



BHARAT DYNAMICS LIMITED

(A Govt. of India Enterprise, Ministry of Defence)

CIN :- L24292TG1970GOI001353

Corporate Office: - Plot No. 38-39, TSFC Building, Near ICICI Towers, Financial District,
Nanakramguda, Hyderabad-500032

Registered Office: - Kanchanbagh, Hyderabad-500058

Tel: 040-23456145; Fax: 040-23456110

e-mail: investors@bdl-india.in; website: <https://bdl-india.in>

Ref -BDL/CS/2023/SE-45

Date: 05/09/2023

To, Compliance Department The National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai- 400051 Scrip Code- BDL	To, Compliance Department BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001 Scrip Code-541143
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Sub: - Intimation of 53rd Annual General Meeting and Book Closure.

1. We wish to inform you that the 53rd Annual General Meeting (AGM) of the Members of Bharat Dynamics Limited will be held **on Thursday, 28 September 2023 at 03:00 PM** through Video Conferencing (VC) /Other Audio Visual Means (OAVM).
2. Pursuant to Regulation 42 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 (as amended), we wish to inform you that the Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 21 September, 2023 to Thursday, 28 September, 2023 (both days inclusive)** for the purpose of payment of Final Dividend and for the 53rd Annual General Meeting of the Company. The company has fixed **Wednesday, 20 September, 2023 as the "Record Date"** for determining the members eligible to receive final dividend. The dividend, if declared by the members at the AGM, will be paid within 30 days from the date of declaration.
3. The Notice of 53rd AGM and copy of Annual Report 2022-23 containing Directors' Report, CSR Report, MD&A, Report on Corporate Governance, Business Responsibility and Sustainability Report, Financial Statements along with Auditors' Report is being uploaded in the company's website i.e. <https://bdl-india.in/annual-reports> and also on Listing Portals of the exchanges for your records.

For Bharat Dynamics Limited

N. Nagaraja
Company Secretary

53rd ANNUAL REPORT
2022-23



भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED



• DEDICATION • COMMITMENT • PERSEVERANCE

THE FORCE BEHIND PEACE

Since its establishment, Bharat Dynamics Ltd., has been in the service of the services by developing and manufacturing various types of guided missiles and allied defence products through inhouse R&D as well as under ToT. Today, BDL is one of the leading manufacturer and a supplier of missile systems with latest technologies to Indian Armed Forces as well as to friendly foreign countries.

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WHO WE ARE

Established in 1970, Bharat Dynamics Limited (BDL), is a Government of India Enterprise under the Ministry of Defence and a manufacturer of Surface to Air Missiles (SAM), Air to Air Missiles (AAM), Anti - Tank Guided Missiles (ATGMs), Torpedoes, and Allied Defence Equipments. Head Quarters of the Company is located at Hyderabad and has currently three manufacturing units, located at Kanchanbagh, Hyderabad in Telangana State, Bhanur, Sangareddy District in Telangana State and Visakhapatnam in Andhra Pradesh. BDL is in the process of setting up additional facilities at Amaravati, Maharashtra, Ibrahimpatnam, Telangana and Jhansi, Uttar Pradesh. The Company also commenced export of selected defence equipments and has entered into strategic alliances with public and private sector companies. The Company has 2560 employees as on 31 March 2023 and during the year 2022-23 reported a net sales turnover of ₹ 2489 crore.



Objectives

- To become self-reliant and competitive in Guided Missile and Underwater Guided Weapon Technology and Production.
- To maximize utilization of existing production capacities



Vision

To be a world-class enterprise producing international standard quality products for the Defence industry.



Mission

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



CORPORATE INFORMATION

CORPORATE OFFICE

Plot No.38-39, TSFC Building Near ICICI Towers
Gachibowli, Financial District Hyderabad-500032
Tel:-040-23456145 Fax:040-23456107
E-Mail: investors@bdl-india.in
website: bdl-india.in

REGISTERED OFFICE

Kanchanbagh Post Hyderabad - 500058 Telangana, India
EPABX: 040-24587466 & 040-24587777
Fax:- 040 24340464
E-Mail: bdlitd@bdl-india.in
website: bdl-india.in

CHIEF VIGILANCE OFFICER

Dr. Upender Vennam, IPoS

COMPANY SECRETARY

Shri N Nagaraja

PRINCIPAL EXECUTIVES

(As on 31 March 2023)

Cmde Girish Raghunath Pradhan (Retd.)

Executive Director (BU)

Shri PV Raja Ram

Executive Director (KBU)

Smt V Latha

General Manager (KBU)

Shri SV Kameshwar

General Manager (VU)

Shri L Kishan

General Manager (Konkurs-M)

Shri M Ravi

General Manager (BD & Mktg.)

Shri S Murali Mohan

General Manager (Refurbishment & TSD)

Shri M Sreedhar Rao

General Manager (IBU & New Projects)

Shri G Gayatri Prasad

General Manager (Finance)

Shri DV Srinivas Rao

General Manager (D&E and ED)

AUDITORS

M/s. G. Natesan & Co.,

Chartered Accountants, Hyderabad

INTERNAL AUDITORS

M/s. A.V. Ratnam & Co.,

Chartered Accountants

M/s. Raju & Prasad

Chartered Accountants

M/s. A.R. Sulekhe & Co.,

Chartered Accountants

M/s. Vaithisvaran & Co.,

Chartered Accountants

COST AUDITORS

M/s. Narasimha Murthy & Co.,

Cost Accountants

TAX CONSULTANTS

M/s Bansal & Dave,

Income Tax Consultant

M/s Price water house Coopers,

GST Consultant

LEGAL ADVISORS

Smt V Uma Devi

Shri D Ravi Shankar Rao

Smt D. Radhika

BANKERS

Union Bank of India

State Bank of India

UCO Bank

Punjab national bank

ICICI Bank

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited

SEBI Registration Number: INR000002532

4E/2 Jhandewalan Extension, New Delhi-110055

Telephone: +91 11 42541234 ; Facsimile : +91 11 41543474

Email: rta@alankit.com; Website: alankit.com

BOARD MEMBERS

(As on 31 July 2023)

CHAIRMAN & MANAGING DIRECTOR



Commodore A Madhavarao (Retd.)
(w.e.f 19 July 2023)

GOVERNMENT DIRECTORS



Shri U Raja Babu
Director General (MSS)
(w.e.f. 21 July 2023)



Shri Anurag Bajpai
Joint Secretary (DIP)

WHOLE TIME DIRECTOR



Shri N. Srinivasulu
Director (Finance) & CFO

INDEPENDENT DIRECTORS



Shri Sunil Chintaman Mone



Prof. (Dr.) Sanghamitra Mishra



Shri Rajendra Singh Shekhawat



Shri Nandakumar Subburaman



Dr. Pawan Sthapak



Shri Jashwant Lal
(w.e.f 24 February 2023)

KEY MANGERIAL PERSONNEL



Shri N Nagaraja
Company Secretary &
Compliance Officer

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

At the outset, I would like to extend my gratitude to each of you for your continued support and investment in BDL. Your unwavering support and faith in us inspires us to achieve new milestones of success.

I take pleasure in sharing with you the 53rd Annual Report of BDL, a company built over more than five decades of spirited and perseverant efforts by a highly skilled work force.

Despite the operational and supply chain disruptions caused by the current global scenario, BDL's performance throughout the financial year 2022-23 has been impressive, bearing testimony to the hard work put forth by all the stakeholders associated with the company.

The Government of India's initiatives to make India self-reliant in providing state-of-the-art weapon systems to the Indian Armed Forces and clearance for export to Friendly Foreign Countries (FFCs) have opened plenty of opportunities for BDL to grow and expand into the market. BDL has set the path to work towards more opportunities and live up to the expectations of investors.

I take this opportunity to share the performance highlights during the last financial year and the future outlook for BDL.

FINANCIAL AND PERFORMANCE HIGHLIGHTS OF THE YEAR:

BDL achieved production of ₹2508.43 crore as against ₹ 2901.76 crore of previous financial year and also achieved sales turnover of ₹2489.39 crore as against ₹2817.40 crore of previous financial year.

BDL has achieved a profit after tax (PAT) of ₹352.17 crore as against a profit of ₹499.92 crore reported in the previous financial year.

I am extremely pleased to inform you that BDL continues to maintain a consistent dividend payment. Your Board has recommended a final dividend of ₹1.20 per equity share of ₹10 each, amounting to ₹21.99 crore. It also gives me great pleasure to inform you that BDL has already paid an interim dividend of ₹8.15 per share in February 2023. The total dividend for FY 2022-23 declared by the company is ₹9.35 per share (face value of ₹10 each).

PERFORMANCE VIS-A-VIS MoU:

In terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, BDL has been rated "Very Good" for the year 2021-22, and for 2022-23, it is under evaluation.

NEW PARTNERS IN PURSUIT OF TECHNOLOGY UPGRADATION:

Technology upgradation has always been an area of priority for BDL in order to keep pace with the current requirements in the global defence industry. In pursuit of this, BDL has entered into MoUs or teaming agreements with several entities, like:

- MoU with MBDA, France, for the manufacturing of Mistral missiles in India for supply to the IAF.
- MoU with a startup, i.e., M/s New Space Technologies, Bangalore, on product development, including integration of BDL payload(s) onto the UAV platforms of M/s NRT for military applications, technical support, armament support, and infrastructure support.
- MoU with BHEL for jointly working on the emerging opportunities in the Indian defence and aerospace market, especially the space sector.
- MoU with Raphe mPhibr Private Limited, Noida, to work together on UAVs and launch systems for the ULPGM project.
- MoU with Dassault Aviation Pvt. Ltd., France, for the integration of BDL weapon systems like Astra and SAAW on Rafale aircraft for the Indian Armed Forces and future export markets
- MoU with Thales Belgium S.A. and Thales India Private Limited for the setting up of manufacturing facilities for the Laser Guided Rocket and its major components in India, to be a part of Thales global supply chain for future requirements of Thales export markets and also for the India market.
- MoU with BARIJ Dynamics LLC ("AL TARIQ"), Abu Dhabi, United Arab Emirates, to cooperate together for the manufacturing of PGM kits in India, both for India as well as the export market.
- MoU with BULTEXPRO LTD., Bulgaria, for setting up the manufacturing facilities for 122mm GRAD BM ER and non-ER rockets in India, including ToT.
- BDL has also entered into a Licencing Agreement for Transfer of Technology (LAToT) with Research Centre Imarat (RCI, DRDO Lab) for the manufacturing of Ceramic Radomes (GELCAST Process).

DIVERSIFICATION PLAN:

As part of BDL's diversification plan, we have identified new verticals such as guided bombs, drone-delivered payloads, warhead manufacturing, products for space applications and propellants. These endeavors are expected to create new business opportunities

Apart from missiles, which have been the mainstay of BDL, infrastructure is being set up in the Jhansi plant for the manufacture of rockets and propellants. Production will commence on receipt of orders from the Indian Armed Forces with ToT from the foreign technology partner.

NEW INFRASTRUCTURE:

To support our growth, BDL has undertaken initiatives to set up new infrastructure facilities, including the RF SEEKER facility, Warhead Manufacturing Facility, SMT Line and High Computing Testing Facility, State-of-the-Art Stores and Environmental Test Facility, and a modular Automatic Storage and Retrieval System facility. These initiatives will enhance our self-reliance and contribute to BDL's Atmanirbhar campaign.

QUALITY SYSTEMS:

Being a missile manufacturing company and producing single-shot devices, the quality of the product is of paramount importance, and our products should work the first time and every time. Hence, these products require stringent quality standards and a high degree of reliability. In pursuit of this objective, BDL has adopted and maintains international quality standards. As you are aware, the production units in Kanchanbagh and Bhanur are already certified with the International Aerospace Quality Management Standard AS 9100D.

BDL's corporate office has been re-certified with ISO 9001:2015 by the certification body, M/s Novo Star Management Systems Solution India Pvt. Ltd.

NEW INITIATIVES:

In the spirit of Atmanirbharta in defence, BDL has taken up many new initiatives during the year. In this endeavour, Hon'ble RM inaugurated the Warhead Manufacturing Facility at the BDL Bhanur Unit, the Seeker Manufacturing Facility at the BDL Kanchanbagh Unit, and the Central Storage Facility at the BDL Visakhapatnam Unit.

RESEARCH AND DEVELOPMENT (R&D):

Research and Development (R&D) remain crucial for BDL, and we continuously work on new product development and the up-gradation of existing products to meet customer requirements.

CORPORATE GOVERNANCE:

BDL has a well-established relationship between Company's Management, its board, its shareholders, and other stakeholders. With its well-laid-out principles, policies, procedures, and clearly defined responsibilities and accountabilities, BDL has the perfect means of attaining its objectives and systems in place for monitoring the performance.

BDL conducts business with the highest ethical standards and prohibits all forms of bribery and corruption across all units of the organisation. During the year under review, no such instances of bribery or corruption were reported.

BDL's activities are monitored by several external agencies like the Statutory Auditors, Comptroller and Auditor General of India, CVC, MoD (Dept. of Defence Production), etc.

I am glad to inform you that BDL has been consistently rated "excellent" by the MoD in the Corporate Governance category, which itself is a testimony to the established mechanisms, relations, regulations, and processes by which it is governed.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT:

BDL is conscious of its responsibilities towards society, and as per the provisions of the Companies Act, 2013, BDL is spending 2% of the average net profits of the immediate three preceding financial years towards CSR activities. The core areas of focus under CSR are healthcare, nutrition, education and literacy, skill development and sanitation, PM TB Mukth Abhiyan, Sahara hostel for Veer Naaris, etc. BDL, as per DPE Guidelines, has also ventured into aspirational districts and underdeveloped areas in Telangana and Andhra Pradesh to undertake corporate social responsibility (CSR).

Some of the major projects taken up during the year are as follows:

- Establishment of Molecular Oncology Dept. and Procurement of equipment at MNJIO and Regional Cancer Centre, Hyderabad, Telangana State, with an estimated budget of ₹100 lakh, wherein BDL is supporting up to ₹75 lakh.
- Fitment of Cochlear Implants to Children with Hearing Impairment through ALIMCO in Telangana and Andhra Pradesh, with an Outlay of ₹335 lakh
- Distribution of aids and appliances, including Artificial Limbs and Callipers, to Persons with Disabilities (PwDs) through ALIMCO in Aspirational Districts of Telangana, with an estimated budget of ₹50 lakh
- Awareness creation and supply of sanitary napkins to girl students of government schools in Telangana, through NIRD&PR, with an outlay of ₹100 lakh.
- Construction of Panah (Sahara) Hostel for Veer Naaris (Naval Widows) with an estimated budget of ₹250 lakh, wherein BDL is supporting up to ₹200 lakh
- Supporting the Dokra and Terracota Craft Development Project at Kumurumbheem Asifabad (Aspirational District), Telangana, with an estimated budget of ₹76.35 lakh
- Contributed for Pradhan Mantri TB Mukth Abhiyan towards nutrition support to TB patients at Jayashankar Bhupalpally and Mulugu District of Telangana State to the extent of ₹35 lakh.

WAY FORWARD:

The year 2022-23 ended with turnover of ₹2489.39 crore as compared to ₹2817.40 crore of previous financial year. The execution of orders got hampered due to various operational and technical challenges such as design improvements, delays in receipt of critical electronic components etc. BDL is taking all steps to overcome these constraints and looking forward to execute the orders within the given time frames of the contracts.

In addition to above, BDL has now started concentrating on export opportunities. Even though our main customers are the Indian Armed Forces, Company is exploring new markets for immediate growth. Many leads have been received from friendly foreign countries which are being pursued vigorously to convert them into firm orders. In order to sustain business and grow, BDL is making all efforts to ensure that these orders are executed within the delivery schedule with high quality at a competitive price.

The government is putting a lot of restrictions on imports and giving impetus to reduce foreign exchange outflow, hence the importance of enhancing indigenization for self-reliance is noted. In R&D, we have increased the expenditure and extended all the support. Emphasis is being laid on timelines for R&D Projects. Accordingly, marketing efforts are put in place to generate revenue from successful R&D Projects.

FUTURE OUTLOOK:

BDL is going to witness high growth in the coming years. As on 01 April, 2023, the order book position of BDL is ₹20054 Crore (Net). We are further able to consolidate our order book with more orders that are in various stages of finalisation and are expected to materialise in 2023-24.

The positive Indigenization List brought out by the Govt in terms of restriction of imports in different phases has opened up an opportunity to get continuous orders for these products for BDL from the Indian Armed Forces in the ensuing years, which will help to improve the BDL order book as well as help further growth of the company.

In the export market, there is interest in BDL's products like Akash Weapon Systems from potential buyers. BDL is in the process of converting the leads received into orders. In order to further consolidate the order book of the company, there is a huge emphasis laid by BDL on the necessity of realising export orders, and the company is pursuing the same aggressively.

BDL is confident in the realisation of the potential orders due to the policy initiatives of the government and the ease of doing business in the country.

BDL is also investing in R&D activities both in-house and in association with DRDO for various development and production programmes. BDL is also entering into various agreements with foreign OEMs, both for manufacturing in India as well as joint development programmes.

BDL's future prospects appear promising, buoyed by a robust order book position and a stream of anticipated orders in the pipeline. In addition to that, the right support and policy initiatives from the Government of India further bolster the positive outlook ahead for your Company.

ACKNOWLEDGEMENT:

I wish to place on record, on behalf of the entire BDL family, our sincere thanks and gratitude to investors and shareholders who have reposed trust in this company and continued to support us in all our endeavours through this financial year. I also look forward to the same support from investors in the years to come.

My special thanks also go to the MoD, Government of India, DIPAM, State Governments, Customers, Inspection Agencies, DPSUs, our vendors, Employees of BDL and all the agencies involved directly or indirectly in the growth of this company.

I also thank the board members for their valuable guidance and encouraging support in the functioning of the company.

Finally, let me assure you that BDL is poised to reach greater heights. The entire fraternity of BDL will strive to achieve the desired results and exceed the investors' expectations.

I am proud of what we've accomplished together in the past few years, and I am even more optimistic about the opportunities ahead.

Jai Hind!!!

Cmde A Mahavarao (Retd)
Chairman and Managing Director
DIN: 09808949

Date : 04 August 2023

Place : Hyderabad

OUR PRODUCTS

BDL is the leading DPSU in India in manufacturing guided missile systems. The company has a product portfolio consisting of Surface to Air Missiles (SAMs), Air-to-Air Missiles, Anti-Tank Guided Missiles (ATGMs), Underwater weapons, Launchers, Countermeasures and Test Equipment. The company also undertakes life-extension and refurbishment of missile systems.



Akash SAM

The Akash Surface to Air Missile (SAM) is an all weather area defence system which can engage multiple targets simultaneously. The Akash SAM can target helicopters, fighter aircraft and unmanned aerial vehicles. In addition to the Akash SAM, we also supply the ground support system and construct infrastructure facilities for the Akash SAM to our customers.



Long Range SAM ("LR SAM") and Medium Range SAM ("MR SAM")

The SAM is a high response quick reaction vertical launch supersonic missile to neutralise enemy aerial threats such as missiles, aircraft, guided bombs and helicopters.



Astra Weapon System

Astra is an indigenously developed Air-to-Air Beyond Visual Range Missile comprising of Astra Missile and Launcher



The Milan 2T ATGM

The Milan 2T ATGM is a man portable second generation ATGM with a tandem warhead to destroy tanks. The Milan 2T ATGM can target both moving and stationary targets.



The Konkurs - M ATGM

The Konkurs - M ATGM is a second generation, semi-automatic tube launch optically tracked, wire guided and canard controlled missile which has been designed to destroy moving and stationary armoured targets. The Konkurs - M ATGM can be launched from vehicles and ground launchers.



The INVAR (3 UBK 20) ATGM

The INVAR (3 UBK 20) ATGM is a second generation plus mechanized infantry weapon which can be fired from the gun barrel of a T-90 tank to destroy armored vehicles.

OUR PRODUCTS



CMDS

The CMDS is a micro controller chaff and flare based airborne defence system. The CMDS can be activated by the pilot or the radar warning receiver of the aircraft. The CMDS provides protection to the aircraft against radar guided and heat seeking missiles (air and ground) by dispensing chaff and / or flare payloads.



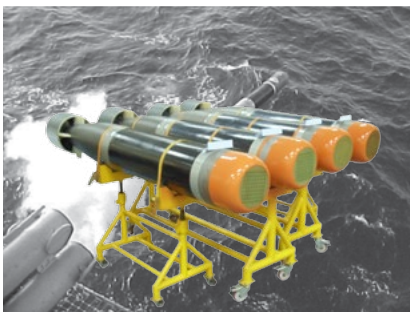
Anti Torpedo Decoy Launching System ("Anti Torpedo System")

The Anti Torpedo System is meant to counter the threat posed to any submarine by any active and / or passive homing torpedo.



Submarine Fired Decoy ("SFD")

The SFD acts as preferred target in the presence of an own submarine to a passive or active homing torpedo.



Light Weight Torpedo

The light weight torpedo can be launched from a ship or a helicopter. The light weight torpedo is used for anti-submarine warfare.

