

Directors' Report

The Directors have pleasure in presenting the 45th Annual Report and Audited Accounts for the year ended 31.03.2009.

Financial Results

(Rs. in lakhs)

	2008-09	2007-08
Sales (Gross)	3,01,347	2,71,334
Value of Production	3,29,419	2,82,695
Profit (before Depreciation Interest and Tax)	45,403	38,880
Interest	3,925	2,309
Depreciation	2,731	1,770
Profit Before Tax	38,747	34,801
Provision for Taxation	11,863	12,236
Profit After Tax	26,884	22,565
Profit available for appropriations	33,126	27,089
APPROPRIATIONS :		
Proposed Dividend	4,997	2,707
Dividend tax	849	460
Interim dividend & tax thereon	—	2,680
General Reserve	17,500	15,000
Profit & Loss Account	9,780	6,242
Net Worth	1,90,708	1,69,176

TURNOVER AND PROFITABILITY

Your company has achieved an all time high turnover of Rs.3013.47 crores during the financial year 2008-09, an increase of Rs.300.13 crores registering a growth of 11% over the previous year. The value of production was Rs.3294.19 crores recording an increase of Rs.467.24 crores compared to previous year. The company's Profit Before Tax stood at Rs.387.47 crores registering a growth of 11% over the previous year. The Profit After Tax stood at Rs.268.84 crores. This is the highest ever profit earned by the company which was possible through steps such as re-casting of product-mix of equipments, increase in spares manufactured and sold and cost control measures implemented.

DIVIDEND

The Directors recommend a dividend of 120% on the Paid-up Equity Share Capital of the company for the year 2008-09 meeting the aspirations of the stakeholders and foreseeing similar performance during the current year.

EXPORTS

The International Business Division achieved a turnover of Rs.304.34 crore (including Trading), recording a growth of 52% over 2007-08. The international presence of the company has increased to more than 55 countries including Angola, Honduras, Malawi and Uganda to which entry was made during the year.

QUALITY

To realize the company's vision of globalizing its presence and becoming market leader, efforts are on for continuous improvement towards assuring quality and to foster quality in all its activities. Initiatives taken in this regard are –

- ◆ Consultant expertise have been sought for guidance and training of personnel to assure quality in critical areas like welding, fabrication and painting.
- ◆ Implementation of “Lean Kaizen” concepts and “Six Sigma” drive in the company has resulted in enhancement of quality level of the process thus ensuring product quality.
- ◆ “Quality Circle” movement is on throughout the company to carry out small group activities to bring in continual improvements in product and process quality. To motivate the activity, company-wide competitions are being conducted and the teams are deputed for regional / national / international level competitions. Our QC teams have brought laurels by winning the competitions at National level and also have bagged “Gold Medal” in the



international competition, ICQCC 2008 held at Dhaka, Bangladesh, which demonstrates the competency of our QC teams.

- ◆ All manufacturing divisions continue to hold ISO 9001-2000 Quality Management certifications. Laboratories at R&D, KGF and Engine division, Mysore hold NABL accreditations. EM Division, KGF Complex has been accredited with ISO 14001-2004 Environment Management system certification.
- ◆ Vendor development activity is a continuous process, wherein, necessary inputs and expertise are given to the vendors to improve their technology, skills and quality systems. Guidance is being given to the vendors with regard to “Self-certification” and deserving vendors are upgraded and accorded “Self-certification” status. “Cluster vendors” concept has been introduced wherein hand holding of few identified vendors is taken up to transform the vendors as zero defect suppliers.
- ◆ Customer satisfaction is guaranteed through Cross functional teams / Quality improvement teams which is active throughout the company to address customer complaints and to enhance product quality.

RESEARCH & DEVELOPMENT

The company's Research & Development Centre continues to play a vital role in the design & development of products, critical aggregates, indigenization activity etc. During the year, R&D has developed BE300 with Rexroth Hydraulics, BL200 Re-engineered version, WS70 High Capacity Water Sprinkler, BA28 Air Craft Towing Tractor, Transmission and Torque Converter for BH35-2.

