

शांति का आधार अस्त्र-बल  
The Force Behind Peace

41<sup>वाँ</sup> वार्षिक विवरण 2010-11  
41<sup>st</sup> Annual Report 2010-11



भारत डायनामिक्स लिमिटेड  
Bharat Dynamics Limited

कंचनबाग, हैदराबाद - 500 058  
Kanchanbagh, Hyderabad - 500 058



## भविष्य-दृष्टि

रक्षा क्षेत्र में विश्वस्तरीय उद्यम बनना.

### *Vision*

To be a world-class enterprise in defence industry.

### *मिशन*

बीडीएल का मिशन है कि वांतरिक्ष और अन्तर्जल अस्त्र-प्रणाली उद्योग क्षेत्र में देश के अग्रणी विनिर्माता के रूप में स्वयं को स्थापित कर एक विश्वस्तरीय अत्याधुनिक व उत्कृष्ट उद्यम बनकर उभरना जो सभी सुरक्षा जरूरतें पूरी करता हो.

### *Mission*

The mission of BDL is to establish itself as a leading manufacturer in the aerospace & underwater weapons industry in the country and emerge as a world class sophisticated state-of-the-art global enterprise, providing total solutions to the security system needs.

### *उद्देश्य*

- (ए) ग्राहकों को दिये गये आश्वासनों को उनके अधिकाधिक संतुष्टि तक पहुँच कर उसकी पूर्ति करना.
- (बी) संचलित प्रक्षेपास्त्रों तथा अंतर्जल संचलित शस्त्र प्रौद्योगिकी तथा उत्पादन के क्षेत्र में प्रतिस्पर्धी एवं स्वावलंबी बनना.
- (सी) वर्तमान उत्पादन क्षमता का अधिकाधिक प्रयोग होना.
- (डी) निर्यात के लिए निरंतर नीति का विकास करना.
- (ई) कंपनी की निवल मालियत को लगातार बढ़ाना तथा निवल लाभ और नियोजित पूँजी में आनुपातिक दृष्टि से मूल्य वृद्धि करना.
- (एफ) गैर-रक्षा क्षेत्रों सहित नये क्षेत्रों में प्रवेश करना.

### *Objectives*

- (a) To meet the commitments made to the customers to their maximum delight.
- (b) To become self-reliant and competitive in Guided Missile and Underwater Guided Weapon Technology and Production.
- (c) To maximise utilisation of existing production capacities.
- (d) To develop a sustainable strategy for exports.
- (e) To continuously improve the Net Worth of the Company and progressively increase value in terms of a ratio between Net Profit and Capital Employed.
- (f) To diversify into new fields including non-defence areas.



## CONTENTS

S.No.	Particulars	Page No.
1.	BDL Former Chief Executives	2
2.	Board of Directors	3
3.	Ten Years at a Glance	6
4.	Summarised Accounts	7
5.	Statement of Changes in Financial Position	8
6.	Chairman's Statement	9
7.	Notice	14
8.	Directors' Report	15
9.	Accounting Policies	44
10.	Balance Sheet	50
11.	Profit and Loss Account	51
12.	Schedules forming part of the Accounts	52
13.	Cash Flow Statement	69
14.	Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956	70
15.	Auditor's Report	71
16.	Annexure to Auditor's Report	73
17.	Observations of Statutory Auditors and replies by the Company	76
18.	Comments of the Comptroller & Auditor General of India	77

**BDL FORMER CHIEF EXECUTIVES**

S.No.	Name	Period	
		From	To
1.	Air Marshal SJ Dastur (Retd)	22 Sep 1970	10 Apr 1974
2.	Brig J P Anthony (Retd)	11 Apr 1974	31 Aug 1977
3.	Wg Cdr V M Chitale (Retd)	01 Sep 1977	30 Sep 1980
4.	Shri Z P Marshall	01 Oct 1980	07 Nov 1988
5.	Air Cmde R Gopaldaswami, AVSM, VSM (Retd)	08 Nov 1988	30 Jun 1994
6.	Cmde S Rao, VSM (Retd)	01 Jul 1994	08 Jan 2000
7.	Shri S Govindarajan	09 Jan 2000	31 Aug 2000
8.	Shri V V Gangadhara Rao	01 Sep 2000	30 Jun 2002
9.	Maj Gen P Mohandas, VSM (Retd)	24 Jul 2002	27 Apr 2005
10.	Maj Gen Raajnish Gossain (Retd)	28 Apr 2005	30 Apr 2008
11.	Cmde P K Samanta, VSM (Retd)	01 May 2008	30 Jun 2008

# BOARD OF DIRECTORS

## CHAIRMAN & MANAGING DIRECTOR



Maj Gen Ravi Khetarpal, VSM (Retd)

## GOVERNMENT DIRECTORS



**Shri PK Mishra**  
Joint Secretary (Missile Systems),  
DDP, MoD (From 27 Apr 11)



**Shri RG Viswanathan**  
Addl.FA (R&D) & Joint Secretary, MoD  
(From 15 Jun 11)

## INDEPENDENT DIRECTORS



**Prof RK Mishra**  
Sr Prof & Director, IPE  
(From 08 Mar 11)



**Shri KL Mehrotra**  
Former CMD, Manganese Ore (I) Ltd  
(From 08 Mar 11)

## WHOLE TIME DIRECTORS



**Shri SN Mantha**  
Director (Technical)



**Air Vice Mshl PK Srivastava,**  
VSM (Retd)  
Director (Production)



**Shri SV Subba Rao**  
Director (Finance)  
(From 01 Jul 11)

## PERMANENT SPECIAL INVITEES



**Shri P Venugopalan**  
Outstanding Scientist & Director,  
DRDL (Nominated by DRDO)



**Air Mshl KK Nohwar, PVSM, VM, ADC**  
Vice Chief of Air Staff  
(Ex-Officio)(From 01 Aug 11)



**Vice Admiral DK Dewan, AVSM**  
Vice Chief of Naval Staff  
(Ex-Officio)



**Lt Gen JP Singh, AVSM**  
Dy Chief of Army Staff (P&S)  
(Ex-Officio)

## COMPANY SECRETARY



**Shri HB Murthy**

## FORMER DIRECTORS/PERMANENT SPECIAL INVITEES



**Shri T Ramachandru**  
Joint Secretary (Missile Systems)  
(Upto 18 Oct 10)



**Smt Rashmi Verma**  
Joint Secretary (Missile Systems)  
(From 18 Oct 10 to 26 Apr 11)



**Shri Jatinderbir Singh**  
Joint Secretary & AM(LS),  
(Upto 14 Jun 11)



**Shri N Vinod Kumar**  
Director (Finance)  
(Upto 30 Jun 11)



**Air Mshl PK Barbora,**  
PVSM, VM, ADC  
Vice Chief of Air Staff  
(Upto 31 Dec 10)



**Air Mshl NAK Browne,**  
PVSM, AVSM, VM, ADC  
Vice Chief of Air Staff  
(From 01 Jan 11 to 31 Jul 11)



## **AUDIT COMMITTEE**

(From 20 May 2011)

PROF RK MISHRA, Chairman  
SHRI PK MISHRA, Member  
SHRI KL MEHROTRA, Member  
SHRI HB MURTHY, Secretary

## **PRINCIPAL EXECUTIVES**

SHRI M ESHWAR, ITS  
Chief Vigilance Officer  
SHRI P MADHAVA RAO  
Executive Director (SAM)  
SHRI L DHANANJAYA  
Executive Director (BG)  
SHRI EMANI KRISHNA  
General Manager (SW)  
SHRI PPC AJAY KUMAR  
General Manager (P&A)  
SHRI B SIVA RAMA PRASAD  
General Manager (Marketing & BD)  
SHRI PRV PRASAD  
General Manager (MNR)  
SHRI PK DIVAKARAN  
General Manager (Production)-BG  
SHRI R BALAKRISHNAN  
General Manager (CC & CP)  
SHRI ASHOK APSINGIKAR  
General Manager (Corporate QC)  
SHRI K LAXMI RAJAM  
General Manager (OPs)

## **AUDITORS**

M/s. DV RAMANA RAO & CO.  
Chartered Accountants  
Hyderabad



## INTERNAL AUDITORS

M/s. M BHASKARA RAO & CO., Chartered Accountants  
M/s.MAHESH, VIRENDER & SRIRAM, Chartered Accountants  
M/s.RAMAMOORTHY (N) & CO., Chartered Accountants

## TAX CONSULTANTS

BANSAL & DAVE, Chartered Accountants

## LEGAL ADVISORS

SHRI K SRINIVASA MURTHY  
SHRI P NAGESWARASREE

## BANKERS

ANDHRA BANK  
STATE BANK OF INDIA  
CORPORATION BANK  
CANARA BANK

## REGISTERED OFFICE

KANCHANBAGH POST  
HYDERABAD – 500 058  
ANDHRA PRADESH, INDIA  
EPABX 040-24587288 & 040-24587777  
FAX 040-24340464

## E-MAIL

[bdlitd@ap.nic.in](mailto:bdlitd@ap.nic.in)

## WEBSITE

<http://bdl.ap.nic.in>

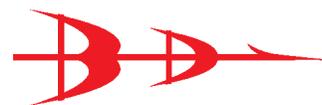


## TEN YEARS AT A GLANCE

(₹ Crore)

Particulars	Units	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Sales	₹ Cr.	283.36	277.72	524.80	450.98	531.53	433.51	454.38	464.82	627.23	939.10
Changes in WIP/SIT	₹ Cr.	(31.92)	52.66	(2.33)	14.81	2.75	(47.67)	51.47	58.24	4.38	(28.18)
Value of Production	₹ Cr.	251.44	330.38	522.47	465.79	534.28	385.84	505.85	523.06	631.61	910.92
Material Consumption	₹ Cr.	112.68	186.36	333.51	313.47	329.01	239.89	351.99	364.84	438.01	580.14
Value Added	₹ Cr.	138.76	144.02	188.96	152.32	205.27	145.95	153.86	158.22	193.60	330.78
Profit Before Tax	₹ Cr.	109.44	102.05	79.24	52.28	118.81	50.80	72.49	74.23	50.63	79.17
Profit After Tax	₹ Cr.	72.55	64.53	50.56	30.66	76.72	32.74	47.65	47.67	33.77	51.70
Equity	₹ Cr.	115.00	115.00	115.00	115.00	115.00	115.00	115.00	115.00	115.00	115.00
Reserves & Surplus	₹ Cr.	244.37	278.17	302.78	307.22	357.79	363.62	384.37	405.13	412.08	437.05
Gross Block	₹ Cr.	304.37	316.06	325.77	333.33	341.89	363.01*	383.89	406.26	468.37	510.18
Inventory	₹ Cr.	196.72	342.92	358.27	384.62	454.53	338.92	434.25	623.11	570.26	502.19
Sundry Debtors	₹ Cr.	11.28	5.05	14.93	24.17	13.87	19.51	21.54	8.95	33.58	45.15
Working Capital	₹ Cr.	263.51	301.29	312.20	316.21	361.94	371.79	384.96	404.86	360.44	361.21
Capital Employed	₹ Cr.	346.31	386.04	395.86	396.03	437.84	458.15*	478.59	508.81	503.66	502.34
Net Worth	₹ Cr.	345.30	384.08	398.66	407.99	457.09	470.86*	495.55	519.93	526.88	551.85
Number of Employees	Nos.	3148	3120	2917	2909	2814	2742.00	2715	2788	2894	2897
Employee Costs	₹ Cr.	75.31	81.69	80.74	81.99	84.71	94.71	149.63	151.16	178.84	234.53
Value Added per ₹ Of Wage	₹	1.84	1.76	2.34	1.86	2.42	1.54	1.03	1.05	1.08	1.41
Value Added per Employee	₹ Lakh	4.41	4.62	6.48	5.24	7.29	5.32	5.67	5.67	6.69	11.42
Earnings per Share (EPS)	₹	631	561	440	267	667	285	414	415	294	450

\* Re-adjusted due to regrouping of Fixed Assets Schedule of 2006-07 in the year 2007-08



## SUMMARISED ACCOUNTS AS AT 31 MAR 2011

(₹ Lakh)

	CURRENT YEAR 2010-2011	PREVIOUS YEAR 2009-2010
<b>RESOURCES</b>		
Share holders' funds	55204.94	52707.74
Borrowings	5085.47	5476.66
	<b>60290.41</b>	58184.40
<b>UTILISATION OF RESOURCES</b>		
Fixed Assets	51018.44	46131.48
Less: Depreciation/Amortisation	34695.24	31092.52
	<b>16323.20</b>	15038.96
Investments	53.60	53.60
Deferred Debts	4944.98	5325.37
Net Current Assets	36120.54	36044.05
Miscellaneous Expenditure	-	-
Deferred Tax Asset	2848.09	1722.42
	<b>60290.41</b>	58184.40
<b>EARNINGS</b>		
Sales (Gross)	93909.58	62722.68
Changes in WIP/SIT	(2817.55)	437.91
Other Income	14374.69	15042.44
	<b>105466.72</b>	78203.03
<b>OUT GOINGS</b>		
Materials	58014.18	43800.89
Salaries and Wages	23453.28	17883.77
Other expenses	14196.72	10567.05
Depreciation	2574.18	1503.93
Interest	6.77	1.64
	<b>98245.13</b>	73757.28
Less: Expenditure relating to Capital and Other Accounts	694.96	616.76
	<b>97550.17</b>	<b>73140.52</b>
<b>PROFIT BEFORE TAX</b>	<b>7916.55</b>	5062.51



## STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

	CURRENT YEAR 2010-2011	PREVIOUS YEAR 2009-2010
<b>SOURCES OF FUNDS</b>		
(a) Internal Generation from Operations		
Profit after tax	5170.31	3376.82
Capital profit on Assets	0.01	—
Depreciation/Amortisation	3602.72	1851.01
Capital Work-in-progress	—	
Provisions	2164.02	1744.02
(b) External Generations		
Equity	—	—
Loans	—	—
Deferred Debt	380.39	190.19
Decrease in Working Capital		2698.32
	<b>11317.45</b>	<b>9860.36</b>
<b>APPLICATION OF FUNDS</b>		
(a) Additions to		
Fixed Assets	2863.12	4983.01
Special Tools & Equipments	530.73	794.85
Capital Work-in-progress	1493.11	433.23
Miscellaneous Expenditure	—	—
Deferred Tax Asset	1125.67	771.63
(b) Dividend		
Interim Dividend	—	—
Proposed Dividend	2300.00	2300.00
Dividend Tax	373.12	382.00
(c) Repayment of Long Term Loans	—	—
(d) Deferred Debts	—	—
(e) Deferred Credits	391.19	195.64
(f) Increase in Working Capital	2240.51	
	<b>11317.45</b>	<b>9860.36</b>
<b>WORKING CAPITAL MOVEMENT INCREASE/DECREASE</b>		
Inventories	(6807.20)	(5284.75)
Sundry Debtors	1156.69	2463.23
Cash and Bank Balances	248750.90	(14624.29)
Loans and Advances	(478.97)	3629.70
	<b>242621.42</b>	<b>(13816.11)</b>
Less: Sundry Creditors and other Liabilities	<b>240380.91</b>	<b>(11117.79)</b>
Increase/Decrease in working capital	<b>2240.51</b>	<b>(2698.32)</b>
Note: Previous year figures have been regrouped/rearranged wherever necessary		



## CHAIRMAN'S STATEMENT



Dear Members,

It is a pleasure for me to inform you of the achievements of your Company during the year 2010-11 and also share with you the plans about the Company's future.

### PERFORMANCE DURING THE YEAR:

Your Company has achieved a record Turnover of ₹ 939.10 Crore as against ₹ 627.23 Crore during the previous year, achieving a growth of 50%. The Company continues to be the Prime Production Agency for missiles and has diversified into underwater and aerial weapons with increased focus on in-house products. In addition, life extension of missiles is being carried out and the feasibility of their refurbishment is being explored. Due to the increased requirements for internal security duties, BDL is also manufacturing pistols for the Police and Para Military Forces.

During the year the Company could bag a major order for supply of a Surface to Air Missiles to the Indian Army valued at ₹ 14,180 Crore. With this, the Company's turnover during the coming years will increase substantially.

### COST REDUCTION:

Your Company has cost reduction task forces in all its units and these task forces identify potential cost reduction avenues in areas like materials, alternate sourcing, indigenisation, process and yield improvements, energy conservation, etc.

### ENVIRONMENTAL INITIATIVES:

Your Company has been maintaining a clean and green environment at all its manufacturing units. Clean surroundings, green environment, stringent pollution control measures, zero effluent discharge, energy conservation, systematic management and disposal of



hazardous and other forms of wastes and several other endeavours have become part of the well established environmental management system.

#### CORPORATE SOCIAL RESPONSIBILITY:

The Company has been proactively pursuing Corporate Social Responsibility (CSR) activities at its various divisions since inception. The activities include adoption of villages for upliftment of the socially and economically backward section by providing Infrastructure, Health, Education, Drinking Water facilities etc.

The Government has recently released Guidelines on CSR and the Company's CSR Policy was approved by the Board of Directors of the Company for implementation from 2011-12 onwards, thus meeting the MoU requirement. Under the policy, 3% of the profit will be reserved to carry out CSR activities.

#### CORPORATE GOVERNANCE:

Corporate Governance is about the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders' value and discharge of social responsibility.

Your Company has a well established, transparent and fair administrative set up to provide for professionalism and accountability. The Company has already laid down a Code of Business Conduct & Ethics for the Board Members and Senior Management.

In line with the guidelines on Corporate Governance for CPSEs issued by DPE vide its OM No. 18 (8)/2005-GM, dated 14 May 2010, the Management Discussion & Analysis Report and

Report on Corporate Governance along with Certificate on compliance of conditions on Corporate Governance from a Practicing Company Secretary, as required under the said guidelines are attached to the Director's Report.

#### APPOINTMENT OF INDEPENDENT EXTERNAL MONITORS (IEMs):

Lt Gen Arvind Mahajan PVSM, AVSM, VSM and Bar (Retd), and Shri Ashok Narayan, IAS (Retd) have been appointed as Independent External Monitors (IEMs) of the Company by CVC w.e.f 13 Apr 2010 as a further step towards increased transparency in PSUs. Your Company has formulated an Integrity Pact (IP) which will be presented to the Board of Directors in July for approval. The two IEMs will be monitoring its implementation.



*Meetings with the Independent External Monitors were held at regular intervals to draft an Integrity Pact*

#### CHALLENGES AND OPPORTUNITIES:

Your Company is geared up to enhance the capacity required to meet the commitments in respect of orders in hand. The number of products to be produced in the coming years will be higher compared with the last couple of years. This



requires concerted efforts to streamline these sources and achieve the desired level of productivity.