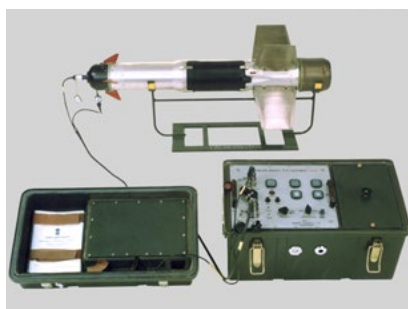


Heavy Weight Torpedo

Heavy Weight Torpedo is a ship launched, electrically propelled underwater weapon equipped with one of the most advanced automatic guidance systems. The weapon system uses its own intelligence in tracking the target



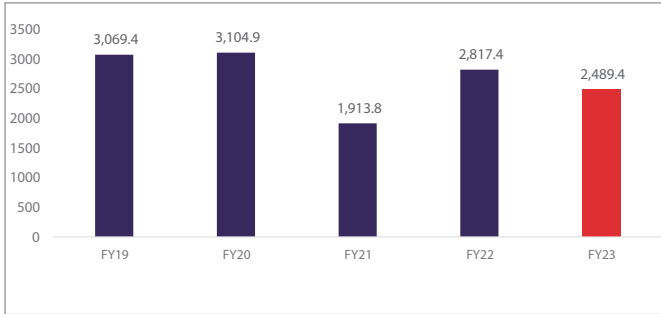
Launchers for the Konkurs M ATGM and the Milan 2T ATGM



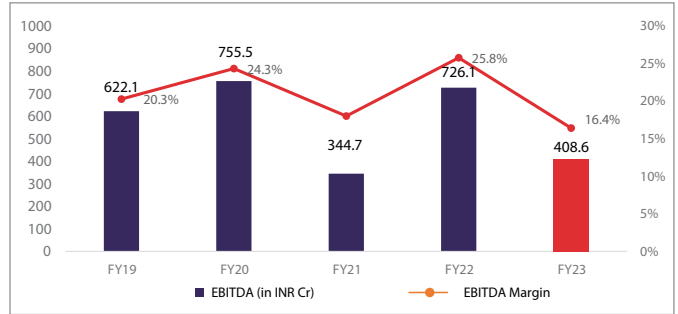
Test Equipments

FINANCIAL HIGHLIGHTS

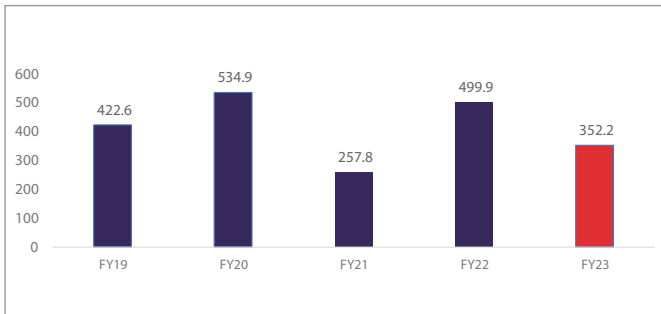
Revenue from Operations (in INR Cr)



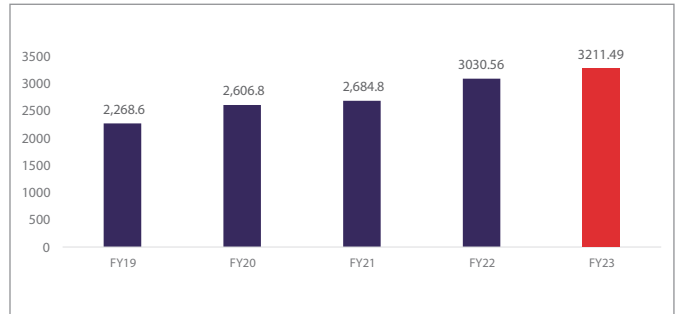
EBITDA (in INR Cr) & EBITDA Margin



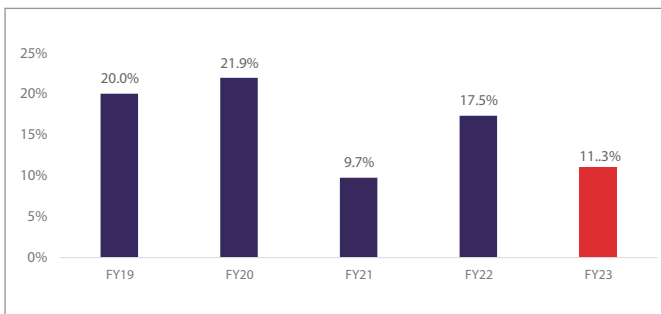
PAT (in INR Cr)



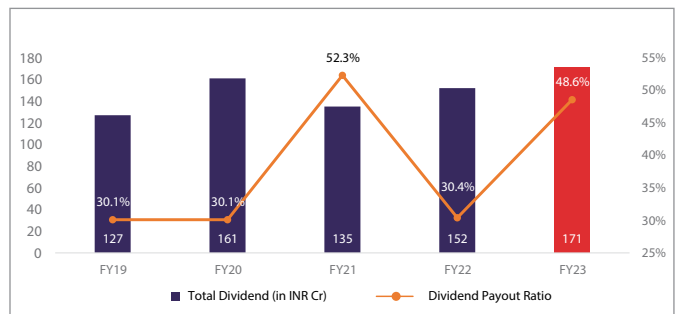
Net Worth (in INR Cr)



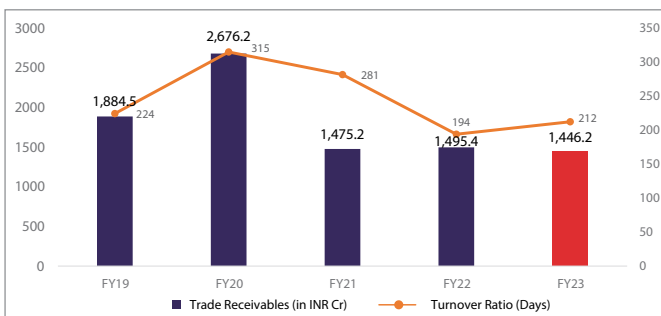
Return on Equity (in %)



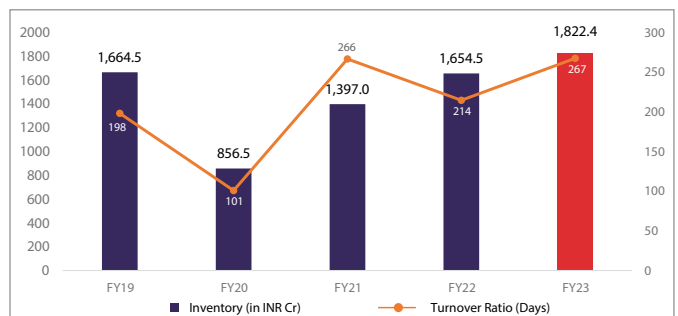
Total Dividend (in INR Cr) & Dividend Payout Ratio



Trade Receivables (in INR Cr) & Turnover Ratio (Days)



Inventory (in INR Cr) & Turnover Ratio (Days)



TEN YEARS AT A GLANCE

Particulars	Units	2022-23*	2021-22*	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*	2014-15	2013-14
Sales (Gross)	₹ Cr.	2489.39	2817.40	1913.76	3104.87~	3069.35 [§]	4587.60	4886.62	4159.97	2799.68	1779.89
Changes in WIP/SIT	₹ Cr.	19.04	84.36	128.91	(503.66)	165.87	53.70	124.38	137.86	(29.63)	24.60
Value of Production	₹ Cr.	2508.43	2901.76	2042.67	2601.21~	3235.22	4641.30	5011.00	4297.83	2770.05	1804.49
Material Consumption	₹ Cr.	1210.33	1263.37	970.08	1014.09~	1818.97	2907.59	3125.23	2620.30	1855.10	1226.01
Value Added	₹ Cr.	1298.10	1638.39	1072.59	1587.12~	1416.25	1733.71	1885.77	1677.53	914.95	578.48
Profit Before Tax	₹ Cr.	481.80	709.91	340.88	742.45	671.36	773.82	802.81	847.31	614.19	508.59
Profit After Tax	₹ Cr.	352.17	499.92	257.77	534.90	422.59	528.15	524.06	564.88	418.57	345.51
Equity	₹ Cr.	183.28	183.28	183.28	183.28	183.28	183.28	122.19	97.75	115.00	115.00
Reserves & Surplus	₹ Cr.	3028.22	2847.28	2501.47	2423.55	2085.26	1773.10	2072.79	1702.27	1418.58	1102.97
Gross Block (Excl.Cap.WIP)	₹ Cr.	1415.68	1451.08	1368.51	1291.36	1219.61	1048.62	869.66	746.38	940.04	834.56
Inventory	₹ Cr.	1822.44	1654.45	1397.01	856.52	1664.53	1925.87	2240.42	2057.66	1480.12	1382.51
Trade Receivables	₹ Cr.	1446.23	1495.36	1475.20	2676.19~	1844.53	2208.13	1735.36	1478.22	865.72	398.81
Working Capital	₹ Cr.	5394.18	2942.18	2378.03	2259.40	1390.38	1085.68	1569.75	2052.30	2740.34^	812.68 [§]
Capital Employed	₹ Cr.	3155.08	2973.45	2637.01 [®]	3191.76	2347.34	1954.05	2326.87	2745.18	3134.20^	1172.29 [§]
Net Worth	₹ Cr.	3211.49	3030.56	2684.75	2606.83	2268.55	1956.38	2194.98	1800.02	1533.37	1217.75
Number of Employees	Nos.	2560	2674	2812	2950	3034	3095	3182	3132	3183	3266
Employee Costs	₹ Cr.	532.46	570.66	501.09	534.03	534.21	529.34	448.39	326.23	313.07	307.28
Value Added per ₹ of Wage	₹	2.44	2.87	2.14	2.97~	2.65	3.28	4.21	5.14	2.92	1.88
Value Added per Employee	₹ Lakh	50.71	61.27	38.14	53.80~	46.68	56.02	59.26	53.56	28.74	17.71
Earnings per Share (EPS)	₹	19.22	27.28	14.06	29.18	23.06	26.65	24.51 [!]	42.73 [!]	36.40 [!]	30.04 [!]

~ Re-adjusted due to regrouping of certain items of 2019-20 in 2020-21.

§ Sales are after deduction of LD as per Ind AS 115 from 2018-19 onwards.

* Amounts from 2015-16 onwards are shown as per Ind AS.

® Capital Employed for FY 2021-22 onwards is worked out as per the Guidance Note issued by ICAI on Schedule III to Companies Act 2013. Accordingly, Capital Employed for FY 2020-21 is also changed from ₹ 3239.01 to ₹ 2637.01 but this does not represent any fall.

§ Re-adjusted due to regrouping of Current Assets and Current Liabilities of 2013-14 in 2014-15.

^ Re-adjusted due to regrouping of Current Assets and Current Liabilities of 2014-15 in 2015-16.

! Splitting of shares from ₹ 1000/- to ₹ 10/- during the year 2017-18 and accordingly EPS is readjusted in previous years for Face Value of ₹ 10/-

DIRECTORS' REPORT

Dear Members,

Your Directors presents the 53rd Annual Report together with the audited financial statements of the Company for the year ended 31 March 2023.

1. HIGHLIGHTS ON OPERATIONS:

- Despite facing challenging circumstances and technical challenges, your Company achieved a sales turnover of ₹2489 Crore during the fiscal year. This is a slight decrease compared to the sales turnover of ₹2817 Crore in the previous year.
- On 2nd July 2022, the Hon'ble Raksha Mantri Shri Rajnath Singh visited BDL along with Vice Chief of Air Staff Air Marshal.



- The Hon'ble Raksha Mantri inaugurated the Warhead facility and virtually inaugurated the RF (Radio Frequency) Seeker facility and Central Storage facility. These facilities are essential for realizing Atmanirbharta in Defence manufacturing by the Company.





- During the Bandhan Ceremony at DefExpo-2022 and Aero India-2023 new products were launched.
- A contract was received for the supply of an upgraded version of the Akash Weapon System to the Indian Army, worth about ₹8161 Crore.
- The Company received its highest-ever export order of USD 255.4 million for SAMs (Surface-to-Air Missiles) and USD 27 million for ATGMs (Anti-Tank Guided Missiles) from friendly foreign countries.
- Contracts were received for the supply of Counter Measures Dispensing System (CMDs) from Bharat Electronics Limited, valued at ₹261 Crore, and from Hindustan Aeronautics Limited, Bangalore, valued at ₹77.18 Crore.

2. FINANCIAL RESULTS AND PERFORMANCE HIGHLIGHTS:

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

Particulars	₹. in Crore		% of Increase/ (Decrease)
	2022-23	2021-22	
Sales/Revenue from Operations	2489	2817	(11.64)
Value of Production	2508	2902	(13.58)
i) Import Material Consumed	345	271	27.31
ii) Indigenous Material Consumed	865	992	(12.80)
Total Material Consumed	1210	1263	(4.20)
Value Added	1298	1639	(20.81)
Profit Before Tax	482	710	(32.11)
Profit After Tax	352	500	(29.60)
Earnings per share# (in Rupee)	19.22	27.28	(29.55)

EPS has been calculated based on profits excluding the other comprehensive income.

2.2 Following data reflect the financial position of the Company:

Particulars	₹.in Crore		% of Increase/ (Decrease)
	2022-23	2021-22	
Gross Block (Excl. CWIP)	1416	1451	(2.41)
Accumulated Depreciation	607	577	5.20%
Net Block	809	874	(7.44)
Working Capital (Net)	5394	2942	83.34%
Capital Employed	3155	2973	6.12%
Net Worth	3211	3031	5.94%

* Figures have been reclassified and regrouped, wherever necessary.

2.3 During the year under review, your company achieved revenue from operations of ₹2489 Crore despite facing very challenging circumstances and technical issues, compared to the revenues of ₹2817 Crore in the previous year. The main reasons for the revenue shortfall were, delays in receiving imported electronic items and critical explosive materials from Foreign Original Equipment Manufacturer (OEM), design changes in the production of naval products and delays in receiving MR-SAM kits from OEM, which resulted in non-completion of production. Your company is expected to recover from this shortfall in the current financial year 2023-24.

Despite the aforementioned technical issues, your company performed well and achieved a turnover of ₹2489 Crore and a production value of ₹2508 Crore. The profit before tax (PBT) was ₹482 Crore, a decrease from the previous year's ₹710 Crore. The profit after tax amounted to ₹352 Crore, down from ₹500 Crore in the previous year. The EBITDA margin was 16.40%, a decrease from 25.77%. This decrease in margin is mainly attributed to a decline in manufacturing activities and changes in the product mix.

2.4 The major products executed during the year are ATGMs, Akash-SAM, Varunastra and MR-SAM. The order book position of the company as on 01 April 2023 is about ₹ 20054 Crore (Net).

2.5 Future Outlook:

Your company expects significant growth in the coming years, considering its consolidated order book position, which has reached a staggering figure of ₹20054 Crore as of April 1, 2023. The order book position is expected to further increase as several orders are in various stages of finalization. Your company is also actively promoting its products in the international market and has successfully converted some export leads into orders with friendly foreign countries.

In recent years, your company has forged alliances with various foreign and Indian companies through Memorandums of Understanding (MoUs) across a range of business interests. These alliances include Thales, Naval Group, MBDA Missile Systems Ltd, Rafael Advanced Defence System Ltd (Naval Division), Dassault Aviation Pvt Ltd, Defence Research and Development Organisation (DRDO), Larsen and Toubro (L&T), Ashok Leyland Defence Systems Ltd, Newspace Technologies Pvt Ltd, IIT-Madras, and Tamilnadu Industrial Development Corporation Ltd (TIDCO). These partnerships will create new opportunities for manufacturing state-of-the-art weapon systems by your company in India, catering to both domestic and international markets. Your company is confident that these alliances will elevate its standing in the coming years.

Your company will continue its efforts to make the Indian Armed Forces Atmanirbhar (self-reliant) by reducing dependency on imported arms in the future. In this direction, your company has placed a strong emphasis on the concept of indigenization across all its programmes. It has commenced the indigenization of components and subassemblies that were previously imported and successfully achieved indigenization of 47 critical items over the past four years, resulting in significant foreign exchange savings. With an average indigenization percentage ranging between 80-90%, your company's philosophy has led to reduced import costs and increased the ability to offer competitively priced products to the Indian Armed Forces.

The Government of India, in its continuous pursuit of self-reliance in defence manufacturing under the 'Aatmanirbhar Bharat Abhiyan', has periodically issued a Positive Indigenization list of sub-systems/assemblies/sub-assemblies/components. As a result, the future outlook for your company appears promising buoyed by a robust order book position. With decades of experience, your company is well-prepared to face upcoming challenges.

3. FIXED DEPOSITS FROM PUBLIC:

The Company did not accept any fixed deposits from Public during the year, and there was no outstanding Fixed Deposits at the beginning/end of the year. Accordingly, there was no default in payment of deposits/interest thereon.

4. DIVIDEND & TRANSFER TO GENERAL RESERVE:

Your Company has a consistent track record of Dividend Payment. The Board has recommended a Final Dividend of ₹1.20/- per equity share of ₹10/- each amounting to ₹21.99 Crore for the year 2022-23. Further, your Company has paid interim dividend of ₹8.15 per share amounting to ₹149.37 Crore in February, 2023. An amount of ₹150 Crore is being transferred to General Reserve for the year 2022-23.

Commodore Siddharth Mishra (Retd), the then Chairman & Managing Director, BDL presented the cheque for ₹ 111.9203 Crore, being the interim dividend pertaining to the Government of India shareholding in BDL, to Shri. Rajnath Singh, Hon'ble Raksha Mantri at New Delhi. Shri. Giridhar Aramane, Secretary (Defence Production), Shri. T. Natarajan, Additional Secretary (Defence Production), Ministry of Defence and Shri. Nuka Srinivasulu, Director (Finance) from BDL were present on the occasion.



5. CAPITAL STRUCTURE:

The paid up capital of the Company as on 31st March, 2023 stood at ₹183.28 Crore (18,32,81,250 equity shares of ₹10/- each). The Authorized Capital of the Company is ₹200 Crore (20,00,00,000 equity shares of ₹10/- each) as on 31st March 2023.

As on 31 March 2023, the Govt. of India shareholding in the Company stands at 74.93% (representing 137,325,527 equity shares of ₹10/- each).

6. PERFORMANCE AGAINST MoU:

Your Company signs a Memorandum of Understanding (MoU) every year with the Ministry of Defence, Government of India. The performance of the Company for the year 2021-22 was rated as "Very Good" and the performance for the year 2022-23 is under evaluation.

7. MODERNIZATION & UPGRADATION:

During the year, an amount of ₹113.91 Crore has been spent towards Capital Expenditure (CAPEX) programme for the modernization of Plant & Machinery and other infrastructure development. The majority of this amount was dedicated to establishing the Warhead building, RF Seeker facility, Storage facility, and firefighting systems. Additionally, your company has planned to spend approximately ₹100 Crore during the current financial year 2023-24 on various CAPEX programmes, including Phase-II infrastructure development at Ibrahimpatnam and for enhancing the integration facility at Vizag.

Your company is making determined efforts to increase the indigenization content in the manufacturing of ATGMs, SAMs, Air to Air Missiles, and Torpedoes. This objective aims to enhance self-reliance and reduce dependence on imports.

8. RESEARCH & DEVELOPMENT:

Your company acknowledges that Research and Development (R&D) plays a pivotal role in the growth of the organization. To cater to the requirements of the Indian Armed Forces, your company has identified several products for R&D.

The following table shows the recent trend of in-house R&D expenditure:

Particulars	2022-23	2021-22	2020-21
Sales Turnover (Gross) (₹ in Cr)	2489.39	2817.40	1913.76
R&D expenditure (₹ in Cr)	152.03	48.14	42.95
R&D expenditure as % of Sales Turnover	6.11%	1.71%	2.24%
PBT	481.80	709.91	340.88
R&D expenditure as % of PBT	31.55%	6.78%	12.60%

9. PROCUREMENT FROM MSMEs:

In compliance with the Procurement Policy of the Government of India, your company has surpassed the mandated procurement requirement of 25% from Micro, Small, and Medium Enterprises (MSMEs). During the year 2022-23, your company procured 29.82% of goods and services, amounting to approximately ₹487.98 crore, from MSMEs out of its total procurement of ₹1636.61 crore. By achieving the mandated target of 25% from MSMEs, your company has demonstrated its commitment in supporting and promoting the growth of these enterprises.

Vendor Development:

Your company endeavors to expand its vendor base through special drives and by offering free registration in certain cases and on specific occasions. Throughout the year, your company conducted 7 vendor meets, resulting in over 1000 registered vendors as of the current date. Furthermore, your company has implemented an updated Integrity Pact in accordance with the directives of the Central Vigilance Commission's latest circular issued on 25th January 2022, and adheres to the Standard Operating Procedure outlined therein.

Government e Market Place (GeM):

Your company registered as both a Buyer and Seller with the Government e-Marketplace (GeM). GeM is utilized for procuring common items and services. Throughout the year, your company has successfully procured common goods and services worth approximately ₹125 crore through GeM. This demonstrates your company's active engagement and utilization of GeM for streamlined procurement processes.