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

FINANCE

The working capital requirement was met from the

internal resources and credit facilities from banks. There was no overdue installment of principal and interest.

The company's contribution to exchequer was of the order of Rs.580.34 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.282.79 crores. The total foreign exchange utilized during the year was Rs.772.89 crores.

A sum of Rs.1.84 crores was incurred towards deputation of personnel abroad for business / export promotion, after-sales-services and training.

FIXED DEPOSITS

The company did not accept / renew any fixed deposits during the year. Unclaimed fixed deposit of Rs.12,263/- lying for over seven years has been transferred to the Investor Education and Protection Fund during the year 2008-09.

VIGILANCE

- ◆ Augmentation of transparency, fairness and equity in the operations of the Company by adopting well laid out systems and procedures is the main object of the Vigilance Department.
- ◆ The Vigilance Department endeavors to ensure that the Company adheres to the guidelines issued by CVC in various aspects of its activities such as, materials management, quality control, construction, maintenance, recruitment, etc.
- ◆ In order to ascertain that the systems are followed properly the Vigilance Department carries out CTE type of inspections of civil works each with contract value more than Rs 1 Crore. The Department also examines POs each valued more than Rs 2 Crores. In addition, the Department scrutinized, selecting at random, POs of different values released by the

Purchase Department. A number of surprise checks were also conducted at various stores in all the Divisions as well as Regional and District offices of Marketing Division, covering all over the country.

- ◆ In order to confirm that the systems and procedures are adequate and to ensure that they are adhered to scrupulously, the Department conducted systems audit in all the Divisions as well as Regional and District offices on random selection basis. 13 systems were audited during the year 2008-09.
- ◆ Creating awareness has been another important task being carried out by the Vigilance Department. This is based on the premise “Prevention is better than cure”. In this direction in addition to the observance of Vigilance Awareness Week every year, this department has been organizing vigilance sensitization workshops / programmes regularly. Based on the response and impact of these programmes the training department has decided to conduct one programme every month to create awareness and sensitize executives and employees.
- ◆ Further, in order to make the Department easily accessible to all those concerned with the Company, a window has been created in the Company website, through which complaints could be lodged and in fact complaints are being received through this window as well.
- ◆ In all the Divisions of the Company, including Corporate Office and Marketing Division as well as the subsidiary unit, VIL at Tarikere, medical claims, TA/DA claims, etc, made by executives and non-executives are scrutinized. Annual property returns submitted by the executives were verified covering 20% of the cadre. Complaints received from various sources, including information sources of Vigilance

Department, are judiciously verified. 38 complaints were verified during 2008-09 and reports were submitted to the competent authorities well in time.

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 with the Stock Exchanges is annexed to this report.

SUBSIDIARY COMPANY

M/s Vignyan Industries Limited (VIL), Tarikere recorded a turnover of Rs.35.27 crores with Profit Before Tax of Rs.2.06 crores recording a growth of over 12% in profit. The value of production of the company stood at Rs.35.65 crores and profit after tax stood at Rs.1.31 crores.

M/s VIL is in the process of modernizing its facilities to improve its productivity by installing Fast Loop Continuous System with a capital outlay of about Rs.11.18 crores. The expansion is expected to be completed before August, 2009. After expansion, the production is set to increase around 600 tons per month.

To diversify the production, M/s VIL is planning to install Forging Plant. Government of Karnataka has come forward to allot 38 acres of land to the company to meet the future expansion. The company is also exploring the export potential for its products.

The statement and particulars relating to M/s. Vignyan Industries Limited, Tarikere, pursuant to Section 212 of the Companies Act, 1956 is attached.

JOINT VENTURE COMPANY

A JV Company, M/s BEML Midwest Limited incorporated on 18th April, 2007 at Hyderabad is a professionally well knit company 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 exploit 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 P Limited, BEML has filed a petition u/s 397 and 398 of the Companies Act, 1956 and the matter is pending before the Hon'ble Company Law Board.

