

## PROCEDURE FOLLOWED IN THE DECISION MAKING PROCESS

BEL has a well-defined system of decision making with adequate channels of supervision and accountability. The Board of Directors is the highest decision making body within the Company. The powers to manage the affairs of the Company rest with the Board of Directors. The Board has delegated certain powers to the Chairman and Managing Director to exercise all or any of the powers vested in the Board for managing the affairs of the Company except the reserved matters for which approval of Board or Government or Shareholders, as the case may be, shall be necessary.

Proposals requiring decisions of any nature are initiated at appropriate Executive level at the Units/Offices and at the Corporate level. Proposals generally pass through a minimum of 3 levels before they are approved. All proposals having financial implications are routed through respective Finance Departments/Divisions.

### Final Decision Making Authority

The Board of Directors is the highest decision making body and ultimate authority within the Company. The Board of Directors is accountable to the shareholders of the Company. BEL being a Public Sector Enterprise (PSE) under the Ministry of Defence, the Board of Directors of the Company is also accountable to Government of India.

### Flow Chart of the Decision Making Process

A detailed Organizational Chart of BEL, clearly spelling out the areas of responsibilities at various levels, is provided separately under the Compliance of Sec 4 (1) (b) of RTI Act at the head of "Particulars of its Organisation, functions & duties". For quick reference below is the flow chart:



### **Related Provisions, Acts, Rules, etc.**

Powers sub-delegated to various approving authorities are clearly spelled out in BEL's "Sub-Delegation of Powers" document. Also the process and procedures laid down in the applicable Statutes, Rules, Regulations and Government Policies including the Companies Act, 2013, SEBI Guidelines, Listing Regulations, and other applicable statutory regulations.

### **Process and Procedure for the conduct of Board / Committee meetings:**

The Board/Committee meetings are being convened by giving appropriate prior notice after obtaining the approval of the Chairman of the Board/Committee. The agenda briefing papers, management reports and other relevant annexures are circulated in advance amongst the Board/Committee members for facilitating meaningful, informed and focused decisions at the meetings. To address specific urgent need, meetings are also being called at short notice. The Board is also authorized to pass Resolution by Circulation for all such matters which are of utmost urgent nature subject to the provisions of Companies Act, Secretarial Standards issued by the Institute of Company Secretaries of India.

Where it is not practicable to attach the agenda or any document which is price sensitive in nature or of confidential nature, the same is placed on the table at the meeting with the approval of the Chairperson of the meeting.

The agenda papers are prepared by the functional officials and routed through concerned functional Directors for obtaining approval of the Chairman and Managing Director. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary. A consolidated Legal Compliance Report confirming adherence to the applicable laws, rules, guidelines and on Corporate Governance is submitted to the Board of Directors for their review on half-yearly basis. Action Taken Reports (ATR) on the decisions/directions/instructions of the Board/Committees is circulated to Board/Committee members. Presentations are also made at the Board/ Committee meetings on the quarterly/half-yearly/annual financial results, R&D proposals, Capital investment proposals, Human Resources, Marketing etc. Senior management officials / Project Heads are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

The Board/Committee meetings are generally held at Bengaluru, the Registered Office of the Company.

Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their comments before the approval by the Chairperson of the meeting.

The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 2013, SEBI Guidelines, Listing Regulations, and other applicable statutory regulations.