



# 47<sup>TH</sup> ANNUAL REPORT

## 2010-11

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## Corporate Data\*

(\*As on 21.07.2011)

### BOARD OF DIRECTORS :

Sri V R S Natarajan  
Chairman & Managing Director  
Shri P Dwarakanath  
Director (Metro & Rail Business)  
Shri M Pitchiah  
Director (Finance)  
Dr. M Nellaippan  
Director (HR)  
Shri C N Durgesh  
Director (Mining & Construction Business)  
Shri P R Naik  
Director (Defence Business)  
Smt. Rashmi Verma  
Government Director  
Dr. S C Pandey  
Government Director  
Shri M B N Rao  
Independent Director  
Shri J P Batra  
Independent Director  
Shri J P Singh  
Independent Director  
Dr. (Smt.) Rekha Bhargava  
Independent Director  
Lt. Gen. (Retd.) Noble Thamburaj  
Independent Director  
Shri Kanwal Nath  
Independent Director  
Shri Ramesh Bhat  
Independent Director  
Prof. S Sadagopan  
Independent Director

### COMPANY SECRETARY :

Shri M E V Selvam

### CHIEF VIGILANCE OFFICER :

Shri Anurag Sahay, IRS

### EXECUTIVE DIRECTORS :

Shri Krishna Reddy, AR  
Shri Umesh Chandra  
Shri Ganesh Natarajan  
Shri Manish Singh

### CHIEF GENERAL MANAGERS :

Shri Chamola, VM  
Shri Mulla, MA  
Shri Prakash, HS  
Shri Haldar, AK  
Shri Narasimha Rao, P  
Shri Prasad, S  
Shri Ravi, S  
Shri Venkataramana Rao, K  
Shri Subramanyam Reddy, BR  
Shri Vishwanath, BR  
Shri Pradeep Swaminathan  
Shri Namperumal, L  
Shri Nagaraj Kumar, PV  
Shri Ashokan, D  
Shri Panneer Selvam, R  
Shri Ramachandra Rao, C

### GENERAL MANAGERS :

Shri Ramanaiah, KV  
Shri Sinha, AK  
Shri Venkataraman, S  
Shri Lokhande, SS  
Shri Nageshwara Rao, C  
Shri Ravindra Rao, K  
Shri Ravishankar, N  
Shri Ashok Kumar  
Shri Tikku, SK  
Shri Kalidhas Majhi  
Shri Manjunath, BZ

Shri Sastry, NVS  
Shri Shiva Kumar, P  
Shri Huddar, SB  
Shri Venkatesan, S  
Shri Krishna Murthy, KV  
Shri Ravi Chander, G  
Shri Joe Pulickel  
Shri Chowdhury, RD  
Shri Deshmanya, MD  
Shri Muralidhara, RH  
Shri Prasanna Kumar, TS  
Shri Karuppasamy, M  
Shri Suresh S Vastrad  
Shri Satheesha, NV  
Shri Amit Banerjee  
Shri Hasainabha, UK  
Shri Vinod Kumar Pareek  
Shri Sreekumar Varma, TK  
Shri Ravi Kumar, KS  
Shri Mohanan, KP  
Shri Kumaresan, S  
Shri Krishna, BS  
Shri Asit Kumar Nanda  
Shri Piramanayagam, S  
Shri Gurunatha Naik, HR  
Shri Radhakrishna, KR  
Shri Shankar, B  
Brig. (Retd.) Ashwan Kumar Suri  
Shri Sharadkumar, K. Kalagi  
Shri Narayana Bhat, K  
Shri Narayanayya Hasanadka  
Shri Srinivasulu Reddy, S  
Shri Raja Sekhar, MV

### BANKERS :

State Bank of India  
Canara Bank  
State Bank of Mysore  
State Bank of Patiala  
Bank of India  
Bank of Baroda  
Union Bank of India  
State Bank of Hyderabad  
Indian Bank  
Axis Bank  
Exim Bank  
HDFC Bank  
IDBI Bank

### LEGAL ADVISORS :

M/s JustLaw  
Bangalore  
M/s Sundaraswamy & Ramdas  
Bangalore

### TAX CONSULTANTS :

M/s King & Patridge  
Bangalore

### AUDITORS :

M/s Padmanabhan Ramanani & Ramanujam  
Chartered Accountants  
Chennai

### OFFICES :

Registered, Corporate Office,  
International Business Division  
& Technology Division :  
"BEML Soudha" 23/1,  
IV Main, Sampangiramnagar,  
Bangalore-560 023