In this direction, Enterprise Resource Planning (ERP) will be integrated with all production functions completely. An online system for monitoring the status of manufacturing of components was put in place which was extended to the production projects. These initiatives have increased the visibility of the status of production enabling effective decision making for mid-course corrections.

#### **FUTURE OUTLOOK:**

The defence industry in India is experiencing significant and progressive change with huge opportunities for growth. Your Company has a healthy order book position of around ₹ 20,000 Crore as on date. The Company has challenging times ahead with delivery commitments with respect to major ATGM & SAM projects.

#### **FOCUS ON IN-HOUSE DESIGN & ENGINEERING (D&E):**

R&D is essential for the future growth of the Company. In the prevailing scenario, acquisition of latest technologies is becoming increasingly difficult due to strategic denials or exorbitantly high cost and hence steps have been taken to strengthen our R&D base by increasing the allotment of funds, setting up infrastructure for research, selecting young leaders through campus interviews at IITs, etc. Also, the focus is to develop new products, systems, and equipment through in-house as well as collaborative R&D.

#### **EXPORTS:**

For achieving exports, your Company has regular interaction with the overseas customers.

Offset implementation also offers a major opportunity to achieve our export targets. We are interacting with aero-space majors in Europe and Russia to exploit opportunities arising out of offsets.

#### **BUSINESS ALLIANCES:**

The Company requires highly innovative technologies. Your Company has products flowing from Russian as well as European collaborators besides those developed indigenously. The Company imports raw material, systems and components from foreign suppliers. The Company has adopted the strategy to conclude long term business agreements to ensure timely delivery of materials at fixed prices. The Company is constantly exploring opportunities for transfer / absorption of technologies, by concluding strategic alliances / agreements so as to increase the indigenous content.

#### **ORGANISATIONAL DEVELOPMENTS:**

During the year, the Company has implemented plans for increasing the capacity of production in Kanchanbagh and Bhanur Units to cater to the increased requirements of customers. The Vizag Unit is under construction and will be operational next year. Similarly, land acquisition is in progress to establish plants for manufacture of new products in the pipeline, like SR SAM / LR SAM / MR SAM, etc.

#### **CHANGES IN THE BOARD OF DIRECTORS:**

Smt Rashmi Verma, JS (MS) had been appointed as Part-Time Government Director w.e.f 18 Oct 2010 in place of Shri T Ramachandru, JS(MS). Shri KL Mehrotra, Ex-CMD Manganese Ore (I) Ltd., and Prof RK



Mishra, Senior Professor and Director, Institute of Public Enterprises have been appointed as Part-Time Non-Official Independent Directors on the Board of the Company w.e.f 08 Mar 2011. Shri P K Mishra, JS (MS) has been appointed as the Government Director w.e.f 27 Apr 2011 in place of Smt Rashmi Verma. Shri RG Viswanathan, Addl FA & JS (DRDO) appointed as Government Director w.e.f 15 Jun 2011 in place of Shri Jatinderbir Singh. Shri SV Subba Rao, GM (Finance) has been appointed as Director (Finance) w.e.f 01 Jul 2011 in place of Shri N Vinod Kumar, who has retired on 30 Jun 2011 on attainment of superannuation.

#### HUMAN RESOURCE DEVELOPMENT:

The strength of the Company lies in its highly skilled and trained manpower. Your Company continued to emphasise on the training and re-training of employees to upgrade their skills and knowledge base.



*Officers of Naval Higher Command Course -23 during their visit to BDL on 11 Apr 2011*

Manpower rationalization is done on a continuous basis by assessing the future requirement, considering the projects under implementation as well as on the anvil, besides outsourcing.

#### OTHER INITIATIVES:

Apart from concentrating on the normal growth, special efforts are in place to have intensive and integrative growth in the current operating business areas. By adopting a backward integration strategy for future growth and to get competitive advantage, efforts are on to finalize joint working with international companies in Defence and other related areas.

#### IMPACT OF WAGE REVISION:

While the Company has identified the opportunities to be availed for its sustained growth as mentioned above, it is also aware of the competition which will have an impact on the selling prices. Salaries and wages of officers and employees at all levels were revised w.e.f 01 Jan 2007 as per the guidelines given by the Government. Various steps are being taken to sustain the current level of bottomline growth, affecting the impact of increased wage bill on the Company's revenues. The modus operandi for payment of "Performance Related Pay" envisaged under pay revision is expected to take final shape during the current financial year.



**CONCLUSION:**

I highly appreciate the support extended by our customers, business associates and the various Ministries of the Government of India, particularly the Ministry of Defence, Department of Defence Production and the three Services. I wish to thank M/s. DV Ramana Rao & Co., the statutory Auditors of the Company and the Principal Director of Commercial Audit and Ex-Officio Member, Audit Board for the valuable advice received and cooperation extended from them.

The dedication and commitment of our employees and officers at all levels continues to be the major strength of the Company. We shall make continuous efforts to build on these strengths to face future challenges and sustain the momentum in growth. In conclusion, I would like to state that your Company is gearing up to meet the challenges and we can look forward to a bright future.

With best wishes,

**MAJ GEN RAVI KHETARPAL**, VSM (Retd)  
Chairman and Managing Director

Place : Hyderabad  
Date : 29 Jul 2011



BHARAT DYNAMICS LIMITED  
REGISTERED OFFICE:  
KANCHANBAGH POST,  
HYDERABAD – 500 058.

## NOTICE

**NOTICE** is hereby given that the Forty First Annual General Meeting of **BHARAT DYNAMICS LIMITED** will be held on Monday, the 19 Sep 2011 at 1700 hours at the Registered Office of the Company at Kanchanbagh Post, Hyderabad – 500 058 to transact the following business:

### ORDINARY BUSINESS

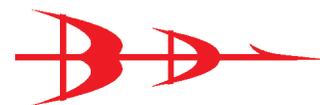
- (1) To consider and adopt the Balance Sheet as at 31 Mar 2011, the Profit & Loss Account and Cash Flow Statement for the year ended as on that date and the Reports of Directors and Auditors thereon.
- (2) To declare a dividend on the Equity shares for the year ended 31 Mar 2011.

By Order of the Board of Directors

**(H.B. MURTHY)**  
Company Secretary

Place: Hyderabad,  
Date : 22 Aug 2011.

**Note:** A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 41<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31 Mar 2011.

### 2 HIGHLIGHTS OF OPERATIONS

2.1 The Company has achieved a record sales turnover of ₹ 939.10 Crore, registering a 50% increase over the previous year's sales turnover of ₹ 627.23 Crore. This is the highest turnover ever achieved since inception. The Company has now drawn up plans to cross the ₹ 1300 Crore mark during 2011-12 and maintain the momentum for growth.

2.2 Main achievements of the Company during 2010-11 are:

2.2.1 Under the ATGM Category, the Company achieved a turnover of ₹ 648.09 Crore as against the target of ₹ 631.05 Crore, thus exceeding the target by ₹ 17.04 Crore.

2.2.2 Under SAM Category, the Company has already made its initial supplies under a contract worth ₹ 415 Crore. Balance of this contract and another contract worth ₹ 1,245 Crore would be executed from 2011-12 onwards.

### 3 PERFORMANCE

3.1 Performance of the Company in financial terms is summarized below:

	₹ Crore		% of Increase/ (Decrease)
	2010-11	2009-10	
Value of Sales	939.10	627.23	50%
Value of Production	910.92	631.61	44%
Profit Before Tax	79.17	50.63	56%
Profit After Tax	51.70	33.77	53%
Value Added	330.78	193.60	71%

3.2 Following data reflects the financial position of the Company:

	₹ Crore		% of Increase/ (Decrease)
	2010-11	2009-10	
Gross Block	386.11	357.48	8%
Depreciation Reserve	254.26	228.84	11%
Net Block	131.85	128.64	2%
Working Capital	361.21	360.44	-
Capital Employed	502.34	503.66	-
Net Worth	551.85	526.88	5%

### 4 DIVIDEND & TRANSFER TO GENERAL RESERVE

Your Directors have pleasure in recommending payment of a dividend



*Dividend cheque for the FY 2009-10 being presented to the Hon'ble Raksha Mantri, Shri AK Antony by CMD on 19 oct 2010*



of ₹ 23.00 Crore at 20% on the paid up capital of ₹ 115.00 Crore. The Directors also recommend that a sum of ₹ 25.00 Crore be transferred to General Reserve.

## 5 FINANCE

Total paid up capital stood at ₹ 115.00 Crore. Gross Block of fixed assets of the Company (excluding special tools and equipment) stood at ₹ 386.11 Crore representing an increase of ₹ 28.63 Crore over 2009-10.

## 6 PERFORMANCE AGAINST MoUs

During the year 2009-10, the Company achieved a rating of "Very Good". The MoU performance for the year 2010-11 is also likely to continue as "Very Good."

## 7 COST REDUCTION

Cost reduction has been identified as a major thrust area. Accordingly, an apex committee, chaired by Director (Production), and divisional committees were formed to oversee the cost reduction measures. These committees meet periodically to review the progress of the cost reduction activity.

## 8 ECONOMY MEASURES

Inventory of raw-material, work-in-progress and spare parts is maintained at optimal levels. Energy consumption, fixed and variable overheads and Contingency expenditures are being constantly reviewed and pruned to bare minimum.

## 9 MODERNIZATION AND UPGRADATION

9.1 Capacities of ATGMs are being ramped up. Also, civil infrastructure is being created and modernization / upgradation of plant and machinery is ongoing. Land is under Procurement for setting up new facilities for anticipated major projects / orders.

9.2 E-procurement and e-recruitment was implemented resulting in substantial benefits to the organization. The organization is planning to increase the scope of application to harness increased benefits of e-procurement and e-recruitment. Enterprise Resources Planning (ERP) has been proposed for implementation in all divisions during 2011-13.

9.3 IT infrastructure was upgraded to meet the changing requirements. On the security front, modernization to mitigate different threats is being planned during the year 2011-12.

## 10 FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings of foreign exchange for the year was ₹ 1.51 Crore and the outgo was ₹ 263.19 Crore.

## 11 EXHIBITIONS

11.1 BDL participated in the following Exhibitions:

- **India International Trade Fair 2010** held from 14–27 Nov 2010 at New Delhi.
- **Aero India – 2011** held from 09–13 Feb 2011 at Bangalore.



*Shri MM Pallam Raju, Hon'ble Minister of State for Defence at BDL stall during DEF + CONTRACT INDIA 2011 exhibition*



*Shri RK Singh, Secretary (DP) at BDL stall during Aero India - 2011*



*Smt Rashmi Verma, JS(MS) visited BDL stall during Aero India - 2011*

11.2 A wide range of products were displayed by BDL. Several dignitaries from India and abroad visited the BDL stall.

## 12 BOARD OF DIRECTORS

12.1 During the year under report, eight meetings of the Board of Directors were held and the Annual General Meeting of the Company for the year 2009-10 was held on 03 Sep 2010.

12.2 Smt Rashmi Verma, JS(MS) had been appointed as part-time Government Director w.e.f 18 Oct 2010 in place of Shri T Ramachandru, JS(MS). The Board placed on record its warm appreciation of the valuable services rendered by him during his tenure on the Board of the Company. Shri KL Mehrotra, Ex-CMD Manganese Ore (I) Ltd., and Prof RK Mishra, Senior Professor and Director, Institute of Public Enterprises had been appointed as part-time Non-Official Directors on the Board of the Company w.e.f 08 Mar 2011. Shri PK Mishra, JS (MS) had been appointed as part-time Government Director w.e.f 27 Apr 2011 in place of Smt Rashmi Verma, JS (MS). The Board placed on record its warm appreciation of the valuable services rendered by her during the six months tenure on the Board of the Company. Shri RG Viswanathan, Addl FA (DRDO) & JS had been appointed as part-time Government Director w.e.f 15 Jun 2011 in place of Shri Jatinderbir Singh, JS & AM (LS). Shri SV Subba Rao, GM (Finance) had



been appointed as Director (Finance) w.e.f 01 Jul 2011 in place of Shri N Vinod Kumar, Director (Finance) retired on attaining the age of superannuation w.e.f 30 Jun 2011.

### 13 HUMAN RESOURCE DEVELOPMENT

13.1 The Institute of System, Technology & Management (ISTM) during the financial year 2010-11 conducted various Skill / Knowledge / Attitude development oriented In-House and External Training Programmes for Executives and Non-Executives.

13.2 281 Executives were trained through external programmes on various topics such as Scientific and Research oriented - 'Science Administration and Research Management', Technology Development Programmes like 'International Missile Technology awareness', 'Failure analysis of Industrial Components Micro Controller Programming', 'Solid Rocket Propellants', 'Aviation in the Millennium' (RCMA) etc. Skill development programmes like 'Developing Excellence', 'Metal Cutting', and Talent Building were conducted.

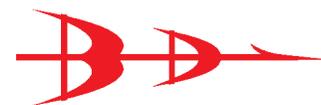
13.3 Likewise, knowledge oriented programmes on 'Vigilance for CVOs', 'A to Z Vigilance', 'Seminar on Company Bills', 'Advanced Web Application', 'Fundamentals of Cryptography', 'Data Base and Unix Administration', 'Financial Frauds and Cyber Crimes', etc. were also conducted. Similarly, Attitude related programmes like

'Behaviour-Based Safety', 'Transaction Analysis', and 'Industrial Safety' were conducted. Programs on 'Labour Laws (Amendments)', 'Employee and Employer Relations', 'Corporate Social Responsibilities', 'Contract Labour – Latest Judgments' were conducted to keep track with latest developments.

13.4 156 Non-executives were sponsored for external training programs like 'Behaviour-based Safety', 'Personality Development', 'IR & Trade Unionism', 'Press Tool Technology', 'Material testing & Heat treatment', 'Auto CAD', 'Advanced Welding Technology', 'Zero Defect Soldering' etc., for development of skill, knowledge updation and attitudinal development.

13.5 624 Executives and 433 Non-executives were trained in-house for development of skills, updation of knowledge and to further improve their positive attitude. Programs such as Project Management, IFRS, Managerial skills and decision making, Team building, Six sigma, Evaluation of Managerial Effectiveness for executives, and General Development, Environment and Global Warming, Missile Awareness, Fire Safety, Art of Living, Computer Programming for non-executives, were conducted.

13.6 In addition to the above, Programs on relieving mental and physical stress were conducted through Brahma Kumaris, Pyramid Spiritual Society of India, Special Program on 'Integrated



Material Management, Supply Chain and Industrial Logistics' was conducted through Administrative Staff College, Hyderabad for all 59 Executives of IMM departments. 'Manufacturing Excellence' was organized through Institute of Public Enterprise, Hyderabad for production personnel. Besides the above, special lectures by eminent scholars and academicians were arranged during occasions like Vigilance Awareness Week, National Safety Week/Month celebrations, Women's Day celebrations etc.

#### 14 INDUSTRIAL RELATIONS AND EMPLOYEE WELFARE

14.1 All through the year, cordial and harmonious industrial relations were maintained with cooperation from all sections of employees viz., recognized union, other registered trade unions and Associations such as SC, ST, OBC and Officers Associations. Statutory committees such as Works Committee, Safety Committee, and Canteen Committee and Shop Level and Plant Level committees contributed to workplace discipline at all levels.

14.2 Memoranda of Settlements on Wage Revision for 10 years, Performance Incentive Scheme for 4 years, PLAI Scheme for 3 years were signed with the recognized union i.e., BDLETUC (INTUC) thus maintaining good industrial climate in the Company and ensuring higher productivity during the

year. The Company celebrated its Annual Day in a befitting manner on 16 Jul 2011 which incidentally marked completion of 41 years after incorporation.

14.3 Compliances on statutory welfare provisions were meticulously followed. Non-statutory welfare facilities such as transport, school and canteen maintenance are monetized under the new Wage Policy under an MoS. Medical needs of the employees and their children are taken care of as per BDL Medical rules. Retired Employees are covered under Medical Insurance Scheme which is in vogue and the Medical needs of retired employees and their families are taken care of.

#### 15 DIRECTORS' RESPONSIBILITY STATEMENT

15.1 As per Section 217(2AA) of Companies Act, 1956 as amended, the Directors state:

- (i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures therefrom.
- (ii) that the selected accounting policies have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the company for the year ended 31 Mar 2011.



- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the annual accounts have been prepared on a going concern basis.

## 16 FOREIGN VISITS

- 16.1 The Company incurred an expenditure of ₹ 61.39 Lakhs during the year towards foreign travel for training of personnel and on business trips.

## 17 SAFETY

Safety, Health and Environment is well maintained at BDL. The two corporate committees, i.e., Industrial Safety Committee, which is statutory, and Explosive Safety Committee are functioning to cater to the needs of BDL. Safety Committee Meetings are held at

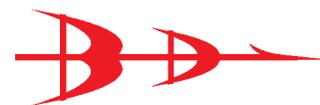


*The 40<sup>th</sup> National Safety Day celebrations were held at BDL from 04-29 Mar 2011*

regular intervals for monitoring Safety, Health and Environment as per statutory requisites. The works are carried out in compliance with Factories Act, 1948 and strictly adhere to STEC Regulations for explosive safety. Regular medical check up is conducted for employees working in hazardous zones by qualified medical staff. Training Programmes are organized by HRD through NSC, CLI, RLI, CFEES, to inculcate safety consciousness and to establish safe working environment among the employees. Safety week / month is organized during the month of March with enthusiasm. Various competitions and programmes are conducted by Safety Engineering Department and employees are awarded to boost their interest in Safety. Safety Department is in continuous interaction with the Inspector of Factories (AP), AP Pollution Control Board, and CFEES, New Delhi to update their guidelines for compliance. Fire “mock drill” is conducted to ensure fire-fighting preparedness.

## 18 SECURITY

- 18.1 Central Industrial Security Force (CISF) is deployed both at Kanchanbagh and Bhanur for Security and Fire Services requirements of the Company. Regular security reviews are conducted both by the Management and CISF to ensure optimum security. Periodical meetings



are held with local police and civil authorities. The Company was crime-free during the year.

18.2 Security awareness programmes were conducted during Security Week/ Fire Week and employees are sensitized on the security threats and action to be taken in case of fire. IB guidelines are implemented to streamline the security requirements of the Company.

18.3 Computer photo passes, CCTV cameras, Door Frame Metal Detectors, and X-Ray Baggage Scanners are in use for security surveillance. Barricades, Boom barriers and Morchas are provided to strengthen the physical security measures. Biometric Access Control System has been introduced for entry and exit.

