbai-400051	HAL		

[p.88] To, The Board of Directors Hindustan Aeronautics Limited

1. We have reviewed financial statements and the cash flow statement of Hindustan Aeronautics Limited for the period ended 31st March 2019 and that to the best of knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

[signed]

(C B Ananthkrishnan) Director (Finance) & (R. Madhavan) CFO Chairman and Managing Director

[15] Shareholding Pattern June 2019 (Document)

Accessed 16/07/2019

https://hal-india.co.in/Common/Uploads/DMS/shareholding%20Pattern_June19.pdf

[p. 8]

Central Government/ State Government(s)		
Serial No.	1	
Name of the Shareholders (I)	PRESIDENT OF INDIA	Click here to go back
PAN (II)	ZZZZZ9999Z	Total
No. of fully paid up equity shares held (IV)	300855180	300855180
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	300855180	300855180
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	89.97	89.97

Question																																	
9.4 Does the company publish a percentage breakdown of its defence sales by customer?																																	
Score																																	
0																																	
Comments																																	
There is no evidence that the company discloses the customer of at least 50% of its defence sales.																																	
Evidence																																	
<p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.2] HAL's supplies / services are mainly to Indian Defence Services, Coast Guard and Border Security Force. Transport Aircraft and Helicopters have also been supplied to Airlines as well as State Governments of India. The Company has also achieved a foothold in export in more than 30 countries, having demonstrated its quality and price competitiveness.</p> <p>[16] Customers – Who We Are (Webpage) Accessed 16/07/2019 https://hal-india.co.in/Our%20Customers/M_17 Major Domestic Customers</p> <table border="1"> <thead> <tr> <th>DEFENCE & SPACE</th> <th>CIVIL</th> </tr> </thead> <tbody> <tr> <td>Indian Air Force</td> <td>Border Security Force</td> </tr> <tr> <td>Indian Army</td> <td>Oil & Natural Gas Cooperation of India</td> </tr> <tr> <td>Indian Navy</td> <td>Govt. of Karnataka</td> </tr> <tr> <td>Indian Coast Guard</td> <td>Govt. of Jharkhand</td> </tr> <tr> <td>Indian Space Research Organisation</td> <td>Govt. of Maharashtra</td> </tr> <tr> <td>Defence Research & Development Organisation</td> <td>Geological Survey of India</td> </tr> <tr> <td>Ordnance Factory Board</td> <td>Bharat Heavy Electricals Ltd.</td> </tr> </tbody> </table> <p>Major International Customers</p> <table border="1"> <thead> <tr> <th>EXPORTS:(In Alphabetical Order)</th> </tr> </thead> <tbody> <tr><td>Airbus Industries, France</td></tr> <tr><td>Boeing, USA</td></tr> <tr><td>Coast Guard, Mauritius</td></tr> <tr><td>Ecuadorian Air Force, Ecuador</td></tr> <tr><td>ELTA, Israel</td></tr> <tr><td>GE Aviation, USA</td></tr> <tr><td>Hamilton Sundstrand, USA</td></tr> <tr><td>Honeywell International, USA</td></tr> <tr><td>Israel Aircraft Industries, Israel</td></tr> <tr><td>Mauritius Police Force, Mauritius</td></tr> <tr><td>Moog Inc. USA</td></tr> <tr><td>Namibian Air Force, Namibia</td></tr> <tr><td>Nepal Army, Nepal</td></tr> <tr><td>RAC MIG, Russia</td></tr> <tr><td>Rolls Royce Plc, UK</td></tr> </tbody> </table>		DEFENCE & SPACE	CIVIL	Indian Air Force	Border Security Force	Indian Army	Oil & Natural Gas Cooperation of India	Indian Navy	Govt. of Karnataka	Indian Coast Guard	Govt. of Jharkhand	Indian Space Research Organisation	Govt. of Maharashtra	Defence Research & Development Organisation	Geological Survey of India	Ordnance Factory Board	Bharat Heavy Electricals Ltd.	EXPORTS:(In Alphabetical Order)	Airbus Industries, France	Boeing, USA	Coast Guard, Mauritius	Ecuadorian Air Force, Ecuador	ELTA, Israel	GE Aviation, USA	Hamilton Sundstrand, USA	Honeywell International, USA	Israel Aircraft Industries, Israel	Mauritius Police Force, Mauritius	Moog Inc. USA	Namibian Air Force, Namibia	Nepal Army, Nepal	RAC MIG, Russia	Rolls Royce Plc, UK
DEFENCE & SPACE	CIVIL																																
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Royal Air Force, Oman
Royal Malaysian Air Force, Malaysia
Royal Thai Air Force, Thailand
Ruag, Germany
Rosoboronexport, Russia
Suriname Air Force
Turbomeca, France
Vietnam Air Force, Vietnam