### Trading & Marketing Division :

5th Floor, Unity Buildings  
J.C. Road, Bangalore-560 002

### UNITS :

#### Bangalore Complex :

P B No. 7501  
New Thippasandra Post  
Bangalore - 560 075

#### KGF Complex :

BEML Nagar, Kolar Gold Fields - 563 115

#### Mysore Complex :

Belvadi Post, Mysore-570 018

#### Palakkad Complex :

KINFRA Park, Menon Para Road  
Kanjikode East, Palakkad - 678 621

#### Subsidiary Company :

Vignyan Industrial Limited  
PB No. 4, BH Road, Tankere - 577 228

#### Joint Venture Company :

BEML Midwest Limited  
Srinivasa Nilayam, 8-2-684/3-55  
Banjara Green Colony,  
Road No. 12, Banjara Hills  
Hyderabad - 500 034

### ZONAL OFFICES :

Bilaspur  
Hyderabad  
Kolkata  
Singrauli

### REGIONAL OFFICES :

Bilaspur  
Chennai  
Hyderabad  
Kolkata  
Mumbai  
Nagpur  
New Delhi  
Ranchi  
Sambalpur  
Singrauli

### DISTRICT OFFICES :

Asansol  
Ahmedabad  
Bacheli  
Bhilai  
Bhubaneswar  
Chandrapur  
Dhanbad  
Guwahati  
Hospet  
Jammu  
Kothagudem  
Madurai  
Neyveli  
Panjim  
Ramagundam  
Udaipur  
Visakhapatnam

Ongole (Service Activity Centre)

K.D. Hesalong (Project Office)

Meghalaya, W.B. (Depot)

Nagpur, Global Service HQ

### OVERSEAS OFFICES :

Brazil  
China  
Malaysia  
Indonesia

## Financial Highlights

Sl. No.	PARTICULARS	UNITS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>A</b>	<b>Our Earnings</b>									
	Sales-Inland	Rs. lakh	340602	340142	270913	251272	249106	214435	179745	171316
	Export	Rs. lakh	21750	15625	30434	20062	11073	6149	5856	5259
	Total Sales	Rs. lakh	362352	355767	301347	271334	260179	220584	185601	176575
	Change in WIP/SIT	Rs. lakh	14508	15099	28072	11360	(1104)	(2486)	2994	(7388)
	Value of Production	Rs. lakh	376860	370866	329419	282694	259075	218098	188595	169187
<b>B</b>	<b>Our Outgoings</b>									
	Cost of materials	Rs. lakh	165588	180084	185089	160957	148403	124191	103505	105319
	Emp. Rem. & Benefits	Rs. lakh	68315	55514	56919	44672	36379	33357	35616	34678
	Depreciation	Rs. lakh	3364	3222	2731	1770	1352	1412	2299	1829
	Other Expenses (net)	Rs. lakh	38023	36996	31852	31114	28510	21991	27052	29191
	Interest	Rs. lakh	5863	4893	3368	2309	561	726	179	148
<b>C</b>	<b>Our Savings</b>									
	PBDIT	Rs. lakh	27902	40070	44846	38880	33517	30680	29758	6995
	PBIT	Rs. lakh	24538	36848	42115	37110	32165	29268	27459	5166
	PBT	Rs. lakh	18675	31955	38747	34801	31604	28542	27280	5018
	PAT	Rs. lakh	14976	22285	26884	22565	20493	18693	17528	2417
<b>D</b>	<b>Own Capital</b>									
	Equity	Rs. lakh	4177	4177	4177	4177	3687	3687	3687	3687
	Reserves and surplus	Rs. lakh	209727	199607	187360	166393	99661	84284	69781	56437
<b>E</b>	<b>Loan Capital</b>									
	Loans from GOI	Rs. lakh	—	—	—	—	—	—	—	—
	Loans from Banks	Rs. lakh	67622	75305	47091	30327	2557	2488	7491	3148
	Other loans	Rs. lakh	14090	15550	9673	—	—	—	—	180
<b>F</b>	<b>Financial Statistics</b>									
	Net worth	Rs. lakh	213904	203639	190708	169176	101459	85390	69439	56888
	Gross Block	Rs. lakh	94543	79871	74951	68028	59643	56512	54395	54334
	Depreciation	Rs. lakh	55590	52484	49402	46970	45257	43992	42738	40949
	Inventories	Rs. lakh	188891	165300	162058	92958	72928	64908	62080	57327
	Sundry Debtors	Rs. lakh	128753	136074	154527	149606	90426	77021	60820	44356
	Working capital	Rs. lakh	243281	259646	218771	174884	86676	73460	64658	47933
	Capital Employed	Rs. lakh	282234	287033	244320	195942	101062	85980	76315	61318
	Value of Production	Rs. lakh	376860	370866	329419	282694	259075	218098	188595	169187
	Value added	Rs. lakh	129182	132480	136073	121737	110672	93907	85090	63868
	Dividend-Excl. Tax	Rs. lakh	4164	4164	4997	4997	4409	3674	3674	735
	R&D Expenditure	Rs. lakh	9433	9720	3198	1926	1805	1914	1687	1498
	No. of Employees	Nos.	11798	12052	12600	12286	11748	11975	12189	12922
<b>G</b>	<b>Financial Ratios</b>									
	Sales per Employee	Rs. lakh	30.71	29.52	23.92	22.08	22.15	18.42	15.23	13.66
	Value Added per Employee	Rs. lakh	10.95	10.99	10.80	9.91	9.42	7.84	6.98	4.94
	PBT to Sales	%	5.15	8.98	12.86	12.83	12.15	12.94	14.70	2.84
	PBIT to Capital employed	%	8.69	12.84	17.47	18.94	31.83	34.04	35.98	8.42
	PAT to Net worth	%	7.00	10.94	14.10	13.34	20.20	21.89	25.24	4.25
	Debt Equity ratio	Times	19.56	21.75	13.59	7.26	0.69	0.67	2.03	0.90
	EPS	Rs.	35.96	53.51	64.56	56.10	55.77	50.87	47.70	6.58
	Dividend	%	100.00	100.00	120.00	120.00	120.00	100.00	100.00	20.00
	Turnover to Capital employed	%	128.39	123.95	123.34	138.48	257.44	256.55	243.20	287.97