10. EXHIBITIONS:

During the year, the Senior Executives and Directors have participated in National and International Exhibitions. The details along with the photographs of some of the exhibitions are as follows



Hon'ble President of India Smt Droupadi Murmu being briefed about BDL products during an exhibition held at Hyderabad on 28 Dec 2022.



Hon'ble Prime Minister of India Shri Narendra Modi at BDL stall during an exhibition at Vadodara on 30 Oct 2022.



Honble Raksha Mantri Shri Rajnath Singh at BDL pavilion during Aero India - 2023.



Raksha Rajya Mantri Shri Ajay Bhatt at BDL pavilion during Aero India - 2023.



Chief of Defence Staff General being briefed about product display during Aero India - 2023.



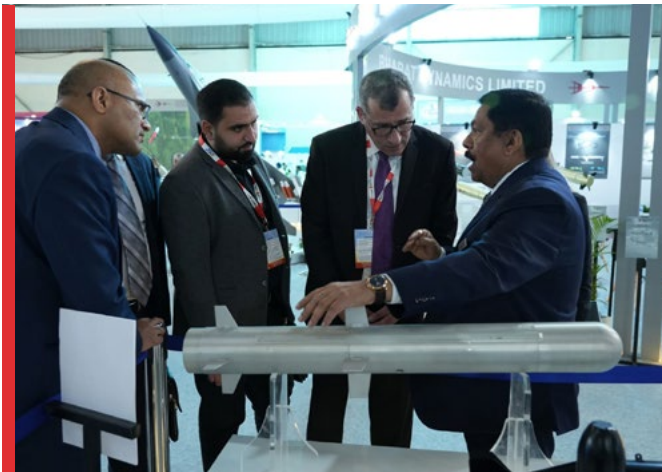
Chief of the Army Staff General being briefed about product display during Aero India - 2023.



Chief of Naval Staff Admiral at BDL pavilion during Defexpo – 2022.



Chief of the Air Staff Air Chief Marshal being briefed about the latest products displayed during Aero India – 2023 on his visit to BDL pavilion.



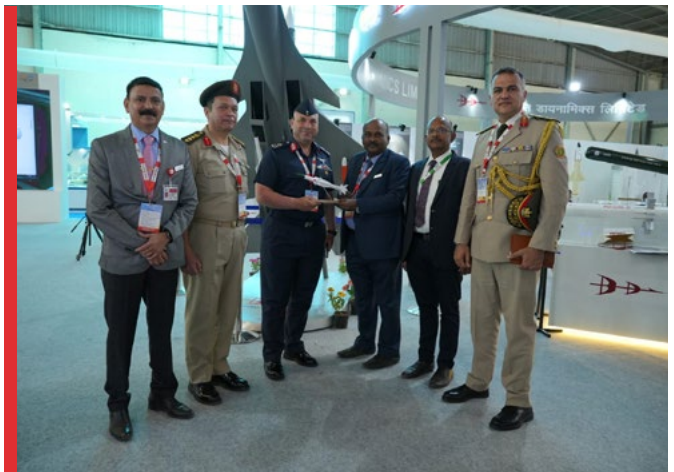
A delegation from Armenia led by Deputy Defence Minister was briefed about BDL products by CMD, BDL on visit to BDL pavilion during AeroIndia 2023



A delegation from Bahrain was briefed about products being offered for Exports by BDL on their visit to BDL pavilion today during DefExpo - 2022.



A delegation led by CEO, Al Tariq, UAE visited BDL Pavilion during AeroIndia2023. BDL and Al Tariq entered into MoU to jointly produce Long Range Precision Guided Munition kits in India.



A delegation led by Chief of Staff of the Egyptian Air Force visited BDL Pavilion during Aero India 2023.



Chief of Defence Staff, Algeria visited BDL stall during LAAD - 2023 exhibition held at Brazil.



Defence Minister Republic of Armenia HE Suren Papikyan - Defexpo-2022.



Egypt Delegation -Defexpo-2022



Honoured by visit of Minister of National Defence, Republic of Angola at BDL Pavilion during Defexpo-2022.



UAE Delegation Defexpo-2022.



Vice Minister of EL Salvador at BDL pavilion during Aero India 2023.

11. EXPORTS:

Your company has placed significant emphasis on the export of Weapon Systems. To explore the export potential of its products, identify potential markets, and pursue export opportunities, an export cell has been established within the Business Development Division of BDL. The products offered by your company are state-of-the-art, designed indigenously, competitively priced, and not heavily reliant on any foreign Original Equipment Manufacturers (OEMs). With existing facilities, your company is well-prepared to meet both domestic and export demands.

Several leads have been received from various friendly foreign countries for the export of products such as the Akash Weapon System, ATGMs, Air to Air Missile (Astra), Smart Anti-Airfield Weapon, Helina (Air-to-Surface Weapons), Light Weight Torpedo, Heavy Weight Torpedo (Underwater weapons), Counter Measures Dispensing System, and Anti-Submarine Warfare Suite (Counter Measure Systems) etc.. These leads are actively being pursued by the export cell, which is engaged in interactions with overseas customers to achieve export targets. As a result, your company has secured orders for the export of Light Weight Torpedoes, Counter Measures Dispensing System, ATGM, and Akash Weapon System from friendly foreign countries. Channel Partners/Agents have been appointed in several countries to promote your company's exportable products. Your company has also participated in various Foreign Defence Exhibitions to showcase its products and facilitate one-on-one meetings with participants from the Armed Forces/Ministries of Defence of other countries.

To strengthen international engagement, BDL is working closely with Indian Embassies/Defence Attaches to arrange meetings and visits with stakeholders from foreign countries. Furthermore, plans are underway to open Representative Offices in three foreign countries.

During the year, your company received its highest-ever export order of USD 255.4 million for SAMs and USD 27 million for ATGMs from friendly foreign countries. As of April 1, 2023, the total export order book of BDL stands at ₹2586 Crore, reflecting the growing success in the international market

12. ATMA NIRBHAR BHARAT & INDEGENISATION:

As part of its contribution to the creation of an Atmanirbhar Bharat (Self-Reliant India), your company has been focused on indigenizing technology from the moment a contract is signed. Your company manufactures missiles under Technology Transfer (ToT) agreements with DRDO and with Foreign Original Equipment Manufacturers (OEMs). The ToT for foreign OEM designed products is only 60%, however your company has achieved indigenization levels of more than 80% to 90% in many of its products through its indigenization initiatives. In the case of DRDO-designed products, most of them have achieved indigenization levels of more than 90%. Your company is putting forth maximum efforts to achieve higher levels of indigenization for all its products.

The "Make in India" initiative is an ongoing process, and under this scheme a number of initiatives were taken by Gol/MoD. Your company's new product under development falls under the Make-II project category of the Indian Indigenously Designed Developed and Manufactured (Indian IDDM) classification in the Defence Procurement Procedure. Successful completion of this project will establish India as self-reliant in manufacturing 3rd generation ATGMs.

Your company is utilizing the Srijan Portal, a Ministry of Defence indigenization portal, which serves as a one-stop-shop for vendors to engage in indigenization efforts. BDL has uploaded 1187 items on the portal, including all the items imported by the company. Out of these items, vendors have shown interest in 413 items, and 36 sanction orders have been placed. Necessary technical support is being provided to Micro and Small Enterprises (MSEs) to encourage them to produce quality items. Your company is also fostering collaboration with startup companies, identifying problem definitions for them to work on and develop solutions. MoUs are being signed with these companies to support their growth and create business opportunities.

An Indigenization Plan has been formulated by your company for a five-year period (2020-21 to 2024-25). The plan and its achievements for the last three years are as follows:

Year	No.of items Targeted for Indigenisation	No.of items Indigenized
2020-21	72 items	79 items
2021-22	53 items	53 items
2022-23	14 items	16 items

Furthermore, the Ministry of Defence has issued a Positive List of Indigenization on December 27, 2021, as part of the continuous effort towards self-reliance in defence manufacturing under the 'Atmanirbhar Bharat Abhiyan'. This list includes 2500 items that have already been indigenized, along with 351 items that will be procured from the Indian industry within specified timelines.

Out of the total 2851 items, 50 items belong to BDL, and as of now, your company has achieved indigenization for 37 of these items.

Additionally, on March 28, 2022, the Ministry of Defence issued a 2nd Positive Indigenization list of 107 Line Replacement Units (LRUs)/sub-systems for indigenization by Defence Public Sector Undertakings (DPSUs), with an embargo on imports beyond the indicated timelines. Out of these 107 items, 4 items belong to BDL, providing an opportunity for your company to scale up its operations.

Furthermore, on August 28, 2022, the Ministry of Defence issued a 3rd Positive Indigenization list of 780 Line Replacement Units (LRUs)/sub-systems for indigenization by DPSUs, with an embargo on imports beyond the specified timelines. Out of these 780 items, 2 items belong to BDL, presenting another opportunity for your company to expand its operations.

13. MANPOWER AND RESERVATION OF POSTS FOR SCs/STs:

13.1 The Company has been following Presidential Directives of the Government with regard to reservation of posts for SCs/STs/OBC/EWS in recruitments.

13.2 Total manpower strength as on 31 March 2023 is at 2560 (including four functional directors). Of the total strength, 85 are ex-servicemen, 503 are of Schedule Caste, 209 are of Scheduled Tribes and 781 are of OBC category. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees is at 19.65% and 8.16% respectively.

13.3 The No. of Scheduled Caste, Scheduled Tribes, OBC and EWS in various categories of posts as on 31 March 2023 is given below:

Category	Number of Employees									
	Total Strength		Scheduled Castes		Scheduled Tribes		OBC		EWS	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Group-A	801	755	149	145	86	81	187	158	4	-
Group-B	2	65	0	16	0	4	1	22	-	-
Group-C	1571	1649	304	316	109	109	525	527	-	-
Group-D	171	189	46	48	14	14	66	72	-	-
Temporary	11	12	4	4			2	2	-	-
Total	2556*	2670*	503	529	209	208	781	781	4	-

*excluding four functional directors & CVO.

13.4 Recruitment of employees in Scheduled Caste, Scheduled Tribes, OBC, EWS during 2022-23 is given below:

Classification of posts	Total Vacancies Released	Total Recruitment made	Reservation of posts				Recruitment made during the year 2022-23			
			(4)				(5)			
			SCs	STs	OBC	EWS	SCs	STs	OBC	EWS
Group-A	55	45	9	3	11	6	2	3	13	4
Group-B	1	0	0	0	0	0	0	0	0	0
Group-C	0	0	0	0	0	0	0	0	0	0
Group-D	0	0	0	0	0	0	0	0	0	0
Total	56	45	9	3	11	6	2	3	13	4

13.5 Employment of Women:

As per the recommendation No.51, Para (ii)(a) of the National Commission for Women (NCW) in its Annual Report for the year 1995-96, the employment position of Women as on 31 March 2023 is given below as directed by the Ministry of Defence, vide their letter Nos. 39(6)/99/D(B&C), dated 27 August 1999.

I. Executives

Grade	No. of Employees	Women	Percentage
I	2	-	-
II	135	23	17.04
III	127	19	14.96
IV	241	34	14.11
V	93	10	10.75
VI	164	14	8.54
VII	33	2	6.06
VIII	7	1	14.29
IX	1	-	-
Functional Directors	3	-	-
CMD	1	-	-
Total	807	103	12.76

* CVO is not included in this report.

II. Non-Executives

Grade	No. of Employees	Women	Percentage
WG-0	-	-	-
WG-1	3	-	-
WG-2	60	11	18.33
WG-3	64	6	9.38
WG-4	125	23	18.40
WG-5	293	18	6.14
WG-6	159	30	18.87
WG-7	200	30	15.00
WG-8	131	16	12.21
WG-9	32	3	9.38
WG-10	101	4	3.96
WG-11	15	-	-
WG-12	559	45	8.05
Total	1742	186	10.68

13.6 Persons with Disabilities (PWD) as on 31 March 2023:

The total number of Physically Challenged employees as on 31 March 2023 is 98 and its percentage to total employees works out to 3.83%.

	HI	LD	VI	Total
Group-A	5	6	12	23
Group-B	0	0	0	0
Group-C	8	19	39	66
Group-D	3	2	4	9
Total	16	27	55	98

HI- Hearing Impaired, LD-Locomotive Disability, VI-Visually Impaired.

14. HUMAN RESOURCE DEVELOPMENT:

During the year under review, your company conducted training programmes to enhance the knowledge, skills, and development of its employees. A total of 839 executives and 393 non-executives participated in these training programmes, covering topics that were knowledge-based, development-oriented, and tailored to meet the company's specific needs. The training programs were conducted both in-house and at external agencies' premises to address both present and future requirements. In total, 6,063 man-days were devoted to training during the financial year 2022-23.

In addition to the regular training programs, your company organized several special training initiatives during the year:

- 1) Mid-Career Development Programme (MCDP): A two-week programme named "Abhyudaya" was launched for mid-level executives who have completed 15 years of service in the company. The programme aimed to transform operational managers into tactical managers. The training content incorporated a Preventive Vigilance Module in line with CVC guidelines. Sessions on missile technology and Industry 4.0 were conducted to align with the company's adoption of Industry 4.0 practices. Furthermore, sessions on "Healthy lifestyle to reduce stress" and "Yoga" were organized to encourage executives to adopt a balanced approach for overall well-being. A total of 81 mid-level executives were trained in the MCDP in two batches during the year 2022-23.
- 2) Induction-cum-Orientation Programme for Management Trainees (MTs): A four-month programme named "Parichay" was organized for the batch of 2022, consisting of 34 MTs. The programme aimed to introduce MTs to the organization and equip them with the necessary knowledge and skills to excel as executives and contribute towards achieving organizational goals. The programme covered various aspects of operations and included interactions with internal and external stakeholders. This comprehensive training nurtured the MTs to become key contributors to the company's success.
Additionally, 25 Technical MTs underwent specialized training at the Defence Institute of Advanced Technology (DIAT), Pune, focusing on missile technology, underwater weapons, sonars, rocket launchers, and related areas.
- 3) On the International Day of Disabled Persons in 2022, an in-house workshop with the theme "UDAAN-Unleashing the power within" was organized for all Persons with Disabilities (PwBDs) at BDL. The workshop featured guest speakers who were specially-abled achievers in their respective fields. It aimed to motivate and inspire PwBDs to excel in their duties.
- 4) A total of 53 women employees received training on "Women Empowerment and Awareness Programme on POSH Act" during the year 2022-23, focusing on promoting gender equality and creating awareness about the Prevention of Sexual Harassment (POSH) Act.
- 5) The Department of Defence Production (DDP), Ministry of Defence (MoD), initiated MISSION RAKSHA GYAN SHAKTI with the primary objective of promoting an intellectual property (IP) culture and encouraging the creation of IP in the defence production sector. In alignment with this initiative, BDL trained 150 employees through a customized online training (COLT) module during 2022-23. The programme, with a duration of approximately 16 hours, concluded with a final assessment consisting of 30 questions to assess understanding and award a course completion certificate. A minimum score of 60% was required to obtain the certificate.

These training initiatives highlight your company's commitment to continuous learning, development, and fostering a conducive work environment that empowers employees to excel in their roles.

15. PARTICULARS OF EMPLOYEES:

There were no employees of the Company who received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further, in accordance with Ministry of Corporate Affairs Notification No. GSR 463(E) dated June 05, 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.

16. FOREIGN VISITS:

Your Company incurred an expenditure of around ₹2.44 Crore during the year under report towards foreign travel for business trips.

17. INDUSTRIAL RELATIONS AND EMPLOYEE WELFARE:

Your company maintains cordial and harmonious industrial relations, thanks to the cooperation and support of all employee sections, including the Recognized Trade Union, associations representing SC, ST, OBC, Ex-Servicemen, and Officers. Statutory and non-statutory committees such as the Works Committee, Safety Committee, Canteen Managing Committee, and Welfare Committee contribute to maintaining discipline in the workplace.

Secret Ballot Elections were conducted simultaneously in all units of Bharat Dynamics Limited on May 6, 2022, by the Labour Department (Central) in Hyderabad to verify the membership of Trade Unions. In the elections, Bharat Dynamics Employees Trade Union Congress (BDETUC) Regd. No. A-4511 secured the majority of votes. Following the recommendations of the Ministry of Labour & Employment, the management has recognized Bharat Dynamics Employees Trade Union Congress (BDETUC) as the representative Union for the workers of the company for a period of two years starting from June 24, 2022.

Your company meticulously follows compliance with statutory welfare provisions. A Post Superannuation Medical Benefit Scheme is in place to address the medical needs of retired employees and their family members. The Recognized Trade Union, along with all the associations, extends full support to the management for the smooth functioning of the organization.

18. SECURITY:

The Central Industrial Security Force (CISF) is responsible for providing security and fire services at both the Kanchanbagh and Bhanur Units. Throughout the year, CISF has played a crucial role in ensuring the security and protection of the company's property. The CISF team has implemented robust security measures, combining physical measures and advanced technology to maintain the security of highly sensitive installations.

To oversee the security arrangements and the implementation of Intelligence Bureau (IB) guidelines, the Plant Security Council is in place. Regular security review meetings are conducted by both the management and CISF to enhance security measures.

In addition to computerized photo identity cards, a Biometric Access Control System has been implemented to prevent unauthorized entry. CCTV cameras are installed throughout the factory premises to expand the coverage of CCTV surveillance. Door frames, metal detectors, and X-ray baggage machines are also utilized. Barricades, boom barriers, and mochas are provided to reinforce physical security measures.

Regular security awareness programs are conducted, along with the observation of Security Week and Fire Week. Employees are sensitized to security threats and educated on the appropriate actions to be taken during emergencies and fire accidents.

19. SAFETY:

Your company places a strong emphasis on maintaining Safety, Health, and Environment (SHE) standards. The Industrial Safety Committee and Explosive Safety Committee meet regularly to monitor SHE practices within the company. Industrial work is carried out in compliance with the Factories Act of 1948, while explosive safety strictly adheres to the regulations set by the Storage & Transport of Explosive Committee (STEC-2017) under the Centre for Fire, Explosive & Environment Safety (CFEES), Ministry of Defence, New Delhi.

The safety committee meetings are held periodically to ensure adherence to statutory norms, and any safety-related issues are reviewed by the General Manager/Unit Head for compliance.

Industrial safety audits are conducted by the Joint Chief Inspector of Factories, Telangana State, and any observations made are duly addressed. Annual explosive safety audits are conducted by the Centre for Fire, Explosive & Environment Safety (CFEES) in New Delhi, and necessary actions are taken based on their observations. The company successfully completed the external Environmental Management System (EMS) certification audit in March 2023, without any non-conformities or observations.

The 52nd National Safety Day Campaign was observed from March 4 to March 11, 2023. Various activities were conducted throughout the week, including the administration of safety pledges at workstations, distribution of safety badges, display of safety day banners, and competitions such as safety slogans, essays, and elocutions in Hindi, Telugu, and English. Safety quizzes and demonstrations on basic first aid and firefighting were also organized as part of safety promotional activities.

In terms of training programs, both in-house and external training sessions are regularly conducted for employees on industrial and explosive safety. Special medical check-ups are carried out for employees working in Electroplating and Canteen areas, while periodic medical check-ups are conducted for employees in other departments. Fire mock drills are performed at regular intervals to ensure preparedness for firefighting situations.

The Safety Engineering Department maintains regular communication with the Inspector of Factories, the Telangana State Pollution Control Board (TSPCB), and the Centre for Fire, Explosive & Environment Safety (CFEES) at the Ministry of Defence, New Delhi, to stay updated on any guidelines or updates for necessary compliance.

20. ENVIRONMENT AND POLLUTION CONTROL:

As per the company's environmental policy, your company is committed to manufacturing and supplying defence products to the Indian armed forces in an environmentally friendly manner. The key environmental commitments include:

- Protecting the environment and preventing all types of pollution.
- Fulfilling compliance obligations.
- Conserving natural resources.
- Continually improving to enhance environmental performance.

All three units of BDL, namely Kanchanbagh, Bhanur, and Visakhapatnam, have been recommended for ISO 14001:2015 (EMS) certification. External auditors conducted an audit from March 6th to March 11th, 2023, to assess pollution levels and compliance with legal requirements as part of the re-certification process. The company has issued a circular to discourage the use of plastics, and e-waste and hazardous waste are disposed of through agencies registered with the Pollution Control Board. Solid waste, such as ferrous and non-ferrous metals, is disposed of through M/s MSTC, a government undertaking. Biomedical waste is also appropriately disposed of through an agency registered with the Pollution Control Board, and proper housekeeping practices are maintained on the premises.

Your company has implemented a Zero Liquid Discharge system, wherein treated water from the effluent treatment plant undergoes additional treatment through reverse osmosis (RO). The RO treated water is then utilized in the Demineralized Water (DM) plant for producing DM Water, which is used in the Electroplating Shop, CNC machines, and flow forming machines in the Workshops. Treated water from the sewage treatment plant is also utilized for gardening purposes within the premises.

Internal audits and surveillance audits are conducted at regular intervals by certification bodies for all units. The disposal of solid and hazardous waste is carried out through certified agencies, and environmental parameters, including ambient air quality, stack quality of DG sets/venturi scrubbers, sewage treatment plants, effluent treatment plants, and noise levels, are tested as per specified frequencies. Additionally, water quantity is monitored using separate water meters, and also electricity consumption is monitored to comply with consent conditions.

