

# **ANNUAL REPORT**

**2012 - 2013**



**HINDUSTAN AERONAUTICS LIMITED**









**Dhruv (Advanced Light Helicopter) at  
Uttarakhand Floods Rescue Mission**





## CONTENTS

PARTICULARS	PAGE NO.
Board of Directors	4
Financial Highlights	10
Chairman's Statement	12
Directors' Report	18
Management Discussion & Analysis Report	36
Corporate Governance Report	44
Accounting Policies	58
Balance Sheet	62
Statement of Profit and Loss	63
Notes to Accounts	64
Statement of Cash Flow	101
Statutory Auditors' Report	102
Observations by the Statutory Auditors	108
Comments of the C&AG	109



## **VISION**

To become a significant global player in the aerospace industry.

## **MISSION**

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

# RUDRA

## Weaponised Advanced Light Helicopter

### ROLES

- Search and Rescue (SAR)
- Reconnaissance
- Casualty Evacuation
- Law Enforcement
- VIP Ferry
- Troop Transport
- Weaponised Platform









## BOARD OF DIRECTORS



**Dr. R. K. Tyagi**  
Chairman

Dr. R. K. Tyagi is an Engineering graduate in Electronics and Telecommunication from IIT Roorkee (1975 Batch) and holds a Masters in Business Administration. Dr. Tyagi took over as the Chairman of HAL with effect from 2nd March, 2012. Before joining HAL, he was Chairman cum Managing Director at Pawan Hans Helicopter Limited (PHHL) for the period from May 2007 to February 2012.

Dr. Tyagi started his career with ONGC as a Graduate Trainee in 1976 and through assignments rose to the position of General Manager in the year 2003. He served at ONGC upto May 2007 (31 years). Dr. Tyagi has played an effective role in several development programmes related to Defence, Civil Aviation and Oil & Natural Gas Sectors.



**Shri P. K. Kataria**  
Additional FA(K) & JS  
Ministry of Defence  
(Finance Wing)

Shri Prem Kumar Kataria, Additional Financial Adviser & Joint Secretary, Ministry of Defence (MoD) was appointed as a part-time Official Director of HAL with effect from 12th July, 2010.

Shri Kataria belongs to the 1985 batch of the Indian Audit & Accounts Service. He is associated with Defence PSUs, Border Road Organisation, DGQA and Army Construction Works. He was posted in Comptroller & Auditor General (C&AG), New Delhi as Principal Director (Audit) prior to his joining the Ministry of Defence. Between 2004 and 2006 he served as the Accountant General, Manipur.

Shri Kataria served as Tax Advisor to the Government of Antigua, West Indies from 2000 to 2004 on deputation. He has carried out Management Reviews of several Organisations of United Nations.



**Shri Kamlesh K. Pant**  
Joint Secretary (Aerospace),  
Ministry of Defence

Shri Kamlesh K. Pant, Joint Secretary (Aerospace), MoD was appointed as a part-time Official Director of HAL with effect from 16th January, 2013.

Shri Pant is a Mechanical Engineer from IIT, Kanpur and joined the Indian Administrative Service in the year 1993. Before taking over as Joint Secretary (Aerospace), he had served as Director (State Taxes) in the Ministry of Finance, Government of India.

Besides serving in District Administration he had served in the Government of Himachal Pradesh in various capacities, such as Secretary in Finance Department, Director (Institutional Finance), Director (Treasury, Accounts & Lotteries), Managing Director – Himachal Pradesh Financial Corporation, Managing Director – State Industrial Development Corporation and Managing Director – Uttarkhand Transport Corporation.



**Shri Ajay Shankar**  
Director

Shri Ajay Shankar, an IAS Officer of the 1973 batch, holds a Masters Degree in Political Science from Allahabad University and in Economics from Georgetown University, Washington D.C. He was appointed as Independent Director of HAL with effect from 9th March, 2011.

Shri Ajay Shankar had served as Secretary, Department of Industrial Policy & Promotion, wherein he took a number of policy decisions to improve the competitiveness of the Indian Industrial Sector. It was under his stewardship, that the plan for the Delhi-Mumbai industrial corridor project was developed and the Foreign Direct Investment Policy was further liberalised, thereby becoming more investor-friendly.

During his illustrious career with the Government of India, Shri Ajay Shankar played a critical role in putting together the stimulus packages during the global economic crisis. As Joint Secretary / Addl. Secretary in the Ministry of Power, he was instrumental in the preparation and enactment of the Electricity Act 2003, one of the major pieces of reform legislation at that time.





Shri V.V.R Sastry holds a Bachelor's Degree in Engineering (E&C). He was appointed as Independent Director on the Board of HAL with effect from 9th March, 2011.

Shri Sastry is former Chairman & Managing Director of Bharat Electronics Ltd. (BEL). During his tenure, Shri Sastry transformed BEL into a market / customer-oriented competitive Company known for supply of world-class products and turnkey solutions in Defence and other professional electronic segments. He has 40 years of varied experience in areas such as Marketing, Military Communications & Electronics Warfare Business, R & D Technology Management in Radar, Communication & Satellite Communication.

Shri Sastry was awarded ELCINA-DUN & BRADSTREET "Electronics Man of the Year" Award for 2007-08. Presently he is Executive Director with M/s. Centre for Development of Telematics (C-DOT) based at Delhi.