10. State-Owned Enterprises (SOEs)

Question											
10.1 Does the SOE publish a breakdown of its shareholder voting rights?											
Score											
2											
Comments											
The SOE publishes a percentage breakdown of its shareholder voting rights for its sole shareholder with a stake greater than 25%.											
Evidence											
<p>[15] Shareholding Pattern June 2019 (Document) Accessed 16/07/2019 https://hal-india.co.in/Common/Uploads/DMS/shareholding%20Pattern_June19.pdf [p.3]</p>											
Table I - Summary Statement holding of specified securities											
Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of (A+B+C)
								Class eg: X	Class eg:y	Total	
(A)	Promoter & Promoter Group	1	300855180			300855180	89.97	300855180		300855180	89.97
(B)	Public	145313	33532320			33532320	10.03	33532320		33532320	10.03
(C)	Non Promoter-Non Public										
(C1)	Shares underlying DRs										
(C2)	Shares held by Employee Trusts										
	Total	145314	334387500			334387500	100	334387500		334387500	100

[p.5]

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group											
Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of Total Voting rights
								No of Voting (XIV) Rights			
								Class eg: X	Class eg:y	Total	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group										
(1)	Indian										
(b)	Central Government/ State Government(s)	1	300855180			300855180	89.97	300855180		300855180	89.97
Sub-Total (A)(1)		1	300855180			300855180	89.97	300855180		300855180	89.97
(2)	Foreign										
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A) (2)		1	300855180			300855180	89.97	300855180		300855180	89.97

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
1
Comments
<p>There is evidence that the SOE publishes some information about its commercial and public policy objectives.</p> <p>However, the detail around them in publicly available information is limited and it is unclear if they are updated on at least an annual basis.</p>
Evidence
<p>[23] Vigilance Manual Vol. I – Organization and Policy (Document) Accessed 02/04/2020 https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf [p.3] 2. Core Business : Design, development and production of fixed wing aircraft (fighters, trainers and transport) and helicopters, their engines, avionics and accessories. Life cycle customer support through maintenance, repair and overhaul of aerospace products. Manufacture of structures and integrated systems for space launch vehicles and satellites.</p> <p>3. Vision : To become a significant global player in the aerospace industry.</p> <p>4. Mission : To achieve self reliance in design, development, manufacture, upgrade and maintenance of aerospace equipment, diversifying into related areas and managing the business in a climate of growing professional competence to achieve world class performance standards for global competitiveness and growth in exports.</p> <p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.69] 4. Our strategies</p> <p>4.1 We intend to pursue the following principal strategies to exploit our competitive strengths and grow our business:</p> <ul style="list-style-type: none"> • Expand our operations through partnerships and collaborations; • Enhance customer satisfaction; • Diversify further into civil aircraft for both manufacturing and servicing opportunities; • Develop in-house capabilities to design and develop specialised products; • Optimise operations to become a lead integrator of aircraft platforms; • Enhance indigenisation to ensure higher indigenous content in our products; • Enhance export contribution to the sales of the Company; • Focus on becoming Industry 4.0-enabled Company. <p>[17] About – Make In India (Webpage) Accessed 16/07/2019 https://hal-india.co.in/Make%20in%20India/M_341 HAL aspires to achieve operational excellence and would strive towards realizing India’s long cherished dream of self-reliance in Aerospace & Defence by catalyzing itself through PM’s vision of “Make In India”</p> <p>[18] Culture - Who We Are (Webpage) Accessed 16/07/2019 https://hal-india.co.in/Culture/M_13 Our Vision</p> <p>To become a significant global player in the aerospace industry.</p> <p>Our Mission</p>

To achieve self reliance in design, development, manufacture, upgrade and maintenance of aerospace equipment diversifying into related areas and managing the business in a climate of growing professional competence to achieve world class performance standards for global competitiveness and growth in exports.

[1] HAL Risk Management Policy (Document)

Accessed 24/06/2019

<https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%2020-08-2018.pdf>

[p.16] CORRUPTION RISK MANAGEMENT (CRM) SUB - POLICY I)

PREAMBLE:

a) Hindustan Aeronautics Limited (HAL), a public sector undertaking under the Ministry of Defence is premier Aerospace Complex in Asia involved in Design & Manufacture of aircraft & helicopters, aero engines, accessories and avionics (www.hal-india.com), with vision to become a significant global player in the aerospace industry.