## Financial Highlights

Sl. No.	PARTICULARS	UNITS	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95
<b>A</b>	<b>Our Earnings</b>										
	Sales-Inland	Rs. lakh	165972	130872	119760	99469	120210	118782	110755	98598	97758
	Export	Rs. lakh	2145	11543	14980	32240	1052	7189	6224	2512	4355
	Total Sales	Rs. lakh	168117	142415	134740	131709	121262	125971	116979	101110	102113
	Change in WIP/SIT	Rs. lakh	5899	1195	(423)	(2324)	3153	2626	1228	2098	(7982)
	Value of Production	Rs. lakh	174016	143610	134317	129385	124415	128597	118207	103208	94131
<b>B</b>	<b>Our Outgoings</b>										
	Cost of materials	Rs. lakh	111449	90318	79540	77685	73738	74787	70428	60516	56132
	Emp. Rem. & Benefits	Rs. lakh	33407	32562	36662	26349	24132	21808	17781	16973	14912
	Depreciation	Rs. lakh	1930	2214	2340	2679	2572	2458	2541	2540	2512
	Other Expenses (net)	Rs. lakh	31231	19171	15946	16897	17552	19945	15853	12139	11836
	Interest	Rs. lakh	300	2226	3120	6399	8878	10074	11004	10244	9102
<b>C</b>	<b>Our Savings</b>										
	PBDIT	Rs. lakh	6017	5741	6525	11438	11722	14137	16661	15030	13064
	PBIT	Rs. lakh	4087	3527	4185	8759	9150	11679	14120	12490	10552
	PBT	Rs. lakh	3787	1301	1065	2360	272	1605	3116	2246	1450
	PAT	Rs. lakh	2610	535	600	1460	62	1065	1616	1246	1050
<b>D</b>	<b>Own Capital</b>										
	Equity	Rs. lakh	3687	3687	3687	3687	3687	3687	3687	3686	3683
	Reserves and surplus	Rs. lakh	54827	55978	55689	55497	54937	54877	54620	53615	52645
<b>E</b>	<b>Loan Capital</b>										
	Loans from GOI	Rs. lakh	—	—	—	—	1440	2525	3660	4825	6010
	Loans from Banks	Rs. lakh	3130	27255	23471	37537	47305	41466	42419	35842	19746
	Other loans	Rs. lakh	220	2778	6288	10855	22951	27247	25780	26562	40704
<b>F</b>	<b>Financial Statistics</b>										
	Net worth	Rs. lakh	53219	55559	55700	57774	57752	56922	56802	55622	55198
	Gross Block	Rs. lakh	53425	52851	52695	52199	50618	49708	45815	44792	44143
	Depreciation	Rs. lakh	39213	37648	35805	33509	31058	28613	26267	23761	21325
	Inventories	Rs. lakh	74850	63886	63868	61079	67961	65732	60605	62267	49248
	Sundry Debtors	Rs. lakh	49418	56730	52067	52016	60665	61882	71443	60199	55582
	Working capital	Rs. lakh	43454	69190	67512	86838	108655	106510	107298	101287	98562
	Capital Employed	Rs. lakh	57666	84393	84402	105528	128215	127605	126846	122318	121380
	Value of Production	Rs. lakh	174016	143610	134317	129385	124415	128597	118207	103208	94131