**Shri V. V. R. Sastry**  
Director

---

Prof. (Dr.) R. Venkata Rao, M.A.(Litt.), LL.B; M.L. & Ph.D. was appointed as Independent Director on the Board of the Company with effect from 9th March, 2011.

Prof. Rao is a specialist in Human Rights, International Humanitarian Law, Criminal Law, Jurisprudence and International Law. Presently he is Vice Chancellor of National Law School of India University, Bangalore. His illustrious career spans 32 years in field of education and training. He has been member of the Executive Council, Chanakya National Law University, Patna; Academic Council, NALSAR, Hyderabad; Governing Council, Indian Law Institute, New Delhi; Editorial Board, Indian Institute of Public Administration, New Delhi; Academic Committee, Indian Institute of Public Administration, New Delhi among others.

He has delivered numerous lectures and presented several papers at national and international levels. He has also published numerous articles on human rights, law and science and allied subjects in national and international journals and Newspapers.



**Prof. (Dr.) R. Venkata Rao**  
Director

---

Shri Surendra Kumar, B. Tech (Hons) from IIT, Kharagpur, M.E from IISc, Bangalore and Ph.D. from JNTU Hyderabad, joined the HAL Board as an Independent Director with effect from 9th March, 2011.

Presently Shri Surendra Kumar is an Emeritus Scientist, Defence Research & Development Organisation (DRDO), Ministry of Defence at DRDL, Hyderabad. He has held many important positions including Lab Director & Outstanding Scientist in Armament Research & Development Establishment, Associate Director in RCI, Hyderabad, Project Director of Ballistic Missile Defence, Program AD, Hyderabad, Deputy Project Director – Prithvi & Dhanush, DRDL & RCI, Hyderabad. He is a Visiting Faculty in IIT Bombay, Examiner Ph.D. in IIT Kharagpur, and Examiner ME/MTech in Osmania University.

Shri Surendra Kumar was awarded Lab Scientist of the Year (2002) and Scientist of the Year (2004) by the DRDO. He has over 35 years of experience in the field of Defence Systems consisting of Design, Development, Integration, Testing, Productionisation, Production, Programme and Project Planning of DRDO.



**Shri Surendra Kumar**  
Director



## BOARD OF DIRECTORS



**Shri V. M. Chamola**

Director

(Human Resources)

Shri V. M. Chamola holds a Masters Degree in Economics from Garhwal University, LLB from APS University, MBA(HRM) from IGNOU.

Shri Chamola served NTPC and NJPC in various capacities before joining HAL in 1996 as Deputy General Manager (Personnel & Administration) at Engine Division, Bangalore Complex. He was promoted as Additional General Manager (Personnel & Administration) and later joined Corporate Office.

He has also served as Chief General Manager, BEML. He possesses rich experience in HRD and has contributed towards streamlining the HR systems with a view to provide a healthy environment.

He took over as Director (Human Resources) of the Company on 27th July, 2011.

He was conferred the "Chanakya Award" for Business Excellence in HR on 12th February, 2012 by the Public Relations Council of India (PRCI) during its Annual Conclave at Mumbai in February 2012. He is also holding the additional charge of the post of Managing Director (Accessories Complex), HAL in respect of Hyderabad and Korwa Divisions, since 1st August, 2013.



**Shri K. Naresh Babu**

Managing Director

(Bangalore Complex)

Shri K. Naresh Babu, an Electrical & Electronics Engineering graduate from the Indian Institute of Science, Bangalore joined HAL in 1976 as Management Trainee.

During his illustrious career, he has served in various capacities and has contributed to Airframe and Accessories repair / overhaul activities pertaining to Canberra, Marut, Devon, Packet, Ajeet, HT-2 aircraft.

He was General Manager of the Overhaul Division with effect from 1st July, 2008. He spearheaded Repair & Overhaul activities of aircraft like Jaguar, Kiran, Mirage among others. He was made General Manager (Planning) in December 2008 at Corporate Office having the responsibility of monitoring the production and development activities of the Company.

Shri Naresh Babu was appointed as the Managing Director (Bangalore Complex) on 5th September, 2011. He is also holding the additional charge of the post of Director (Corporate Planning & Marketing) since 17th October, 2011.



**Dr. A. K. Mishra**

Director (Finance)

Dr. A.K. Mishra, a Law graduate and a Fellow Member of the Institute of Chartered Accountants of India holds a Ph.D., in Finance. He is an alumnus of National Law School of India University, Bangalore.

During his long career spanning over 30 years, Dr. Mishra has served in Governments of Bihar, UP and PSUs viz., Indian Telephone Industries Ltd. (ITI) before joining HAL in November 1994 as Deputy General Manager (Finance) at Transport Aircraft Division, Kanpur. He later took over as General Manager (Finance) at HAL Accessories Complex, Lucknow.

In June 2007, Dr. Mishra was made Executive Director (Finance) in HAL Accessories Complex, Lucknow and later joined Corporate Office in 2008.

He has held important positions in Divisions and at Corporate Office and has provided proactive leadership in developing and utilising corporate resources to drive and deliver financial and business growth.

Dr. A. K. Mishra was appointed as Director (Finance) with effect from 28th October, 2011.