MICRO, SMALL AND MEDIUM INDUSTRIES

The Micro, Small and Medium Units 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 2008-09, the company procured items worth Rs.209.06 crores from these units.

RAJBHASHA

- ◆ Your company ensured compliance of the Official Languages Act, the Rules made there under and the administrative instructions regarding use of Hindi received from the Ministry of Defence and the Department of Official Language from time to time.
- ◆ Under Hindi Teaching Scheme of Ministry of Home Affairs, Department of Official Language, the Executives/Employees are nominated for in-house training in Hindi Language (Prabodh, Praveen & Pragya), Hindi stenography and Hindi typing, arranged at Corporate Office and all Complex offices. A total of 74 employees has been trained during the year.
- ◆ The Official Language Implementation Committee has been constituted in the Corporate office headed by the Director (HR). The Quarterly Hindi Progress Reports received from various Departments are reviewed in the meetings of the Committee and remedial measures are suggested to remove the shortcomings. Similar Committees have been constituted at Complex offices and Regional offices also.
- ◆ The Parliamentary Committee on Official Language inspected Corporate Office on 4th July, 2008 and suggested measures to remove the shortcomings. Follow up action is being taken on suggestions made and to fulfil the assurances given to the Committee. The progress is being monitored by Hindi cell periodically. The Regional Implementation Office, Department of Official Language, West Zone, Mumbai inspected our Regional Office, Nagpur on 20.11.2008 and evaluated implementation of Official Language. The Official Language Team of Ministry of Defence inspected our Regional Office, Mumbai on 05.12.2008 and expressed their satisfaction over the progress achieved by the office and suggested further more measures.
- ◆ In order to inspire and encourage the Executives/Employees of the Company to do their work in Hindi, various Cash Award Schemes of the Department of Official Language such as Hindi Noting and Drafting Scheme, Hindi Dictation Scheme and Hindi Typing/stenography incentive allowance Scheme have been implemented.
- ◆ With a view to encourage more and more officials to do their official work in Hindi, Hindi workshops are organized from time to time for about 147 Executives/ Employees of the Company during 2008-09.
- ◆ With a view to create a conducive atmosphere for the progressive use of Hindi in the Company, every year on occasion of Hindi Divas, Hindi Fortnight is organized at Corporate Office and all the three complex offices. Hindi Fortnight

was observed from 15-30 September, 2008. Various Hindi competitions e.g. Hindi essay writing competition, Hindi Noting & Drafting competition and Hindi Quiz Competition were held in this connection and the winners of the competitions were given cash award and certificate.

- ◆ 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 in trilingual form. One page article in Hindi is being published in monthly house magazine “BEML News”. 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 works in Hindi. Website of BEML is made available in Hindi also.

AWARDS

1. The Export awards received during 2008-09 were -
 - a. Raksha Mantri's Award for Best Performance in exports,
 - b. Star performer award from Engineering Export Promotion Council (EEPC) and
 - c. Gold Trophy Award from Federation of Indian Chambers of Commerce & Industry (FICCI) for best manufacturer exporter.
2. Equipment Division, Mysore Complex, received the National Safety Award for the year 2006,

winners under Scheme I and Scheme II in achieving “Lowest average frequency rate of accidents” and “Longest accident free Period” respectively.

3. Similarly, Engine Division, Mysore Complex, was awarded with the National Safety award for the year 2006, winners under Scheme III and Scheme IV in achieving “Longest accident free Period” and “Lowest average frequency rate”.

MANPOWER

The manpower strength as on 31st March, 2009 stood at 12,600 as against 12,286 of the previous year.