	Value added	Rs. lakh	62567	53292	54777	51700	50677	53810	47779	42692	37999
	Dividend-Excl. Tax	Rs. lakh	735	441	368	735	—	737	737	553	460
	R&D Expenditure	Rs. lakh	1754	1823	1550	1372	1194	1230	1075	1039	1062
	No. of Employees	Nos.	13116	13838	14357	15117	15471	15349	15540	15718	16102
<b>G</b>	<b>Financial Ratios</b>										
	Sales per Employee	Rs. lakh	12.82	10.29	9.38	8.71	7.84	8.21	7.53	6.43	6.34
	Value Added per Employee	Rs. lakh	4.77	3.85	3.82	3.42	3.28	3.51	3.07	2.72	2.36
	PBT to Sales	%	2.25	0.91	0.79	1.79	0.22	1.27	2.66	2.22	1.42
	PBIT to Capital employed	%	7.09	4.18	4.96	8.30	7.14	9.15	11.13	10.21	8.69
	PAT to Net worth	%	4.90	0.96	1.08	2.53	0.11	1.87	2.84	2.24	1.90
	Debt Equity ratio	Times	0.91	8.15	8.07	13.13	19.45	19.32	19.49	18.24	18.05
	EPS	Rs.	7.10	1.46	1.63	3.97	0.17	2.88	4.37	3.37	2.84
	Dividend	%	20.00	12.00	10.00	20.00	—	20.00	20.00	15.00	15.00
	Turnover to Capital employed	%	291.54	168.75	159.64	124.81	94.58	98.72	92.22	82.66	84.13

## Directors' Report

The Directors have pleasure in presenting the 47<sup>th</sup> Annual Report and Audited Accounts for the year ended 31.03.2011.

### FINANCIAL RESULTS

(Rs. crores)

Particulars	2010-11	2009-10
Sales (Gross)	3623.52	3557.67
Value of Production	3768.60	3708.66
Profit (Before Depreciation, Interest and Tax)	279.02	400.70
Interest	58.63	48.93
Depreciation	33.64	32.22
Profit Before Tax	186.75	319.55
Provision for Taxation	36.99	96.70
Profit After Tax	149.76	222.85
Profit available for appropriations	399.40	320.64
APPROPRIATIONS :		
Proposed Dividend	41.64	41.64
Dividend tax	6.92	7.08
General Reserve	14.98	22.28
Profit & Loss Account	335.86	249.64
Net Worth	2139.04	2036.39

### TURNOVER AND PROFITABILITY

Your Company attained an all time high turnover of Rs.3,623.52 crores, an increase of Rs.65.85 crores registering a growth of 1.85% over the previous year. The value of production was Rs.3,768.60 crores recording an increase of about 1.62% over the previous year. Despite the increase in sales volume, the Profit Before Tax was Rs.186.75 crores as against Rs.319.55 crores recorded in the previous financial year. The reduction in profit was mainly on account of implementation of wage revision for employees, change in product mix propelled by the market demand, lesser quantum of sales of spares coupled with severe competition that had exerted pressure on margins. However, Company has initiated steps to maximize the profits.