Question																
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?																
Score																
1																
Comments																
<p>The SOE is open and clear about the composition of its board and provides details of its board members, identifying each member as a state representative, executive or an independent director. The company also states that all directors are appointed directly by India’s Ministry of Defence. The company additionally discloses, as per regulatory requirements, that no newly-appointed director holds shares in the company.</p> <p>The SOE receives a score of ‘1’ because there is no evidence that it discloses information regarding directors’ nomination process or the criteria for nomination. Additionally, there is no evidence to clarify if existing directors are shareholders.</p>																
Evidence																
<p>[26] 2018-19 Annual Report (Document) Accessed 08/04/2020 https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf [p.20]</p> <div style="background-color: #e1f5fe; padding: 10px;"> <p>BOARD OF DIRECTORS (As on 28th June, 2019)</p> <table border="0"> <tr> <td>Shri R Madhavan Chairman & Managing Director</td> <td>Ms. Dipali Khanna Independent Director</td> </tr> <tr> <td>Shri V. M. Chamola Director (Human Resources)</td> <td>Dr. J K Bajaj Independent Director</td> </tr> <tr> <td>Shri Sunil Kumar Director (Operations)</td> <td>Shri Anil Kumar Independent Director</td> </tr> <tr> <td>Shri Arup Chatterjee Director (Engineering and R&D)</td> <td>Shri Siddharth Independent Director</td> </tr> <tr> <td>Shri C B Ananthkrishnan Director (Finance) & CFO</td> <td>Shri Neelakanta Iyer R Independent Director</td> </tr> <tr> <td>Shri Chandraker Bharti Joint Secretary (Aerospace) Ministry of Defence Govt. Nominee Director</td> <td>Rear Admiral K C Shekar, AVSM, VSM (Retd) Independent Director</td> </tr> <tr> <td>Dr. Tessy Thomas Director General (Aeronautical System) Aeronautical Development Establishment (ADE) Govt. Nominee Director</td> <td>Dr. S Malla Reddy Independent Director</td> </tr> <tr> <td></td> <td>Company Secretary Shri G. V. Sessa Reddy</td> </tr> </table> </div> <p>[p.26] Additional information on Directors being appointed / re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,</p>	Shri R Madhavan Chairman & Managing Director	Ms. Dipali Khanna Independent Director	Shri V. M. Chamola Director (Human Resources)	Dr. J K Bajaj Independent Director	Shri Sunil Kumar Director (Operations)	Shri Anil Kumar Independent Director	Shri Arup Chatterjee Director (Engineering and R&D)	Shri Siddharth Independent Director	Shri C B Ananthkrishnan Director (Finance) & CFO	Shri Neelakanta Iyer R Independent Director	Shri Chandraker Bharti Joint Secretary (Aerospace) Ministry of Defence Govt. Nominee Director	Rear Admiral K C Shekar, AVSM, VSM (Retd) Independent Director	Dr. Tessy Thomas Director General (Aeronautical System) Aeronautical Development Establishment (ADE) Govt. Nominee Director	Dr. S Malla Reddy Independent Director		Company Secretary Shri G. V. Sessa Reddy
Shri R Madhavan Chairman & Managing Director	Ms. Dipali Khanna Independent Director															
Shri V. M. Chamola Director (Human Resources)	Dr. J K Bajaj Independent Director															
Shri Sunil Kumar Director (Operations)	Shri Anil Kumar Independent Director															
Shri Arup Chatterjee Director (Engineering and R&D)	Shri Siddharth Independent Director															
Shri C B Ananthkrishnan Director (Finance) & CFO	Shri Neelakanta Iyer R Independent Director															
Shri Chandraker Bharti Joint Secretary (Aerospace) Ministry of Defence Govt. Nominee Director	Rear Admiral K C Shekar, AVSM, VSM (Retd) Independent Director															
Dr. Tessy Thomas Director General (Aeronautical System) Aeronautical Development Establishment (ADE) Govt. Nominee Director	Dr. S Malla Reddy Independent Director															
	Company Secretary Shri G. V. Sessa Reddy															