## 19 PERSONNEL

19.1 Strength of the personnel as on 31 Mar 2011 is 2897 (excluding 245 employees appointed on temporary basis) indicating an increase of 3 persons compared with that of the previous year. Of the total employees, 104 are Ex-servicemen and 518 belong to Scheduled Castes and 180 belong to Scheduled Tribes. The existing percentage of Scheduled Castes and Schedules Tribes in respect of Non-executives is 18.60% and 5.23% and in respect of Executives, it is 15.50% and 9.57% respectively.

19.2 Representation of Scheduled Castes and Scheduled Tribes in various categories of posts in the Company as on 31 Mar 2011 is as follows:

Category	Number of Employees					
	Total Strength		Scheduled Castes		Scheduled Tribes	
	31Mar10	31Mar11	31Mar10	31Mar11	31Mar10	31Mar11
Group-A	521	511	84	83	46	50
Group-B	167	147	27	19	11	13
Group-C	1917	1885	337	324	96	96
Group-D	289	354	89	92	13	21
<b>Total</b>	<b>2894</b>	<b>2897</b>	<b>537</b>	<b>518</b>	<b>166</b>	<b>180</b>

Note: Above figures are excluding 245 employees appointed on temporary basis.

19.3 Recruitment of Scheduled Castes and Scheduled Tribes during the year 2010 -11 is as under:

(No. of employees)

Classification of Posts	Total Vacancies Released	Total Recruitment	Reservation of Posts (out of Col.2)		Recruitment made during the Year 2010-11	
			SCs	STs	SCs	STs
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Group-A	10	10	02	03	02	03
Group-B	04	04	-	04	-	04
Group-C	20	20	02	0	02	0
Group-D	67	67	05	08	05	08
<b>Total</b>	<b>101</b>	<b>101</b>	<b>9</b>	<b>15</b>	<b>9</b>	<b>15</b>

Note: Above figures are excluding 245 employees appointed on temporary basis, out of which 60 are SC candidates and 18 are ST candidates.

## 20 EMPLOYMENT OF WOMEN

As per recommendation No.51, para (ii) (a) of the National Commission for Women (NCW), in its Annual Report for the year 1995-96, the employment state of Women (percentage) is given below, as directed by Ministry of Defence vide their letter No.39(6)/99/D(B&C), dated 27 Aug 1999:

### I. EXECUTIVES:

(No. of employees)

Grade	Total	Women	Percentage
I	147	24	16.33%
II	61	5	8.19%
III	55	9	16.36%
IV	139	14	10.07%
V	134	3	2.24%
VI	79	1	1.27%
VII	28	0	0%
VIII	9	0	0%
IX	2	0	0%
Schedule -'C'	3	0	0%
Schedule -'B'	1	0	0%
<b>Total</b>	<b>658</b>	<b>56</b>	<b>8.51%</b>

### II. NON-EXECUTIVES:

(No. of employees)

Grade	Total	Women	Percentage
WG-1	155	13	8.38%
WG-2	279	54	19.35%
WG-3	90	16	17.77%
WG-4	198	31	15.66%
WG-5	46	6	13.04%
WG-6	144	8	5.56%
WG-7	20	0	0%
WG-8	198	6	3.03%
WG-9	140	17	12.14%
WG-10	969	73	7.53%
<b>Total</b>	<b>2239</b>	<b>224</b>	<b>10.00%</b>

Note: Above figures are excluding 245 employees appointed on temporary basis out of which 26 are female employees.

## 21 PHYSICALLY CHALLENGED (PC) EMPLOYEES

There are 9 Executives and 78 Non-executives (excluding 10 employees appointed on temporary basis) who are physically challenged. The percentage of total PC employees works out to 3.00%.

## 22 PARTICULARS OF EMPLOYEES

The particulars of employees to be furnished as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 are nil.

## 23 ENVIRONMENT AND POLLUTION CONTROL



A rally on "Say No to Use of Polythene and Plastics" was organized at BDL, Bhanur on 15 Feb 2011

The Company contributes in all aspects of the environment by maintaining a clean and green environment. Effluent water treatment, waste management, water conservation, tree plantation,



planting of flower bearing trees, and land scaping utilizing treated effluent water, was carried out.

## 24 TECHNOLOGICAL CONSERVATION & RENEWABLE ENERGY DEVELOPMENTS

### 24.1 Technological Conservation.

#### (i) Invar.

The Company has taken up indigenisation which encompasses various nascent technologies like thin film Hybrid Technologies, Manufacturing of HMX-based explosive compositions and optical devices like Photo Diodes, Lens, Filters etc.

#### (ii) Konkurs – M.

The indigenisation program covered uncommon components which are not part of Technology Transfer from OEM. The equivalent indigenous materials were identified and processed indigenously. The evaluation process was concluded successfully validating all the sub-systems of Konkurs – M Missiles made from these indigenous parts. This reduces the dependence on OEM and also brings down production cost of Missiles.

### 24.2 Renewable Energy Developments.

The Company continues to emphasize on energy conservation. Some of the measures adopted for energy conservation include:

- Installation of Solar Water Heaters instead of Electric Geysers in the Canteen at Bhanur Unit.
- Installation of Solar Water Heaters and Solar Cooking System for the Canteen,

which is likely to come up by Sep 2011 at Vizag Unit.

- Solar water heating and solar cooking which will be implemented in new Units/Divisions likely to come up for 3<sup>rd</sup> Generation Missile and MRSAM Production.
- Installation of Screw type Air Compressors in place of conventional Reciprocation Water Cooled Air Compressors, thereby saving energy and water.

### GREEN BUILDING

- Admin Building of Vizag Unit is identified as a Green Building and design of this building is registered for “Silver Lead” rated building. The construction of this building has commenced.
- Similar concept of green buildings will be implemented during the establishment of 3<sup>rd</sup> Generation Missile & VSHORAD Missile production facilities.

## 25 QUALITY

25.1 BDL's product range include missiles which are “single shot” in nature. Such products call for meticulous planning of Quality Systems commensurate with the stringent quality requirements of the product. In pursuit of this objective, BDL has instituted International Quality Systems ISO 9001 standard in all important manufacturing divisions.

25.2 The Company has upgraded it's ISO 9001 Certification to 2008 version for all the six divisions, three of which were achieved during the past year.

25.3 The Company, during 2010-11, has fulfilled the following important MoU tasks:

- ISO 9001: 2008 Certification for CP-IGMP Division.
- Upgradation of ISO 9001 certification to 2008 version for three divisions i.e., Design & Engineering Division, Electronic Division and Information Technology Division.

25.4 The Company's thrust in Quality areas has resulted in reduced rejections and reworks, improved quality of products and services and also enhanced customer satisfaction. The Company has planned to achieve ISO certification of SAM Division during this year.

## 26 EXPORTS

BDL has executed export orders worth ₹ 1.38 Crore during the year 2010-11.

## 27 FUTURE PLANS

27.1 There is a growth of 50% in sales over the previous year and this is likely to increase further. The targeted sales projected for the Financial Year 2011-12 represent a 45% growth over the actual sales for the year 2010-11.

27.2 The Order Book position is healthy with confirmed orders to the tune of ₹ 20,000 Crore. This figure is likely to increase substantially in the near future.

## 28 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place all required internal controls and systems to meet the canons of financial propriety. External audit firms have

been appointed to ensure their adequacy and report thereon. A detailed analysis of the reports of internal audit firms as well as reports of internal audit department of BDL are being placed before the Audit Committee for review and advice. The adequacy of internal control procedures are reviewed and reported by the Statutory Auditors in their Audit Report. BDL being a Government Company is subject to Government Audit also.



*BDL was awarded TOLIC Shield for the year 2009-10 for implementation of Official Language (Hindi). BDL received this award for the 9th consecutive year*

## 29 OFFICIAL LANGUAGE (OL) IMPLEMENTATION

29.1 The provisions of OL Act-1963 (as amended in 1967) & Rules thereunder are properly implemented. Meetings, training programmes, workshops are being conducted / organized for implementation of OL.

29.2 CMD and other senior officials participate in TOLIC (PSUs) Meetings regularly. BDL has been awarded for the TOLIC SHIELD (First place) consecutively for the 9<sup>th</sup> time, for the



year 2009-10, under major PSUs category, for best Implementation of OL.

- 29.3 Two issues of the Company's in-house journal "DYNAMIC SAMACHAR" including a combined issue of House Journal of the Company were released in trilingual form. Company's Website is also updated in Hindi.
- 29.4 The Independence Day programme was conducted in Hindi. On this occasion, CMD addressed the gathering in Hindi.
- 29.5 Hindi Fortnight was celebrated from 01 to 14 Sep 2011. On the eve of this, three competitions each at Kanchanbagh & Bhanur Group were organized. Cash Prizes were given to the winners of the competitions.
- 29.6 In compliance to the assurance given to the Parliamentary Committee on OL, a Hindi patriotic film "SWADES" was shown on 09 Sep 2011 during the Hindi Fortnight celebrations.

### 30 IMPLEMENTATION OF PRESIDENTIAL DIRECTIVES

The Company received a Presidential Directive No.H-62030/1/0227-D(BDL), dated 27 Apr 09 according sanction for implementation of revised pay scales to the Board level and below Board level executives as per DPE Guidelines issued thereon. Accordingly, the Company has implemented the pay revision in compliance with the Presidential Directive.

### 31 CORPORATE SOCIAL RESPONSIBILITY

- 31.1 As a part of Corporate Social Responsibility, the Company



*Food Distribution Vehicle was donated to Akshayapatra Foundation, an NGO for Mid-Day Meal Programme on 31 May 2011 as part of CSR activities*

sponsored a mid-day meal programme for 428 students of ZPHS School at Ghanapur and Bhanur Villages of Medak District through an NGO M/s. Akshayapatra Foundation. In addition, for transportation of cooked food from the main kitchen situated at Patancheru, the Management donated a food distribution vehicle to M/s. Akshayapatra Foundation, an NGO of International repute for distribution of mid-day meal to students.

- 31.2 In line with DPE guidelines, CSR Policy of the Company was approved by the Board of Directors for implementation from 2011-12 onwards, thus meeting the MoU requirement.

### 32 VIGILANCE

- 32.1 Vigilance Awareness Period was celebrated with great zeal and enthusiasm, both at Kanchanbagh and Bhanur Units from 25 Oct to 01 Nov 2010. Vigilance Period was inaugurated by CMD by administering the Pledge, which was broadcast live to all



*Vigilance Awareness Period was celebrated from 25 Oct to 01 Nov 2010. Shri Gopalakrishna, IAS (Retd) inaugurated the programme*

divisions in units of Kanchanbagh and Bhanur Group. Eminent personalities delivered lectures during the period. Shri Gopalakrishna, IAS (Retd) spoke on Vigilance Awareness on 25 Oct 2010. Shri K Satyanarayana, Ex-Director, National HRD Network delivered a lecture on General Awareness and Publicity against Corruption, citing examples from lives of great leaders. Shri P Krishna Shastry, Asst. Government Examiner, (Cyber Forensic Division) imparted awareness on Cyber Crimes.

### 32.2 Preventive Vigilance:

- a. Vigilance Department's proactive approach has saved the Company approx ₹ 42 Lakh. The specifications were re-drawn for procurement of Rugged laptops and this resulted in increased competition and resultant savings.
- b. The global/open tenders are now being posted in Government Tender Website as per the suggestions given by Vigilance.

- c. E-Payments have been implemented. Approx 95% of the payments are being done through e-payments.
- d. E-Procurement order has been processed along with regular e-reverse auctions, on trial basis.
- e. Suggestions were issued in matters pertaining to recruitment of Dy. Managers, Contract appointments on retirement, bill payments, etc.
- f. Annual property returns have been computerized.
- g. Suggestions were issued on recruitment on compassionate grounds, which had been implemented as a guiding policy.

## 33 AUDIT COMMITTEE

An Audit Committee had been constituted for better Corporate Governance. Four meetings have been held during the year to review the internal control systems and their adequacy, including coverage of Audit Functions. Details of composition, terms of reference etc., are covered in Report on Corporate Governance attached as **Annexure-II** to this report.

## 34 CORPORATE GOVERNANCE

- 34.1 Corporate Governance is about the application of best management practices, compliance of laws and adherence to ethical standards to achieve the Company's objective of enhancing shareholders' value and discharge of social responsibility.



34.2 The Company has a well established, transparent and fair administrative set up to provide for professionalism and accountability. The Company has already laid down a Code of Business Conduct & Ethics for the Board Members and Senior Management.

34.3 In line with the guidelines on Corporate Governance for CPSEs issued by DPE vide its OM No. 18 (8)/2005-GM, dated 14 May 2010, the Management Discussion & Analysis Report (**Annexure-I**) and Report on Corporate Governance (**Annexure-II**) along with Certificate on compliance of conditions on Corporate Governance from a Practicing Company Secretary (**Annexure-III**) as required under the said guidelines are attached to this report.

### 35 AUDITORS

M/s.DV Ramana Rao & Co., Chartered Accountants, Hyderabad were re-appointed as Auditors of the Company for the financial Year 2010-11 by the Comptroller & Auditor General of India.

### 36 COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Comments of Comptroller and Auditor General of India (C&AG) under Section

619 (4) of the Companies Act, 1956 on the accounts of the Company for the period ending 31 Mar 2011 are placed next to the Statutory Auditors' Report.

### 37 ACKNOWLEDGEMENTS

37.1 The Directors wish to place on record their appreciation of the efforts put in by the employees of the Company during the year and also Ministry of Defence, Department of Defence Production, other Central Government Departments, AP State Government, DRDO Laboratories, other PSUs and Licensors for the help extended from time to time.

37.2 The Directors wish to thank M/s. DV Ramana Rao & Co., the Statutory Auditors of the Company and the Principal Director of Commercial Audit and Ex-Officio Member, Audit Board, Hyderabad for the valuable advice received and co-operation extended from them.

37.3 The Directors wish to thank Shri Jatinderbir Singh, part-time Government Director for the valuable services rendered by him during the two years three months tenure on the Board of the Company and also thank Shri N Vinod Kumar, Director (Finance) who rendered valuable services for over seven years and retired on attaining superannuation on 30 Jun 2011.

**For and on behalf of the Board of Directors**

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**  
Chairman and Managing Director

Place: Hyderabad  
Date : 29 Jul 2011

**Annexure – I****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1 INDUSTRY STRUCTURE AND DEVELOPMENTS**

- 1.1 The Company is a Public Sector Undertaking under the Administrative Control of Department of Defence Production, Ministry of Defence, Government of India, Incorporated in the year 1970. The main object of the Company is to manufacture sophisticated Defence equipment required by Armed Forces.
- 1.2 It also develops New Products with in-house R&D and ToT from DRDO / renowned technical collaborators from abroad.
- 1.3 The Company is the Prime Production Agency for missiles and has diversified into underwater and aerial weapons with increased focus on in-house products. In addition, life extension of missiles is being carried out and the feasibility of their refurbishment is being explored. Due to the increased requirements for internal security duties, BDL is also manufacturing pistols for the Police and Para Military Forces.
- 1.4 During the year the Company received a major order for supply of a Surface to Air Missiles to Indian Army valued at ₹ 14,180 Crore. With this, and more orders in the pipeline, the Company's turnover during the coming years will increase substantially.

**2 STRENGTHS AND WEAKNESSES****2.1 Strengths**

- 2.1.1 Skilled and Trained Man Power with Missile Systems knowledge.
- 2.1.2 Experience of over 40 years in manufacture and integration of Missiles.
- 2.1.3 Well equipped CAD / CAM center.
- 2.1.4 Access to DRDO and other labs.

**2.2 Weaknesses**

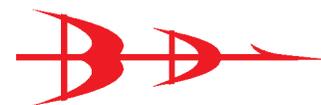
- 2.2.1 Long lead time of DRDO Projects.
- 2.2.2 Restrictions on Export Sales.
- 2.2.3 Sanctions under MTCR.

**3 OPPORTUNITIES AND THREATS****3.1 Opportunities**

- 3.1.1 Feasibility of International Strategic Alliances.
- 3.1.2 Increase in Defence Budget Allocation may throw up challenging projects.
- 3.1.3 Indigenous products preference.

**3.2 Threats**

- 3.2.1 Short closure of Orders.
- 3.2.2 Non placement of Indents after user trials.
- 3.2.3 Changes in QR.
- 3.2.4 Technological obsolescence.



## 4 PRODUCT-WISE PERFORMANCE

### 4.1 ATGMs.

#### 4.1.1 Konkurs-M.

BDL has achieved and exceeded its target this year. As against the target of ₹ 196.36 Crore, BDL has achieved a sales turnover of ₹ 200.27 Crore.

#### 4.1.2 Invar.

BDL has exceeded its target of ₹ 277.20 Crore by achieving a sale of ₹ 318.25 Crore.

#### 4.1.3 Milan 2T.

As against the target of ₹ 157.49 Crore, the sales achieved was ₹ 129.57 Crore.

### 4.2 Akash SAM.

#### 4.2.1 Indian Air Force Order (₹ 415.04 Crore).

Sales set-up for Electronic Missiles of a value of ₹ 6.46 Crore as against a target of ₹ 13.98 Crore. Balance of Live Missiles, Electronic Missiles and Dummy Missiles are planned to be completed in 2011-12.

#### 4.2.2 Indian Air Force Order (₹ 1245.13 Crore).

BDL received purchase Orders from BEL for supply of Akash Missiles and associated Ground Support Equipment for additional squadrons for the Indian Air Force.

#### 4.2.3 Indian Army (₹ 14180.4606 Crore)

BDL has signed a contract vide No: B/30080/GS/WE-11/D(PROC) dated 23 Mar 2011 for delivery of Akash SAMs for the Indian Army.

## 5 OUTLOOK

Defence industry in India is experiencing significant and progressive change with huge

opportunities for growth. The order book position of the Company is around ₹ 20,000 Crore as on date. The Company has challenging times ahead with delivery commitments with respect to major projects like Akash SAM and Milan-2T, Konkurs-M and Invar ATGMs.

## 6 RISKS AND CONCERNS

- 6.1 Long Lead Time of DRDO Projects.
- 6.2 Dependence on single source developed by the designer.
- 6.3 Short closure of orders
- 6.4 Restrictions on Export sales.

## 7 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place all required internal controls and systems to meet the canons of financial propriety. External audit firms have been appointed to ensure their adequacy and report thereon. A detailed analysis of the reports of internal audit firms as well as reports of internal audit department of BDL are placed before the Audit Committee for review and advice.