By implementing these measures, your company demonstrates its commitment to environmental sustainability and compliance with environmental regulations.

Celebration of WORLD ENVIRONMENT DAY – 2022:

World Environment Day 2022 was celebrated with great enthusiasm at all the units of BDL. To mark the occasion, banners highlighting the importance of environmental conservation were displayed at prominent locations, and saplings were planted on June 6, 2022. Slogan, essay writing, and quiz competitions were organized, focusing on the theme "Only One Earth - Care and Conserve," which emphasizes the need to live sustainably in harmony with nature. Prizes were awarded to the winners during the valedictory function.

As part of the celebrations, Dr. G.V. Ramanjaneyulu, Executive Director from the Centre for Sustainable Agriculture, delivered a guest lecture. The lecture covered various topics related to environmental awareness, such as environment and sustainable agriculture, organic and natural farming practices, building community marketing systems that connect farmer cooperatives directly with consumers, the relationship between food and the environment, climate change emergencies, and managing productive resources.

The celebration of World Environment Day served as a platform to raise awareness about environmental issues and promote sustainable practices, with a focus on preserving and protecting our planet for future generations

Smt. V. Latha, GM (Unit Head-KBU) inaugurated tree plantation at Kanchanbagh. GMs and Senior Executives, Union Representatives and employees also participated in the plantation programme.



Comde Girish Raghunath Pradhan (Retd.), ED (Unit Head-BU) inaugurated tree plantation at Bhanur Unit. GM, AGMs, DGMs, Core Team Members, Trade Union Representatives and employees have participated in tree plantation program on this day.



Sri.S.V.Kameswar, General Manager (VU), has planted the saplings along with AGMs, DGMs and Core Team Members at Visakhapatnam Unit. BDL Visakhapatnam unit also planted 150 saplings in Kakani Nagar near Airport on this occasion.



21. QUALITY:

All production divisions/units including Akash, CP-IGMP, Design & Engineering, Electronics Division of Kanchanbagh Unit, Bhanur, and Visakhapatnam Units are certified with AS 9100D, an aerospace quality management system standard. Kanchanbagh, Bhanur, and Visakhapatnam Units are also certified with ISO 14001:2015 (EMS), which is an environmental management system standard. The Corporate Office is certified with ISO 9001:2015 (QMS), which focuses on quality management systems. The Material Testing Lab, Electronics Lab, and Standard Labs are certified with ISO/IEC 17025:2017, which pertains to the competence of testing and calibration laboratories. The Electronics Division is certified with AFQMS (Air Force Quality Management System). Furthermore, BDL holds the ISO/IEC 27001:2013 certification for information security management systems (ISMS).

Internal audits for all ISO/AS certified divisions are conducted by the company's own internal auditors, while surveillance audits are carried out by certification bodies as per the prescribed frequency. Akash Division of the Kanchanbagh unit has recently been re-certified with the Aerospace standard (AS9100:2016) by M/s Novo Star Management Systems Solutions India Pvt. Ltd., Bengaluru.

In addition to these certifications, your company is committed to continuously improving customer satisfaction through customer meets and interactions with users. Corrective actions are implemented wherever necessary to drive improvement in processes and meet customer expectations.

22. OFFICIAL LANGUAGE (OL) IMPLEMENTATION:

Implementation of the Official Language (OL) Act-1963 (as amended 1967) and its rules are strictly followed by the company. Quarterly OLIC (Official Language Implementation Committee) meetings are regularly held under the Chairmanship of the CMD and Directors, and quarterly progress reports on the use of the official language are submitted to the relevant authorities.

In compliance with the OL Act and Presidential Orders, all papers presented before the Parliament, the Annual Report of the Company, MoU with MoD, and briefs for various Parliamentary Committees and delegations are prepared in bilingual form and submitted.

The First Sub-Committee of the Parliamentary Committee on Official Language inspected and reviewed the OL implementation in BDL-Bhanur Unit on 12th November 2022. The committee, headed by Ramchandra Jangada, appreciated BDL's efforts in implementing the OL.

Inspections on OL implementation in the Bhanur Unit were conducted by the Assistant Director (OL) and Senior Translation Officer from the DDP, MoD on 19th October 2022. The reports received acknowledged the efforts made by BDL.

Hindi Fortnight was celebrated from 14th to 27th September 2022 at the Corporate Office and its units. Various competitions were conducted during the fortnight for the officers and employees of the Corporate Office, Kanchanbagh Unit, Bhanur Unit, and Visakhapatnam Unit. The valedictory program of the Hindi Fortnight was conducted on 27th September 2022 under the chairmanship of the CMD, BDL. Cash awards were presented to the competition winners, as well as to officers and employees who made significant contributions in Hindi throughout the year.

The Town Official Language Implementation Committee of PSUs (TOLIC), Hyderabad, which consists of 48 member offices, was honored with the "Kshetriya Rajbhasha Puraskar" under Region 'C' for best implementation of the official language for the years 2020-21 and 2021-22. The award, which includes the "Rajbhasha Shield," was received by Shri P Radhakrishna, Director (Production), BDL, on behalf of the CMD, BDL and Chairman of TOLIC (U). Shri Homnidhi Sharma, Dy. General Manager (HR-OL) and Member Secretary of TOLIC (U), also received a certificate of merit for his outstanding contribution.



KSHETRIYA RAJBHASHA PURASKAR

BDL is assigned with the functioning of TOLIC (U) with 48 member offices. Regular half-yearly meetings are organized in May and October. During these meetings, the 19th issue of 'PATHIK,' the house journal of the committee, was released, and TOLIC Shield/Trophy/Cup and Best Magazine awards for the year 2021-22 were presented. The meetings were chaired by the CMD of BDL and Chairman of TOLIC (U).

Under the auspices of TOLIC (U), an orientation program on OL was organized for office heads, administrative heads, Hindi officers, and staff members of member offices on 24th December 2022. A joint Hindi workshop for small member offices of the Town Official Language Implementation Committee was organized on 20th January 2023. Additionally, a special online lecture on "अनुवाद में विसर्जन और सर्जन का सिद्धांत" (Lost and found in Translation) was organized on 29th March 2023, with guest speaker Dr. Shrinarayana Singh, a retired director.

On the occasion of the visit of the Hon'ble Raksha Mantri to BDL-Bhanur Unit on 2nd July 2022, all product literature, promotional material, and banners were prepared and made available in bilingual form. Shri Homnidhi Sharma, DGM (HR-OL), served as the master of ceremonies for the programme. During Republic Day, Independence Day celebrations, Vigilance Awareness Week, Swachhata Pakhawada, and Constitution Day, the CMD of the organization addressed the audience in both Hindi and English, and the pledge was taken in both languages.

The company's website in Hindi is regularly updated in compliance with the directives of the Government of India. Officers and employees of the organization participate in Inter PSU Competitions conducted by TOLIC (U) and have won six prizes.

To promote and propagate Hindi and encourage reading habits among the officers and employees, various Hindi magazines and newspapers are regularly subscribed to, and popular Hindi books on all subjects are purchased annually, as per the directives of the Department of Official Language (DOL).

23 VIGILANCE:

23.1 Preventive/ proactive vigilance has been the primary objective of Vigilance Department of the Company. As a part of its proactive vigilance measure, the department has issued 25 Systemic Improvement Suggestions in the areas of e-reverse auction, Recruitment, Departmental Promotion, Reservation, Sensitive Area Rotation, Civil works and Service Contracts, Township Administration etc. and of which many have been implemented by the Management during the year under report. Brief of all the Systemic Improvements have been hosted on BDL website <https://bdl-india.in>.

- 23.2** In furtherance of its preventive vigilance approach, as directed by Hon'ble CVC for institutionalization of preventive vigilance module in PSUs, a 15 days 'mid-career training program' for executives spanning three weeks in the mid-management level has been incorporated into the training calendar of the company for the year under report. A part of this, two batches of executives (each batch consisting 40) have been trained in areas of Preventive Vigilance, Financial Management, Strategic Management, Human Resources, Negotiation Skills, Data Analysis, Preventive Vigilance and Outbound Model Village visit among others.
- 23.3** Being an extended arm of the Central Vigilance Commission (CVC), New Delhi, the department has submitted Various reports (e.g. Monthly, Quarterly, Annual & CTE Type) to the Commission and also to Ministry of Defence and to the Board of the Company. The Department has also issued vigilance clearances to employees in cases of Recruitment, Promotion, Absorption, Confirmation, Foreign visits, for postings in sensitive areas etc. The department has also accorded priority in handling the complaints as per the complaint handling policy of the CVC.
- 23.4** Observation of Vigilance Awareness Week is an integral part of the Vigilance department. As directed by the Central Vigilance Commission, Vigilance Awareness Week (VAW)-2022 with the theme "भ्रष्टाचार मुक्त भारत – विकसित भारत; Corruption-free India for a Developed Nation" was observed across units of Bharat Dynamics Limited from 31.10.2022 to 06.11.2022. The observance of VAW-2022 commenced with Director(Production) Shri.P.Radhakrishna administering 'integrity pledge for citizens' at 11 AM on 31.10.2022 at Corporate Office. Employees of Kanchanbagh Unit, Bhanur Unit, Visakhapatnam Unit and Ibrahimpatnam Unit participated in the ceremony through video-conference and took integrity pledge. This was followed by reading out messages of Hon'ble President of India, Hon'ble Vice-President of India, Hon'ble Prime Minister of India by Directors and message of CVC by CVO to the august gathering. The program was live across units of the Company through video conference. A total of 2725 employees of BDL have taken the Integrity Pledge during observance of vigilance awareness week.



Vigilance Awareness Week-2022 Banner

- 23.5** In order to create awareness on vigilance and the importance of it in day-to-day life, various competitions such as Essay Writing, Elocution, Slogan Writing, Poster/Collage making on issues relating to Anti-corruption were conducted in online mode for employees, spouse and children of employees during the Vigilance Awareness Week-2022.
- 23.6** As a part of Vigilance Awareness Week – 2022, Sensitization programs for employees on matters relating to the Role of CVC, CVO and Vigilance, Complaint Policy of CVC, Disciplinary Proceedings procedure and procurement procedure etc. were conducted across units of the company during the Vigilance Awareness Week-2022. To spread awareness on the theme of "भ्रष्टाचार मुक्त भारत – विकसित भारत; Corruption-free India for a Developed Nation" and to sensitize employees of BDL and public at large, banners on the theme were displayed at conspicuous places across units of the Company and in public places too. To promote citizens to take CVC 'e-integrity pledge', a link of CVC website was hosted in the BDL website. Short telephonic messages were sent to all employees encouraging to be a part of "Vigilance Awareness Week-2022" and to take integrity pledge clicking the link <http://pledge.cvc.nic.in>

23.7 In order to spread awareness about the ill-effect of corruption on society and the importance of self-reliance & integrity in life, a Gram Sabha was conducted on 02.11.2022 at Yadgarpally Village, Keesara Mandal, Telangana wherein 300 citizens including farmers, workers of MGNREGA, women, school students were present. Dr. Upender Vennam, CVO administered 'integrity pledge for citizens' to the gathering in Telugu language and spoke about the importance of observance of Vigilance Awareness Week. Village Sarpanch, Shri P. Raju spoke on this occasion and emphasized on the responsibility of citizens towards nation building. Other Gram Panchayat members present in the Gram Sabha also addressed the gathering. A Skit with anti-corruption message was organized during the event.

23.8 A Vendor Meet was organized by Corporate Commercial Dept. of BDL on 01.11.2022 at Bhanur Unit, wherein, vendors from across India were invited to be a part of business prospects of BDL and more than 175 vendors were participated. Shri P Radhakrishna, Director (Production) inaugurated the meet and spoke on the importance of contribution of vendors in the success of BDL. Company's Independent External Monitors Shri J K Khanna, IPS (Retd.) and Shri A Seshagiri Rao, IRSSE (Retd.) participated in the meet through video-conferencing and addressed the gathering. On this occasion, CVO, Dr. Upender Vennam administered 'integrity pledge for citizens' to vendors and emphasized on Multiple Vendor Development to reduce dependency, increase competitiveness and to ensure transparency and accountability. ED (Head-Bhanur Unit), GM (VU), GM (Head-KBU), GM (TSD & REF) were present in the meet and addressed the gathering. An online vendor payment module was also launched by Director (Production) during the meet.

23.9 A Walkathon was organized by Bhanur Unit at Bulkapur village on 01.11.2022 to spread the messages to public on anti-corruption. CVO, Dr. Upender Vennam and Cmde G R Pradhan (Retd.), ED (Bhanur Unit) flagged off the walkathon at Bulkapur along with village representatives and participated in the walkathon. A Grama sabha was organized in the village and public were apprised of the need to ensure integrity in their day-to-day life. Placards and banners with slogans on ill-effects of corruption were displayed.



"CHETANA"- annual vigilance newsletter released during valedictory function of VAW-2022 by Chief Guest Shri Mahesh Bhagwat, IPS, Commissioner of Police, Rachakonda Police Commissionerate, Telangana

23.10 The observance of Vigilance Awareness Week-2022 concluded with a valedictory function organized on 07.11.2022 at Kanchanbagh Unit of the Company. Shri Mahesh Bhagwat, IPS, Commissioner of Police, Rachakonda Police Commissionerate, Telangana graced the occasion as Chief Guest and delivered a key note address to the employees. Shri Mahesh Bhagwat shared his experience with the audience and emphasized on how un-checked corrupt activities ruin entire country. The program was attended by Directors, CVO and other senior executives. The dignitaries motivated the employees to practice ethical behavior at all times and contribute towards Organization and Nation building.

24. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY:

Your company has zero tolerance approach to bribery and corruption. Your company prohibits all forms of bribery and corruption whether involving, but not limited to Government Officials or a Private Sector persons or Company and whether directly or indirectly. The Board of Directors had approved a policy on Anti-Bribery and Anti-Corruption and the same was hosted on website of the Company <https://bdl-india.in/sites/default/files/2023-01/2023-02/ACAB%20Policy.pdf>

25. BOARD OF DIRECTORS:

25.1 The Board of Directors of the Company comprises Functional Directors, Government Nominee Directors and Independent Directors (i.e Non Official Part Time Directors) who are appointed by the Government of India from time to time. Further, the tenure and remuneration of Functional Directors including Chairman and Managing Director are decided by the Government of India through Public Enterprises Selection Board/Search Committee. The Government communication also indicates the detailed terms and conditions of their appointment including a provision for the applicability of the relevant rules of the Company.

25.2 The Government Nominee Directors are not entitled to any remuneration/sitting fee. The Independent Directors (i.e. Non Official Part Time Directors) are entitled to sitting fees for attending the Board/Committee meetings as approved by the Board, in line with the government directives, statutory acts, rules and regulations.

25.3 Independent Directors (i.e. Non Official Part Time Directors)

The Ministry of Defence, Government of India vide its letter No. No.DDP-M0001(11)/1/2018/D(BDL) dated 24.02.2023 appointed one new Independent Director viz., Shri. Jashwant Lal as Part-time Non-Official Directors w.e.f 24 February 2023 for a period of three years or until further orders whichever is the earliest.

Statement on declaration by Independent Directors:

Independent Directors have given declarations u/s 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down u/s 149 (6) of the said Act.

25.4 During the year, the Ministry of Defence, Department of Defence Production, Government of India, through its Office Memorandum No.8 (32)/2019-D (Coord/DDP) dated 14.09.2022, appointed Shri. Anurag Bajpai, JS (DIP), as the Part-Time Official Director (Government Director) on the Board of the Company, replacing Shri. Chandraker Bharti. The Board acknowledges and appreciates the valuable contributions made by Shri. Chandraker Bharti during his tenure.

25.5 During the year, Shri. N.P Diwakar, Director (Technical), superannuated on 31 August 2022, and his term as Director on the Board of BDL concluded upon his superannuation. The Board expresses its gratitude for the valuable contributions made by him during his tenure. The Ministry of Defence, Department of Defence Production, Government of India, through its Office Memorandum No.DDP-M0001(11)/04/2021-D(BDL) Pt.1 dated 29.12.2022, appointed Cmde A. Madhavarao as Director (Technical) in place of Shri. N.P. Diwakar. Cmde. A. Madhavarao assumed the position of Director (Technical) with effect from 02 January 2023.

25.6 Cmde.Siddharth Mishra, Chairman & Managing Director, superannuated on 31 March 2023, and his term as Director on the Board of BDL concluded upon his superannuation. The Ministry of Defence, Department of Defence Production, Government of India, through its Office Memorandum No.M0001(24)/1/2022-D(BDL) dated 31.03.2023, assigned the additional charge of CMD, BDL to Shri. P. Radhakrishna, Director (Production) w.e.f 01 April 2023 to 30 June 2023. The Board expresses its appreciation for the valuable contributions made by Cmde. Siddharth Mishra during his tenure.

25.7 In accordance with the provisions of Section 152 of the Companies Act, Shri. N. Srinivasulu, Director (Finance), retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

25.8 Number of Meetings of Board:

During the year 2022-23, Six (6) Board Meetings were held on 26 May 2022, 12 August 2022, 26 September 2022, 11 November 2022, 07 February 2023 and 31 March 2023.

25.7 Performance Evaluation:

The provisions of Section 134(3)(p) of the Companies Act, 2013 relating to evaluation of Board of Directors do not apply to your Company since necessary exemptions are provided to all government companies. Further, similar exemptions were granted to your Company by Securities Exchange Board of India (SEBI) under the provisions of SEBI (Listing Obligations and Disclosure Requirements {LODR}) Regulations, 2015 vide their letter No. SEBI/HO/CFD/DIL1/OW/P/2018/1679/1 dated January 17, 2018.

26. DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 134(3)(C) and 134(5) of the Companies Act, 2013 as amended, the Directors state that:

- (i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.

- (ii) The Directors had selected such accounting policies and applied them 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 as at 31 March 2023 and of the profit of the Company for the year ended on that date.
- (iii) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Directors have prepared the annual accounts on a going concern basis.
- (v) Directors have laid down internal financial controls which are being followed by the Company and that such internal financial controls were adequate and operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

28. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Material changes and commitments affecting the financial position of the company which have occurred between 31 March 2023 and date of signing of this Report are - Nil.

29. AUDIT COMMITTEE:

During the year 2022-23, Four Audit Committee meetings were held to review 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.

30. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT:

30.1 Pursuant to the provisions of Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications/amendments issued by Ministry of Corporate Affairs & DPE guidelines, the Company has undertaken various activities as per the CSR Policy. The programmes/initiatives/projects are taken up in line with the Schedule-VII of the Companies Act-2013, which are duly incorporated in CSR policy and forms the guiding principle for all our programmes. The Board of Directors of your Company has Board Level Committee on Corporate Social Responsibility and Sustainable Development (CSR & SD) (please refer Corporate Governance Report) in line with the provisions of Section 135 of the Companies Act, 2013. The Committee has formulated and recommended CSR Policy to the Board indicating the projects/activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

30.2 Your Company has been very conscious about its responsibilities towards society. Your Company has also ventured into backward/ under developed areas in Andhra Pradesh and Telangana to undertake Corporate Social Responsibility (CSR) activities by sponsoring various schemes.

30.3 The core areas of focus under CSR are Health Care, Nutrition, Education & Literacy, Skill Development & Sustainable Livelihoods, Sanitation, Safe Drinking Water etc. Your company also adopted villages in Andhra Pradesh and Telangana State under Corporate Social Responsibility initiative and the focus is on the necessities of human life—health, water and other conveniences.

30.4 The CSR and SD activities are monitored periodically by the Committee and a detailed annual report on CSR and SD activities undertaken during the year 2022-23 is enclosed as **Annexure-I**.

30.5 During the year 2022-23, the CSR & SD obligation was ₹1212.14 lakh. Against the target, the company has incurred an expenditure of ₹1319.32 lakh and achieved 100% CSR target amount required under the provisions of Companies Act, 2013. CSR activities being undertaken are placed on Company's website <https://bdl-india.in/sites/default/files/2022-09/CSR.pdf>

31. RISK MANAGEMENT:

The Company has a Board approved Risk Management Policy. The policy aims at elimination or reduction of risk exposures through identification and analysis of various types of risks and facilitating timely action for taking risk mitigation measures. The policy envisages that all programs, project reviews will highlight the progress of risk mitigation plans till the closure and signing off the mitigation plans.

Pursuant to the Reg. 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report.

32. ANNUAL RETURN:

In accordance with the provisions of the Companies Act, 2013, Annual Return of the Company for the year under report is available on the Company's website <https://bdl-india.in/annual-reports>

33. RELATED PARTY TRANSACTIONS:

There are no materially significant related party transactions during the year under review which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. Members may refer to the notes to the accounts for details of related party transactions.

The policy for related party transaction has been uploaded on the Company's website <https://bdl-india.in/sites/default/files/2023-06/Policy%20on%20Related%20Party%20Transactions.pdf>

34. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement

35. INTERNAL CONTROL SYSTEMS:

Your Company had put in place all required internal controls and systems to meet the canons of financial propriety. External audit firms are appointed to ensure their adequacy and report thereon. Detailed analysis of reports of Internal Audit Firms as well as reports of Internal Audit Department of your Company is placed before the Audit Committee for its review and advice. The adequacy of internal control procedures are reviewed and reported by Statutory Auditors in their Audit Report. The necessary disclosures have been made in Notes to Accounts. Your Company being a Government Company is subject to Government Audit also.