Name of the Director	Shri Arup Chatterjee	Shri C B Ananthkrishnan
DIN	08139347	06761339
Date of Birth	09.06.1962	29.08.1964
Date of appointment	01.06.2018	01.08.2018
Brief Resume	Shri Arup Chatterjee, Director (Engg and R & D) holds a B.Tech in Mechanical Engineering from Jadavpur University, and has done M. Tech in Aircraft Production Engineering from IIT, Chennai. He has also done MBA from IGNOU. Shri Chatterjee joined HAL as Management Trainee in 1982. He has over 36 years of wide experience in Aerospace Industry.	Shri C B Ananthkrishnan, Director (Finance) & CFO holds a bachelor's degree in Commerce from Loyola College, Chennai, MBA in Finance from Madras University and is a Cost & Management Accountant. He joined the Company as Chief Manager (Finance) in March 2004. He has over 31 years of work experience in Public & Private sectors with stints in merchant banking, pharmaceuticals, fertilizers, aerospace industry.
Directorship held in other Listed Companies	Nil	Nil
Membership/ Chairmanship in other listed Companies	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other directors and Key Managerial Personnel of the Company	Nil	Nil
Shri Chandraker Bharti,		
02599261		
30.10.1967		
15.05.2018		
Shri Chandraker Bharti, Government Nominee Director is a graduate in engineering from Delhi College of Engineering and joined the Indian Administrative Services in September 1996. He has also acquired M.Sc degree in Public Management & Policy from London School of Economics & Political Science, UK.		
He has more than 22 years of experience in Civil Services and held various important assignments in various government departments.		
Nil		
Nil		
Nil		
Nil		
[p.76] As on 31st March, 2019, the Board of Directors of the Company comprised of five Whole time / Functional Directors including the Chairman and Managing Director, two Government Nominee Directors and Seven NonExecutive (Independent) Directors including one woman Independent Director.		
Being a Government Company, the appointment of all Directors is done by the President of India, through the Ministry of Defence.		
The Board has an appropriate mix of Executive, Non-Executive (Official and Independent) Directors and is headed by an Executive CMD. Directors are not inter se related to each other.		

(a) Composition and category of Directors As on 31st March, 2019 the composition of the Board of Directors of the Company was as under:

Whole-time / Functional Directors (Executive)

- i. Shri R. Madhavan, Chairman and Managing Director
- ii. Shri V.M. Chamola, Director (Human Resources)
- iii. Shri Sunil Kumar, Director (Operations) iv. Shri Arup Chatterjee, Director (Engineering and R&D)
- v. Shri C.B. Ananthkrishnan, Director (Finance) and CFO

Government Nominee Directors (Non-Executive)

- i. Shri Chandraker Bharti, Joint Secretary (Aero), DDP, MoD
- ii. Dr. Tessy Thomas, DG (Aeronautical Systems), DRDO

Independent Directors (Non-Executive)

- i. Ms. Dipali Khanna
- ii. Dr. J.K. Bajaj
- iii. Shri Siddharth
- iv. Shri Neelakanta Iyer R.
- v. Shri Anil Kumar
- vi. Rear Admiral K C Sekhar, AVSM, VSM (Retd.)
- vii Dr. S. Malla Reddy

[19] Corporate Governance (Webpage)

Accessed 08/04/2020

https://hal-india.co.in/Corporate%20Governance/M_114

Board of Directors

The Board of Directors is entrusted with the responsibility of the management, general affairs and direction of the Company with requisite powers and authority. The Board sets the goals, both short and long term, defines the policies and programmes and oversees its implementation. It has constituted various Sub-Committees to facilitate smooth and efficient flow of the decision-making process.

Composition

Your Company being a Government Company, the appointment/nomination of all the Directors is done by the President of India, through Ministry of Defence. The Board of Directors headed by an Executive Chairman, has an appropriate mix of Executive, Non-Executive (Official) and Independent Directors, in line with the Guidelines on Corporate Governance issued by the Department of Public Enterprises, Government of India, Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Question

10.4 Is the SOE's audit committee composed of a majority of independent directors?

Score

2

Comments

The SOE discloses the composition of its audit committee and indicates that it is composed solely of independent directors.

Evidence**[20] Composition Of Board Committees (Document)**

Accessed 16/07/2019

<https://hal-india.co.in/Common/Uploads/DMS/Committee%20Details.pdf>

[p.1]

Sl. No	Name of the Committee	Committee Members	Designation
1	Audit Committee	Ms. Dipali Khanna, Chairperson	Independent Director
		Dr. J K Bajaj	Independent Director
		Shri Anil Kumar	Independent Director
		Shri Siddharth	Independent Director
		Shri Neelakanta Iyer R	Independent Director
		Rear Admiral K.C. Sekhar, AVSM,VSM (Retd.)	Independent Director
		Dr. S. Malla Reddy	Independent Director