## 8 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

- 8.1 Performance of the Company in financial terms is summarized below:

	₹ Crore		% of Increase/ (Decrease)
	2010-11	2009-10	
Value of Sales	939.10	627.23	50%
Value of Production	910.92	631.61	44%
Profit Before Tax	79.17	50.63	56%
Profit After Tax	51.70	33.77	53%
Value Added	330.78	193.60	71%
Value Added Per Employee (₹ Lakh)	11.42	6.69	71%



8.2 Following data reflects the financial position of the Company:

	₹ Crore		% of Increase/ (Decrease)
	2010-11	2009-10	
Gross Block	386.11	357.48	8%
Depreciation	254.26	228.84	11%
Net Block	131.85	128.64	3%
Special Tools & Equipment	9.28	14.58	(36%)
Working Capital	361.21	360.44	-
Capital Employed	502.34	503.66	-
Net Worth	551.85	526.88	5%

## 9 MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

9.1.1 Total manpower strength of BDL as on 31 Mar 2011 is as under:

	Non-Executives	Executives	Total
Male	2015	602	2617
Female	224	56	280
<b>Total</b>	<b>2239</b>	<b>658</b>	<b>2897</b>
Previous Year	2206	688	2894

9.1.2 Concept of Performance Related Pay (PRP) has been newly introduced to make employee participation in the performance of the Company with new zeal and thrust. The modalities for the same are under compilation and it is expected that the same would be put in place in the Current Financial Year.

### 9.2 Industrial Relations

9.2.1 Cordial and harmonious industrial relations were maintained with co-operation from all sections of employees viz., recognized union, other registered trade unions and associations such as

SC, ST, OBC and Officers Associations. Statutory committees such as Works Committee, Safety Committee and Canteen Committee and shop level and plant level committees have ensured work place discipline all through the year.

9.2.2 Wage revision for Non-executives is also completed and implemented during the year.

9.2.3 Compliances on statutory welfare provisions are followed meticulously. Non-statutory welfare facilities such as school fee reimbursement, canteen allowances, etc., are continued during the year to motivate employees. Medical needs of the employees and their dependents are taken care as per BDL Medical rules. Retired employees Medical Insurance Scheme is in vogue to ensure the Medical needs of retired employees and their family members.

9.2.4 As a measure of motivation and improved morale for achieving higher productivity, employees are encouraged to participate in sports and games, cultural and recreational activities. The non statutory welfare committees have been taking keen interest in these activities.

## 10 ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

### 10.1 Environmental Protection and Conservation

10.1.1 Your Company has been maintaining a clean and green environment at all its manufacturing units. Clean surroundings, green environment, stringent pollution



control measures, zero effluent discharge, systematic management and disposal of hazardous and other forms of wastes and several other endeavors have become part of the well established environmental management system.

## 10.2 Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation

### 10.2.1 Technological Conservation

The Company is entering into ToT agreements with foreign collaborators for phased manufacturing programme and indigenous development of new products required by the customer. Company is also developing new products by joining hands with DRDO labs within the country. In addition to developing in-house products with R&D expertise within the Company as part of technological conservation.

### 10.2.2 Renewable Energy Developments

The Company continues to emphasize on energy conservation. Some of the measures adopted for energy conservation include:

- Installed solar water heaters instead of Electric Geysers in Canteen at Bhanur Unit.
- M/s.BDL Vizag unit will implement solar water heaters and solar cooking system for the canteen likely to come up by Sep 2011.
- Solar water heating & solar cooking will be implemented in new unit/division likely to come up for 3<sup>rd</sup> Generation Missile Production.
- Installed Screw type Air Compressors

in place of Conventional reciprocation water cooled Air Compressors, there by saving energy and water.

### GREEN BUILDING

- M/s.BDL, Vizag unit Admin Building is identified as a Green building and design of this building is registered for “Silver Lead” rated building. The construction of this building will commence from July 2011.
- Similar concept on construction of green building will be implemented during the establishment of 3<sup>rd</sup> Generation Missile & Vishorad Missile Production.

## 11 FOREIGN EXCHANGE CONSERVATION

The Company is striving constantly to conserve foreign exchange by reducing import of components and sub-systems from OEMs by increasing indigenous contents in the assembly of final products.

## 12 CORPORATE SOCIAL RESPONSIBILITY

- 12.1 The Company has been proactively pursuing Corporate Social Responsibility (CSR) activities at its various divisions since inception. The activities include adoption of villages for upliftment of the socially and economically backward section by providing Infrastructure, Health, Education, Drinking Water facilities etc.
- 12.2 The Government has recently released Guidelines on CSR and the Company is in the process of formulating a policy accordingly. Under the policy, a percentage of the profit will be utilised to carry out the CSR activities.

**Annexure - II****REPORT ON CORPORATE GOVERNANCE****1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

- 1.1 The philosophy of the Company in respect of Corporate Governance is to ensure transparency in all its operations, make appropriate disclosures, comply with the laws, maintain ethical standards and take care of the interest of all the stakeholders.
- 1.2 In keeping with its professional approach, the Company is implementing the precepts of Corporate Governance in letter and spirit.
- 1.3 The Company's activities are monitored by several external agencies like Statutory Auditors, Comptroller and Auditor General of India, Central Vigilance Commission, Ministry of Defence (Department of Defence Production), etc.

**2 BOARD OF DIRECTORS:**

- 2.1 Composition and Category of Directors:-
  - 2.1.1 The strength of the Board of BDL shall not be less than 2 and not more than 15 under the provisions of Articles of Association of the Company as amended from time to time. The directors shall not be required to hold any qualification shares.
  - 2.1.2 The composition of the Board of Directors of the Company had been restructured by the Government of India

with nine members viz. four Whole time Directors, including Chairman and Managing Director, two part-time Government Directors and three part-time Non-official (Independent Directors). Further, as per directives of MoD, there are four Permanent Special Invitees to the Board viz., Vice Chief of Air Staff, Vice Chief of Naval Staff, Dy. Chief of Army Staff and Nominee of DRDO.

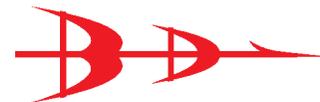
2.1.3 Details of the members of the Board during the year ended 31 Mar 2011 are given below:

**(a) Functional / Whole time Directors:**

- (i) Maj Gen Ravi Khetarpal, VSM (Retd)  
Chairman and Managing Director
- (ii) Shri N Vinod Kumar  
Director (Finance)
- (iii) Shri SN Mantha  
Director (Technical)
- (iv) AVM PK Srivastava, VSM (Retd)  
Director (Production)

**(b) Part-time Government Directors:**

- (i) Shri T.Ramachandru, IAS  
Joint Secretary (MS)  
Department of Defence Production  
Ministry of Defence  
(Upto 18 Oct 2010)
- (ii) Smt Rashmi Verma, IAS  
Joint Secretary (MS)  
Department of Defence Production  
Ministry of Defence  
(From 18 Oct 2010)



- (iii) Shri Jatinderbir Singh, IAS  
Joint Secretary & A.M.(LS)  
Ministry of Defence
- (c) Part-time Non-Official Directors:
  - (i) Prof R K Mishra  
Senior Professor and Director  
Institute of Public Enterprises
  - (ii) Shri K L Mehrotra  
Former CMD, Manganese Ore (I)  
Ltd.
- 2.1.4 One more Part-time Non-official Director's appointment (Independent Director) is awaited.
- 2.1.5 Details of present permanent Special Invitees to Board Meetings are given below:
  - (i) Air Marshal NAK Browne, PVSM,  
AVSM, VM, ADC  
Vice Chief of Air Staff
  - (ii) Lt Gen J P Singh, AVSM  
Dy Chief of Army Staff (P&S)
  - (iii) Vice Admiral D.K. Dewan, AVSM  
Vice Chief of Naval Staff

- (iv) Shri P. Venugopalan,  
Outstanding Scientist,  
Director, DRDL & Member  
Secretary, GMB.

2.2 Meetings of the Board and Attendance thereof; Number of other Boards or Board Committees in which Director is a Member or Chairperson:

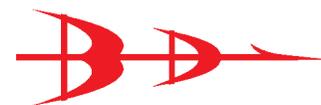
2.2.1 During the year 2010-11, eight (8) Board Meetings were held on 05 Apr 2010, 11 Jun 2010, 19 Jul 2010, 06 Aug 2010, 03 Sep 2010, 24 Nov 2010, 21 Dec 2010 and 24 Mar 2011. The Board meets at least once in every three months and at least four such meetings shall be held every year. Required information is made available to the Board for its information/ decision.

2.2.2 Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other directorship / committee membership held by them during 2010-11, etc., are furnished below:



Directors	Board Meetings		Attendance At last AGM held on 03 Sep 2010	No. of other director- ships held	Number of committee membership across all companies	
	No. of Board Meetings held during respective tenure of Directors	No. of meetings attended			As Chairman	As Member
<b>Functional Directors</b>						
Maj Gen Ravi Khetarpal, VSM (Retd) CMD	8	8	Yes	-	-	-
Shri N. Vinod Kumar, D(F)	8	8	Yes	-	-	-
Shri S N Mantha, D(T)	8	8	-	-	-	-
Air Vice Marshal PK Srivastava, VSM(Retd) D(P)	8	7	-	-	-	-
<b>Part-time Government Directors</b>						
Shri T. Ramachandru, IAS (upto 18 Oct 2010)	5	5	Yes	-	-	-
Shri Jatinderbir Singh, IAS	8	2	-	-	-	-
Smt Rashmi Verma, IAS (w.e.f 18 Oct 2010)	3	3	-	-	-	1
<b>Part-time Non-Official Directors</b>						
Prof R K Mishra (w.e.f 08 Mar 2011)	1	1	-	2	-	2
Shri K L Mehrotra (w.e.f 08 Mar 2011)	1	1	-	2	-	2

Leave of absence was given to Directors in case of their inability to attend the meeting due to unavoidable reasons.



### 2.3 Appointment of New Directors:

The Articles of Association of the Company provides for appointment of all Directors by the President of India. During the year 2010-11, two presidential orders were received conveying the appointment of Smt Rashmi Verma, JS(MS) in place of Shri T Ramachandru, JS(MS) and appointment of Prof RK Mishra and Shri KL Mehrotra as part-time Non-official Directors on the Board. The required information about these new Directors appointed on the Board is given below:

#### (i) Smt Rashmi Verma, IAS

Smt Rashmi Verma, JS(MS) was appointed as Part-time Government Director in place of Shri T Ramachandru, JS(MS) w.e.f 18 Oct 2010. Smt Rashmi Verma is an IAS Officer of Bihar Cadre (BH:82 Batch). Prior to this, she was Principal Secretary, Department of Tourism, Government of Bihar, Patna; Additional Director General, Department of Tourism, Government of India and Joint Secretary, Prime Minister's Office, Government of India.

#### (ii) Prof Dr RK Mishra

Dr RK Mishra was appointed as part-time Non-official Director (Independent Director) w.e.f 08 Mar 2011. Dr RK Mishra is a Senior Professor, and Director Institute of Public Enterprises, Hyderabad. He has been a management consultant to several organizations including DFID, Deloitte Adam Smith Institute, ADB and Center for Good Governance. He was

a team member of the State Fiscal Restructuring Project of the National Institute of Public Finance and Policy. He has been on the Board of Mishra Dhatu Nigam Limited (MIDHANI), and Fertilizers and Chemicals Travancore Limited (FACT). He is a member of the working group on review of MoU guidelines of CPSEs.

#### (iii) Shri KL Mehrotra

Shri KL Mehrotra was appointed as part-time Non-official Director (Independent Director) w.e.f 08 Mar 2011. Shri KL Mehrotra is a graduate in B.Sc. (Chemical Engineering) from the Institute of Technology, Banaras Hindu University in 1970. He has 38 years Experience in various positions in Private, State and Central Sector Organizations. He was Managing Director, Praga Tools Limited and Chairman and Managing Director, Manganese Ore (I) Limited. He was a recipient of Indira Gandhi and Rajiv Gandhi Best CEO Award for 2007 & 2008.

## 3 AUDIT COMMITTEE:

### 3.1 Brief Description of Terms of Reference:

3.1.1 The Role, Powers, areas of review of information etc., of the Audit Committee were revised as per the Guidelines on Corporate Governance for CPSEs issued by DPE vide OM No. 18(8)/2005-GM, dated 14 May 2010. The terms of reference to the Audit Committee, inter alia, include the following:-



- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii) Recommending to the Board, the fixation of audit fees.
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv) Reviewing the annual financial statements before submission to the Board for approval.
- v) Reviewing performance of internal auditors, and adequacy of the internal control systems.
- vi) Discussion with internal auditors and/or auditors any significant findings and follow up thereon.
- vii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- viii) To review the follow up action on the audit observations of the C&AG audit.

3.1.2 Three Chartered Accountant firms have been appointed to conduct internal Audit of Specific areas of operation of the company. These are in addition to the in-house Internal Audit department. Audit Reports given by Internal Auditors were reviewed by Audit Committee.

### 3.2 Composition, Name of Members and Chairperson:

3.2.1 The Board at its Meeting held on 24 Mar 2011 constituted the Audit

Committee of the Company. Audit Committee consisted of following Directors as on 31 Mar 2011:-

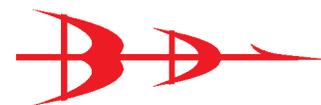
- i) Smt Rashmi Verma, IAS - Member
- ii) Prof RK Mishra - Member
- iii) Shri KL Mehrotra - Member

3.2.2 For Audit Committee Meetings, whole-time Directors are invited as Permanent Invitees and representatives of Statutory Auditor and external Chartered Accountant firms doing internal Audit work may attend by invitation. Company Secretary acts as Secretary of the Audit Committee.

### 3.3 Meetings and Attendance of Audit Committee during the year:

During the year 2010-11, four (4) meetings of the Audit Committee were held on 05 Aug 2010, 03 Sep 2010, 21 Dec 2010 and 23 Mar 2011. The details of attendance of members in such Meetings are as follows:

Sl. No.	Name of the Director S/Shri	No. of Meetings held during the tenure of the respective member	No. of Meetings Attended
1.	T.Ramachandru, IAS JS(MS) (Upto 18 Oct 2010)	2	2
2.	Smt Rashmi Verma, IAS JS (MS) (w.e.f 18 Oct 2010)	2	2
3.	Shri Jatinderbir Singh, IAS JS&AM(LS)	4	2
4.	Shri S.N.Mantha (Upto 23 Mar 2011)	4	4



#### 4 REMUNERATION COMMITTEE:

4.1 The Remuneration Committee was constituted by the Board in its meeting held on 30 Jan 2009 with Independent Director being the Chairman, in line with the Guidelines issued by DPE vide OM No. 2(70)/08/DPE(WC), dated 26 Nov 2008. The terms of reference of the Committee, include, deciding the annual bonus/variable pay pool and policy for its distribution to the Executives, recommending yearly Performance Related Pay and recommending suitable Performance Management System, etc.

4.2 All the three Independent Directors completed their respective tenure during Sep 2009. Two Independent Directors were appointed on the Board during Mar 2011. Remuneration Committee meeting(s) could not be held during the 2010-11 due to non availability of Independent Directors on the Board for re-constitution of the Remuneration Committee.

4.3 The Remuneration Committee reconstituted by the Board in its meeting held on 20 May 2011, after appointment of two Independent Directors has the following members, in line with Guidelines on Corporate Governance for CPSEs 2010 issued by DPE in this regard:

- (i) Shri KL Mehrotra,  
Independent Director -Chairperson
- (ii) Prof RK Mishra,  
Independent Director -Member
- (iii) Shri PK Mishra,  
JS (MS) - Member

4.4 Remuneration Policy / Details of remuneration to all Directors:

4.4.1 Being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the Government of India. The Government letter appointing the Chairman & Managing Director and other functional directors indicate the detailed terms and conditions of their appointment including the period of appointment, basic pay, scale of pay, dearness allowance, city compensatory allowance, etc., and it also indicates that in respect of other terms and conditions not covered in the letter, the relevant rules of the Company shall apply.

4.4.2 The Chairman & Managing Director and other Functional Directors are appointed by the Government initially for a period of 5 years from the date of appointment or upto the date of superannuation of the individual or until further orders of the Government, whichever is the earliest. Depending on the age and performance and on meeting other stipulated conditions the initial period is extendable for a further period upto 5 years or upto the date of superannuation, whichever is earlier. The part-time Government Directors are generally from the Administrative Ministry and their term is co-terminus with the term of respective position held by them in Government at the time of appointment on the Company's Board. The part-time Non-executive Directors (Independent Directors) are appointed for a period of 3 years.



4.4.3 Details of remuneration of Whole-time Directors during the year 2010-11 are given below:

Name of Director S/Shri	Salary including arrears*(a)	Benefits *(b)	Company contribution of PF, pension & Gratuity	Incentive *(c)	Leased Accommodation	Total (₹)
Maj Gen Ravi Khetarpal, VSM (Retd) Chairman & Managing Director	21,94,584	49,682	2,46,549	8,711	5,40,000	30,39,526
N.Vinod Kumar, Director (Finance)	20,70,206	53,995	2,33,370	8,633	4,50,000	28,16,204
SN Mantha, Director (Technical)	18,87,911	57,266	2,15,949	8,890	4,26,708	25,96,724
AVM PK Srivastava, VSM (Retd) Director (Production)	19,54,779	54,067	2,34,262	7,003	1,87,500	24,37,611

\*(a) Salary includes Basic, DA, HRA, PP, SPL INC for the year 2010-11.

\*(b) Benefits includes Wash, Medical op., Newspaper, Professional Development allow, Special Allowance for the year 2010-11.

\*(c) Quarterly incentive for the year 2010-11.

4.4.3 Part-time Government Directors (Non-executive Directors) are not paid any remuneration. They are also not paid sitting fee for attending Board/Committee meetings.

4.4.4 Part-time Non-official Directors (Independent Directors) are paid sitting fee of Rs.5,000/- per meeting of the Board/Committee of the Board attended. Details of sitting fee paid to the Independent Directors during year 2010-11 are given below:

(Sitting fee in ₹)

Name	Total
1. Shri KL Mehrotra	5,000
2. Profi RK Mishra	5,000

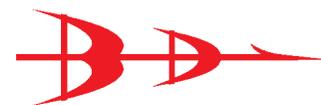
## 5 GENERAL BODY MEETINGS

5.1 All the Annual General Meetings of the Company were held at the Registered Office of the Company. The details of such meetings for the last three years period is as under:

AGM No.	Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting
38	2007-08	27 Sep 2008	1400 Hrs	Registered Office, Kanchanbagh, Hyderabad.
39	2008-09	04 Sep 2009	1230 Hrs	
40	2009-10	03 Sep 2010	1430 Hrs	

5.2 List of Special Resolutions:

1. A Special Resolution is passed in 39<sup>th</sup> AGM held on 04 Sep 2009 (2008-09) for amending clause 103(b) and adding 102(a) in the Articles of Association of the Company for exercising enhanced autonomy and delegation of powers by DPE to Miniratna Category -1 PSEs i.e., BDL.