36. AUDITORS:

Statutory Auditor:

M/s.G.Natesan & Co., Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for the financial Year 2022-23 by the Comptroller & Auditor General of India. The Auditors have audited the Accounts and does not contain any qualification, reservation or adverse remarks

The Auditors' Report on the financial statements for the financial year 2022-23 and the Comments of Comptroller and Auditor General of India (C&AG) under Section 143 (6) of the Companies Act, 2013 are appended to the Annual Report.

Cost Auditor:

Your Company appointed M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors for the FY 2022-23 for the audit of the cost records of the Company. The Company maintains cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of its manufacturing activities.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), the Company has appointed M/s.Narender & Associates, Practicing Company Secretaries (PCS Registration No.5024) for the financial year 2022-23 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as **Annexure-II**.

37. CEO / CFO CERTIFICATION:

As per the requirements of SEBI Listing Regulations and DPE Guidelines, the CEO/CFO certificate has been obtained and placed before the Audit Committee and the Board.

38. REPORTING OF FRAUDS BY AUDITORS:

During the year, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee/Board under Section 143(2) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board's Report.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report required under the SEBI (LODR) Regulations, 2015 and also under the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), is attached to this Report as **Annexure III**.

40. CORPORATE GOVERNANCE:

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

40.2 The Company has a well-established, transparent and fair administrative set up to provide for professionalism and accountability.

40.3 As per the guidelines on Corporate Governance for CPSEs issued by DPE vide its OM No. 18 (8)/2005-GM, dated 14 May 2010 and in terms of the SEBI (LODR) Regulations, 2015, Report on Corporate Governance along with Certificate on compliance of conditions on Corporate Governance from a Practicing Company Secretary are attached to this report as **Annexure-IV**.

40.4 Quarterly and Yearly compliance reports on Corporate Governance are being forwarded to Stock Exchanges and MoD in the prescribed format. Your Company received "Excellent" rating from MoD for compliance of Corporate Governance under DPE Guidelines for the year 2022-23.

41. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified in the Company. In line with the Guidelines received from time to time, necessary actions have been taken to prevent Sexual Harassment of Women at Workplace. The BDL CDA Rules applicable to Officers and the Certified Standing Orders applicable to Workmen have the required provisions in this regard. The Internal Complaints Committees as per Section 4 of the Act have been put in place. During the year 2022-23, your Company has not received any Sexual harassment complaints.

42. COMPLIANCE UNDER THE RIGHT TO INFORMATION ACT, 2005:

The information required to be provided to citizens under Section 4(1)(b) of Right to Information Act, 2005 is placed on Company's Website <https://bdl-india.in/sites/default/files/2023-05/Information%20on%20BDL%20Mandatory%20disclosures%20in%20Accordance%20with%20RTI%20May%202023.pdf>. It contains general information of the Company, functions, powers and duties of employees/officers, decisions making process, rules, regulations, manuals and records held by the Company, directory of the Company's Officers, pay scales of officers/ employees and procedure for seeking information and inspection of records. The Company has nominated a Central Public Information Officer of Senior Manager Level to attend to queries and appeals. Further, during the year 2022-23 Company received 190 applications/queries, out of which 188 applications are disposed-off except for 2 (Two) RTI queries which are under process. Further 18 appeals are received and disposed-off by Final Appellate Authority.

43. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Pursuant to the provisions of the Section 177(9) of the Companies Act, 2013 read with Rule (7) of the Companies (Meeting of the Board & its Power) Rules, 2014 (as amended) and DPE Guidelines for CPSEs, the Board of Directors had approved the policy on Whistleblower/Vigil Mechanism and the same was hosted on website of the Company https://bdl-india.in/sites/default/files/2020-01/Whistle%20blower%20Policy%20%26%20Vigil%20Mechanism_0.pdf. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee.

44. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility and Sustainability Report ("BRSR report") as part of the Annual Report based on market capitalization. In terms of amendment to regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, SEBI has introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR).

Your Company has prepared a comprehensive policy framework for BRSR report, after studying the SEBI (LODR) Regulations, 2015 requirements and keeping in view the business and governance environment in which BDL as a Defence PSU operates. The Company's BRSR report for the financial year 2022-23 is appended to the Annual Report.

45. DIVIDEND DISTRIBUTION POLICY:

In terms of SEBI (LODR) Regulations, 2015 (as amended), dividend distribution policy has been adopted by your company to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining the profit into the business. The policy is available on the BDL's website https://bdl-india.in/sites/default/files/2020-01/Dividend%20Distribution%20Policy_0.pdf

46. ACKNOWLEDGEMENT:

46.1 Your Directors gratefully acknowledge and express their appreciation for the cooperation extended and guidance provided by various Government Agencies, including the Ministry of Defence, DPSUs, Department of Defence Production, DRDO Laboratories, Central Government Departments, State Governments of Telangana and Andhra Pradesh, Quality Assurance Agencies of the Government of India, and other PSUs. Their support has been invaluable to the Company, and your Directors are grateful for the assistance received from them on various occasions.

46.2 The Company would like to extend its sincere appreciation to the Comptroller & Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Statutory Auditors, Bankers, and Suppliers for their cooperation, support, and guidance. Their contributions have been instrumental in ensuring the smooth functioning and financial integrity of the Company.

46.3 The Directors take this opportunity to express their deep appreciation for the valuable contributions and cooperation of the employees at all levels. Their dedication, hard work, and commitment have played a crucial role in propelling the Company to greater heights and sustaining its growth trajectory. The Directors recognize and acknowledge the employees' efforts and extend their gratitude for their continued support in the future.

For and on behalf of the Board



P Radhakrishna
Director (Production) &
Chairman & Managing Director (Addl. Charge)
DIN: 08437975

Place : Hyderabad
Date : 25 May 2023

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

BDL is concerned and conscious about its responsibilities towards society. The company has its CSR policy aligned with provisions of The Companies Act 2013 and is spending 2% of the average net profits of the immediate three preceding financial years towards CSR activities. BDL shall strive to fully exploit its core competence and mobilize its resource abilities in the implementation of CSR activities, also to align Corporate Social Responsibility to extend possible strategies and shall select such CSR activities which can be better monitored through in-house expertise. The company would endeavor to adopt and integrated approach to address the community, societal and environmental concerns by taking up a range of following activities which shall be taken up strategically in project mode in focused manner to the extent possible. The core areas of focus under CSR are Healthcare, Nutrition, Education & Literacy, Skill Development and Sanitation etc. BDL as per DPE Guidelines, has also ventured into Aspirational Districts / under developed areas in Telangana and Andhra Pradesh to undertake Corporate Social Responsibility (CSR) activities. Our commitment to these CSR activities is unwavering and will continue to work towards making a positive impact on the society.

CSR Provision for the FY 2022-23 is ₹ 1212.14 lakh. The details of the projects executed during 2022-23 are as follows:

(₹ In Lakh)

S.No.	Description	Expenditure
1	Mid day meal program through Akshaya Patra Foundation Govt. School Children of TS & AP	172.33
2	Purchase order is placed for four oxygen Generator Plants with an estimated cost of ₹400 lakh, to be installed in four Govt. Hospitals viz., Military Hospital, Secunderabad, ESIC Medical College Hospital, Hyderabad, Chevella Hospital and Vikarabad Govt. Hospital	94.4
3	Smart Class rooms in Government schools of Vizianagaram District (Aspirational Dist.), AP	20
4	Contribution to College of Defence Management, MoD, Hyderabad	20
5	Establishment of Molecular Oncology Dept - Procurement of Equipment at MNJIO & Regional Cancer Centre, Hyderabad TS	70
6	Fitment of Cochlear Implants to the Children with Hearing Impairment through ALIMCO of Telangana and Andhra Pradesh State	251.25
7	Distribution of Aids & Appliances including Artificial Limbs & Calipers to the Persons with Disabilities (PwDs) in Aspirational Districts of Telangana State	12.5
8	Awareness creation and supplying of Sanitary Napkins to Girl Students of Govt. Schools in Ranga Reddy Dist., Telangana State	70
9	Smart Class Rooms in Vizianagaram (Aspirational Dist.), AP	100
10	Dokra Craft development Project in Asifabad (Aspirational Dist.), TS	14.4
11	Terracotta Handicraft Development Project in Asifabad (Aspirational Dist.), TS	12
12	Construction of ZP Model High school at Bhanur Village, Sangareddy Dist. TS	58.84
13	Distribution of Dual Desks through Central Prisons to Govt. Schools in Bhadradi Kothagudem (Aspirational Dist.) & Sangareddy Dist., TS	99.9
14	Contribution to Pradhan Mantri TB Mukth Abhiyan in Jayashankar Bhupalpally & Mulugu (Aspirational Dist.) TS	34.93
15	Stipend paid to the Apprentices (i.e over and above of 2.5% minimum mandate under Apprentice Act, 1961)	250.0
16	Har Ghar Tiranga	5.36
17	Administrative Overheads	30.39
18	Military Madhavaram Village, West Godavari Dist., AP	3.02
TOTAL		1319.32

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Rajendra Singh Shekhawat	Chairman of the Committee / Independent Director	4	4
2	Shri. Sunil Chintaman Mone	Member of the Committee / Independent Director	4	4
3	Prof. (Dr) Sangamitra Mishra	Member of the Committee / Independent Director	4	4
4	Shri. Nanda Kumar Subburaman	Member of the Committee / Independent Director	4	3
5	Dr. Pawan Sthapak	Member of the Committee / Independent Director	4	3
6	Shri. P. Radhakrishna	Member of the Committee / Director (Production)	4	4

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://bdl-india.in/sites/default/files/2023-07/Board%20approved%20CSR%20Projects%20for%20the%20FY%202023-24.pdf>

4. Provide the executive summary along with web-link (s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable (attach the report).

- (i) Impact Assessment of the CSR Projects for the FY 2018-19 completed and available on website <https://bdl-india.in/reports>
- (ii) Impact Assessment of the CSR Projects for the FY 2019-20 not done as 55% (approx) of the CSR provision contributed towards PMCARES.
- (iii) Impact Assessment of the CSR Projects for the FY 2020-21 is in progress.
- (vi) Impact Assessment of the CSR Projects for the FY 2021-22 & FY 2022-23 is yet to be assessed

5. (a) Average net profit of the company as per section 135(5) - ₹ 60894.44 Lakh
- (b) Two percent of average net profit of the company as per section 135(5) - ₹ 1217.89 lakh
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
- (d) Amount required to be set off for the financial year, if any - ₹ 5.75 lakh
- (e) Total CSR obligation for the financial year [(b+c-d)]. - ₹ 1212.14 lakh
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing project) - ₹ 1288.94 lakh
- (b) Amount spent in Administrative Overheads - ₹ 28.19 lakh
- (c) Amount spent on Impact Assessment, if applicable - ₹ 2.20 lakh
- (d) Total amount spent for the Financial Year [(a+b+c+)] - ₹ 1319.32 Lakh

(e) CSR amount spent or unspent for the financial year:

Total amount spent for the FY (in ₹).	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per sub-section(6) of section 135		Amount transferred to any fund specified under Schedule VII as per second provision to Sub-section (5) of Section 135		
	Amount (in ₹)	Date of Transfer	Name of the fund	Amount (in ₹)	Date of Transfer
₹ 1319.32 Lakh	Nil	N/A	Nil	Nil	N/A

(f) Excess amount for set-off, if any,

Sl.No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1212.14 lakh
(ii)	Total Amount spent for the financial year	1319.32 Lakh
(iii)	Excess Amount spent for the financial year (ii)-(i)	107.18 lakh
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous Financial years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	107.18 lakh

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-section (6) of Section 135 (in ₹)	Balance Amount to Unspent CSR Account under Sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount Transferred to a fund as specified under Schedule VII as per second provision to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount in (₹)	Date of Transfer		
1	2021-22	NIL	NIL	NA	NA	NA	NA	NA
2	2020-21	NIL	NIL	NA	NA	NA	NA	NA
3	2019-20	NIL	NIL	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset (s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
1	Oxygen Generation Plant (960 lpm)	501503	18 June 2022	₹ 94.4 lakh	CHC, Chevella, Ranga Reddy District Telangana Health Department, Telangana State
2	ZP Model High School	502305	22 July 2022	₹ 58.84 lakh	District Education Officer, Sanga Reddy District, Telangana State

9. Specify the reasons(s) if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: N/A

For and on behalf of the Board



P Radhakrishna
Director (Production) &
Chairman & Managing Director (Addl. Charge)
DIN: 08437975



Rajendra Kumar Shekhawat
(Chairman CSR Committee).
DIN: 09449860

Place : Hyderabad
Date : 25 May 2023



Social Welfare Building at Vizianagaram inaugurated by Director (Finance)



Govt. School Children Enjoying Mid-Day Meal



Cochlear Implantation to Hearing Impaired Child



Awareness creation and supplying of Sanitary Napkins to Girl Students of Govt. Schools at Ranga Reddy Dist. TS



Dual Desks Distributed to Govt. Schools at Bhadradi Kothagudem (Aspirational District), Telangana State



ZP High School Inaugurated by the then CMD, BDL Cmde Siddharth Mishra at Bhanur Village, Sanga Reddy District, Telangana State



ANNEXURE - II



NARENDER & ASSOCIATES

Company Secretaries

403, Naina Residency, Srinivasa Nagar (East), Ameerpet, Hyderabad - 500 038
Off: 040-40159831, 23730801, E-mail: narenderg99@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

To,
The Members
Bharat Dynamics Limited
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Dynamics Limited** (hereinafter referred as 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]*
 - (d) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]*
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]*
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]*
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]*



- (vi) Guidelines on Corporate Governance for Central Public Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meetings
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) read with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015
- (iii) We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- i. The Company has complied with the provisions of the above provisions of Act, Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/circulars /guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary, if any
1	Reg.17(1) of SEBI (LODR) Regulations, 2015 and Section 149 of the Act: Non-compliance with the requirements pertaining to the composition of the Board, half of the Board is not	The Company did not comply with the requirement of having atleast half of the board of directors comprising of independent directors as the Chairperson is executive. The non-compliance was from 01 st April, 2022 to 31 st August, 2022 and	*As on 31 st March, 2023, the Company has complied with the requirements under Reg. 17(1) of SEBI (LODR) Regulations, 2015 and section 149 of the Act. However, the Company did not comply with requirement of having atleast half of the board of directors comprising of independent directors as the Chairman is executive for the



	independent	02 nd January, 2023 to 23 rd February, 2023.	period from 01 st April, 2022 to 31 st August, 2022 and 02 nd January, 2023 to 23 rd February, 2023.
2	Reg.23 of SEBI (LODR) Regulations, 2015: Late submission of related party transactions disclosure	Delay in filing of related party transactions disclosure	Fine was imposed upon the company by considering the date of submission of report in PDF mode, irrespective of the fact that the same shall be required to be submitted in XBRL mode only, for which XBRL utility was not provided by the stock exchanges in a timely manner. Thereafter, the fine was reversed to the company vide letter No. NSE/LIST-SOP/REG/REVERSAL/0381 dt. 05 April 2023.

***Note:** It is hereby observed that the Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointments including remuneration, evaluation etc., vests with the Government of India (GoI).

- ii. Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with the agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.



We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

for Narender & Associates
Company Secretaries



G. NARENDER
Proprietor
FCS 4898, CP 5024

Place: Hyderabad
Date: 22.05.2023
UDIN: F004898E000348626

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

'Annexure - A'

To,
The Members,
Bharat Dynamics Limited
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The compliance of the provisions of various Environmental Laws, Labour Laws and other applicable laws, rules, regulations, standards is the responsibility of management and the Management has confirmed the compliance of all the provisions of enactments referred herein above.
7. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**for Narender & Associates
Company Secretaries**



**G. NARENDER
Proprietor
FCS 4898, CP 5024**

Place: Hyderabad
Date: 22.05.2023

ANNEXURE -III

MANAGEMENT DISCUSSION & ANALYSIS

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include government's strategy relating to acquisition of Defence equipment, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

1. BHARAT DYNAMICS LTD – AN OVERVIEW

Headquartered in Hyderabad, Bharat Dynamics Limited (BDL), was incorporated on 16 July, 1970 as a Public Sector Undertaking under Ministry of Defence, Government of India.

Over the years, BDL has evolved as one among few industries in world having state-of-the-art facilities for manufacture and supply of Guided Missiles, Underwater Weapons, Air-borne products and allied defence equipment for Indian Armed Forces. BDL also offers Product Life Cycle Support for all equipment supplied and also refurbishment / life extension of vintage Missiles already available in the inventory of the Indian Armed Forces. While fulfilling its basic role as guided weapon system manufacturer, BDL has also built-up in-house R&D capabilities primarily focused on Design & Engineering activities.

BDL is relentlessly working to contribute its part towards creation of a self-reliant India or "Atmanirbhar Bharat" in the area of Defence. The Company is endeavouring to forge alliance with foreign companies to take the 'Make in India' mission further. Thrust is being given to engage with Original Equipment Manufacturers (OEMs) for new missiles and underwater weapons with potential Transfer of Technology. BDL has forayed into international market by offering its products to foreign countries. The order book of Exports stands at ₹ 2586 Crore as on 01 April 2023.

1.1 Indian Defence Industry

India, the second largest armed forces in the world and the third largest military spender, has positioned itself as a key player in the global defence industry. With the country's defence budget accounting for 2.15% of the total GDP, the Indian government has identified the Defence and Aerospace sector as a priority area for the 'Atmanirbhar Bharat' or Self-Reliant India initiative. This initiative focuses on establishing indigenous manufacturing infrastructure supported by a robust research and development ecosystem.

The Indian Defence industry aims to design, develop, and manufacture cutting-edge sensors, weapon systems, platforms, and associated equipment for the military. The government has launched various initiatives to promote self-reliance in Defence Manufacturing, with the goal of enhancing domestic production and making India a net exporter in the field. In FY 2022-23, over ₹2.71 lakh crore worth of procurement has been approved, with 99% of it sourced from Indian industries. This substantial increase in indigenous procurement will strengthen Indian industries and contribute to the vision of an 'Atmanirbhar Bharat.'

A record 75% of the defence capital procurement budget (approximately ₹ one lakh crore) has been allocated for the domestic industry in FY 2023-24, up from 68% in the previous year. This announcement was made by the Hon'ble Raksha Mantri Shri Rajnath Singh during the Bandhan ceremony at the 14th Aero India in Bengaluru on February 15, 2023. The Bandhan ceremony witnessed the forging of 266 partnerships, including 201 MoUs, 53 major announcements, nine product launches, and three Transfers of Technology, collectively valued at around ₹80,000 crore.

In recent years, there has been a growing focus on enhancing defence exports, reducing imports, and achieving self-reliance in the field. India's defence manufacturing sector has recorded increased production, with figures reaching US\$11.85 billion in FY22 compared to US\$10.9 billion in FY21. Additionally, India's defence production stood at ₹17,885 Crore (US\$2.24 billion) in FY 2022-23 (until August 1, 2022). The Government of India has formulated a Defence export strategy to facilitate Defence

Public Sector Undertakings (DPSUs) and private defence players in exploring international business opportunities. India has set a target of exporting defence equipment worth ₹35,000 crore (\$5 billion) by 2025 and has witnessed significant growth in defence exports, which increased by 334% in the last five years and reached a record ₹13,000 crore in FY 2021-22. Presently, India exports defence equipment to over 75 countries.

In the Union Budget 2022-23, there has been a substantial increase in capital allocations for the modernisation and infrastructure development of the Armed Forces, amounting to ₹1.52 lakh crore. This represents a 12.82% increase of ₹17,308 crore over FY 2021-22. Furthermore, the cumulative increase in the Capital Budget since 2019-20 has been ₹48,975 crore (47.37%). For FY 2023-24, the Ministry of Defence (MoD) has been allocated a total budget of ₹5.94 lakh crore, accounting for 13.18% of the total budget (₹45.03 lakh crore). The capital outlay for modernisation and infrastructure development has been increased to ₹1.63 lakh crore. These increased allocations reflect the government's commitment to sustainable enhancement in modernisation and infrastructure development, aligned with the objectives of 'Atmanirbhar Bharat'.

(Source: www.mod.gov.in; Press information bureau; and other documents.)

1.2. Indigenization

The Government of India has implemented various policy initiatives under the 'Make in India' programme to promote indigenous design, development, and manufacture of defence equipment in the country, aiming to reduce reliance on imports. These initiatives include prioritizing capital item procurement from domestic sources, announcing 18 major defence platforms for industry-led design and development, implementing 'Positive Indigenisation Lists' with import embargoes, simplifying industrial licensing and FDI policies, launching the iDEX scheme for start-ups and MSMEs, reforms in off-set policy with thrust on attracting investment & transfer of technology and establishing Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu.

