

Interview with Maj Gen Ravi Khetarpal, VSM (Retd), CMD, Bharat Dynamics Limited



Q. Firstly, let me congratulate you for receiving one of the largest ever orders for missile systems in March. I understand it is over US\$ 3 billion. From this it appears that, BDL is well on its way to a very bright future.

Yes... It is with a great sense of satisfaction I would like to say that BDL has signed a historic contract with MoD for supply of the Akash weapon system for the Army.

Q. Apart from Akash SAMs what are the other products of BDL?

BDL is the prime production agency for manufacture of Anti Tank Guided Missiles (ATGMs). The Company is also manufacturing Surface – to – Air Missiles (SAMs) for the Armed Forces & Decoys for the Indian Air Force. The IN has also

placed orders for Torpedos & Counter Measure Systems. We are also associated with other DRDO programmes.

Q. What are the growth plans of BDL and how is the Company gearing up to achieve them?

BDL achieved a record turnover of Rs 627 Crore, a growth of over 35% for the financial year 2009 – 10, which was the highest since inception of the Company in 1970. This year too, we have grown by nearly 50% and have a huge order book position. BDL is now at the threshold of taking a quantum leap in its turnover. Further, many more projects are in the offing. We are in discussions with the Indian Armed Forces and OEMs (Original Equipment Manufacturers) for production of third generation ATGMs and Air Defence Missiles of different ranges. With these projects, BDL will achieve a multi-fold increase in its turnover in the near future and would be well placed to become a NAVRATNA Company.

Q. As we know, the Armed Forces are for modernisation and upgrading their weapon systems. What are the expansion plans of BDL to meet these requirements?

BDL has already set up its third manufacturing unit at Visakhapatnam to meet the exclusive requirements of the Indian Navy. The Company is also exploring the possibility of acquiring land in 2-3 more locations in AP and in other states for production of new generation missiles and associated equipment.

Q. Apart from licence products in collaboration with foreign OEMs, does BDL manufacture its own products?

The emphasis of the Company so far was on undertaking licence production as per agreements / contracts entered between Government of India and foreign OEMs. BDL had no significant R&D of its own. However, based on current thrust towards indigenisation and R&D, BDL developed test equipment for ATGMs and also modified vintage ATGM launchers, which was well received by the Indian Army. BDL has also developed a Counter Measure Dispensing System (CMDS) for a variety of Aircraft.

Q. As a rapidly expanding Company, how are you meeting your Corporate Social Responsibility (CSR) goals?

As a responsible Company, BDL has been taking initiatives from time to time which proves that a Company's business can go beyond "Business". The Company has also adopted two villages in backward areas of Andhra Pradesh. We repaired

school building and focused attention on school - going children in terms of books, uniforms, drinking water facilities & toilets, etc. We also sponsored Mid-Day meals for students of Zilla Parishad High Schools located in the backward areas in Medak district of Andhra Pradesh. BDL recently donated money for purchase of a vehicle for distribution of food to students and has sponsored meals through an internationally reputed NGO. For the year 2011-12, BDL has formulated a new CSR policy as per the guidelines given by DPE. More than Rs One Crore has been earmarked for CSR activities.

Q. Corporate Governance is one of the major focus areas of PSEs today. What initiatives has BDL taken in this regard?

To ensure corporate governance and transparency in all areas of functioning, a number of initiatives have been taken by BDL like 'e-auction' and 'e-procurement', placing maximum relevant information on the BDL website, having Independent Directors on the Board, preparing citizen's charter etc. Recently, two Independent external monitors have also been nominated for BDL and we will soon be coming out with an integrity pact to be signed between vendors & BDL for high value purchases.

Q. With increasing competition from the private sector, growing orders and demanding customers, how is BDL gearing itself to meet the challenges.

BDL is aware that changing needs of the Armed Forces are becoming more and more complex and sophisticated. We are also aware that consequent to changes to DPP 2011, BDL needs to compete with the private sector and with other world class companies in the same field. In order to meet these challenges, the Company is looking at forming JVs / signing of MoUs with reputed OEMs / PSUs, and modernising and streamlining the production facilities. We would also need to acquire state-of-the-art technologies to meet the challenges. Actions have already been initiated also to widen the vendor base. With all these actions we, at BDL, are confident of meeting the demands of the customers to their entire satisfaction.