## 6 DISCLOSURES:

6.1 During the year 2010-11 the Company has not entered into any transaction with the Directors that may have potential conflict with the interest of the Company at large. The members of the Board, a part from receiving Remuneration (wherever applicable), do not have any material pecuniary relationship or transaction with the Company which, in the Judgment of the Board, may affect independence of judgment of the Directors.

6.2 No Penalties and Strictures were imposed on the Company by any statutory authority on any matter related to any guidelines issued by Government during the last three years.

6.3 Whistle Blower Mechanism :

The guidelines of Corporate Governance for CPSEs 2010 issued by DPE have been complied with. The Whistle Blower Policy of the Company, inter alia, contains a provision enabling any person to approach the Chairman of the Audit Committee. However, during the year under report, no personnel have been denied access to the members of the Audit Committee or its Chairman.

6.4 The Company is complying with all the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE except guidelines on Risk Management and segment-wise reporting. The Company is in the process of formulating overall Risk Management Policy to identify various risks and advise on the risk mitigation measures associated with

different areas of its operation. The Company is also in the process of promulgating Fraud Prevention Policy. A Risk Management Committee of the Company is already constituted. All applicable Accounting Standards are followed except AS-17 relating to segment reporting keeping in view the nature of business and the sensitive nature of disclosure. However, such non disclosure does not have any financial effect on the Accounts of the Company. Necessary disclosure is being made in 'Notes forming part of Accounts'. Present Strength of the Board is 8 members against the sanctioned strength of 9. Out of 8 members, 2 are Part-time Non-official Directors as against sanctioned strength of 3. One more Part-time Non-official Director's appointment is awaited.

6.5 Details of Presidential Directives received and their implementation:

The Company received a Presidential Directive No.H-62030/1/0227-D(BDL), dated 27 Apr 09 according sanction for implementation of revised pay scales to the Board level and below Board level executives as per DPE guidelines issued thereon. Accordingly, the Company has implemented the pay revision in compliance with the Presidential Directive.

6.6 There were no item of expenditure debited in books of account, which are not for the purpose of the business.

6.7 The Company has not incurred any expenditure which is personal in nature



for the Board of Directors and Top management.

- 6.8 Details of Administrative and Office Expenses as a percentage of total expenses vis-a-vis financial expenses are furnished below:

( ₹ in Crore)

Sl. No.	Particulars	2010-11	2009-10
1	Total Expenditure (other than Materials)	393.24	292.50
2	Administrative & Office Expenses	5.63	3.94
3	Percentage of (2) on (1)	1.437%	1.35%

#### 7. MEANS OF COMMUNICATION:

The Company's communication system with its Shareholders, Directors and other stakeholders is through all means of communication channels including correspondence and the official website (<http://bdl.ap.nic.in>) of the Company. The Company website provides information about BDL like Company's profile, Milestones, Mission & Vision, Objectives, achievements, etc., BDL Management, Annual Report information, products, details of Tenders, RTI Act 2005 information, Careers, etc. The performance of the Company is communicated to the Administrative Ministry every month. The results are not published in any news paper.

8. The Company is striving to ensure unqualified financial statements.

9. Need-based Training Programmes are formulated from time to time.

#### 10. CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES

- 10.1 The Code of Conduct and Business Ethics as suggested by DPE in its Guidelines on Corporate Governance for CPSEs 2010 has been adopted by the Company in respect of its Directors and Senior Level Executives.

- 10.2 The Code has also been posted on the Company's website. The Directors and the Senior Executives have given declarations affirming the compliance with the code of conduct during the year 2010-11.

- 10.3 A declaration to this effect by the Chairman & Managing Director is given below.

#### 11. DECLARATION BY CHAIRMAN & MANAGING DIRECTOR :

As provided under the Guidelines on Corporate Governance for CPSEs as contained in the DPE OM No. 18(8)/2005-GM, dated 14 May 2010, issued by Department of Public Enterprises (DPE), it is hereby declared that all Board Members and Senior Management Personnel affirmed compliance with "The Code of Business Conduct & Ethics for Board Members and Senior Management of Bharat Dynamics Limited" for the year ended 31 Mar 2011.

**For and on behalf of the Board of Directors**

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**  
Chairman and Managing Director

Place : Hyderabad.  
Date : 29 Jul 2011



*Y. Ramesh* M.com., CAIIB, ACS.,  
Company Secretary in Practice  
Mobile : 9849045347



### **Certificate on compliance of conditions on CORPORATE GOVERNANCE**

To

The Members of Bharat Dynamics Limited

I have examined the compliance of conditions of Corporate Governance by Bharat Dynamics Limited, for the year ended on March 31, 2011 as per the Guidelines on Corporate Governance for Central Public Sector Enterprises – 2010.

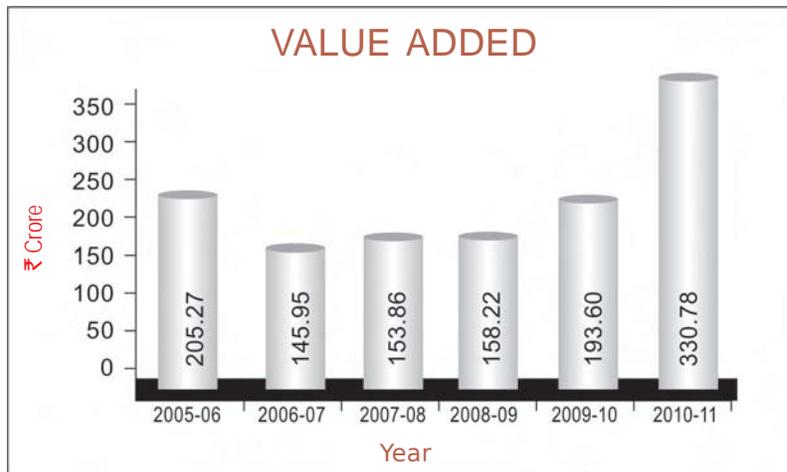
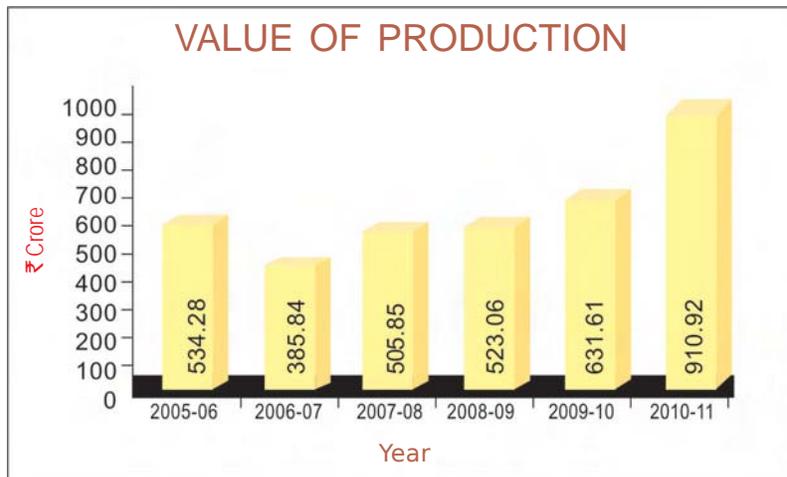
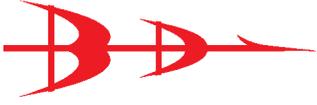
The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governances as stipulated in the said Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

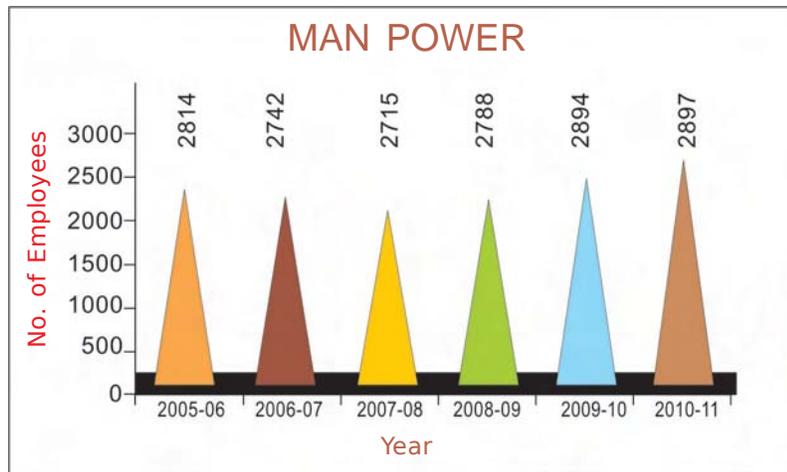
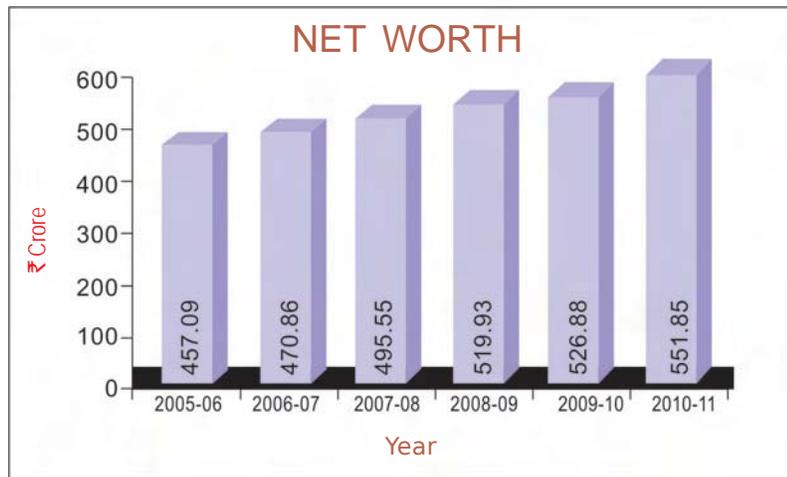
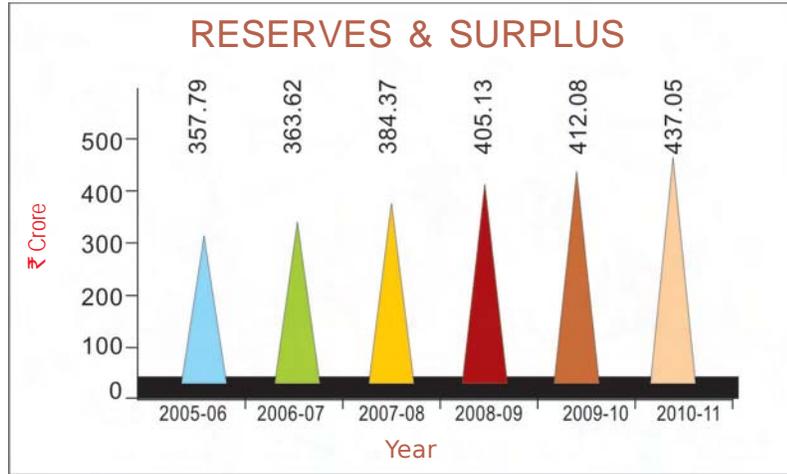
In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has adopted a Code of Business Conduct and Ethics for Board Members and Senior Management as per the “Guidelines on Corporate Governance for Central Public Sector Enterprises - 2010”, issued by Dept. of Public Enterprises, as per which it is the responsibility of the Directors and Senior Management Personnel to familiarize themselves with the Code and comply with its standards; and affirmed compliance with the Code of Conduct for the financial year ended March 31, 2011.

I further certify that the Company has complied with the Guidelines on Corporate Governance issued by Department of Public Enterprises under “Guidelines on Corporate Governance for Central Public Sector Enterprises - 2010”, except the guidelines on Risk Management for which the Company is in the process of adopting suitable Policies.

**Place: Hyderabad.**  
**Date: 26<sup>th</sup> July, 2011.**

  
**(Y. RAMESH)**  
**Company Secretary in Practice**  
**CP No.: 7929**







## ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the accrual basis and at historical cost unless otherwise stated and in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act, 1956.

### 2. FIXED ASSETS

2.1 Land is capitalized at cost to the Company. Development of land such as levelling, clearing and grading is capitalized along with the cost of Building in proportion to the land utilized for construction of Buildings and rest of the development expenditure is capitalized along with cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as the cost of land.

2.2 Fixed Assets acquired with financial assistance/subsidy from outside agencies either wholly or partly are taken in the books at net cost to the Company. Assets transferred free of cost by Government are taken at nominal value.

2.3 Plant, Machinery & Equipment, Fixtures & Office Furniture and Equipment costing individually ₹ 5,000 and below are depreciated fully in the year of purchase. Minor civil works including additions, alterations, etc., costing individually ₹ 50,000 and below, not resulting in additional floor space and internal partitions costing individually ₹ 50,000 and below are charged to Revenue. Where

the cost of such partitions exceeds ₹ 50,000 they are depreciated within a period of 5 years or the lease period of the premises, whichever is less.

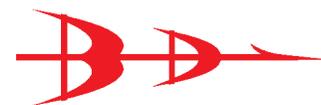
2.4 Material items retired from active use are retained in the books at the lower of their net book value and net realizable value till they are disposed off. They are eliminated from the books on disposal. Proceeds from sale of assets in excess of original cost are credited to Capital Reserve.

2.5 Expenditure on re-conditioning, re-siting and re-layout of Machinery and Equipment is not capitalised.

2.6 Cost of the initial pack of spares obtained along with the procurement of Plant, Machinery and Equipment is capitalised and depreciated in the same manner as Plant & Machinery.

### 3. INTANGIBLE ASSETS

3.1 The expenditure incurred on General Research and Development is charged to revenue in the year of incurrence. Development Expenditure financed by the Company and expenses incurred thereon on specific projects where the technical feasibility of the products has been demonstrated and the Company intends to produce and market the products are capitalised for amortisation over production in future years. In the event of the Company financed project(s) being foreclosed/abandoned, the expenditure incurred up to the stage of foreclosure/abandonment is charged off to revenue in the year of foreclosure/abandonment.



3.2 Expenditure on training personnel/foreign technicians' fees and expenses and other pre-production expenses, etc., specific to projects/products in the nature of Development Expenditure is amortised over production on technical estimate and to the extent not amortised, is carried forward.

3.3 Software internally developed/ acquired from an outside source for internal use, costing individually ₹ 1.00 Lakh and above and which is not an integral part of the related hardware, is recognized as an intangible asset in the Books of Account and is amortised over a period of three years, on straight line method. Amortisation commences when the asset is available for use.

#### 4. TOOLS AND EQUIPMENT

Expenditure on special purpose tools, jigs and fixtures including specific to projects/products is initially capitalised for amortisation over production on technical assessment and to the extent not amortised is carried forward as an Asset. In-house Manufactured tools are capitalized at cost or realizable value whichever is less. Expenditure on maintenance, re-work, re-conditioning, periodical inspection, referencing of tooling, replenishing of cutting tools and work of similar nature is charged to revenue.

#### 5. IMPAIRMENT OF ASSETS

The carrying amount of assets on the date of Balance Sheet is assessed and if the estimated recoverable amount is found less than the carrying amount, the impairment loss is recognized and provided.

#### 6. INVESTMENTS

6.1 Current investments are carried in the financial statements at the lower of cost and fair value determined on an individual investment basis.

6.2 Long-term investments are carried in the financial statements at cost. However, provision is made for diminution of permanent nature in the value of investment.

#### 7. DEFERRED DEBTS

Unpaid installment payments together with interest thereon under deferred payment terms for the cost of imported material and tooling content/DRE of the equipment/products sold are accounted as Deferred Debts from the customer and are recovered as and when the installments and interest thereon are paid.

#### 8. INVENTORIES

8.1 Inventories are valued at lower of cost or net realizable value. The cost of Raw Materials, Components, Construction Materials, Loose Tools and Stores and Spare Parts are assigned by using Weighted Average Cost formula.

8.2 Goods under Inspection and in Transit are valued at cost.

8.3 Miscellaneous Stores is valued at estimated realizable value.

8.4 Work-in-Progress is shown at cost or realisable value or the evaluated value whichever is less. The evaluated value of the labour content of the work-in-Progress, in respect of projects relating to the manufacture is determined by taking physical count of the work at the end of the year at production overhead rate.



Such evaluation is not done in the case of initial phase of assembly and manufacture of parts, development work and other miscellaneous projects. The material content of Work-in-Progress is shown at cost or realisable cost, whichever is less.

- 8.5 Stock-in-trade is valued at cost or realisable value, whichever is less.
- 8.6 Customs Duty where applicable is loaded to cost of goods when cleared and passed through customs.
- 8.7 Stationery, uniforms, welfare consumables, medical and canteen stores are charged off to revenue at the time of receipt.
- 8.8 Semi-perishable, welfare and miscellaneous equipment are valued at cost and items costing individually ₹ 10,000 and below are charged to revenue at the time of issue and those costing above ₹ 10,000 are charged to revenue in two equal annual installments including the year of issue.
- 8.9 Raw-materials, Components, Construction Materials, Loose Tools and Stores and Spare Parts declared surplus/unserviceable/ redundant are charged to revenue.
- 8.10 Materials issued from main stores and lying unused at the end of the year are not brought back to stores.
- 8.11 Loose tools & equipment and standard tools are charged to revenue at the time of issue.
- 8.12 Provision for redundancy is made in respect of closing inventory of Raw-materials and Components, Stores and Spare parts, Construction Materials and Loose Tools non-moving for more than 5

years. Besides, where necessary, adequate provision is made for redundancy of such inventory in respect of completed/ specific projects and other surplus/ redundant materials pending transfer to salvage stores.

#### 9. SUNDRY DEBTORS

Disputed/time-barred debts from the Government departments are not treated as Doubtful Debts.

#### 10. CLAIMS ON SUPPLIERS / UNDER WRITERS/CARRIERS/OTHERS

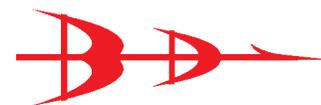
Claims on Suppliers/Underwriters/ Carriers/others towards loss/damages are accounted when claims are preferred. Disputed/time barred claims from the Government Departments are not treated as doubtful claims.

#### 11. CONVERSION OF FOREIGN CURRENCY

Liability for deferred payments including interest thereon, on supplies/services from the USSR (erstwhile) is set up at the rate of exchange notified by the Reserve Bank of India, for deferred payments including interest thereon under the protocol arrangements between the Government of India and Government of Russia. In the case of other currencies, liability is set up at the ruling rate of exchange as on the date of Balance Sheet. The differences due to fluctuations in the rate of exchange are charged to revenue. In case of capital items, adjustments are made to the cost of the asset.