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
0
Comments
There is no evidence that the SOE publishes any details about its management of asset transactions.
Evidence
<p>[19] Corporate Governance (Webpage) Accessed 08/04/2020 https://hal-india.co.in/Corporate%20Governance/M_114 As a growth strategy, the Company has adopted the best practices in the area of Corporate Governance, much beyond the regulatory framework. The following good governance practices have been put in place:</p> <p>Code of Conduct for Senior Management and Board of Directors Integrity Pact Whistle Blower Policy</p> <p>Well laid-down administrative setup to facilitate decentralised and transparent decision making Compliance of applicable Laws, Rules & Regulations Accuracy and transparency in disclosures regarding operations, performance and financial position Conduct, Discipline and Appeal Rules for Employees</p> <p>Board of Directors</p> <p>The Board of Directors is entrusted with the responsibility of the management, general affairs and direction of the Company with requisite powers and authority. The Board sets the goals, both short and long term, defines the policies and programmes and oversees its implementation. It has constituted various Sub-Committees to facilitate smooth and efficient flow of the decision-making process.</p>

List of Evidence & Sources

No	Type (Webpage or Document)	Name	Download Date	Link
01	Document	HAL Risk Management Policy	24/06/2019	https://hal-india.co.in/Common/Uploads/DMS/Risk%20Management%20Policy%202020-08-2018.pdf
02	Document	Conduct Discipline and Appeal Rules - 1984	25/06/2019	https://hal-india.co.in/Common/Uploads/DMS/CDA-Rules-Booklet.pdf
03	Webpage	Vigilance Department Overview	24/06/2019	https://hal-india.co.in/About%20Us/M_39
04	Document	Vigilance Manual Vol. IV – Compendium of Guidelines	24/06/2019	https://hal-india.co.in/Common/Uploads/DMS/Volume%204.pdf
05	Webpage	Achievements of Department	03/04/2020	https://hal-india.co.in/Achievements%20of%20Department/M_47
06	Document	Whistle Blower Policy	25/06/2019	https://hal-india.co.in/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf
07	Document	Purchase Manual	08/04/2020	https://hal-india.co.in/Common/Uploads/DMS/HAL%20Purchase%20Manual%20(issue%203%20-%202013).pdf
08	Website	Online Complaint – Vigilance	07/07/2019	https://hal-india.co.in/Online%20Complaint/M_51
09	Document	Code of Conduct for Senior Management and Directors	24/06/2019	https://hal-india.co.in/Common/Uploads/DMS/Code%20of%20Conduct%20hal.pdf
10	Document	Principles and Policies on Business Responsibility	11/07/2019	https://hal-india.co.in/Common/Uploads/DMS/Principles and Policy on Business Responsibility.pdf
11	Document	Vigilance Manual Vol. III -Technical Guidelines	02/04/2020	https://hal-india.co.in/Common/Uploads/DMS/Volume%203.pdf
12	Webpage	Vigilance – Integrity Pact	13/07/2019	https://hal-india.co.in/Integrity%20Pact/M_45
13	Document	Supplier Integrity Agreement	13/07/2019	https://hal-india.co.in/PDFS/Annexure-I%20Omnibus%20IP.pdf
14	Webpage	Joint Venture Companies	29/05/2020	https://hal-india.co.in/Joint%20Venture%20Companies/M_29
15	Document	Shareholding Pattern June 2019	16/07/2019	https://hal-india.co.in/Common/Uploads/DMS/shareholding%20Pattern_June19.pdf
16	Webpage	Customers	16/07/2019	https://hal-india.co.in/Our%20Customers/M_17
17	Webpage	About	16/07/2019	https://hal-india.co.in/Make%20in%20India/M_341
18	Webpage	Culture	16/07/2019	https://hal-india.co.in/Culture/M_13
19	Webpage	Corporate Governance	08/04/2020	https://hal-india.co.in/Corporate%20Governance/M_114
20	Document	Composition Of Board Committees	16/07/2019	https://hal-india.co.in/Common/Uploads/DMS/Committee%20Details.pdf
21	Webpage	Corporate Social Responsibility Page	06/04/2020	https://hal-india.co.in/Corporate%20Social%20Responsibility/M_113
22	Document	Vigilance Manual Vol. II – Disciplinary Proceedings	02/04/2020	https://hal-india.co.in/Common/Uploads/DMS/Volume%202.pdf
23	Document	Vigilance Manual Vol. I – Organization and Policy	02/04/2020	https://hal-india.co.in/Common/Uploads/DMS/Volume%201n.pdf

24	Document	Corporate Social Responsibility Policy	06/04/2020	https://hal-india.co.in/Common/Uploads/DMS/CSR%20Policy_09.01.2020.pdf
25	Document	Proposed CSR Projects 19-20	06/04/2020	http://hal-india.co.in/common/Uploads/PDFS/CSR_2019_20_Projects.pdf
26	Document	2018-19 Annual Report	08/04/2020	https://hal-india.co.in/Common/Uploads/Finance/Annual%20Report%202018-19.pdf