

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:4084  
ANSWERED ON:30.04.2012  
WORKING OF HAL  
Das Gupta Shri Gurudas;Lingam Shri P.

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the working of the defence public sector undertaking Hindustan Aeronautics Limited (HAL) has not been satisfactory over the years;
- (b) if so, the details thereof including the projects in hand and the delay in their completion;
- (c) whether the Government has set up an expert group to recommend measures to restructure the HAL; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI M.M. PALLAM RAJU)

(a) & (b): Hindustan Aeronautics Limited (HAL) has been consistently getting excellent rating for its performance with respect to benchmarks set in the company's memorandum of understanding with the Department of Public Enterprises. However, there have been delays in some projects in current range of production by HAL due to rework of Jigs supplied by the OEM in respect of Hawk; delay in establishing the facilities for complex engine components and radar software in respect of SU-30 MKI aircraft; delay in certification of Shakti engine by the OEM in respect of ALH; changes in Standard of Preparation (SOP) in respect of LCA and delay in engine development by the OEM in respect of IJT.

In respect of Hawk, SU-30 MKI aircraft and ALH, the issues have been addressed. In respect of LCA and IJT development efforts are on.

(c) & (d): Yes, Madam. An Expert Group under the Chairmanship of Shri B.K. Chaturvedi, Member Planning Commission was constituted in October, 2011 to review the organizational structure of HAL. Other Members of the Expert Group are as under:-

- Air Chief Marshal (Retd) F H Major
- Shri Prakash Apte, Ex-Director, IIM, Bangalore
- Shri Deepak Parekh, Chairman, HDFC Limited
- Shri Ajay Shankar, Ex-Secretary, DIPP, Government of India
- Dr. R.A. Mashelkar, Ex-DG, CSIR
- AS(DP), Department of Defence Production
- Chairman, HAL, Bangalore.

Its terms and conditions include, inter-alia, to recommend measures to restructure or create new business/profit centers in the company with a view to enhance efficiency and also to suggest changes in the Board structure of the company. The Expert Group is yet to submit its recommendations.