#### 12. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits



admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

### 13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT

#### ASSETS

A provision is recognized when the company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

### 14. WARRANTY

Warranty on goods sold, wherever applicable, commences on setting up of sales and accordingly provision for such warranty is made. The period and terms conditions of warranty shall be as per the relevant contract.

### 15. SALES

15.1 In the case of products requiring proof

tests, sale is accounted for, on the basis of quantity accepted after Proof Tests.

15.2 In the case of all other products, sale is accounted for, on the basis of acceptance/ actual despatch.

15.3 Where Sale Prices are not established, sales are set up on provisional basis at prices likely to be realized.

15.4 Sale value excludes Sales Tax/VAT but includes Excise Duty and Service Tax.

### 16. EMPLOYEE BENEFITS

Short term Employee Benefits:

16.1 Short-term employee benefits such as salaries, wages and short-term compensated absences are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Defined Contribution Plans:

16.2 The Company's contribution paid/payable to company approved Retired Employee Medical Scheme (REMI), Employee Benevolent Fund Scheme (EBF), Employee State Insurance Scheme (ESI), contribution towards Provident Fund under the PF Act and Pension Scheme are charged to revenue.

Defined Benefit Plans :

16.3 The Company's Gratuity, Leave Salary Schemes are Defined Benefit Plans. The present value of the obligation towards Gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each estimated future cash flows. Actuarial gains and losses are



recognized in Profit & Loss account.

16.4 The present value of obligation towards Leave Salary is provided on Actuarial basis. Actuarial gains and losses are recognized in Profit and Loss account.

16.5 Compensation paid to Employees under Voluntary Retirement Scheme (VRS) is charged to Profit and Loss Account in the year of retirement.

#### 17. INTEREST

Interest accrued on loans/borrowings for different projects till the commencement of commercial production is amortised over production on technical estimate and to the extent not amortised is carried forward.

#### 18. DEPRECIATION

Depreciation on Fixed Assets is charged on 'Straight Line' method. The rate of

depreciation is derived by spreading the cost of the asset over its expected life, except in the case of township buildings, where the rate adopted is as per the guidelines issued by the Department of Public Enterprises. Depreciation is calculated on and from 01 Apr 1991 on all additions made from the date the asset is put to use/brought on charge. Rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956, are not adopted. The rates adopted are not less than those prescribed in the said Schedule.

#### 19. UNDER/OVER ABSORPTION OF COSTS

Adjustment is not made for under/over absorption of labour and overhead costs on jobs, if the extent of under/over recovery in a year does not exceed 0.5% of such costs.

Schedules 1 to 23 and Accounting Policies attached form part of accounts.

As per our report of even date.  
For **D.V.RAMANA RAO & CO.**,  
Registration No.002918S  
Chartered Accountants

**For and on behalf of the Board**

**M.V.SARMA**  
Partner  
(M. NO. 205313)

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**  
Chairman and Managing Director

**SV SUBBA RAO**  
Director (Finance)

Place: Hyderabad  
Date : 29 Jul 2011

Place: Hyderabad  
Date : 29 Jul 2011

**H.B.MURTHY**  
Company Secretary



# ANNUAL ACCOUNTS 2010-11



## BALANCE SHEET AS AT 31 MAR 2011

(₹ Lakh)

PARTICULARS	SCHEDULE	31 MAR 2011		31 MAR 2010	
<b>SOURCES OF FUNDS</b>					
Shareholders' Funds					
Capital	1	11500.00		11500.00	
Reserves and Surplus	2	43704.94		41207.74	
			55204.94		52707.74
Loan Funds					
Deferred Liabilities	3		5085.47		5476.66
			<b>60290.41</b>		<b>58184.40</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets					
Gross Block	4	38610.80		35747.68	
Less: Depreciation	4	25425.91		22883.61	
Net Block		13184.89		12864.07	
Capital Work-in-progress	5	2210.14		717.03	
			15395.03		13581.10
Special Tools and Equipments	6		928.17		1457.86
Investments	7		53.60		53.60
Deferred Debts	8		4944.98		5325.37
Deferred Tax Assets (Net)			2848.09		1722.42
Current Assets, Loans and Advances					
Inventories	9	50219.12		57026.32	
Sundry Debtors	10	4514.59		3357.90	
Cash and Bank Balances	11	402083.36		153332.46	
Loans and Advances	12	30032.77		30511.74	
		486849.84		244228.42	
Less: Current Liabilities and Provisions					
Liabilities	13	438400.49		198019.58	
Provisions	13	12328.81		10164.79	
		450729.30		208184.37	
Net Current Assets			36120.54		36044.05
			<b>60290.41</b>		<b>58184.40</b>
Notes on Accounts	23				

Schedules 1 to 23 and Accounting Policies attached form part of Accounts.

As per our Report of even date.  
for **D.V. RAMANA RAO & CO.,**  
Registration No.002918S  
Chartered Accountants

**For and on behalf of the Board.**

**M.V. SARMA**  
Partner  
(M.No.205313)

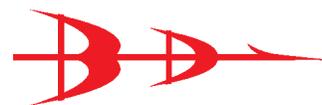
**SV SUBBA RAO**  
Director (Finance)

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**  
Chairman and Managing Director

Place:Hyderabad  
Date :29 Jul 2011

Place:Hyderabad  
Date :29 Jul 2011

**H.B.MURTHY**  
Company Secretary



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

PARTICULARS	SCHEDULE	31 MAR 2011		31 MAR 2010	
<b>INCOME</b>					
Gross Sales	14	93909.58		62722.68	
Less: Excise Duty		84.00		5.03	
Less: Service Tax		128.20		84.77	
Net Sales		93697.38		62632.88	
Increase/(Decrease) in WIP/SIT	15	(2817.55)		437.91	
Other Income	16	14374.69		15042.44	
			<b>105254.52</b>		<b>78113.23</b>
<b>EXPENDITURE</b>					
Consumption of Raw Material, Components, etc.,	17	58014.18		43800.89	
Direct Expenses	18	1084.63		455.76	
Salaries and Wages	19	23453.28		17883.77	
Other Expenses	20	7977.47		6383.30	
Interest		6.77		1.64	
Depreciation/Amortisation	4	2574.18		1503.93	
Provisions	21	4922.42		3638.19	
		<b>98032.93</b>		<b>73667.48</b>	
Deduct: Expenditure relating to Capital and Other Accounts	22	694.96		616.76	
Net Expenditure			97337.97		73050.72
<b>PROFIT BEFORE TAX</b>			<b>7916.55</b>		<b>5062.51</b>
Less/(Add):					
Provision for Taxation					
Income Tax - Earlier years		26.24		687.79	
Income Tax - Current year		3845.32		1768.78	
Deferred Tax		(1125.67)		(771.63)	
Wealth Tax		0.35		-	
Fringe Benefit Tax		-		0.75	
Total Provision for Taxation			2746.24		1685.69
<b>PROFIT AFTER TAX</b>			<b>5170.31</b>		<b>3376.82</b>
Balance of Profit brought forward from last year			46.56		51.74
Profit Available For Appropriations			<b>5216.87</b>		<b>3428.56</b>
<b>APPROPRIATIONS</b>					
Proposed Dividend		2300.00		2300.00	
Tax on Proposed Dividend		373.12		382.00	
			2673.12		2682.00
General Reserve			2500.00		700.00
Balance carried to Balance Sheet			43.75		46.56
Total of Appropriations			<b>5216.87</b>		<b>3428.56</b>
Earnings Per Share (Face Value ₹1000 each) - Basic & Diluted (in ₹)			449.59		293.64
Notes on Accounts	23				

Schedules 1 to 23 and Accounting Policies attached form part of Accounts.

As per our Report of even date.

for **D.V. RAMANA RAO & CO.,**

Registration No.002918S

Chartered Accountants

**M.V. SARMA** (M.No.205313)

Partner

Place: Hyderabad

Date :29 Jul 2011

For and on behalf of the Board.

**SV SUBBA RAO**

Director (Finance)

Place: Hyderabad

Date :29 Jul 2011

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**

Chairman and Managing Director

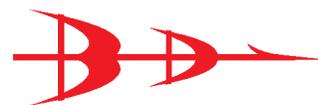
**H.B.MURTHY**  
Company Secretary



## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 MAR 2011

(₹ Lakh)

	31 MAR 2011		31 MAR 2010	
<b>1. CAPITAL</b>				
Authorised 12,50,000 Equity Shares of ₹ 1,000/- each		<b>12500.00</b>		<b>12500.00</b>
Issued, Subscribed and paid up 11,50,000 Equity Shares of ₹ 1,000/- each fully paid		<b>11500.00</b>		<b>11500.00</b>
<b>2. RESERVES AND SURPLUS</b>				
Capital Reserve				
As per last Balance Sheet	19.52		19.52	
Add: Additions during the year	0.01		-	
		19.53		19.52
General Reserve				
As per last Balance Sheet	41141.66		40441.66	
Add: Transfer from Profit and Loss account	2500.00		700.00	
		43641.66		41141.66
Surplus				
Profit and Loss Account Balance		43.75		46.56
		<b>43704.94</b>		<b>41207.74</b>
<b>3. DEFERRED LIABILITIES*</b>				
Towards 45 years Component		5085.47		5476.66
		<b>5085.47</b>		<b>5476.66</b>
* Include amounts which become due for payment within 12 months.		-		195.60



## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 MAR 2011

### 4. FIXED ASSETS

Particulars	Gross Block				Depreciation/Amortisation			Net Block		
	Cost as at the beginning of the year	Additions/adjustments during the year	Deductions/adjustments during the year	Total Cost as at the end of the year	Accumulated Depreciation/Amortisation as at the beginning of the year	Depreciation/Amortisation for the year \$	Deductions/Adjustments during the year	Accumulated Depreciation/Amortisation as at the end of the year	As at 31 Mar 2011	As at 31 Mar 2010
<b>TANGIBLE ASSETS</b>										
Land @	662.80	-	-	662.80	3763.28	211.21	-	3974.49	662.80	662.80
Buildings * Fencing and	7605.69	52.13	-	7657.82	286.20	22.54	-	308.74	3683.33	3842.41
Compound Walls	576.20	2.92	-	579.12	399.08	26.04	-	425.12	270.38	290.00
Roads and Drains	636.64	104.41	-	741.05	546.59	8.67	-	555.26	315.93	237.56
Water Supply Installations	567.31	8.17	-	575.48	15516.98	674.23	19.88	16171.33	20.22	20.72
Plant, Machinery and Equipment #	18269.91	1563.47	19.88	19813.50	858.33	79.07	-	937.40	3642.17	2752.93
Furniture and Equipment	1100.96	128.67	-	1229.63	225.04	27.21	12.00	240.25	292.23	242.63
Transport Vehicles	322.01	84.22	12.00	394.23	21595.50	1048.97	31.88	22612.59	153.98	96.97
<b>Total</b>	<b>29741.52</b>	<b>1943.99</b>	<b>31.88</b>	<b>31653.63</b>	<b>20706.00</b>	<b>924.25</b>	<b>34.75</b>	<b>21595.50</b>	<b>9041.04</b>	<b>8146.02</b>
Previous Year	28664.30	1114.53	37.31	29741.52	20706.00	924.25	34.75	21595.50	8146.02	7958.30
<b>INTANGIBLE ASSETS</b>										
Development Expenditure	5967.38	910.73	-	6878.11	1250.34	1512.00	-	2762.34	4115.77	4717.04
Computer Software	38.78	40.28	-	79.06	37.77	13.21	-	50.98	28.08	1.01
<b>Total</b>	<b>6006.16</b>	<b>951.01</b>	<b>-</b>	<b>6957.17</b>	<b>1288.11</b>	<b>1525.21</b>	<b>-</b>	<b>2813.32</b>	<b>4143.85</b>	<b>4718.05</b>
Previous Year	2100.37	3905.79	-	6006.16	708.43	579.68	-	1288.11	4718.05	1391.94
<b>Grand Total</b>	<b>35747.68</b>	<b>2895.00</b>	<b>31.88</b>	<b>38610.80</b>	<b>22883.61</b>	<b>2574.18</b>	<b>31.88</b>	<b>25425.91</b>	<b>13184.89</b>	<b>12864.07</b>
Previous Year	30764.67	5020.32	37.31	35747.68	21414.43	1503.93	34.75	22883.61	12864.07	9350.24

@ Includes 5 Acres and 01 Gunta of land given on lease to a Government of India Organisation and is in their possession.

\* Includes ₹ 111.01 Lakh (Previous Year ₹ 111.01 Lakh) being the value of buildings constructed on land not belonging to the Company.

# Includes material items of Gross Value ₹ 185.23 Lakh (Previous Year ₹ 185.23 Lakh) retired from active use.

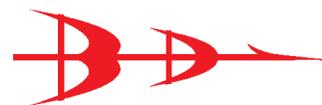
\$ Includes prior period Depreciation Nil (Previous year ₹ 12.68 Lakh)



## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 MAR 2011

(₹ Lakh)

	31 MAR 2011		31 MAR 2010	
<b>5. CAPITAL WORK-IN-PROGRESS (AT COST)</b>				
Buildings		1289.88		360.69
Roads and Drains		4.46		-
Machinery & Equipment under inspection and in transit		911.80		276.20
Furniture & Equipment		-		4.84
Un-apportioned consultation fee		4.00		52.18
Intangible Assets - Development Expenditure		-		23.12
		<b>2210.14</b>		<b>717.03</b>
<b>6. SPECIAL TOOLS AND EQUIPMENTS (AT UNAMORTISED COST)</b>				
Cost as at the beginning of the year		9666.77		9577.04
Additions during the year		530.73		794.85
		10197.50		10371.89
Less: Adjustments		-		705.12
		10197.50		9666.77
Less: Amortisation		9269.33		8208.91
		<b>928.17</b>		<b>1457.86</b>
<b>7. INVESTMENTS AT COST (NON-TRADE/UN-QUOTED)</b>				
9,21,920 (Including 3,85,920 Bonus Shares) fully paid-up Equity Shares of Rs.10/- each of A.P. Gas Power Corporation Limited		53.60		53.60
		<b>53.60</b>		<b>53.60</b>
<b>8. DEFERRED DEBTS (UNSECURED)</b>				
Considered good				
Towards 45 Years Component		4944.98		5325.37
		<b>4944.98</b>		<b>5325.37</b>



## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 MAR 2011

(₹ Lakh)

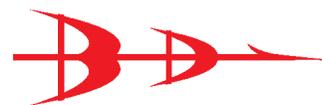
	31 MAR 2011		31 MAR 2010	
<b>9. INVENTORIES *</b> (As certified by Management)				
Stocks:				
Raw Material and Components	29312.16		30332.09	
Stores and Spare Parts	861.76		826.20	
Construction Material	1.26		8.10	
Loose Tools	737.90		648.29	
	30913.08		31814.68	
Less: Provision for Redundancy	770.27		881.32	
		30142.81		30933.36
Stock-in-trade	150.61		150.81	
Less: Provision for Redundancy	15.09		15.09	
		135.52		135.72
Work-in-progress	17864.70		20682.05	
Less: Provision for Redundancy	53.66		192.44	
		17811.04		20489.61
Stores & Equipment - Welfare Opening Balance	3.62		2.57	
Additions during the year	22.35		9.02	
	25.97		11.59	
Less : Amortisation during the year	17.78		7.97	
		8.19		3.62
Miscellaneous Stores		17.57		17.91
		48115.13		51580.22
Goods under Inspection and in Transit				
Raw Material and Components	2058.07		5365.92	
Stores and Spare Parts	20.20		52.00	
Loose Tools	25.72		28.18	
		2103.99		5446.10
		<b>50219.12</b>		<b>57026.32</b>
* Include Material issued to Sub-contractors/Others		3813.66		1863.35
<b>10. SUNDRY DEBTORS</b>				
Unsecured - Considered good Debts outstanding for a period exceeding six months		1327.73		345.68
Other Debts		3186.86		3012.22
		<b>4514.59</b>		<b>3357.90</b>



## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 MAR 2011

(₹ Lakh)

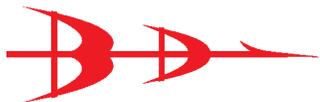
	31 MAR 2011		31 MAR 2010	
<b>11. CASH AND BANK BALANCES</b>				
Cash and Cheques on hand*		8.13		6.37
Balances with Scheduled Banks in Current Accounts		1811.93		1224.39
Short Term Deposits		400263.30		152101.70
		<b>402083.36</b>		<b>153332.46</b>
* includes amount with imprest holders		0.71		0.98
<b>12. LOANS AND ADVANCES</b>				
Advances (recoverable in cash or in kind or for value to be received)				
Secured - Employees		173.76		217.42
- Others		5920.66		6976.10
Unsecured - Considered Good				
Goods and Services	12462.45		16373.27	
Less: Provision for Doubtful Advances	0.41		0.41	
		12462.04		16372.86
Capital Assets		2673.94		-
Employees **		128.58		829.10
Interest accrued but not due		4461.33		1980.62
Claims Receivable	2501.39		2827.48	
Less: Provision for Doubtful Claims	65.80		65.80	
		2435.59		2761.68
<b>Deposits with</b>				
Government Departments		0.81		-
Public Utility Concerns		172.16		191.73
Others		12.33		12.33
Prepaid Expenses		23.09		142.57
Advance Income-tax (Net of Provisions)		542.34		748.00
Input Tax Credit Receivable		1026.14		279.33
		<b>30032.77</b>		<b>30511.74</b>
** (a) Due by the Officers of the Company		-		0.15
(b) Maximum amount due by the Officers of the Company at any time during the year		1.54		1.03



## SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31 MAR 2011

(₹ Lakh)

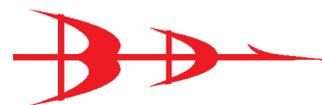
	31 MAR 2011		31 MAR 2010	
<b>13. CURRENT LIABILITIES AND PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry Creditors		18622.79		13347.87
Advances from Government of India		397948.25		158424.35
Other Advances		5368.58		8394.37
Deposits		429.61		364.39
Other Liabilities		16031.26		17488.60
		<b>438400.49</b>		<b>198019.58</b>
<b>Provisions</b>				
Proposed Dividend		2300.00		2300.00
Dividend Tax		373.12		382.00
Replacement and Other charges, Warranty and Batch Rejections		1669.22		1541.27
Liquidated Damages		7690.45		5721.44
Post-Superannuation Medical Benefits		296.02		220.08
		<b>12328.81</b>		<b>10164.79</b>
		<b>450729.30</b>		<b>208184.37</b>



## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

	31 MAR 2011		31 MAR 2010	
<b>14. SALES</b>				
Finished Goods		84799.97		58325.53
Repairs and Overhaul		461.10		272.67
Spares		5135.46		3151.43
Miscellaneous		2398.43		344.92
Job Works		1031.74		584.91
		93826.70		62679.46
Prior period Items		82.88		43.22
<b>Gross Sales</b>		<b>93909.58</b>		<b>62722.68</b>
<b>15. Increase / (Decrease) in Work-in-progress and Stock-in-trade</b>				
Opening Balance				
(i) Work-in-progress		20682.05		20065.43
(ii) Stock-in-trade		150.81		329.52
		<b>20832.86</b>		<b>20394.95</b>
Closing Balance				
(i) Work-in-progress		17864.70		20682.05
(ii) Stock-in-trade		150.61		150.81
		<b>18015.31</b>		<b>20832.86</b>
<b>Increase/(Decrease)</b>		<b>(2817.55)</b>		<b>437.91</b>
<b>16. OTHER INCOME</b>				
Transportation - Employees		15.92		24.01
Disposal of scrap and surplus/ unserviceable stores		15.72		42.15
Interest on:				
Short Term Deposits		10494.52		12639.14
Sundry Advances - Employees and Others		132.24		50.49
Other Deposits		4.61		152.73
Profit on sale of assets (net)		6.11		5.63
Township		126.43		78.71
Miscellaneous*		3579.14		2047.59
		14374.69		15040.45
Prior Period Items		-		1.99
		<b>14374.69</b>		<b>15042.44</b>
* includes				
a) Provision no longer required		2999.55		1563.02
b) Liability written back		5.37		195.07
c) Exchange Differential		239.00		80.65
d) Liquidated Damages recovered from suppliers		107.59		82.48



## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

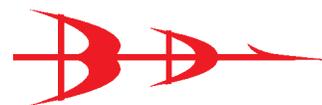
	31 MAR 2011		31 MAR 2010	
<b>17. CONSUMPTION OF RAW-MATERIAL, COMPONENTS, STORES AND SPARE PARTS</b>				
Opening Stock		31814.68		42014.34
Add: Purchases		63714.64		40906.61
		95529.32		82920.95
Less: Closing Stock		30913.08		31814.68
		64616.24		51106.27
Less: Stores consumed on				
Development Expenditure		39.39		3125.58
Tools and Jigs		44.10		3.65
Capital Works		0.56		39.16
Expense Accounts and others		6518.01		4136.99
		6602.06		7305.38
		<b>58014.18</b>		<b>43800.89</b>
<b>18. DIRECT EXPENSES</b>				
Amortisation of Tooling		1060.42		381.84
Others		24.21		73.92
		<b>1084.63</b>		<b>455.76</b>
<b>19. SALARIES AND WAGES*</b>				
Basic,DA,HRA etc.,		12315.54		11830.79
Perquisites and Allowances		4607.60		1984.64
Rent for hiring of accommodation to Officers		16.40		17.37
Performance Related Pay and Incentives		1678.30		714.18
Superannuation Benefits				
Leave Salary		1860.79		874.38
Contribution to PF		1374.60		972.32
Contribution to Pension		179.47		174.30
Gratuity Fund		1411.82		1305.58
Post Retirement Medical Benefits		8.76		10.21
		<b>23453.28</b>		<b>17883.77</b>
<b>* includes Directors' Remuneration:</b>				
Basic,DA,HRA etc.,		78.78		34.21
Accrued Leave Salary		2.15		5.60
Contribution to Provident Fund & Pension Fund		5.93		8.47
Contribution to Gratuity Fund & Post Retirement Medical Insurance		3.37		-
Leave Travel Concession		0.28		-
Medical Reimbursement		0.60		2.04
Rent for Residential Accommodation		17.79		16.52
		<b>108.90</b>		<b>67.94</b>



## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

	31 MAR 2011		31 MAR 2010	
<b>20. OTHER EXPENSES</b>				
Shop Supplies		306.95		132.09
Power and Fuel		709.86		540.99
Water Charges		126.78		130.53
Travelling*		394.23		318.37
Repairs:				
Buildings		793.49		542.43
Plant, Machinery and Equipment		652.97		539.20
Furniture and Equipment		2.95		2.59
Vehicles		16.98		20.57
Others		1.60		59.41
Vehicle Expenses - Petrol and Diesel		48.48		41.33
Loose Tools and Equipment		119.99		89.93
Insurance		77.89		61.69
Rates and Taxes		134.55		66.85
Postage and Telephones		107.58		100.86
Printing and Stationery		70.20		63.15
Publicity		47.75		22.29
Advertisement		97.55		48.75
Bank Charges		40.42		50.16
Legal Expenses		5.36		6.33
Donations		0.10		0.10
Write offs:				
Stores		-		0.53
Bad and Doubtful Debts		0.31		0.51
Others		3.92		1.01
Auditors' Remuneration:				
Audit fees		2.21		2.76
Other Services **		0.22		0.22
Documentation fee and expenses		0.44		1.00
Security Arrangements		1238.27		1699.93
Liquidated Damages		1301.13		436.48
Computer Software		2.63		7.89
Miscellaneous Operating Expenses \$		1672.66		1395.35
		<b>7977.47</b>		<b>6383.30</b>
* includes Managing Director's and other Directors' Travelling Expenses		68.39		41.54
** Tax Audit		0.22		0.22
\$ includes (i) Entertainment		0.14		0.78
(ii) Courtesy		123.53		45.78
(iii) Exchange Differential		197.99		203.59
(iv) Directors' Sitting Fee		0.35		1.00



## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

	31 MAR 2011		31 MAR 2010	
<b>21. PROVISIONS</b>				
Replacement and other charges, Warranty and Batch Rejections		974.24		1000.53
Redundancy		417.19		676.48
Liquidated Damages		3455.05		1849.84
Post-Superannuation Medical Benefits		75.94		111.34
		<b>4922.42</b>		<b>3638.19</b>
<b>22. EXPENSES RELATING TO CAPITAL AND OTHER ACCOUNTS</b>				
Expenses allocated to				
Development Expenditure		322.75		250.60
Tools and Jigs		330.19		270.24
Others		42.02		95.92
		<b>694.96</b>		<b>616.76</b>

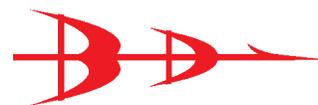


## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MAR 2011

### 23. NOTES FORMING PART OF THE ACCOUNTS ANNEXED TO BALANCE SHEET AS AT 31 MAR 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

PARTICULARS	31 MAR 2011	31 MAR 2010
<b>Mandatory Disclosures</b>		
Contingent Liabilities Not Provided for:		
1 Outstanding Letters of Credit and Guarantees:		
(i) Letters of Credit	9840.31	1846.51
(ii) Guarantees and Counter Guarantees	32.92	11.89
<b>Total</b>	<b>9873.23</b>	<b>1858.40</b>
2 Claims/Demands against the Company not acknowledged as Debt:		
(i) Sales Tax	14449.88	14165.53
(ii) Others	1022.44	858.26
<b>Total</b>	<b>15472.32</b>	<b>15023.79</b>
3 Estimated amount of contracts remaining to be executed on Capital Account and not provided for is :	<b>2911.38</b>	<b>798.23</b>
4 General Exemption has been granted by the Government vide Notification No S.O.301 (E) dated 08 Feb 2011 from compliance with the provisions contained in para 3(i)(a), 3 (ii) (a), 3(ii) ((d), 4-C, 4-D(a) to (e) except (d) of Part-II of Schedule VI to the Companies Act,1956. Further, exemption from disclosure has been sought in respect of para V of Part-IV of Schedule VI to the Companies Act, 1956.		
5 Information under Micro, Small & Medium Enterprises Development Act:		
(i) Principal Amount and interest due thereon remaining unpaid to suppliers at the end of the year.	388.46	105.10
(ii) Amount of Interest paid during the year along with the amount of payment made to the suppliers beyond the appointed date during the accounting year.	NIL	NA
(iii) Amount of Interest due and payable for the period of delay in making payment. (Payments which have been made beyond the appointed date without adding the interest specified in the Act.)	3.52	1.45



### Disclosures as per Accounting Standards

- 6 Prior Period Transactions which are over ₹ 1.00 Lakh in each case are considered as such and disclosed in the Accounts. The effect of such transactions on the profit for the year is ₹ 44.26 Lakh Increase (Previous Year ₹ 32.53 Lakh increase) as detailed below.

(₹ Lakh)

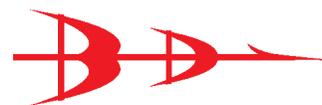
Sl. No.	Particulars	Schedule No.	Current Year		Previous Year	
			Debit	Credit	Debit	Credit
1	Sales	14	-	82.88	-	43.22
2	Other Income	16	-	-	-	1.99
3	Depreciation/Amortisation	4	-	-	12.68	-
	Total		-	82.88	12.68	45.21
	<b>Net effect on Profit—&gt; Increase/(decrease)</b>			<b>82.88</b>		<b>32.53</b>

(₹ Lakh)

	Current Year(₹)	Previous Year(₹)
7 Assets transferred free of cost by Government taken at nominal value (in ₹)	115	272
8 Capital Reserve includes value of Assets transferred free of cost by customers taken at nominal value.		
9 Effect of changes in the Foreign Exchange rates as per AS-11	(₹ Lakh)	(₹ Lakh)
a) Exchange rate differences adjusted to fixed assets during the year amounting to	(0.75)	0.46
b) Exchange rate variation recognised in Profit & Loss Account towards Capital Assets	Nil	Nil
c) Rescheduled portion of deferred credit is valued at the Exchange Rate applicable as per the Protocol. Effect of exchange rate variation over this is:		
i) Increase in liability in respect of Company's portion	48.26	51.97
ii) Increase in liability in respect of Customer's portion which is taken to accounts payable with equal amount to claims receivable as the same does not devolve on the company.	1746.78	1829.18



10	<b>A</b>	<b>Gratuity</b>	
As per the provisions of Revised Accounting Standard 15 the following information is disclosed in respect of Gratuity.			
(₹ Lakh)			
<b>1</b>	<b>ASSUMPTIONS</b>	31 Mar 2011	31 Mar 2010
	a) Discount Rate (per annum)	8%	8%
	b) Salary Escalation (per annum)	6%	6%
<b>2</b>	<b>Table Showing the Changes in the present value of the Obligation</b>		
	a) Present value of obligation at the beginning of the year	6985.31	6048.99
	b) Interest cost	558.82	483.92
	c) Current service cost	281.69	263.96
	d) Benefits paid-Actuals	1465.40	274.59
	e) Expected Liability at the year end	6360.42	6522.28
	f) Present value of obligation at the end of the year	8004.54	6985.31
	g) Actuarial gain/(loss)	(1644.12)	(463.03)
<b>3</b>	<b>Changes in fair value of the Plan Assets</b>		
	a) Fair value of plan assets at the beginning of the year	5393.01	4092.43
	b) Expected return on plan assets	628.41	370.60
	c) Contributions	2446.90	1204.57
	d) Benefits paid	1465.40	274.59
	e) Actuarial gain/(loss) on plan assets	-	-
	f) Fair value of plan assets at the end of the year	7002.92	5393.01
<b>4</b>	<b>Table showing fair value of plan assets</b>		
	a) Fair value of plan assets at the beginning of the year	5393.01	4092.43
	b) Actual return on plan assets	628.41	370.60
	c) Contributions	2446.90	1204.57
	d) Benefits paid	1465.40	274.59
	e) Fair value of plan assets at the end of the year	7002.92	5393.01
	f) Funded Status	(1001.62)	(1592.30)
	g) Excess of Actual over estimated return on plan assets	-	-
<b>5</b>	<b>Actuarial Loss or Gain recognised</b>		
	a) Actuarial Loss for the year-Obligation	(1644.12)	(463.03)
	b) Actuarial Loss for the year-Plan Assets	-	-
	c) Total Loss for the year	(1644.12)	(463.03)
	d) Actuarial Loss recognised	(1644.12)	(463.03)



<b>6</b>	<b>Amount to be recognised in the Balance sheet</b>		
	a) Present value of the obligations at the end of the year	8004.54	6985.31
	b) Fair value of plan assets at the end of the year	7002.92	5393.01
	c) Funded Status	(1001.62)	(1592.30)
	d) Net Liability/Asset recognised in the Balance Sheet	(1001.62)	(1592.30)
<b>7</b>	<b>Expenses recognised in the statement of P&amp;L</b>		
	a) Current service cost	281.69	263.96
	b) Interest cost	558.82	483.92
	c) Expected return on plan assets	628.41	370.60
	d) Net actuarial gain/(loss) recognised in the year	(1644.12)	(463.03)
	e) Expenses recognised in P&L a/c #	1856.22	840.31
	# Includes adjustments relating to previous year.		
<b>B</b>	<b>Compensated Absences</b>		
	The Actuarial Liability of Accumulated absences of the employees of the Company	3846.52	2489.97
	Discounting Rate	8%	8%
	Salary escalation Rate	6%	6%
	Retirement Age	60 years	60 years
<b>C</b>	<b>Post Retirement Medical Scheme</b>		
	Contributions made during the year	8.76	10.21
<b>D</b>	Contribution to Post Superannuation Medical benefits pending finalisation of the improvements to the existing Scheme included in Current Liabilities and Provisions (Schedule 13) and Provisions (Schedule 21)	75.94	111.34

- 11 Keeping in view the nature of business and the sensitive nature of disclosure, it is considered prudent not to disclose information required as per AS 17 regarding Segment Reporting. Such non-disclosure does not have any financial effect on the Accounts of the Company.
- 12 There are no transactions with related parties (AS 18 ) except the remuneration paid to / expenses incurred in respect of whole time directors, which is disclosed under the relevant schedule Nos. 19 and 20.



13 Earnings per Share (Basic) calculated as per AS-20

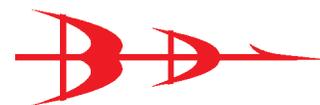
Particulars	31 Mar 2011	31 Mar 2010
Net Profit After Tax (₹ Lakh)	5170.31	3376.82
Number of Equity Shares of Face Value of ₹ 1000 each fully paid up	1150000	1150000
Basic and Diluted Earnings Per Share (in ₹)	449.59	293.64

There are no dilutive potential Equity Shares.

- 14 (a) Deferred Tax Asset (AS 22) for the year amounting to ₹ 1298.69 Lakh (Previous Year Deferred Tax Asset ₹ 771.63 Lakh) has been recognised in Profit and Loss account. Effect of such transaction on profit is ₹ 1298.69 lakh (increase) [Previous Year ₹ 771.63 Lakh (increase)].

(b) Break-up of Deferred Tax Assets and Deferred Tax Liabilities is as given below:

Current Year					₹ Lakh
Sl. No.	Particulars	Opening Balance at the beginning of the year	Credit/ (Charge) of earlier years	Credit/ (Charge) during theyear	Closing Balance at the end of the year
1	Deferred Tax Assets				
	a) Provisions	2956.99	-	635.41	3592.40
	b) Sec.43B Disallowances	433.61	(80.85)	488.53	841.29
	c) Deferred Revenue Expenditure	144.93	-		144.93
	d) VRS amortisation	20.04		(19.58)	0.46
		3555.57	(80.85)	1104.36	4579.08
2	Deferred Tax Liabilities				
	a) Depreciation & related items	918.32	2.56	(361.43)	559.45
	b) Deferred Revenue Expenditure	914.83		256.71	1171.54
		1833.15	2.56	(104.72)	1730.99
3	Net Deferred Tax Asset/(Liability)	1722.42	(83.41)	1209.08	2848.09
Previous Year					₹ Lakh
Sl. No.	Particulars	Opening Balance at the beginning of the year	Credit/ (Charge) of earlier years	Credit/ (Charge) during theyear	Closing Balance at the end of the year
1	Deferred Tax Assets				
	a)Provisions	2251.64		705.35	2956.99
	b) Sec.43B Disallowances	514.84	667.87	(749.10)	433.61
	c) Deferred Revenue Expenditure	143.91	1.02		144.93
	d) VRS amortisation	71.55		(51.51)	20.04
		2981.94	668.89	(95.26)	3555.57
2	Deferred Tax Liabilities				
	a) Depreciation & related items	1206.57	(54.71)	(233.54)	918.32
	b) Deferred Revenue Expenditure	824.58		90.25	914.83
		2031.15	(54.71)	(143.29)	1833.15
3	Net Deferred Tax Asset/(Liability)	950.79	723.60	48.03	1722.42



- 15 Expenditure relating to Research and Development including product improvement not being in the nature of capital expenditure, financed by the Company during the year charged to natural heads of account. 1085.64 590.80
- 16 Impairment loss recognised during the year as per AS - 28 Nil Nil
- 17 Provisions and Contingent Liabilities - disclosure as required by AS 29 is furnished below:

CURRENT YEAR						₹ Lakh
SI. No.	Nature of Provision	Opening Balance	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance
1	Income Tax	(748.00)	3871.56	3665.91		(542.35)
2	Fringe Benefit Tax	-	-			-
3	Dividend	2300.00	2300.00	2300.00		2300.00
4	Dividend Tax	382.00	373.12	382.00		373.12
5	Warranty	1541.27	974.24		846.28	1669.23
6	Liquidated Damages	5721.44	3455.05	723.09	762.95	7690.45
7	Post-Superannuation Medical Benefits	220.08	75.94			296.02
8	Redundancy	1088.85	417.19	0.28	666.74	839.02
9	Doubtful Advances/Claims	66.21		-		66.21
10	Others	-	-			-
		<b>10571.85</b>	<b>11467.10</b>	<b>7071.28</b>	<b>2275.97</b>	<b>12691.70</b>
PREVIOUS YEAR						
SI. No.	Nature of Provision	Opening Balance	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance
1	Income Tax	(2103.44)	2456.57	1101.13		(748.00)
2	Fringe Benefit Tax	3.63	0.75	4.38		-
3	Dividend	2300.00	2300.00	2300.00		2300.00
4	Dividend Tax	390.89	382.00	390.89		382.00
5	Warranty	1117.78	1000.53		577.04	1541.27
6	Liquidated Damages	4491.15	1849.84	369.29	250.26	5721.44
7	Post-Superannuation Medical Benefits	108.74	111.34			220.08
8	Redundancy	778.70	676.48	2.05	364.28	1088.85
9	Doubtful Advances/Claims	66.29		-	0.08	66.21
10	Others	8.58	-		8.58	-
		<b>7162.32</b>	<b>8777.51</b>	<b>4167.74</b>	<b>1200.24</b>	<b>10571.85</b>

Contingent Liabilities referred to in Note 1 and 2 are dependent upon terms of contractual obligations, devolvement, raising of demand by concerned parties and the outcome of court decision/ arbitration/ out of court settlement / disposal of appeals.