The Ministry of Defence (MoD) has notified four Positive Indigenisation Lists (PIL) comprising 411 major weapons platforms/systems with import embargoes. Additionally, three Positive Indigenisation Lists have been notified for DPSUs, consisting of 2851 items (1st PIL), 107 items (2nd PIL), and 780 items (3rd PIL) of sub-systems/assemblies/components of DPSUs with import embargoes. BDL has a share of 50 items in the 1st list, 4 items in the 2nd list, and 2 items in the 3rd list. Moreover, over 26,000 defence items have been uploaded on the SRIJAN Portal by MoD and offered to the Industry for indigenisation. As of December 2022, 7031 items have already been indigenised, contributing to both domestic and global markets. The defence imports have reduced from 46% to 36.7% since 2018-19.

As part of Bharat Dynamics Limited's (BDL) contribution to Atmanirbhar Bharat, the company focuses on indigenising technology for self-reliance from the start of any contract. BDL manufactures missiles under Technology of Transfer (ToT) from DRDO and from foreign OEMs. Through indigenisation initiatives, BDL has achieved indigenisation levels of 80% to 90% in many products in the case of Foreign OEMs designed products, and in the case of DRDO designed products the indigenisation level is more than 90% in most of the products. BDL continues its efforts to achieve higher levels of indigenisation for all products.

Under the 'Make in India' scheme, BDL has taken specific initiatives to achieve self-reliance in defence equipment production:

- Implementation of Make-II procedure: BDL has implemented the Make-II procedure, empowering the company to take up projects for indigenisation of items regularly imported. The Integrated Material Manual has been amended to incorporate the indigenisation of components and spares of BDL products.
- SRIJAN Portal: BDL has uploaded 1187 items on the MoD's SRIJAN portal for indigenisation. Vendors have shown interest in 413 items, and 36 sanction orders have been placed.
- Products developed under Make-II: BDL is designing and developing a 3rd generation indigenous Anti-Tank Guided Missile (ATGM) as a Make-II project under the Indian IDDM category of DDP 2020.

2. REVIEW OF BDL'S BUSINESS

The company operates in an environment characterised by both increasing complexity in factors influencing national security and continuing economic challenges in India and globally. A significant component of BDL's outlook in this environment is to focus on execution, improving standards and quality and predictability of the delivery of our products to the Indian Army. BDL also continues to invest in technologies to fulfil the requirements of the Indian armed forces and also invest in its people so that the Company has necessary technical skills to succeed without limiting its ability.

2.1 BDL's Products

Surface to Air Missile/ Air to Air Missile	ATGMs	Torpedoes	Launchers	Counter-measures	Test Equipment
Akash Weapon System	Milan2T	Light Weight Torpedoes	Launchers for Konkurs-M & MILAN 2T ATGMs	Counter Measures Dispensing Systems and Underwater decoys	Functional monitoring equipment for ATGMs & SAMs
Medium Range SAM	Konkurs-M INVAR	Heavy Weight Torpedoes			
Astra Weapon System					

2.2 Manufacturing facilities

The Company has three manufacturing facilities located in Hyderabad, Bhanur and Vishakhapatnam. All the manufacturing facilities have been certified with ISO 14001:2015 Environmental Management System (EMS). All production Divisions are certified to AS 9100D Standard for Aerospace Quality Management System. The Corporate Office located at Hyderabad is certified with ISO 9001:2015 (Quality Management System). Electronics Labs of MILAN Division and BHANUR Unit have been accredited for ISO / IEC 17025: 2005 (NABL) Certification in the discipline of Electro-Technical calibration of Electronic Measuring Equipment. Material Testing Lab of Bhanur Unit has been accredited for ISO / IEC 17025: 2005 (NABL) Certification in the field of testing.

Information Security Management System (ISMS) of BDL Kanchanbagh & Bhanur units have been re-certified with ISO/IEC 27001:2013 by the certification body M/s AQC Middle East LLC, Noida

The Company is in the process of setting up of additional manufacturing facilities at Ibrahimpatnam (near Hyderabad), Amravati in Maharashtra and Jhansi in UP which will be used to manufacture SAMs (including new generation Missiles), VSHORADs rockets and propellants for various ATGMs.

2.3 Order Book

Our current order book as on 01 April 2023 is about ₹20054 Crore.

2.4 Financial Performance

i) Performance of the Company in financial terms is summarized below:

S. No	Particulars	₹ in Crore		% of Increase/ (Decrease)
		2022-23	2021-22	
i)	Sales/Revenue from Operations	2489	2817	(11.64)
ii)	Value of Production	2508	2902	(13.58)
	a) Import Material consumed	345	271	27.31
	b) Indigenous Material consumed	865	992	(12.80)
	Total Material Consumed	1210	1263	(4.20)
iii)	Value Added	1298	1639	(20.81)
iii)	Profit Before Tax	482	710	(32.11)
iv)	Profit After Tax	352	500	(29.60)
v)	Earnings per share# (in Rupee)	19.22	27.28	(29.55)

EPS has been calculated based on profits excluding the other comprehensive income.

ii) Following data reflect the financial position of the Company:

Particulars	₹.in Crore		% of Increase/ (Decrease)
	2022-23	2021-22	
Gross Block (Exl. CWIP)	1416	1451	(2.41)
Accumulated Depreciation	607	577	5.20%
Net Block	809	874	(7.44)
Working Capital (Net)	5394	2942	83.34%
Capital Employed	3155	2973	6.12%
Net Worth	3211	3031	5.94%

* Figures have been reclassified and regrouped, wherever necessary.

iii) Key Financial Ratios:

In accordance with the SEBI (LODR) Regulations, 2015 the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in the following key sector specific financial ratios along with the detailed explanations there for:

Particulars	FY 2022-23	FY 2021-22	Change (in %)	Explanation for change of 25% or more
Debtors Turnover Ratio (times)	10.19	8.99	13	-
Inventory Turnover Ratio (times)	1.43	1.85	(23)	-
Interest Coverage Ratio (times)	Nil	Nil	Nil	
Current Ratio (times)	3.45	2.14	61	Increased due to higher bank balances on account of advances against new orders received during the year
Debt Equity Ratio (times)	Nil	Nil	Nil	
Operating Profit Margin (%)	13.11	21.25	(38)	Decreased due to lower turnover on account of supply chain disruptions and change in product mix
Net Profit Margin (%)	14.15	17.74	(20)	
Return on Net worth (%)	11.28	17.49	(36)	Decreased due to lower turnover on account of supply chain disruptions and change in product mix.

iv) All the applicable Accounting Standards are followed except IND-AS-108 relating to Segment reporting keeping in view of the nature of business and the sensitive nature of the disclosure. Further, the Ministry of Corporate Affairs vide their Notification No. SO-802(E) dated 23.02.2018, have exempted Companies engaged in defence production from the applicability of said IND-AS-108. However, such non-disclosure does not have any financial effect on the accounts of the Company.

2.5 Company Objectives

- To become self-reliant and competitive in Guided Missiles and Underwater Guided Weapon Technology and Production.
- To maximize utilization of existing production capacities.
- To become a prime competitor in the world market and export products to friendly countries.

2.6 Opportunities & Threats

Opportunities

- BDL's multiple years of expertise in manufacturing various defence equipment coupled with its advanced facilities enable the company to expand its market in India and abroad.
- BDL has an experienced senior management and staff having vast experience in defence equipment manufacturing.
- Increased thrust on defence indigenisation under the "Make in India" policy has thrown up more opportunities for BDL.
- BDL has a strong supply chain comprising of technically qualified vendors and suppliers to ensure timely delivery of materials.
- BDL's primary customer is Ministry of Defence, Government of India (GoI). The GoI has been allocating increased budget for acquiring defence equipment.
- The opening up of export market and 'ease of doing business' have facilitated the Company to execute export orders successfully in the recent times and receive more enquiries from other countries.

Threats

- Slowdown in the economic activities and lower defence budget by GoI could adversely impact BDL's business.
- Higher dependency on single customer i.e. Ministry of Defence (MoD)
- Cancellation of orders can weaken the order book and future revenue.
- Opening up of the Defence sector.

2.7 Key Strategies

Key strategies of BDL are aimed at enhancing the company's market position by expanding capabilities, capitalising on opportunities in domestic and international markets, and enhance the company's competitive advantage focusing more on indigenisation.

To achieve our strategic goals, the Company would focus on the following:

2.7.1 Expanding Infrastructure: The Company would continue to invest in infrastructure. The upcoming manufacturing facilities at Ibrahimpatnam, Jhansi & Amravati will enable the company to cater to the growing demand of its customers. These manufacturing facilities shall be utilised to manufacture SAMs including a new generation of SAMs, VSHORAD missiles respectively. BDL established Seeker Facility Centre, Warheads Production Facility, Surface Mount Technology and High Performance Computing Facility at its Hyderabad unit. BDL also established state of the art Environmental Test facility at Vizag unit.

2.7.2 Automation: BDL has been constantly upgrading its manufacturing technologies and processes to state-of-the-art including industry 4.0, Robotics operated workshops, latest Surface Mounted Devices assembly lines and maintains highest quality standards in its products by adopting to best QA practices like AS 9100, Zero defect, etc. The pursuit results into reduction in production cost, benchmarking of productivity norms and modernization of management system and less dependence on imported technology. The Company intends to automate its production systems where feasible to increase the productivity.

2.7.3 Focus on Research & Development: The Company believes that the recent changes to the government policies allowing private sector companies to participate in defence contracts will provide significant competition. In order to address these challenges, BDL intend to increase its R&D activities to develop innovative products to its customers. BDL's R&D expenses have also grown up significantly over the past few years. The Company believe that development of new products will enable it to diversify its offerings and mitigate product dependencies. In this direction, BDL, adding to its existing range of products, has launched three new products during Bandhan Ceremony at DefExpo-2022. Further during the Aero India - 2023 at Bengaluru another three new products were launched

The Company has also established the missile development group with the objective to design and develop missiles. BDL is striving to develop Artificial Intelligence based products. Thrust is also being given to efforts towards Innovation of in-house developed products. Synergy is being maintained between the industry and academia to sustain balance between experience and knowledge industry.

- 2.7.4 Improving Processes:** The Company also intends to carry out process improvements, with the aim of improve our productivity and efficiency of its operations and thereby lower costs.
- 2.7.5 New Generation Weapons:** BDL intends to leverage its experience to develop weapons such as new generation SAMs, ATGMs, Air to Air Missile System, heavyweight torpedoes and Drone Delivered Bombs which will enable the Company to further increase its revenues. BDL is also the joint development partner-cum production agency with the DRDO for the next generation of ATGMs, Air to Air Missile and SAMs. BDL has also entered into several MoUs and non-disclosure agreements with various companies for developing new products and transfer of technologies.
- 2.7.6 Exports:** BDL primarily caters to the requirements of the Indian armed forces. With encouragement from Government of India, BDL is actively exploring export markets. Further, with the Cabinet Committee on Security (CCS) clearing regarding clearance of Akash Weapon System for Export to nine countries, BDL is geared up to take up the export orders. BDL has already received export orders from few friendly countries and the export order book position is ₹2586 Crore as on 1 April 2023. BDL is therefore set to expand its customer base in the international market. BDL has adequate production facilities to cater to the domestic as well as export demand for its products. BDL is consistently pursuing with potential overseas customers for export of its products.

3. RISKS AND CONCERNS:

Various risks identified with mitigation plans includes risks related to industry, increased market competition, time to market, decline or recession in market segments and product and product inputs prices, cost control and change demand risks. Also risks related to environment, health and safety, IT, R&D, intellectual property and new technical demands such as digitalization/smart industry are high on the agenda and proactively mitigated, managed with identified improvement activities and followed up on regularly.

- 3.1 Business Risk:** The company primarily dependent on a single customer, the Indian armed forces through the Ministry of Defence, Government of India (MoD). A decline or reprioritization of the Indian defence budget, the reduction in their orders, termination of contracts or failure to succeed in tendering projects and deviations in the short term and long term policies of the MoD or the Indian armed forces in the future will have a material adverse impact on our business, financial condition, and results of operations, growth prospects and cash flows. BDL also operates in evolving markets where a level playing opportunity is given to private sector which makes it difficult to evaluate its business and future prospects.

Having rich expertise in this business and a well-established infrastructure, Company has ability to handle adverse situations and also geared up to face competition from private sector. Further in order to expand the customer base, BDL is actively exploring export markets with the encouragement from the Government of India.

- 3.2 Policy Risk:** The company is subject to a number of procurement rules and regulations of the MoD, Government regulations and other rules and regulations. The Company's business could be adversely affected in case of any sudden and unforeseen changes in the applicable rules. Restrictions on current and future export of the products and other regulations could adversely affect BDL's business, results of operations and financial conditions

Company is complying with all rules and regulations as per the policies of Government of India and is also taking necessary precautions in advance where possible in anticipation of any changes in the rules.

- 3.3 Operational & Labour Risk:** The company's operations are based out of three units in Telangana and Andhra Pradesh. The loss of, or shutdown of, BDL's operations at any of its units in Telangana and Andhra Pradesh will have a material adverse effect on Company's business, financial condition and results of operations. Some of BDL's workforce is represented by labour unions so the Company's business could be harmed in the event of a prolonged stoppage of work

The Company always continues to maintain cordial relations with all the employees and as such does not foresee material adverse effects in this regard.

- 3.4 Supplier/Service Provider Risk:** Company is dependent on multiple key Original Equipment Manufacturers ("OEM") for subassemblies / components, single source suppliers and sub-contractors. Any failure on the performance of any of them could have a material impact on Company's operations

BDL is continuously striving to expand its vendor base and sufficiently safeguarded with liquated damage clause in case of any failure on the performance. BDL is also developing multiple vendors where single source suppliers are currently existing across its programmes to reduce its dependence and continuity in the programme.

3.5 Technology Risk: BDL manufactures products that incorporate advanced technologies. The introduction of new products and technologies involves risks and the Company may not realize the degree or timings of benefits initially anticipated.

The Company has further activated its own Research & Development department and started increasing its investment in R&D to encounter technology risks. In addition to this, the Company is also concurrently works with DRDO in development of several projects.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has implemented comprehensive internal controls and systems that are appropriate for its size and the nature of its business, in order to uphold financial propriety. It has established documented policies and procedures for various functions including Purchase, Sub-contract, Works contract, Accounting, HR, IT, and Security, as well as Sub-delegation of Powers. These policies and procedures are regularly reviewed and updated to align with the evolving business environment.

To ensure the effectiveness of internal controls, the company maintains an in-house Internal Audit Department comprising qualified professionals. The Internal Audit Department is responsible for monitoring and assessing the adequacy and effectiveness of the organization's risk management, control, and governance processes. The scope of the Internal Auditor's work is approved by the Audit Committee of the Board. Additionally, external audit firms are appointed to provide independent assurance and to report on the company's financial statements. The reports from both the Internal Audit Department and the external audit firms are carefully analysed and reviewed by the Audit Committee for their recommendations and guidance.

The company remains committed to adopting global best practices in its processes and controls, aiming to achieve the highest level of Corporate Governance. Continuous efforts are made to enhance internal controls and align them with international standards, ensuring transparency, accountability, and effective risk management.

5. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

5.1 The manpower strength of the Company as on 31st March 2023 is as under:

Particulars	Non-Executives	Executives	Temporary	Total
Male	1556	704	7	2267
Female	186	103	4	293
Total	1742	807	11	2560
Previous Year	1838	824	12	2674

During the year, the Company conducted various training programs for both Executives and Non-Executives, totalling approximately 1419 participants and 6063 training Mandays. These programs aimed to provide knowledge-based, development-oriented, and need-based training to meet the present and future requirements of the Company. The training sessions were conducted in-house as well as at external agencies' premises.

In addition to regular training programs, the Company organized special activities and training programs, including:

- Mid-Career Development Programme (MCDP): A two-week MCDP with the theme "Abhyudaya" was launched on 26.10.2021. This program targeted mid-level executives, specifically Managers, Senior Managers, and Deputy General Managers, who had completed 15 years of service in the Company and had more than a year of remaining service. The MCDP focused on capability building, managerial excellence, workplace ethics, and the transition from an operational role to a managerial role. The programme also incorporated a module on Preventive Vigilance in line with CVC guidelines. The Preventive Vigilance sessions aimed to brainstorm and ideate on ethical dilemmas, conflict of interest, reducing discretion, technology as an enabler, e-governance, and transparency. Group presentations were made before an Expert Panel, which provided feedback to the groups. A total of 81 mid-level executives were trained in two batches during FY 22-23.
- In-house Workshop on International Day of Disabled Persons: A one-day workshop with the theme "UDAAN – Unleashing the power within" was organized on 02.12.2022 for all Persons with Benchmark Disabilities (PwBDs) of BDL. The workshop featured guest speakers who were specially-abled achievers in their respective fields. The workshop aimed to motivate and inspire PwBDs to excel in their duties.

- c) Online Training Programme on Workplace Communication Skills: A 40-hour online training programme on workplace communication skills was initiated on November 01, 2022, specifically for Executives in Grade II to IV who had more than 10 years of remaining service. The training programme was conducted in collaboration with “The Hindu Group” as the knowledge partner. Each participant was provided with a user license and login ID/password, which remained valid for 90 days. A total of 286 Executives in Grade II to IV benefited from this training initiative.

These initiatives and special training programmes aimed to enhance the knowledge, skills, and capabilities of employees, enabling them to perform their roles effectively and contribute to the Company’s success.

5.2 Industrial Relations

The Company places great importance on maintaining positive working relations between management and trade unions, striving to create a congenial environment within the organization. In line with this commitment, the Central Labour Department conducted a Verification of membership of Trade Union through Secret Ballot Elections during the year. As a result, Bharat Dynamics Employees Trade Union Congress (BDETUC) was awarded recognition for a period of 2 years starting from 24.06.2022.

The management, in collaboration with the recognized trade union, establishes and maintains effective procedures for negotiation, consultation, and communication regarding the terms and conditions of employment. These procedures aim to ensure the speedy settlement of disputes and foster a harmonious work environment. The recognized trade union acts as the representative of the employees in consultations and negotiations with the management, specifically in matters related to industrial relations and employment.

Through these collaborative efforts, the Company strives to create a framework for open dialogue, mutual understanding, and the resolution of issues in a fair and transparent manner. By promoting strong working relations with the trade unions, the Company aims to foster a conducive and productive work atmosphere for its employees.

6. ENVIRONMENTAL MEASURES:

The company is committed to contributing to a clean and green environment by integrating best practices that promote sustainability and environmental responsibility. A systematic approach is followed, focusing on implementing cleaner technologies and adopting the principles of recycle, reuse, and reduce.

To ensure environmental protection, the company operates effluent treatment plants and sewage treatment plants. These facilities play a vital role in treating and managing wastewater and sewage generated by the company’s operations. Additionally, the company actively engages in various environmental conservation activities such as water conservation, tree plantation, proper disposal of hazardous waste and metal scrap, and landscaping. These initiatives contribute to preserving natural resources and reducing the environmental impact of the company’s activities.

The company emphasizes the efficient utilization of resources by utilizing treated effluent water and domestic water in its operations. This approach helps in conserving water and reducing the strain on freshwater sources. Regular assessments of pollution levels and environmental performance are conducted through ISO 14001 core team meetings, internal audits, and management review meetings. These activities ensure ongoing monitoring and improvement of the company’s Environmental Management System.

Furthermore, annual surveillance audits are conducted at all three units of the company to evaluate the effectiveness of the Environmental Management System. This systematic review process helps identify areas for improvement and ensures compliance with environmental regulations and standards.

Through these concerted efforts, the company aims to minimize its environmental footprint, promote sustainable practices, and contribute to a cleaner and greener environment for the benefit of present and future generations.

7. FOREIGN EXCHANGE CONSERVATION

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

8. FUTURE OUTLOOK

BDL is experiencing significant growth, as evidenced by the impressive order book position of ₹20054 Crore as on 01 April 2023. In the coming years, the order book position is expected to grow further, as several orders are under various stages of finalization. The thrust on exports continues to remain an area of focus for the Company. Efforts are being made to convert leads received from friendly foreign countries into firm orders. It is expected that the continuous efforts of BDL in realising new orders will see the company record additional order of ₹ 25000 crore in next 2 to 3 years.

The Government of India's emphasis on Atmanirbharta (self-reliance) has significantly boosted the company's efforts towards achieving self-sufficiency. In the current fiscal year, BDL has taken several steps in this direction. The establishment of a Warhead Manufacturing facility and a Seeker manufacturing facility at Units positions BDL as a comprehensive provider of missiles and their subsystems

Furthermore, the company is actively pursuing indigenization efforts to reduce reliance on foreign sources for critical items. The construction work for the upcoming Unit at Jhansi in the UP-Defence Corridor is progressing rapidly. Once operational, this unit will manufacture 122 mm GRAD Rockets and propellants for various types of next-generation ATGMs.

BDL is also prepared to manufacture state-of-the-art VSHORADS (Very Short Range Air Defence System) and Laser Beam Riding Missiles under a Transfer of Technology (ToT) agreement with M/s Thales, UK, as part of the 'Make in India' program.

The company has signed Memorandums of Understanding (MoUs) with several foreign Original Equipment Manufacturers (OEMs), which will usher new opportunities for growth and bring new technologies into the country. Some notable companies include MBDA, France M/s Dassault Aviation Pvt Ltd, France M/s Thales Belgium and Barij Dynamics LLC ("Al Tariq"), Abu Dhabi, United Arab Emirates for potential projects of Al Tariq PGM Kits in India. Additionally, BDL has entered into an agreement with M/s Bultexpro Ltd, Bulgaria for the production of 122 mm GRAD BM ER and NON ER rockets in India.