Representation of SC/ST and Ex-Servicemen category-wise as on 01.01.2009 and recruitment made are as under:

Representation of SC/ST/Ex-Servicemen as on 01.01.2009

Category/Group	Total Strength As on		No. of SC/ST and Ex-servicemen					
			Scheduled Caste		Scheduled Tribe		Ex-Service Men	
	1.1.08	1.1.09	1.1.08	1.1.09	1.1.08	1.1.09	1.1.08	1.1.09
Group-A	1569	1517	239	221	47	45	16	10
Group-B	855	1234	135	198	35	61	6	7
Group-C	9501	9656	2045	2080	366	375	392	375
Group-D	89	130	33	47	-	5	-	-
Total	12014	12537	2452	2546	448	486	414	392

Recruitment during 2008

Group	General	SC	ST	EX-S	OBC	TOTAL
A	57	9	3	0	10	79
B	178	78	38	0	143	437
C	130	119	12	44	61	366

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 12,077 employees covering 27,672 man-days.

The overall industrial relation situation in the company was cordial during the year.

CORPORATE SOCIAL RESPONSIBILITY / SOCIAL WELFARE

As a part of Government's sustainable village development programme, the company has been contributing towards providing of computers, laser printers, UPS for PCs and related furniture for installing at Bhora Kalan High School, Gurgaon District, Mohanpur High School, Rewari District and Singar High School at Mewat District in Haryana. Further, the company has been contributing towards construction of additional class rooms, library cum reading room, barbed wire fence with brick work and gate for the high school in Bahadurpur Gram Panchayat in West Bengal.

Sponsoring of four severely disabled orphan children of the United Physically Handicapped School for the second consecutive year by providing food, clothing and education.

Your company has expressed solidarity towards the cause of helpless children in Prayasam, a Kolkata based NGO which look after social welfare of poor and destitute children in various places of West Bengal by issuing an advertisement of half page in the annual report of Prayasam.

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 villagers in the adopted village of Dasarahosahalli at KGF.

BEML runs one Junior College and two Nursery Schools at KGF and one at Bangalore. These

Institutions not only meant for BEML employees children it also caters to a large extent to the local population. In addition to this, BEML runs a Kendriya Vidyalaya Project School at KGF by providing school building with infra-structure facilities, mid-day meal programme and other facilities.

PARTICULARS OF EMPLOYEES

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, read with the Companies (Particulars of Employees) Rules, 1975.

ENVIRONMENT AND POLLUTION CONTROL

In order to protect the environment, tree plantation were undertaken in and around the factory premises, township at KGF, Bangalore and Mysore. Saplings of various types of avenue trees / flower bearing trees were planted in the vacant lands belonging to the company for maintaining ecological balance in the surrounding areas. Further measures have also been taken to protect the existing flora and fauna.

Effluent treatment plants have been constructed inside the factory premises of the production units for treatment of domestic / industrial effluents. Further, treatment plants / oxidation ponds for treatment of natural process of treating effluents have been installed in various locations inside the factory and township. The landscaping department in the production units are utilizing treated effluent water. Test certificates are being sent to the State Pollution Control Board every month. Two artificial tanks have been constructed in Bangalore Complex to harvest rain water, restrict soil erosion and to raise ground water level.

In a bid to harness renewable energy, the company commissioned a 5 MW Wind Energy Power Plant during the year 2007-08 in Gadag District of Karnataka. The energy generated by the plant is wheeled through Hubli Electricity Supply Co. Ltd., (HESCOM) and as of 31.05.2009 131.94 lakh kWh power has been generated enabling green house gas reduction.

ENERGY CONSERVATION

The Company continues to give emphasis on conservation of energy. The efficiency of energy utilization is closely monitored to attain a high level of effective conservation. Some of the measures adopted during the year for energy conservation are:-

1. Introduction of 2 Nos. 5000 litres capacity solar water heating system in Workers Canteen for pre-heating of water at 60 degrees centigrade.
2. Replacement of Inverter welding sets (18KW) in place of old type Kirloskar make Motor Generator welding incandescent lamp.
3. DSL power supply indication lamps for EOT cranes and panel indication lamp (132 Nos)
4. Introduction of 12 volts, 50 watts focus lights for display of equipment in place of 220V, 100W incandescent lamp.
5. Replacement of 750 nos. of 36 watts slim tubes in place of 40 watts conventional tubes.
6. Introduction of 36 watts CFL fitting for better illumination equivalent to 80 watts at admin corridor and offices (30 nos).