### DIVIDEND

The Board of the Company has recommended a dividend of Rs. 10 per share i.e., 100% on the

Paid-up Equity Share Capital for the year 2010-11 keeping in view the past performance and future prospects and simultaneously meeting the aspirations of the shareholders.

### EXPORTS

International Business Division of the Company has achieved a turnover of Rs. 217.50 crores (including Trading) as against Rs. 156.25 crores in the previous year recording a growth of 39.2% over previous year. The international presence of the Company has increased to about 58 countries including African countries viz., Kenya, Mali, to which entry was made during the year.

### QUALITY

The year 2010-11 was observed as "Year of Quality" wherein necessary drive was undertaken to strengthen the 'quality team', to focus on quality, under the changed business environment and work towards building world class equipment so that the Company's 'Vision' of becoming 'Global market leader' is achieved. The measures taken up during the year are briefed below :

#### a. Quality Management System :

All manufacturing divisions have been updated to ISO9001-2008 Quality Management System (QMS) certification. KGF, Bangalore and Mysore Complexes are certified for ISO14001-2004 Environmental Management System (EMS). Also, the Bangalore Complex is certified for BS OHSAS 18001-2007 Integrated Management System. Having diversified into Aerospace Division, Engine Division, Mysore Complex is certified for AS9100B Aerospace certification. Laboratories at R&D, KGF and Engine Division, Mysore continue to hold NABL accreditations.

Company's new manufacturing unit at Palakkad, Kerala has also successfully implemented and obtained ISO9001-2008 QMS Certification.



Consultancy services of M/s. NIQR, Chennai were engaged for study and review of the existing Quality Management System followed by Divisions, and to submit the recommendations. Task force teams have been formed to take forward and ensure effective implementation of the recommendations made by NIQR.

**b. Quality Improvement :**

To enhance the existing quality level, deviation approval system was withdrawn at divisional level thus avoiding re-works/deviations at divisions. Professional expertise are being sought for guidance to analyze the bottleneck areas and to assure quality in critical areas like welding, fabrication, painting, oil testing, etc.

Concept of 5S, Kaizen and Quality Circles are practiced at grass root level throughout the Company to bring in continual improvements in product and process quality. To motivate the activity, our annual event 'BEML-Nonimara Award' Competition is being conducted and the winning teams are deputed for regional/national level competitions where our teams have achieved recognition as meritorious performers. Six-Sigma process approach is in place at all Divisions with 75 Black Belts working on various projects.

During the year, Quality Circle Team "WHEEL" of Earthmoving Division, KGF Complex has been conferred with the life time award by M/s. QCFI as the "Longest & Active Quality Circle". The prize has been awarded after the recommendation from the Evaluation Committee of M/s. QCFI, who visited KGF Complex for interaction and evaluating the QC team.

**c. Vendor Development :**

As vendor supplied items form the major share of the components that go into building up of the equipment, utmost care is taken right from the inclusion of vendor till clearance of their

supplies for further assembly. Periodical visits are made and necessary inputs and expert guidance in respect of process/system improvements are given to the vendors' right from development stage to ensure quality in their supplies. To enhance the overall performance of vendor supplied items, the services of third party inspection agencies are engaged for carrying out source inspection at vendors' premises and also to carry out surveillance inspection of items received at all Divisions.

To motivate vendors and to make these self-reliable, dedicated vendors are identified based on their performance and encouraged by awarding "Self Certification" status for their supplies. "Cluster Vendor" concept - an idea to handhold and transform the vendor as "Zero Defect" supplier is practiced with few identified vendors by giving inputs with regard to the non-conformances observed in the supplies made, and necessary guidance in the areas covering technological aspects, skill improvement and quality initiatives like 5S, Kaizen etc.

**d. Customer Satisfaction :**

To ensure higher equipment availability and reliability, 'Task Force' comprising of Apex and Action drive teams are formed at KGF and Mysore Complexes to address the performance related issues pertaining to BH100/BG825/BE1600/BE1000 equipments available in the field. Action drive teams visited customers for implementation of improvements in BH100/BG825.

Minimum number of test hours have been stipulated for all models of Mining & Construction Equipments to take care of any possible errors which otherwise would have passed on to field/customer.