BDL is actively collaborating with DRDO for various technology transfer programs and has signed a Licensing Agreement for Transfer of Technology (LAToT) with DRDO for the manufacturing of Ceramic Radomes.

In terms of quality assurance, BDL aims to obtain Green Channel certification from customer inspection authorities for its programs in a phased manner. The company has already received certification for one of its products and will work towards obtaining similar certifications for other products across the company.

With a strong order book, growing demand in the international market, and the assimilation of new technologies, BDL is poised to become a global leader in missile and weapon system manufacturing in the years ahead.

For and on behalf of the Board



P Radhakrishna
Director (Production) &
Chairman & Managing Director (Addl. Charge)
DIN: 08437975

Place : Hyderabad
Date : 25 May 2023

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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. In keeping with its professional approach, the Company is implementing the precepts of Corporate Governance in letter and spirit.

In keeping with its professional approach, the Company is implementing the precepts of Corporate Governance in letter and spirit.

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.

Your Company is in compliance with the requirements of the Corporate Governance standards as stipulated under SEBI (Listing obligations and disclosure requirements) Regulations, 2015 (as amended) (hereinafter referred to as 'Listing Regulations') and the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises-2010 (hereinafter referred to as 'DPE Guidelines').

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of the Companies Act, 2013, your Company is a 'Government Company' as 74.93% of the total paid up capital is being held by President of India as on 31 March 2023.

The Board of Directors headed by the Executive Chairman and Managing Director (CMD) is the apex body which oversees the functioning of the Company. The Board provides long-term vision and strategic thinking in order to improve the quality of governance

As on 31 March 2023, the Board of Directors of the Company consists of four Whole Time Directors including Chairman and Managing Director, two Part-time Official Directors (Government Nominee Directors) and Six Part-time Non-Official Directors (Independent Directors).

Your Company being a Government Company, the appointment/tenure of all Directors is done by the President of India, through the Ministry of Defence, Govt of India. Directors are not inter-se related to each other.

b) Details of the Members of the Board during the year are as follows:

A)	Functional/Whole-Time Directors (Executive)	Designation
1)	Cmde. Siddharth Mishra (Retd.)	Chairman & Managing Director
2)	Shri. N.P.Diwar *	Director (Technical)
3)	Cmde. A. Madhavarao(Retd.) \$	Director (Technical)
4)	Shri. P. Radha Krishna	Director (Production)
5)	Shri. N.Srinivasulu	Director (Finance) & CFO
B)	Part-Time Official Directors (Non-Executive-Non independent)	
1)	Shri. Chandraker Bharti IAS, JS (Aero) #	Government Nominee Director
2)	Shri. Anurag Bajpai, JS (DIP) #	Government Nominee Director
3)	Dr. BHVS Narayana Murthy, DG (MSS) & DS	Government Nominee Director

C) Part-Time Non-Official Directors (Non-Executive-Independent)	
1) Shri. Sunil Chintaman Mone	Independent Director
2) Shri. Nandakumar Subburaman	Independent Director
3) Dr. Pawan Sthapak	Independent Director
4) Prof. (Dr.) Sanghamitra Mishra	Independent Director
5) Shri Rajendra Singh Shekhawat	Independent Director
6) Shri Jashwant Lal ^	Independent Director

* Shri. N.P.Diwakar was superannuated on 31 August 2022.

\$Cmde A Madhavarao vide MoD, Office Memorandum No. DDP-M0001(11)/04/2021-D(BDL) Pt.1 dated 29.12.2022 took charge as Director (Technical) with effect from 02nd January 2023.

#Ministry of Defence, Department of Defence Production, Government of India vide its Office Memorandum No. 8 (32)/2019-D (Coord/DDP) dated 14.09.2022 has appointed Shri Anurag Bajpai, JS (DIP) in place of Shri. Chandraker Bharti IAS, JS (Aero) w.e.f 14 September 2022.

^Appointed as Independent Director vide Ministry of Defence letter No. DDP- M0001(11)/1/2018/D(BDL) dated 24/02/2023 with effect from 24 February 2023.

c) The details of Board composition and their attendance at Board Meetings during the year and last AGM are provided hereunder

During the year 2022-23, six (6) Board Meetings were held and the maximum interval between any two meetings was complied with in terms of SEBI Regulations and Companies Act. The Board Meetings were held on 26 May 2022, 12 August 2022, 26 September 2022, 11 November 2022, 07 February 2023 and 31 March 2023. Required information is made available to the Board for its information/decision making. 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 2022-23 etc., are furnished as follows:

Name of Directors	Board Meetings		Attendance At last AGM held on 26 Sep 2022	No. of other directorships held ⁽²⁾	Name of the Listed entities where Directors are on Board		No. of Committee membership across all companies ⁽³⁾	
	No. of Board Meetings held during respective tenure of Directors	No. of meetings attended			Name of the Listed Company	Category of Directorship	As Chairman	As Member
Functional/Whole-Time Directors (Executive)								
Cmde. Siddharth Mishra (Retd.),CMD	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director & Chairman	0	0
Shri. N.P. Diwakar Director (Technical) (Ceased w.e.f 31 Aug 2022)	2	2	NA	Nil	Bharat Dynamics Ltd	Executive Director	0	0
Cmde. A. Madhavarao(Retd.) Director (Technical) (Appointed w.e.f 02 Jan 2023)	2	2	NA	Nil	Bharat Dynamics Ltd	Executive Director	0	0
Shri.P.Radhakrishna Director (Production)	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director	0	0
Shri. N.Srinivasulu Director (Finance) & CFO	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director & CFO	0	1

Name of Directors	Board Meetings		Attendance At last AGM held on 26 Sep 2022	No. of other directorships held ⁽²⁾	Name of the Listed entities where Directors are on Board		No. of Committee membership across all companies ⁽³⁾	
	No. of Board Meetings held during respective tenure of Directors	No. of meetings attended			Name of the Listed Company	Category of Directorship	As Chairman	As Member
Part-Time Official (Government) Directors (Non-Executive-Non independent)								
Shri. Chandraker Bharti (Ceased w.e.f 14 Sep 2022)	2	2	NA	1	Bharat Dynamics Ltd	Non-Executive Non Independent Director	0	0
					Hindustan Aeronautics Ltd	Non-Executive Non Independent Director		
Shri Anurag Bajpai (Appointed w.e.f 14 Sep 2022)	4	4	No	1	Bharat Dynamics Ltd	Non-Executive Non Independent Director	0	0
					Mazagon Dock Shipbuilders Limited	Non-Executive Non Independent Director		
Dr. BHVS Narayana Murthy	6	5	No	Nil	Bharat Dynamics Ltd	Non-Executive Non Independent Director	0	0
Part-time Non-Official Director (Non-Executive-Independent)								
Shri Sunil Chintaman Mone	6	6	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	1	1
Prof. (Dr.) Sanghamitra Mishra	6	6	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	0	2
Shri Rajendra Singh Shekhawat	6	6	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	0	2
Shri Nandakumar Subburaman	6	5	Yes	2	Bharat Dynamics Ltd	Non-Executive Independent Director	1	1
					PVP Ventures Limited	Non-Executive Independent Director		
					Picture house Media Ltd	Non-Executive Independent Director		
Dr. Pawan Sthapak	6	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	0	2
Shri Jashwant Lal (Appointed w.e.f 24 Feb 2023)	1	1	NA	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	0	0

Note:

- (1) None of the Directors of the Company/Key Managerial Personnel had any pecuniary relationship with the Company during the year. None of the Directors are related to each other and there are no inter-se relationships between the directors.
- (2) Directorship in other Companies excludes directorships in private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

- (3) Pursuant to Regulation 26 of SEBI (LODR) Regulations 2015, the Chairmanship/Membership of Audit Committee and Stakeholders' relationship Committee are considered for the purpose of number of other Committees memberships across all Companies. No Director is a member in more than ten Committees or Chairman of more than five Committee across all companies in which he/she is a Director. None of the Directors of the Company serves as Director in more than seven listed Companies and none of the Independent Directors of the Company serves as an Independent Director in more than seven listed Companies. None of the Whole Time Directors/Managing Director of the Company serves as Independent Director in more than three listed Companies.
- (4) Shri.Nandakumar, Independent Director holds 65 shares of BDL. No other Director of the Company holds any shares and/or convertible instruments in the Company.
- (5) The Company has received declarations on criteria of independence as prescribed in Section 149 (6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations from the Independent Directors of the Company as on March 31 2023 and based on the declarations received from the Independent Directors, the Board of Directors confirms that the Independent Directors fulfill the criteria of Independence specified in SEBI (LODR) regulations and are independent of the management and no Independent Director resigned before expiry of his/her tenure.

d) Board Skills/Expertise/Competence:

BDL being a Central Government Public Sector Enterprise, the appointment, competence, tenure and remuneration of Directors are decided by the Government of India. The skills/expertise/competencies as required in the context of business(es) & sector(s) pertaining to the Company are identified by the Government of India and accordingly selection of Directors on the Board of the Company is made by the Government as per its own process. The desirable qualification and experience of the incumbents are as per the requirement of functional areas i.e. Finance, Operations, Technical, Human Resource and Marketing. At the time of recruitment of the Functional Directors, job description, desirable qualification & experience of candidates are sent to the Public Enterprise Selection Board through the administrative Ministry for announcement of vacancy and recruitment of candidates.

As such all the Directors have adequate skills/expertise/competencies as per the context of its business(es) and sector(s) for it to function effectively.

e) Review of Compliance of Laws:

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2022-23. There was no significant or material order passed during the year by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

f) Familiarization/Training of Board Members:

At the time of induction of an Independent Director(s), a welcome letter is addressed to Director(s) along with details of duties and responsibilities required to be performed as a Director in addition to the compliances required from him under the Companies Act, 2013, the Listing Regulations and other applicable Regulations. The Management of the Company familiarizes the newly appointed Director(s) about the Company, its operations, various policies and processes of the Company, various divisions of the Company and their role and responsibilities, the governance and internal control processes and other relevant important information concerning the Company. Directors are also regularly encouraged and sponsored for attending important training programmes relating to Board related practices and orientation programmes etc. conducted by various institutes of repute. The details of Familiarization programmes imparted to the Independent Directors during the year 2022-23 are placed in the website of the Company and can be accessed at <https://bdl-india.in/sites/default/files/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

g) Certificate from Company Secretary in Practice

M/s. Puttaparthi Jagannatham & Co., Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority as on 31 March 2023.

3. MANDATORY COMMITTEES OF THE BOARD:

A) AUDIT COMMITTEE:

The composition of the Audit Committee is in line with Section 177 of Companies Act 2013 (the Act), Regulation 18 of the Listing Regulations, and DPE Guidelines.

During the year, four (4) meetings of the Audit Committee were held on 26 May 2022, 12 August 2022, 10 November 2022 and 06 February 2023. The composition of the Committee during the year 2022-23 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Shri. Sunil Chintaman Mone, Chairperson	Non-Executive Independent Director	4	4
2	Prof. (Dr.) Sanghamitra Mishra, Member	Non-Executive Independent Director	4	4
3	Shri. Rajendra Singh Shekhawat, Member	Non-Executive Independent Director	4	4
4	Shri. Nandakumar Subburaman, Member	Non-Executive Independent Director	4	4
5	Dr. Pawan Sthapak, Member	Non-Executive Independent Director	4	3

The Company Secretary acts as the Secretary of the Committee

Functional Directors (other than CMD) are invited as Permanent Special Invitees and representatives of Statutory Auditor and external Chartered Accountant Firms doing Internal Audit Work will attend the meeting on invitation. All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairperson of the Audit Committee attended the 52nd Annual General Meeting of the Company.

Terms of Reference:

The Audit Committee complies with the terms of reference as enumerated under the applicable provisions under the Companies Act, 2013, Listing Regulations, DPE Guidelines as amended from time to time. Some of the important functions performed by the Audit Committee are as follows:

- 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;
- recommendation to the Board for fixation of remuneration to the auditors;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference as stated in Schedule II Part C of SEBI (LODR) Regulations 2015;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequently modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company wherever it is necessary;
- reviewing with the management, the performance of the Statutory Auditors and Internal Auditors, adequacy of the internal control systems
- evaluation of internal financial controls and risk management systems
- appointment and removal of Internal Auditors and determining the scope of Internal Audit in consultation with the internal auditors
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors and/or auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- review observations of statutory, internal and government auditors and provide recommendations based on the same;
- to review the follow up action on the audit observations of the C&AG audit

- 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;
- to look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors).
- to review the functioning of the whistle blower mechanism
- to review the follow up action taken on the recommendations of the Committee on Public Undertakings (COPU) of the Parliament.
- to review cases of procurement from a single source.
- to review the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/advances/investments.

B) NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in line with Section 178(1) of the Companies Act, 2013 and Reg.19 of the Listing Regulations and DPE Guidelines.

During the year, one (1) meeting of the Nomination and Remuneration Committee was held on 10 November 2022. The composition of the Committee during the year 2022-23 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Prof. (Dr.) Sanghamitra Mishra Chairperson	Non-Executive Independent Director	1	1
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	1	1
3	Shri. Rajendra Singh Shekhawat Member	Non-Executive Independent Director	1	1
4	Shri. Nandakumar Subburaman Member	Non-Executive Independent Director	1	1
5	Dr. Pawan Sthapak Member	Non-Executive Independent Director	1	1

The Company Secretary acts as the Secretary of the Committee.

Terms of reference:

The terms of reference of the Committee is as follows:

- To identify persons who may be appointed in senior management (i.e., Executive Director) in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees.
- To recommend all remuneration payable to Senior Management (i.e. Members of Management one level below CEO/ MD/WTD/Manager Incl. CEO/Manager, if not part of Board of Directors)
- Decide on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives.
- Formulation and modification of schemes for providing perks and allowances for Executives.
- Any new scheme of compensation to Executives and Non-Executives as the case may be
- Exercising such other roles as may be assigned to it by the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other law and their amendments from time to time

Remuneration Policy /Details of Remuneration to all Directors:

- BDL 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 indicates the detailed terms and conditions of their appointment, including the period of appointment, basic pay, scale of pay, dearness 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.
- Chairman and 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.
- The Part-time Official Directors (i.e. Government Nominee Directors) are generally from the Administrative Ministry and their term is co-terminus with the term of the respective position held by them in Government at the time of appointment on the Company's Board or until further orders. They are not entitled for any remuneration/sitting fees.
- The Part-time Non-Official Directors (i.e. Independent Directors) are appointed by Government of India for a period of 3 years or until further orders whichever is earlier. They are entitled to sitting fees for attending the Board/Committee meetings as prescribed by the Board in adherence with the Govt. directives/statutory rules and regulations. The Board at its meeting held on 21st June 2021 enhanced the sitting fees payable to the Independent Directors to ₹25,000/- per sitting for attending the Board Meetings and ₹15,000/- per sitting payable in respect of Board Level Committee Meetings. The Company has reviewed the sitting fee to be paid to the independent directors and the same is in compliance with the DPE OM No.F.No.9(23)/2014-MGMT dated 16 December 2019. The details of the sitting fees paid to the Independent Directors for attending the Meetings during the year 2022-23 are given below:

Name of the Independent Director	Amount (₹)
Shri. Sunil Chintaman Mone	3,30,000
Shri. Nandakumar Subburaman	2,90,000
Prof. (Dr.) Sanghamitra Mishra	3,30,000
Shri. Rajendra Singh Shekhawat	3,30,000
Dr. Pawan Sthapak	2,75,000
Shri Jashwant Lal	25,000

- The details of remuneration of Functional Directors & KMP, paid during the year 2022-23 is as follows: -

(Amount in ₹)

Name of Director/KMP	Designation	Salary	Perquisites	VL Encashment	Company Contribution To PF & Incremental Gratuity / Leave/ Pension-Exe Scheme & PSMB II	Incentive	Total
Cmde Siddharth Mishra (Retd)	CMD	45,50,099	9,34,757	19,79,868	9,88,055	11,09,476	95,62,255
Shri NP Diwakar*	Director (Technical)	14,48,780	3,02,595	25,87,863	5,22,500	7,80,940	56,42,678
Cmde. A. Madhavarao (Retd.)**	Director (Technical)	10,90,342	2,19,133	-	2,67,044	-	15,76,519
Shri P Radhakrishna	Director (Production)	34,39,389	7,06,540	2,90,020	13,08,395	7,24,931	64,69,275
Shri N Srinivasulu	Director (Finance) & CFO	32,48,622	6,67,314	2,25,134	11,70,585	4,76,697	57,88,352
Shri. N Nagaraja	Company Secretary	17,43,045	3,59,041	4,40,211	-	1,15,168	26,57,465

* Ceased w.e.f 01 September 2022

**Appointed w.e.f 02 January 2023

- f. Stock Options: - The Company has no Stock Option plans/schemes approved by the Board/Shareholders.
- g. The Company does not pay any commission to its Directors. Apart from receiving the sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year 2022-23.
- h. The provisions of Section 134(3)(p) of the Companies Act, 2013 and Reg.17 & 19 of listing regulations relating to evaluation of Board of Directors do not apply to your Company since necessary exemptions are provided to all government companies. Further, similar exemptions were granted to your Company by Securities Exchange Board of India (SEBI) under the provisions of SEBI (Listing Obligations and Disclosure Requirements {LODR}) Regulations, 2015 vide their letter No. SEBI/HO/CFD/DIL1/OW/P/2018/1679/1 dated 17 January 2018. MCA has also exempted Government Companies from formulating policy relating to remuneration of Directors required under Section 178 of the Companies Act, 2013.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee is in line with Section 178 of the Companies Act, 2013 and Reg. 20 of the Listing Regulations and DPE Guidelines.

During the year, one (1) meeting of the Stakeholders Relationship Committee was held on 06 February 2023.

The composition of the Committee during the year 2022-23 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Shri. Nandakumar Subburaman Chairperson	Non-Executive Independent Director	1	1
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	1	1
3	Prof. (Dr.) Sanghamitra Mishra Member	Non-Executive Independent Director	1	1
4	Shri. Rajendra Singh Shekhawat Member	Non-Executive Independent Director	1	1
5	Dr. Pawan Sthapak Member	Non-Executive Independent Director	1	1
6	Shri. N Srinivasulu, Director (Finance) Member	Executive	1	0

The Company Secretary acts as the Secretary of the Committee.

Terms of reference:

- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review measures for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

The Company has appointed Company Secretary as Compliance Officer of the Company. His contact details are as follows

Shri. N. Nagaraja
Company Secretary & Compliance Officer
Bharat Dynamics Limited
Plot No.38-39, TSFC Building
Near ICICI Towers, Financial District
Gachibowli, Hyderabad-500032
Telephone No.: 040-23456145
E-mail ID: investors@bdl-india.in

The Company endeavor to reply to the complaints within a period of 3 working days. In terms of Regulation 46(2) (j&k) of the Listing Regulations, the name and designation of Compliance Officer and other relevant details are placed on the Company's web-site bdl-india.in. Further, M/s.Alankit Assignments Ltd., the Share Transfer Agent of the Company (STA), is authorized to monitor the on-line complaints placed on SEBI Complaints Redress System (SCORES).

In terms of Regulation 13(4) of the Listing Regulations, a quarterly statement on investor complaints received and redressal thereof, as submitted with BSE and NSE, are placed before the Board for information. Accordingly, the status of total investor complaints and redressal thereon during the year are as follows:

No. of complaints pending beginning of the year:	0
No. of complaints received during the year:	9
No. of complaints resolved during the year:	9
No. of complaints pending resolved at the end of the year:	0

D) CSR & SD COMMITTEE:

The composition of the CSR & SD Committee is in line with Section 135 of the Companies Act, 2013 and DPE Guidelines. During the year, four (4) meetings of the CSR &SD Committee meetings were held on 26 May 2022, 26 September 2022, 10 November 2022 and 06 February 2023.

The composition of the Committee during the year 2022-23 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Shri. Rajendra Singh Shekhawat Chairperson	Non-Executive Independent Director	4	4
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	4	4
3	Prof. (Dr.) Sanghamitra Mishra Member	Non-Executive Independent Director	4	4
4	Shri. Nandakumar Subburaman Member	Non-Executive Independent Director	4	3
5	Dr. Pawan Sthapak Member	Non-Executive Independent Director	4	3
6	Shri. P. Radhakrishna, Director (Production) Member	Executive	4	4

The Company Secretary acts as the Secretary of the Committee.

Terms of reference:

- To recommend CSR and Sustainability Development policy to the Board.
- To recommend plan of action and projects to be initiated in the short, medium and long term for CSR and Sustainability development.
- To recommend the Annual CSR and Sustainability Development Plan and Budget.
- Periodic review of CSR & Sustainability Development policy, plan and budgets

E) RISK MANAGEMENT COMMITTEE:

The Board has constituted Risk Management Committee in line with provisions of section 178(1) of the Companies Act, 2013 and Regulation 21 of the Listing Regulations.

During the year, two (2) meetings of the Risk Management Committee was held on 12 August 2022 and 06 February 2023.