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, are annexed to this report.

AUDITORS

M/s. Rao Associates, Chartered Accountants, Bangalore, were appointed as Statutory Auditors for the year 2008-09.

In pursuance of the directives received from the Department of Company Affairs, Cost Audit was conducted for Heavy Earthmoving Equipment and IC Engines.

Reply of the Board of Directors to the observations made in the report of the Auditors on the Accounts are given in the addendum to this report.

DIRECTORS

The President of India was pleased to appoint Sri M. Nellaiappan as Director (HR) on the Board of the company who took charge on 23rd March, 2009. The President of India was also pleased to appoint Sri M.B.N. Rao, Sri J.P. Batra and Sri J.P. Singh as Independent Directors on the Board of BEML with effect from 7th July, 2009. Sri A. Prasad, Prof. Prakash G. Apte, Sri Birendra Kumar and Sri K.V.K. Seshavaram were ceased to be Directors with effect from 17th January, 2009. Dr. Arabinda Tripathy, Prof. S.N. Chary, Sri N.R. Mohanty and Dr. Jayanta Bagchi also ceased to be Directors with effect from 28th June, 2009. The Board placed on record its deep appreciation of the valuable services rendered by Sri A. Prasad, Prof. Prakash G. Apte, Sri Birendra Kumar, Sri K.V.K. Seshavaram, Dr. Arabinda Tripathy, Prof. S.N. Chary, Sri N.R. Mohanty and Dr. Jayanta Bagchi.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure ;
- ii) that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date ;
- 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and



iv) that the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors express their grateful thanks to the Company's valued customers, in particular Defence Services, M/s Coal India Limited and its Subsidiaries, M/s. Singareni Collieries Company Limited, Railway Board, M/s Steel Authority of India Limited and M/s Delhi Metro Rail Corporation (DMRC), Bangalore Metro Rail Corporation (BMRCL) for their patronage and confidence in the Company. The Directors also express their grateful thanks to our Collaborators, M/s. Rotem, South Korea, M/s. Tatra Sipox Limited, UK, M/s Pearson Engineering Limited, UK, M/s Terex Corporation, USA, M/s. Bumar, Poland and others for their valuable assistance to the Company.

The Directors express their appreciation to the State Bank of India and other members of Consortium of Banks and Financial Institutions for their continued support to the Company's operation. The Directors also thank all the shareholders / investors for reposing continued confidence in the Company.

The Directors wish to thank the Comptroller & Auditor

General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Statutory Auditors, Suppliers and Vendors for their valued co-operation.

The Directors also gratefully acknowledge the valuable support and assistance received from various Ministries of Government, in particular Ministry of Defence, Ministry of Coal, Ministry of Mines, Ministry of Steel, Ministry of Railways and the Ministry of External Affairs. The Directors are also grateful to the Government of Karnataka for the support and co-operation extended.

Your Directors take this opportunity to place on record their deep appreciation for the invaluable contribution made and excellent co-operation rendered by the employees and executives at all levels for the progress and prosperity of the Company.

For and on behalf of the Board of Directors

V.RS. Natarajan

Chairman & Managing Director



Balance Sheet

as at 31st March, 2009

(Rs. Lakhs)