Also, to further with a view to enhance the customer confidence, third party inspection is being introduced at Earthmoving and Equipment Divisions for inspection and

clearance of the Mining & Construction equipment at the final stage before despatching it to the customers.

**e. Technology Up-gradation:**

Quality Engineering personnel at all levels are deputed to various training/seminar programmes covering topics in areas of technological updates and data analysis tools which are essential for taking up quality improvement projects.

During the year, the services of M/s TQM International are engaged for Six Sigma Black Belt training and project guidance. 22 Black Belts across divisions have been trained and are all working on projects.

**RESEARCH & DEVELOPMENT**

The Company's Research & Development Centre continues to play a vital role in the design and development of products, critical aggregates, indigenization activity etc. During the year, R&D has developed BA10 Aircraft Towing Tractor with front cabin, GRAD BM21 MBRLS on special 6x6 Chassis, field artillery tractor for towing of heavy artillery guns, High mobility vehicle on 6x6 chassis integrated with material handling crane, Broad Gauge Catenary Maintenance Vehicle for DMRC and 8W Catenary Maintenance Vehicles.

The information on R&D, Technology Absorption, Adaptation and Innovation is at Annexure-I.

**FINANCE**

The working capital requirements were met from the internal resources and credit facilities availed from banks. There was no overdue installment of principle and interest.

The Company's contribution to exchequer was in the order of Rs. 657.92 crores during the year by way of Excise Duty, Customs Duty, Sales Tax, Income Tax, Wealth Tax, Service Tax and Cess.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, the Company's export earning stood at Rs.179.37 crores. The total foreign

exchange utilized during the year was Rs.652.67 crores.

A sum of Rs.2.02 crores was incurred towards deputation of personnel abroad for business/ export promotion, after-sales-services and training.

**FIXED DEPOSITS**

The Company has not accepted / renewed any fixed deposits during the year.

**VIGILANCE**

The Company has an independent Vigilance Department headed by a Chief Vigilance Officer. The Vigilance Department of the Company functions on the premise that well laid down systems and procedures and their meticulous follow up are bound to pave way for the corporate growth. Regular inspections, surprise checks, scrutiny of purchase/contract files are part of these exercises which helped in streamlining systems and procedures and ensure greater transparency and accountability in decision-making. Carrying out system audits and system improvement studies as well as regular awareness cum sensitization programs have been inbuilt in the functioning of the department. These efforts were found to be useful in identifying the loopholes in the systems and procedures and their correction/ improvement. In addition, the Vigilance Department has made available a window in the Company's website for the stakeholders/ shareholders to lodge complaints.

Nevertheless, the Vigilance Department ensures that the Company adheres to the guidelines/ instructions issued by Central Vigilance Commission (CVC) from time to time in maintaining probity.

In nutshell, the conscientious functioning of the Vigilance Department has supported the Company in its enhanced efficiency combined with the code of accountability.

**CORPORATE GOVERNANCE**

A report on Corporate Governance including Management Discussion and Analysis Report along with a compliance certificate from the Auditors as required under the Listing Agreement



entered into with the Stock Exchanges is annexed to this report.

### **SUBSIDIARY COMPANY**

M/s Vignyan Industries Limited (VIL) achieved a turnover of Rs.33.82 crores and value of production of Rs.35.68 crores during the year. It incurred a loss of Rs.1.60 crores, mainly due to the delay in stabilization of the expansion process for shifting from traditional "CO<sub>2</sub>" to "no-bake" system and non-availability of quality sand due to heavy and unprecedented rainfall.

The statement and particulars relating to VIL, pursuant to Section 212 of the Companies Act, 1956 is attached.

In accordance with Section 212(8) of the Companies Act, 1956, your Company has been exempted from attaching the Balance Sheet, Profit & Loss Account, Auditors' Report, Directors' Report, etc., of the subsidiary Company to the Balance Sheet of BEML Limited as per Government of India order No.51/12/2007-CL-III, dated 08.02.2011 issued under General Circular No.2/2011. However, the Company will make available these documents upon request by any member of the Company.

### **JOINT VENTURE COMPANY**

A JV Company, M/s BEML Midwest Limited incorporated on 18<sup>th</sup> April, 2007 at Hyderabad with BEML having 45% share, M/s Midwest Granite Pvt. Ltd., and P T Sumber Mitra Jaya of Indonesia as partners with 55% share. The Company has been established to capitalize the growing business opportunities in the mining segment. However, due to certain unauthorized transactions and the oppression and mismanagement by the nominees of Midwest Granite Pvt. Limited, BEML has filed a petition u/s 397 and 398 of the Companies Act, 1956 seeking suitable relief, and the matter is pending before the Hon'ble Company Law Board.