**Other Disclosures**

- 18 Pending receipt of instruments of transfer in respect of 356 Acres and 24 Guntas of land (previous year 356 Acres and 24 Guntas), including 151 Acres 33 Guntas received free of cost from State Government, an amount of ₹ 443.41 Lakh (previous year ₹ 443.41 Lakh) has been capitalised as the amount has already been paid/ provided by the Company.
- 19 Letters requesting Confirmation of Balances have been sent in respect of Debtors, Creditors, Claims Receivable, Materials with Contractors / Sub-Contractors, Advances, Deposits and others. Based on the replies wherever received, reconciliations / provisions / adjustments are made as considered necessary.
- 20 Capital Work-in-Progress-Buildings includes ₹ 40.09 Lakh (previous year ₹ 40.09 Lakh) of buildings kept in abeyance. Subsequent to the report of the Dy. Collector and Tahasildar, the Company has obtained Survey report from Asst. Director, Survey Settlement and Land Records, R.R District. In order to proceed further, the company is in the process of obtaining clearances from environmental authorities. Necessary adjustments would be carried out in the books on receipt of clearance from environmental and other authorities.
- 21 Sale with the main customer in respect of certain projects is in the nature of Job Works. The Company has no proprietary ownership/ disposing power in respect of materials procured/ manufactured for and on behalf of the Customer, to the extent these materials included in the Inventory.
- 22 Other Income of ₹ 14374.69 Lakh (previous year ₹ 15042.44 Lakh) (Schedule 16) is after adjusting ₹ 213.83 Lakh (previous year ₹ 465.75 Lakh) towards interest to Government of India on advances received.
- 23 Out of the advances of ₹ 42686.39 Lakh (previous year ₹ 15725.50 Lakh) received from the customers, in respect of two projects, the Company has made payments to suppliers for procurement of Special Tools and Equipment and inventory. Against these payments, Special Tools and Equipment (Schedule 6) include an amount of ₹ 114.05 Lakh (previous year ₹ 114.05 Lakh), Current Assets, Loans and Advances (Sch. 9 to 12) include an amount of ₹ 11014.16 Lakh (previous year ₹ 11014.16 Lakh) in suppliers' account and ₹ 7906.73 Lakh (previous year ₹ 1630.48 Lakh) in inventory account, total amounting to ₹ 19034.92 Lakh (previous year ₹ 12758.79 Lakh) . As these assets had been acquired/expenditure had been incurred by the company based on firm orders and out of the funds provided by the customer, no loss devolves on the company on account of long outstanding advances and non-moving Special Tools and Inventory. Hence, no provision is considered necessary.
- 24 Previous year figures have been regrouped or rearranged wherever necessary. Negative figures are indicated in parenthesis.

Schedules 1 to 23 and Accounting Policies attached form part of accounts.

As per our report of even date.  
for **D.V. RAMANA RAO & CO.,**  
Registration No.002918S  
Chartered Accountants

**For and on behalf of the Board.**

**M.V. SARMA** (M.No.205313)  
Partner

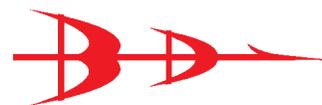
**SV SUBBA RAO**  
Director (Finance)

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**  
Chairman and Managing Director

Place: Hyderabad  
Date :29 Jul 2011

Place: Hyderabad  
Date :29 Jul 2011

**H.B.MURTHY**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAR 2011

(₹ Lakh)

PARTICULARS	31 MAR 2011		31 MAR 2010	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit Before Tax and Extraordinary items		7916.55		5062.51
Adjustments for :				
Depreciation and amortisation	3602.72		1851.01	
Interest income	(10631.37)		(12842.36)	
Interest expense	6.77		1.64	
Operating Profit Before Working Capital Changes	894.67		(5927.20)	
(Increase)/Decrease in sundry debtors	(1156.69)		(2463.23)	
(Increase)/Decrease in inventories	6807.20		5284.75	
(Increase)/Decrease in loans and advances (excluding advance tax and interest accrued)	2754.02		(5452.33)	
(Increase)/Decrease in deferred revenue expenditure			0.00	
Increase/(Decrease) in sundry creditors, liabilities & provisions		242553.81		(9361.25)
Cash generated from operations	251853.01		(17919.26)	
Income taxes paid	(4048.24)		(1496.40)	
Cash flow before extraordinary item	247804.77		(19415.66)	
Proceeds from extra-ordinary items	-		-	
<b>Net cash from operating activities (A)</b>		<b>247804.77</b>		<b>(19415.66)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(4924.95)		(6254.03)	
Proceeds from sale of assets	37.99		42.94	
Interest received	8150.66		13309.55	
Net cash from investing activities (B)		3263.70		7098.46
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of deferred liabilities	(391.19)		(195.64)	
Decrease in deferred debts	380.39		190.19	
Interest paid	(6.77)		(1.64)	
Dividends paid	(2300.00)		(2300.00)	
Net cash used in financing activities (C)		(2317.57)		(2307.09)
Net increase/(decrease) in cash and cash equivalents		248750.90		(14624.29)
Cash and cash equivalents as at the beginning of the year		153332.46		167956.75
Cash and cash equivalents as at end of the year		402083.36		153332.46

for **D.V. RAMANA RAO & CO.,**  
Registration No.002918S  
Chartered Accountants

For and on behalf of the Board.

**M.V. SARMA** (M.No.205313)  
Partner

**SV SUBBA RAO**  
Director (Finance)

**MAJ GEN RAVI KHETARPAL, VSM (Retd)**  
Chairman and Managing Director

Place: Hyderabad  
Date :29 Jul 2011

Place: Hyderabad  
Date :29 Jul 2011

**H.B.MURTHY**  
Company Secretary



## ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

#### I. REGISTRATION DETAILS:

Registration No. (CIN) :

U24292AP1970GO1001353

Balance Sheet Date :

31032011

#### II. CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in ₹ Thousands)

Total Liabilities

51101971

Total Assets

51101971

##### Sources of Funds:

Paid-up Capital

1150000

Reserves &amp; Surplus

4370494

Secured Loans

NIL

Unsecured Loans

508547

##### Application of Funds:

Net Fixed Assets

1632320

Investments

5360

Net Current Assets

4391361

Misc. Expenditure

NIL

Accumulated Losses

NIL

#### IV. PERFORMANCE OF COMPANY (Amount in ₹ Thousands)

Turnover

9390958

Total Expenditure

8599303

Profit Before Tax

791655

Profit After Tax

517031

Earnings per share in ₹

450

Dividend Rate %

20.00

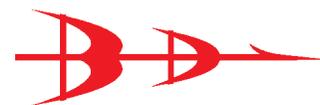
#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(AS PER MONETARY TERMS) - Exemption from disclosure has been sought

for **D.V. RAMANA RAO & CO.**,  
Chartered Accountants

For and on behalf of the Board

**M.V. SARMA** (M.No.205313)  
Partner**SV SUBBA RAO**  
Director (Finance)**MAJ GEN RAVI KHETARPAL**, VSM (Retd)  
Chairman and Managing DirectorPlace:Hyderabad  
Date :29 Jul 2011Place:Hyderabad  
Date :29 Jul 2011**H.B.MURTHY**  
Company Secretary



## AUDITOR'S REPORT

To  
The Members,  
Bharat Dynamics Limited,  
Hyderabad.

We have audited the attached Balance Sheet of **BHARAT DYNAMICS LIMITED**, as at 31 Mar 2011, and the Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956, except AS 17 vide para 3 (f) (i) stated hereunder.
  - e) In terms of Ministry of Law, Justice and Company Affairs, Department of Company Affairs General Circular No. 8/2002, dated 22 Mar 2002, Government Companies are exempt from the applicability of the provisions of Section 274(1) (g) of the Companies Act, 1956. Hence, no comments are offered.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies subject to:
    - i) **Note 11 regarding non-disclosure of information as required by**



**Accounting Standard AS 17 on Segment Reporting as required by section 211(3A) of the Companies Act, 1956. However, this has no effect on the Profit for the current year.**

give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India;

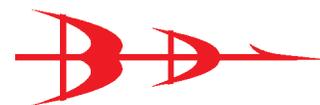
- i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31 Mar 2011;
- ii) in so far as it relates to the Profit and Loss account, of the profit of the Company for the year ended on that date and
- iii) in so far as it relates to the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For D.V. RAMANA RAO & CO.,**  
Chartered Accountants

**M.V. SARMA**  
Partner

Membership No.205313  
Firm Registration No. 002918S

Place: Hyderabad  
Date: 29 Jul 2011



## ANNEXURE TO AUDITOR'S REPORT

### Statement referred to in paragraph - 2 above of our Report of even date

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets
- b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the Management during the year in a phased manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the Assets. No material discrepancies were noticed on such verification.
- c) In our opinion, the Company has not disposed off substantial part of Fixed Assets during the year and the going concern status of the Company is not affected.
- ii) a) As explained to us, inventory has been physically verified by the Management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.

In respect of stocks lying with other parties, confirmations in respect with such stocks were sought by the company and based on the replies, wherever received, reconciliation / provisions / adjustments were made.

- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of

Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c) The Company is maintaining proper records of Inventory. As explained to us, certain discrepancies have been identified by the Internal Audit (IA) Department of the Company on the physical verification of stocks as compared to the book records. Pending reconciliation of the above discrepancies, these shortages/overages have been disclosed in the Stock Adjustment Account which is to be finally written off/back after due reconciliation. Apart from the above there were no material discrepancies noticed on the physical verification of stocks as compared to book records.

- iii) a) We are informed that the company has not taken/granted any loans from/to Companies, Firms or other parties listed in the register maintained under section-301 of the Companies Act, 1956.
- b) As explained to us the parties to whom advances in the nature of loans were given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of Inventory, Fixed Assets and for sale of goods and services.

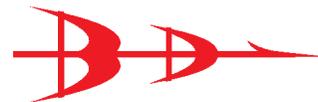


- v) a) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under Section-301 of the Companies Act, 1956.
- b) As explained to us, there was no transaction during the year that need to be entered in the register maintained under Section-301 of the Companies Act, 1956 and aggregating during the year to ₹ 5,00,000 or more in respect of any party.
- vi) The Company has not accepted any Deposits from the Public.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) Maintenance of cost records has not been prescribed by the Central Government under Section-209 (1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
- ix) a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other Statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 Mar 2011 for a period of more than six months from the date they became payable.
- b) Statutory dues aggregating to ₹ 8856.27 Lakh that have not been deposited on

account of any dispute and pending before the appropriate authorities are as follows:

Sl. No	Name of the statute	Nature of dues	Forum where Dispute is pending	Amount (₹ Lakh)
1.	CST Act	CST	A.P High Court	1462.68
2.	CST Act	CST	AP Sales Tax Appellate Tribunal	7055.91
3.	CST Act	CST	DC, Charminar Hyderabad	284.36
4.	Finance Act, 1994	Ser. Tax	Add. Commr.Ser.Tax, Hyd.II	53.32
		Total		8856.27

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- xi) According to the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/ Society. Therefore, Clause - 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv) The Company has not raised any Term Loans.



- xvi) According to the information and explanations given to us, no funds raised on Short Term basis have been used for Long Term Investments.
- xvii) The Company has not made any preferential allotment of shares to Companies, firms or other private parties listed in the register maintained under Section-301 of the Companies Act, 1956.
- xviii) The Company has not issued any debentures.
- xix) The Company has not raised any money by way of public issue during the year.
- xx) According to the information and explanations given to us no material fraud on or by the Company has been noticed or reported during the year.

**For D.V. RAMANA RAO & CO.,**  
Registration No.002918S  
Chartered Accountants

**M.V. SARMA**

Partner

Membership No.205313

Place: Hyderabad

Date: 29 Jul 2011



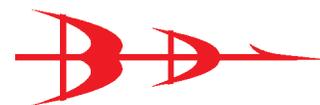
## OBSERVATION OF STATUTORY AUDITORS AND REPLIES BY THE COMPANY UNDER SECTION 217 (3) OF THE COMPANIES ACT, 1956

Reference to Audit Report	Auditors' Qualification	Company's Reply
3 (f) (i)	<p>Note 11 regarding non-disclosure of information as required by Accounting Standard AS 17 on Segment Reporting as required by Section 211 (3A) of the Companies Act, 1956.</p> <p>However, this has no effect on the profit for the current year.</p>	<p>Keeping in view the nature of business and the sensitive nature of disclosure, it is considered prudent not to disclose information required as per Accounting Standard 17 regarding Segment Reporting. Such non-disclosure does not have any financial effect on the Accounts of the Company. Disclosure in this regard has been made at Note 11 of Schedule 23 – Notes forming part of the Accounts.</p>

**For and on behalf of the Board**

**MAJ GEN RAVI KHETARPAL**, VSM (Retd)  
Chairman and Managing Director

**SV SUBBA RAO**  
Director (Finance)



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BHARAT DYNAMICS LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2011

The preparation of financial statements of Bharat Dynamics Limited, Hyderabad for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 July 2011.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Bharat Dynamics Limited, Hyderabad for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to enquiries of the statutory auditor and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

**For and on the behalf of the  
Comptroller and Auditor General of India**

**(Y. N. Thakare)**

**Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board, Hyderabad**

**Place: Hyderabad  
Date: 26 August 2011**

# OUR PRODUCTS

Tal



Dhanush



Milan - 2T



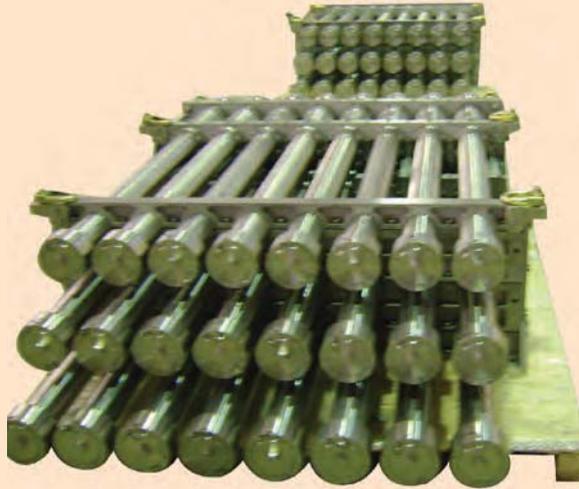
# BDL - CMDS PLATFORMS



Konkurs-M



C-303



Invar



Akash



# EVENTS



Shri MM Pallam Raju, Hon'ble Raksha Rajya Mantri laying the foundation stone of BDL Vizag Unit on 27 Sep 2010



Shri Jatinderbir Singh, Joint Secretary & AM(LS), MoD & AVM  
PK Srivastava, VSM (Retd), Director (Production), BDL exchanging the contract documents for supply of Akash Missiles for the Army on 23 Mar 2011



BDL was adjudged the Winner of the Golden Peacock Innovation Award, 2010 by the Institute of Directors. Maj Gen (Retd) Ravi Khetarpal, VSM, CMD BDL receiving the award from Justice PN Bhagwati on 28 Jan 2011



A Training Programme on Akash Weapon System for the first batch of Air Force personnel was conducted at BDL from 07-18 Feb 2011



## विशिष्ट अतिथि आगमन - VIP VISITS



श्री एम एम पल्लम राजू, माननीय रक्षा राज्यमंत्री ने दिनांक 27 सितंबर, 2010 को बीडीएल विशाखापट्टणम यूनिट के शिलान्यास के अवसर पर टीएएल (ताल) की जानकारी प्राप्त करते हुए

Shri MM Pallam Raju, Hon'ble Raksha Rajya Mantri being appraised about TAL on the occasion of laying of foundation stone of BDL Vizag Unit on 27 Sep 2010



दिनांक 3 दिसंबर, 2010 को बीडीएल दौरे के दौरान उत्पादों की जानकारी प्राप्त करते हुए श्री आर के सिंह, सचिव (डीपी)

Shri RK Singh, Secretary (DP) being briefed about BDL projects on his visit to BDL on 03 Dec 2010



दिनांक 4 मार्च, 2011 को बीडीएल दौरे के दौरान जानकारी प्राप्त करते हुए वायु सेना उपाध्यक्ष एयर मार्शल एन ए के ब्राउन, पविसेमे, अविसेमे, विमे, एडीसी Air Marshal NAK Browne, PVSM, AVSM, VM, ADC, then Vice Chief of Air Staff during his visit to BDL on 24 Mar 2011



दिनांक 6 अप्रैल, 2011 को बीडीएल दौरे के दौरान जानकारी प्राप्त करते हुए एयर मार्शल जे चन्द्रा, अविसेमे, विसेमे, डीजी (प्रणाली)

Air Marshal J Chandra, AVSM, VSM, DG(Sys) being briefed during his visit to BDL on 06 Apr 2011



दिनांक 25 फरवरी, 2011 को बीडीएल, भानूर दौरे के दौरान जनरल डी एस सिद्धू, अविसेमे, विसेमे, डीजी मैकेनिकल फोर्सिस, जानकारी लेते हुए

Lt Gen DS Sidhu, AVSM, VSM, DG Mech Forces being appraised on his visit to BDL, Bhanur Unit on 25 Feb 2011



दिनांक 5 अप्रैल, 2011 को श्री वाई एन ठाकरे बीडीएल दौरे पर वाणिज्यिक लेखापरीक्षा निदेशक तथा पदेन सदस्य, लेखापरीक्षा बोर्ड

Shri Y N Thakare, Principal Director of Commercial Audit & Ex-Officio Member, Audit Board during his visit to BDL on 05 Apr 2011

श्रीमती प्रतिभा देवीसिंह पाटील, माननीय राष्ट्रपति द्वारा दिनांक 5 जुलाई 2011 को किया गया बीडीएल दौरा  
VISIT OF SMT. PRATIBHA DEVISINGH PATIL HON'BLE PRESIDENT OF INDIA TO BDL ON 05 JUL 2011



माननीय राष्ट्रपति से परिचित होते हुए  
संयुक्त निदेशक (एमएस), निदेशकगण एवं प्रधान कार्यपालक  
JS (MS), Directors and Principal Executives of the Company  
being introduced to the Hon'ble President of India



माननीय राष्ट्रपति वृक्षारोपण करते हुए  
The Hon'ble President of India planting a sapling during her visit



भारत की महामहिम राष्ट्रपति श्रीमती प्रतिभा देवीसिंह पाटील को  
कंपनी की विभिन्न गतिविधियों की जानकारी देते हुए  
Her Excellency Smt. Pratibha Devisingh Patil, Hon'ble President of India  
being appraised about various activities of the Company



**भारत डायनामिक्स लिमिटेड**  
(भारत सरकार का उद्यम)  
कंचनबाग, हैदराबाद - 500 058

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