	Schedule	2009	2008
Sources of Funds			
Shareholders Funds			
Share Capital	1	4,177.22	4,177.22
Reserves & Surplus	2	187,360.41	166,392.82
		191,537.63	170,570.04
Loan Funds			
Secured Loans	3	47,090.88	30,326.80
Unsecured Loans	3A	9,673.08	—
		56,763.96	30,326.80
Deferred Tax Liability			
	4	4.00	—
		248,305.59	200,896.84
Application of Funds			
Fixed Assets			
Gross Block (at cost)	5	74,950.61	68,027.78
Less : Depreciation		49,401.95	46,970.05
Net Block		25,548.66	21,057.73
Add : Capital Work-in-progress	6	2,361.00	2,425.43
		27,909.66	23,483.16
Investments			
	7	794.89	794.89
Current Assets, Loans & Advances			
Inventories	8	162,057.87	92,958.00
Sundry Debtors	9	154,526.67	149,605.62
Cash and Bank Balances	10	26,351.00	52,109.53
Other Current Assets	11	1,501.76	1,908.01
Loans and Advances	12	41,275.88	18,313.81
		385,713.18	314,894.97
Less : Current Liabilities & Provisions			
Current Liabilities	13	113,326.33	97,916.44
Provisions	14	53,615.48	42,056.36
		166,941.81	139,972.80
Net Current Assets			
		218,771.37	174,922.17
Deferred Tax Asset			
	14A	—	302.80
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	15	829.67	1,393.82
		248,305.59	200,896.84
Notes on Accounts			
	25		
[Schedule 1 to 25 and Accounting Policies annexed herewith form part of Accounts]			

Refer our report of even date

For and on behalf of the Board of Directors

for **RAO ASSOCIATES**
Chartered Accountants

G. SUDHINDRA
Partner
Membership No.26171

M. PITCHIAH
Director (Finance)

V.RS. NATARAJAN
Chairman & Managing Director

Place : Bangalore
Date : 26.06.2009

S.V. RAVI SEK HAR RAO
Company Secretary

Profit and Loss Account

for the period ended 31st March, 2009

(Rs. Lakhs)

	Schedule	2009	2008
Income			
Sales	16	301,346.94	271,334.47
Less : Value of consortium supplies		8,256.90	—
		293,090.04	271,334.47
Less : Excise Duty		13,372.94	17,374.59
Net Sales		279,717.10	253,959.88
Other Income	17	10,997.33	9,482.77
Increase / (Decrease) in Stock	18	28,072.11	11,360.21
		318,786.54	274,802.86
Expenditure			
Cost of Raw Materials & Spares consumed / sold	19	185,089.39	160,956.68
Employees Remuneration & Benefits	20	56,918.93	45,385.93
Depreciation	5	2,730.88	1,769.68
Other Expenses	21	31,295.76	30,445.82
		276,034.96	238,558.11
Less : Expenditure allocated to capital and other accounts	22	—	46.14
		276,034.96	238,511.97
Interest	23	3,924.78	2,308.75
		279,959.74	240,820.72
Profit for the year		38,826.80	33,982.14
Prior period adjustments	24	80.07	(819.22)
Profit Before tax		38,746.73	34,801.36
Less : Provision for tax	24A	11,862.49	12,235.98
Profit After tax		26,884.24	22,565.38
Add : Balance in Profit and Loss Account Brought Forward		6,242.07	4,523.50
Profit available for appropriation		33,126.31	27,088.88
Appropriations			
Proposed Dividend		4,997.34	2,706.88
Tax on Dividend		849.30	460.04
Interim dividend and Tax thereon		—	2,679.89
General Reserve		17,500.00	15,000.00
Balance Transferred to Balance Sheet		9,779.67	6,242.07
		33,126.31	27,088.88
Basic / Diluted Earnings per Share (Rs.)		64.56	56.10
Notes on Accounts	25		

[Schedule 1 to 25 and Accounting Policies annexed herewith form part of Accounts]

Refer our report of even date

For and on behalf of the Board of Directors

for **RAO ASSOCIATES**
Chartered Accountants

G. SUDHINDRA
Partner
Membership No.26171

M. PITCHIAH
Director (Finance)

V.RS. NATARAJAN
Chairman & Managing Director

Place : Bangalore
Date : 26.06.2009

S.V. RAVI SEK HAR RAO
Company Secretary