### **MICRO, SMALL AND MEDIUM ENTERPRISES**

The Micro, Small and Medium Enterprises continue to get support and preference from BEML

wherever there is shortage of in-house capacity. The company extends technical guidance and requisite support to these industries wherever required. Our quality control personnel visit the industries to assist and ensure that the quality of the products meet the requisite standards.

During 2010-11, the Company procured items worth Rs. 363.24 crores from the said category of units.

### **RAJBHASHA**

- ◆ Your Company ensured compliance of the Official Languages Act, 1963 and the Rules made thereunder and administrative instructions regarding use of Hindi received from the Department of Official Language and Ministry of Defence from time to time.
- ◆ Hindi training for all the three courses viz., Prabodh, Praveen and Pragya under Hindi Teaching Scheme of Ministry of Home Affairs, Department of Official Language were arranged at Corporate office, all Complex offices and few Regional/District offices. A total of 271 employees have been trained during the year.
- ◆ Five officials of the Company have been trained in Computer Training programme in Hindi organised by National Informatics Centre in collaboration with Central Hindi Training Institute, Ministry of Home Affairs.
- ◆ To inculcate interest and efficiency among the staff, 13 Hindi workshops were organized for 192 employees at Corporate Office and Business Complex Offices during the year.
- ◆ Hindi Month was observed with great zeal in the Corporate Office, all the Business Complex Offices and Regional offices of Hyderabad, Mumbai and Chennai from 1<sup>st</sup> to 30<sup>th</sup> September, 2010. During this period, to motivate the employees, competitions viz. Hindi Antakshari, Hindi Quiz, Hindi Crossword and Noting & Drafting, were organized and the winners of these



competitions were awarded. Further, Hindi Day i.e. 14<sup>th</sup> September, 2010 was observed in accordance with the guidelines issued by the Ministry of Defence and Department of Official Language, Ministry of Home Affairs. Further, Hindi Month was observed with two days Hindi Conference held at Mumbai on 29-30<sup>th</sup> September, 2010 in which 23 participants from Western Regional offices/District offices participated in the Conference.

- ◆ During the period, all translation work and Hindi typing work relating to Annual Reports, Technical Reports, MoUs, Reports on SC/ST, RTI, Reservation policy, Standing orders, Product Profiles, Advertisement Materials and Standard Forms was attended to with full efficiency and dedication.
- ◆ All the sign boards outside the premises of the Company displayed tri-lingually i.e. Kannada (Regional Language), Hindi and English and the name plates which are displayed within the premises of the Company are also in tri-lingual form.
- ◆ A session on “Official Language Policy” is included in all in-house training programmes.
- ◆ Hindi Library is functioning in Corporate Office with good number of Hindi Books and Hindi periodicals. Hindi Dictionaries, Administrative Glossaries, Help-literatures are supplied to the staff to encourage them to do official work in Hindi.
- ◆ Website of BEML is made available in Hindi also.

#### AWARDS

- ◆ Public Relations Council of India (PRCI), a premier body of the Public Relations and Communication Professionals has bestowed the prestigious 'Chanakya Award' on CMD, Shri V RS Natarajan, on 03.04.2010, for having steered the Company to unprecedented levels of success both in business operations as well as territorial expansions.
- ◆ The Second Dalal Street Investment Journal (DSIJ) PSU Award-2010 held at New Delhi on 6<sup>th</sup> April 2010, BEML has been bestowed with “Wealth Builder-Miniratna-Manufacturing” Award under percentage surge in Market Cap category.
- ◆ The Heavy Fabrication Unit (HFU) of BEML at KGF Complex has been adjudged as 'Winner' in the National Safety Awards (performance year 2008) under Scheme-V (Lowest Average Frequency Rate) and Scheme-VI (Accident Free Year) and received the award on 27.10.2010 from Ministry of Labour & Employment, Government of India.
- ◆ BEML has won the prestigious Raksha Mantri's Institutional Award for Excellence in Performance (FY 2008-09) and Group award for Design Efforts for design and development of Intermediate Cars for Delhi Metro RS4 Project, on 10.11.2010.
- ◆ BEML was conferred with the prestigious SCOPE Award - Medium PSE Category for the year 2008-09 on 15.12.2010 by Ministry of Heavy Industries & Public Enterprises for Excellence and Outstanding Contribution to Public Sector Management.
- ◆ BEML was bestowed with EEPIC INDIA Award for outstanding contribution to engineering exports (FY 2008-09) by Engineering Export Promotion Council on 22.12.2010.
- ◆ BEML was bestowed with the Aerospace & Defence Award under the category 'Excellence in Technology Awards' for the snow cutter. This was instituted by SAP Media Publications, an internationally renowned business magazine in the field of Aerospace on 08.02.2011.



- ◆ BEML had received the Public Relations Council of India Award for “Best Wall Calendars” at the Global PR Conclave-2011 on 17-18<sup>th</sup> March, 2011 at Chandigarh.
- ◆ BEML was bestowed with two awards, one is 'Game changes for diversification' and the other 'R&D and enhanced global presence' instituted by Dalal Street Investment Journal in its 'India's best Public Sector Enterprises-2011' on 21.04.2011 at New Delhi.
- ◆ As per the survey, commissioned by the Economic Times, Corporate Dossier magazine and conducted by IMRB International, Shri VRS Natarajan, Chairman and Managing Director of the Company, has been ranked at 77<sup>th</sup> position in the list of 'India INC's most powerful CEOs-2011', published in the Economic Times on 29.04.2011.

## MANPOWER

The manpower strength as on 31<sup>st</sup> March, 2011 stood at 11,798 as against 12,052 of the previous year.

Representation of SC/ST and Ex-Servicemen category-wise as on 01.01.2011 and recruitment made are as under :

### Representation of SC/ST/Ex-Servicemen as on 01.01.2011

Category/ Group	Total Strength As on		No. of SC/ST and Ex-servicemen					
			Scheduled Caste		Scheduled Tribe		Ex-Service Men	
	1.1.10	1.1.11	1.1.10	1.1.11	1.1.10	1.1.11	1.1.10	1.1.11
Group-A	1443	1383	213	207	41	41	9	8
Group-B	1223	1405	208	245	62	72	9	11
Group-C	8983	9049	1943	1919	356	344	313	343
Group-D	94	67	43	29	4	3	-	-
<b>Total</b>	<b>11743</b>	<b>11904</b>	<b>2407</b>	<b>2400</b>	<b>463</b>	<b>460</b>	<b>331</b>	<b>362</b>

### Recruitment during 2010

Group	General	OBC	SC	ST	EX-S	TOTAL
A	21	2	2	1	1	26
B	123	89	35	11	-	258
<b>Total</b>	<b>144</b>	<b>91</b>	<b>37</b>	<b>12</b>	<b>1</b>	<b>284</b>

## HUMAN RESOURCES DEVELOPMENT & INDUSTRIAL RELATIONS

The HR Department identified several thrust areas for continuously updating technical/professional knowledge and skills of employees and bring about attitudinal changes in fostering a performance driven work culture in all areas of operations particularly at shop floors. During the year, the Company organized several in-house and external training programs for 13,402 employees covering 30,691 man-days.

The overall industrial relations situation in the Company was cordial during the year.

## CORPORATE SOCIAL RESPONSIBILITY / SOCIAL WELFARE

- ◆ BEML Limited provides opportunity to such of the unskilled Contract Labourers who are literates, by extending on-Job skilled training to consider them for regular employment.
- ◆ Extension of out-patient medical facilities to ex-BGML employees and their families by deputing a doctor and 2 para-medical staff to the areas of Marikuppam, Champion Reef and Oorgaam and medicines are dispensed free of cost for general illness.
- ◆ Provided medical treatment through Company's medical centres and dispensaries to the common public dwelling in the adopted village of Dasarahosahalli at KGF.
- ◆ BEML runs one Junior College, and Nursery School at KGF and one Nursery School at Bangalore. These Institutions not only meant for BEML employees children, it also caters to a large extent to the local population. In addition, BEML runs a Kendriya Vidyalaya Project School at KGF by providing school building with infra-structure facilities, mid-day meal programme and other facilities.
- ◆ BEML has extended facilities viz., school building, furniture and other infrastructure