The composition of the Committee during the year 2022-23 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Dr. Pawan Sthapak Chairperson	Non-Executive Independent Director	2	2
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	2	2
3	Prof. (Dr.) Sanghamitra Mishra Member	Non-Executive Independent Director	2	2
4	Shri. Rajendra Singh Shekhawat Member	Non-Executive Independent Director	2	2
5	Shri. Nandakumar Subburaman Member	Non-Executive Independent Director	2	2
6	Shri. NP Diwakar, Director (Technical) Member	Executive	1	1

The Company Secretary acts as the Secretary of the Committee.

*Ceased to be Director w.e.f 01 Sep 2022

Terms of reference:

- To review and assess the quality, integrity and effectiveness of the Risk Management Systems, especially Financial, operational, sectoral, sustainability (Particularly ESG related risks), information, Cyber Security risks and any other risks as identified by the committee and ensure that the risk policies and strategies are effectively managed.
- To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities, including business continuity plan.
- To assist the Board in setting Risk strategies, policies, frameworks, models and procedures.
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the Scope of risk management work.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure the potential impact against a board set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk.
- To identify additional risks, if any and decide risk mitigation plans including risk acceptance.

4) NON-MANDATORY COMMITTEES OF THE BOARD:

The following are the non-mandatory Committees of the Board

A) PROCUREMENT COMMITTEE:

Procurement Committee is empowered to review and sanction for placement of Purchase Orders/Award of Contracts as per the limits given below:

Basis	Capital Nature	Revenue nature
Single Tender/Nomination & Proprietary Cases	Upto ₹.30 Crore	Upto ₹.30 Crore
Other than Single Tender Cases	Upto ₹.60 Crore	Upto ₹.60 Crore
Other than Single Tender (works)	Upto ₹.100 Crore	Upto ₹.100 Crore

The Company has reconstituted the Committee with Chairman & Managing Director as Chairman of the Committee and other Functional Directors as Members of the Committee. The Committee met six (6) times during the year on 06 May 2022, 13 October 2022, 02 December 2022, 07 February 2023, 17 February 2023 and 29 March 2023.

B) SHARE CERTIFICATE COMMITTEE

Share Certificate Committee comprising of Ex-Officio members viz Chairman & Managing Director, Director (Finance), Director (Technical) and Director (Production) has been constituted to consider and approve issue of duplicate certificate, issue of share certificates on Rematerialisation and Demat requests etc.

C) INDEPENDENT DIRECTORS MEETING:

In terms of the provisions under the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors met on 06 February 2023 and reviewed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties. All Independent Directors have attended the meeting. The Minutes of the said Meetings are being placed in the subsequent Board Meeting(s)

5) GENERAL BODY MEETINGS:

- i) All the Annual General Meetings of the Company were held where the Registered Office of the Company is situated. The details of such meetings for the last three years are as follows:

AGM No.	Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting	No. of Special Resolutions
52	2021-22	26 Sep 2022	15:00 Hrs	Corporate Office through VC	5
51	2020-21	27 Sep 2021	15:00 Hrs	Corporate Office through VC	Nil
50	2019-20	28 Sep 2020	15:00 Hrs	Corporate Office through VC	Nil

- ii) No Extraordinary General Meeting of the Members or any Meeting convened by National Company Law Tribunal (NCLT) was held during the year 2022-23
- iii) No special resolution was put through postal ballot during the year under review. However, in order to comply with Reg.17(1C) of SEBI listing regulations, one Ordinary Resolution was put through postal ballot, which is for the approval of appointment of Government Nominee Director Shri. Anurag Bajpai, JS (DIP) on the Board of BDL. The said resolution was passed with requisite majority.
- iv) Person who conducted the postal ballot exercise: CS Navajyoth Puttaparthi from M/s PJ & Co, Practicing Company Secretaries
- v) Whether any Special Resolution is proposed to be conducted through postal ballot: At present, there is no proposal to pass any special resolution through Postal Ballot.
- vi) Procedure for Postal Ballot: Not Applicable

6) 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 (bdl-india.in) of the Company. The Company website provides comprehensive information including the details of business, Company's Products, Management, vision, mission, human resources, corporate social responsibility and sustainability, details of Tenders, E-procurement, vigilance, RTI, and other updates and news. The section on 'Investors' informs the shareholders/ investors, details about the investor grievance redressal system, presentations made to investors/analysts, Company's code and policies, financial results and annual reports, corporate governance, shareholding pattern including contact details of Share Transfer Agent and other material events or information relating to the Company. The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance/ operations of the Company or other price sensitive information.

In terms of Listing Regulations, the Quarterly, Half-yearly and Annual financial results of the Company are submitted to NSE and BSE through online platform immediately after the same are approved by the Board. Further, the said results are simultaneously posted on the Company's website <https://bdl-india.in/index.php/financial-results>. Further, the financial results of the Company are published in English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in Telugu, being the regional language and in Hindi, being the National language. The performance of the Company is communicated to Administrative Ministry every month.

7) GENERAL SHAREHOLDER INFORMATION

- (a) The 53rd Annual General Meeting for the year 2022-23 is scheduled on Thursday, the 28 September 2023 at 15:00 hours.
- (b) Financial year of the Company begins on April 1 and ends on March 31. The tentative calendar for declaration of results for the year 2023-24 is given as below:

For the quarter ending 30.06.2023	On or before 14.08.2023
For the quarter ending 30.09.2023	On or before 14.11.2023
For the quarter ending 31.12.2023	On or before 14.02.2024
For the year ending 31.03.2024	On or before 30.05.2024
54 th Annual General Meeting	On or before 30.09.2024

- (c) The Register of Members and Share Transfer Books shall remain closed from 21 September 2023 to 28 September 2023 (both days inclusive).
- (d) Dividend will be paid within 30 days from the date of declaration.
- (e) Company's equity shares are listed on the following stock exchanges:

The BSE Ltd ('BSE')	National Stock Exchange of India Ltd ('NSE')
P.J. Towers, 26 th Floor, Dalal Street, Mumbai - 400001	Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai - 400051

The Company has paid listing fees for the financial years 2022-23 and 2023-24 to both the stock exchanges.

- (f) The Stock Code assigned to the Company's equity shares by the respective Stock Exchanges and the ISIN number assigned by the Depositories for demat trade of the Company's equity shares are given below:

Stock Exchange	Stock Code
BSE	541143
NSE	BDL
ISIN	INE171Z01018
MCA CIN	L24292TG1970GOI001353

(g) Reconciliation of share capital audit

The Company obtains a Reconciliation of Share Capital Audit Report from a Practicing Company Secretary every quarter to reconcile the total admitted capital with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. This Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This Audit Report is forwarded to BSE and NSE where shares are listed. The Company also obtains a Certificate of Compliance from a practicing Company Secretary once in a year certifying that transfer requests complete in all respects have been processed and share certificates with transfer endorsements have been issued by the Company within 15 days from the date of lodgment thereof. This Certificate of Compliance is forwarded to BSE and NSE where shares are listed. The Company has paid annual custody fees for the financial year 2023-24 to both the Depositories, viz, NSDL and CDSL.

(h) Market Price Data

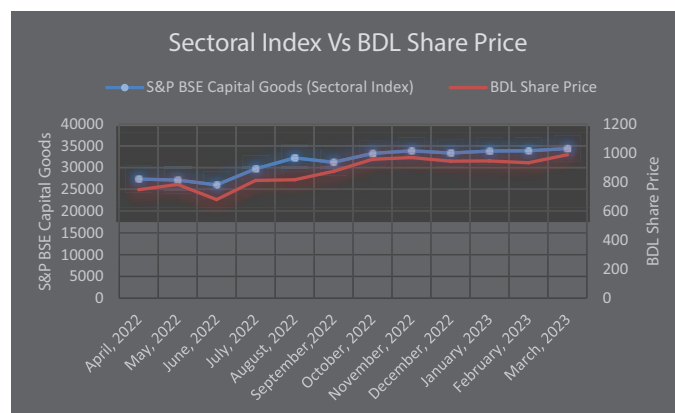
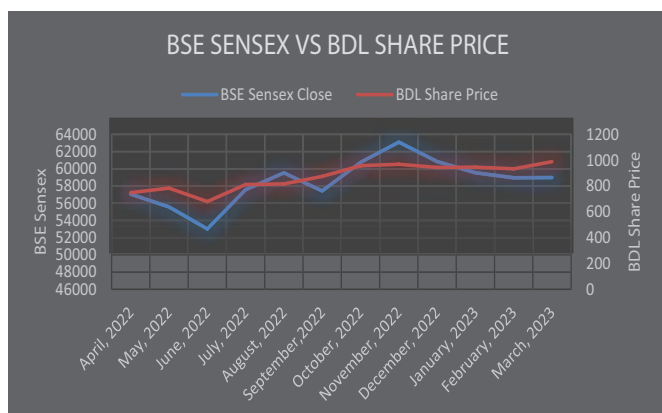
The details of high/low market prices of the shares of the Company at BSE Ltd and National Stock Exchange of India Ltd (NSE) are as under:

1) BDL Share Price on BSE vis-a-vis BSE Sensex & S&P BSE 500 Index during 2022-2023 is as follows:

Month	BSE Sensex Close	S&P BSE Capital Goods (Sectoral Index)	BDL Share Price			No. of Shares traded	Turnover (₹. in lakh)
			High	Low	Close		
			₹.	₹.	₹.		
April, 2022	57060.87	27370.68	904.95	546.15	748.35	3640257	27754.08
May, 2022	55566.41	27144.60	818.60	608.75	783.75	1853278	13211.96
June, 2022	53018.94	26025.50	852.85	648.40	679.75	1917835	14963.97
July, 2022	57570.25	29717.26	819.25	660.65	811.85	1007874	7426.17
August, 2022	59537.07	32224.78	897.65	785.05	816.40	1586020	13300.01
September, 2022	57426.92	31217.82	978.90	801.60	874.30	2673285	23899.96
October, 2022	60746.59	33266.16	1026.00	836.15	957.65	1307710	12240.14
November, 2022	63099.65	33846.25	1004.00	912.30	969.25	1021246	9847.43
December, 2022	60840.74	33342.22	991.95	797.35	944.30	1061146	9771.37
January, 2023	59549.90	33806.17	962.80	863.90	945.90	445706	4163.91
February, 2023	58962.12	33862.70	984.00	786.85	933.75	1862616	16887.71
March, 2023	58991.52	34369.70	1012.00	879.00	988.75	802141	7537.63

The Market capitalization of the Company as on 31 March 2023 is ₹ 18121.93 Crore

A comparison of closing quotation of the Company's share price on BSE with the closing position of BSE SENSEX & S&P BSE Capital Goods during the year 2022-23 is presented in the following graph:

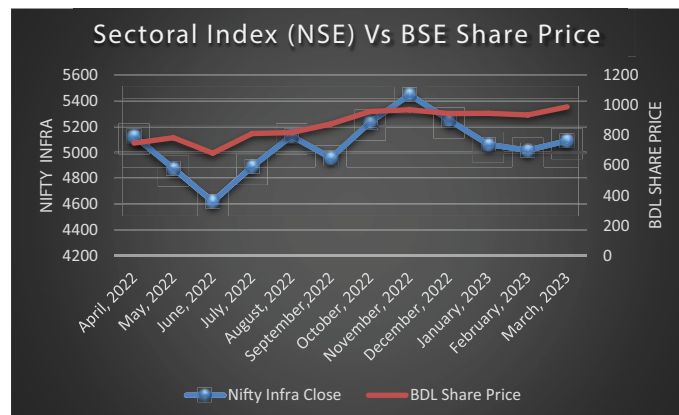
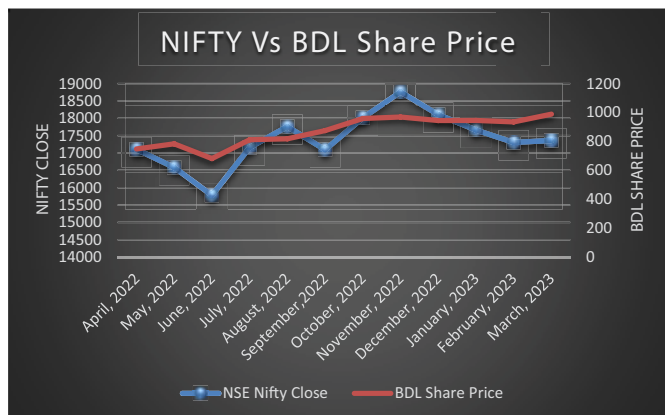


2) **BDL Share Price on NSE vis-a-vis NSE Nifty & Nifty Infra during 2022-2023 is as follows:**

Month	NSE Nifty Close	Nifty Infra Close (Sectoral Index)	BDL Share Price			No. of Shares traded	Turnover (₹. in lakh)
			High	Low	Close		
			₹.	₹.	₹.		
April, 2022	17102.55	5127.85	904.90	545.00	748.20	65997574	497082.61
May, 2022	16584.55	4877.30	812.80	608.45	783.65	33681499	243058.69
June, 2022	15780.25	4619.80	853.35	647.60	681.25	37044863	291335.75
July, 2022	17158.25	4890.55	819.40	660.05	811.75	17760733	129551.68
August, 2022	17759.30	5127.55	897.90	785.75	817.80	26917854	227341.98
September, 2022	17094.35	4957.85	979.10	808.00	874.75	44954017	403677.98
October, 2022	18012.20	5234.70	1026.95	835.95	958.20	23976926	224444.15
November, 2022	18758.35	5447.40	1005.00	912.70	969.00	20600614	198332.28
December, 2022	18105.30	5252.10	992.00	797.40	944.10	15252630	140919.82
January, 2023	17662.15	5061.35	963.85	862.65	945.35	7803064	72800.75
February, 2023	17303.95	5016.90	984.00	787.00	934.50	36395842	330126.65
March, 2023	17359.75	5090.95	1013.00	878.50	988.70	17883560	168129.75

The Market capitalization of the Company as on 31 March 2023 is ₹18121.02 Crore

A comparison of closing quotation of the Company's share price on NSE with the closing position of NSE NIFTY & NIFTY-INFRA during the year 2022-23 is presented in the following graph:



(i) **Registrar & Share Transfer Agent**

Alankit Assignments Ltd, Delhi, a SEBI registered Category I Registrar and Share Transfer Agent is the Company's Registrar and Share Transfer Agent. The RTA's address is given below to forward all share transfer/ transmission/split/consolidation/ issue of duplicate certificates/change of address requests as well as all Dematerialisation/Rematerialisation requests and related matters as well as all dividend related queries and complaints:

Alankit Assignments Limited
SEBI Registration Number: INR000002532
4E/2 Jhandewalan Extension, New Delhi-110055
Telephone: +91 11 42541234 ; Facsimile : +91 11 41543474
Email: rta@alankit.com; Website: www.alankit.com

(j) Share Transfer System

The shares of the Company are traded in dematerialised form.

With respect to shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach their respective depository participant (DP) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for separate communication either to the Company or STA.

SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. Members can contact the Company or RTA, for assistance in this regard.

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all the listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA. The securities in the frozen folios shall be eligible:

- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
- To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

The forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website

(k) Shareholding Pattern as on March 31, 2023

S. No.	Category	No. of Shareholders	No. of Shares	% Holding
1	President of India	1	137325527	74.93
2	Mutual Fund	15	16059051	8.75
3	Insurance Companies	6	9582774	5.23
4	Foreign Portfolio Investors	80	51,78,048	2.83
5	Bodies Corporate	669	1263447	0.69
6	Individuals	158722	12254646	6.68
7	Trusts	5	454	-
8	NRIs	3414	933435	0.51
9	Clearing Members	41	14309	0.01
10	Employees	127	14879	0.01
11	HUF	3413	450355	0.25
12	Alternate Investment Funds	5	202840	0.11
13	NBFCs registered with RBI	2	1425	-
14	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	1	60	-
Total		166501	183281250	100

(l) Top 10 Shareholders as on March 31, 2023

Sl. No	Name	31-03-2023	
		No. of Shares held	%
1	President of India	137325527	74.93
2	HDFC Trustee Company Ltd	12883927	7.03
3	Max Life Insurance Company Limited	5507312	3.00
4	Life Insurance Corporation of India	2943258	1.61
5	Invesco India PSU equity fund	944014	0.52
6	The New India Assurance Company Limited	709426	0.39
7	Mahindra Manulife Multi Cap Fund	635250	0.35
8	Shrikantadevi Radhakishan Damani	601783	0.33
9	iShares Core MSCI Emerging Markets ETF	490700	0.27
10	Vanguard Total International Stock Index Fund	449909	0.25

(m) Distribution of shareholding as on 31 March 2023

Category	Total				Physical		Demat	
	No. of shareholders	%	Shares	%	No. of shareholders	Shares	No. of shareholders	Shares
1 - 500	163538	98.22	8024289	4.38	1	10	163537	8024279
501-1000	1757	1.06	1304832	0.71	0	0	1757	1304832
1001-2000	630	0.38	925091	0.50	0	0	630	925091
2001-3000	198	0.12	495742	0.27	0	0	198	495742
3001-4000	69	0.04	243767	0.13	0	0	69	243767
4001-5000	60	0.04	281727	0.15	0	0	60	281727
5001-10000	105	0.06	770515	0.42	0	0	105	770515
10001 & above	144	0.09	171235287	93.43	0	0	144	171235287
Total	166501	100	183281250	100	1	10	166500	183281240

(n) Dematerialisation of Shares and liquidity

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on 31 March 2023, the number of equity shares in electronic form and physical form is as follows:

Sl. No	Particulars	No. of Shares	%
1	NSDL	176521184	96.31
2	CDSL	6760056	3.69
3	Physical	10	-
	Total	183281250	100.00

The Company's shares are very liquid and are actively traded in BSE Ltd. and National Stock exchange of India Ltd. Relevant data of turnover for the financial year 2022-23 is as follows:

Particulars	BSE	NSE	Total
No. of Shares traded	19179114	348269176	367448290
Value (₹.in lakh)	161004.34	2926802	3087806.43

(o) Outstanding GDRs/ADRs/Warrants

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments.

(p) Commodity price/Foreign exchange risk and hedging activities

Relevant information in this regard is disclosed in the Notes to Financial Statements.

(q) Plant Locations

Bharat Dynamics Limited Kanchanbagh Hyderabad-500058 Phone: (040)-24587002 ; Fax : (040)-24347513	
Bharat Dynamics Limited, Bhanur, Patancheruvu Mandal, Sanga Reddy District Hyderabad-502305 Phone: (040)-23469551; Fax : (040)-23469552	Bharat Dynamics Limited, Vizag "G"- Block, APIIC-IALA VSEZ post, Vishakapatnam-530049 Phone : (0891)- 2821500 Fax : (0891)- 2821502

(r) Address for Correspondence/Corporate Office

Bharat Dynamics Limited
CIN: L24292TG1970GOI001353
Corporate Office, Plot No.38-39, TSFC Building,
Financial District, Gachibowli, Hyderabad-500 032
Telephone: (040) 23456145 ; Fax: (040) 23456110
E-mail : investors@bdl-india.in
Website : bdl-india.in

(s) Credit Rating

The Company has obtained 'A1+' (Reaffirmed) rating from M/s. CRISIL for short-term Bank facilities for an amount of ₹ 600 Crores.

8) OTHER DISCLOSURES:

- a) The Company has no subsidiaries, Joint Ventures and Associate Companies as on 31 March 2023.
- b) During the year 2022-23 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, apart 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.
- c) The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Note No.38(8) of Notes to Accounts in the Annual Report. The Company has formulated a "Policy on Related Party Transactions" to regulate transactions entered into between the Company and its related parties. In terms of Regulation 46(2)(g) of the Listing Regulations, the said policy is placed on the web-site of the Company at <https://bdl-india.in/sites/default/files/2023-06/Policy%20on%20Related%20Party%20Transactions.pdf>.
- d) During the year, the Company did not comply with the requirement of fifty percent of Independent Directors on the Board from 01 April 2022 to 31 August 2022 and from 02 January 2023 to 23 February 2023. Accordingly, as per SEBI Circular No. SEBI/HO/CFD/CM D/CIR/P/2020/12 dated January 22,2020, the stock exchanges (i.e. BSE & NSE) had levied fine on the Company. The Board suggested that the stock exchanges should be informed about the procedure for appointment of Directors followed by the Company being a Government Company. The Company accordingly informed the stock exchanges that being a Government Company under the Administrative control of Ministry of Defence, the power to appoint Directors (including Independent Directors) and the terms and conditions of their appointments including remuneration, evaluation etc., vests with the Government of India and as such they should not be held liable to pay the fine. No fine was paid till date. Further the NSE has imposed fine for five day(s) delay in submission of Related Party Transaction disclosure for the period end 31 March 2022. After due submissions by the Company, the said exchange has reversed the

fine. The Company did not comply with the requirement of fifty percent of Independent Directors on the Board during the last three years. Further Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, and CSR & SD Committee was suspended from 13 September 2020 to 02 January 2022 and Risk Management Committee was suspended from 05 May 2021 to 02 January 2022 due to no representation of Independent Directors on the Board.

e) Whistle Blower Mechanism/ Vigil Mechanism:

The guidelines of Corporate Governance for CPSEs 2010 issued by DPE and provisions of section 177 of the Companies Act, 2013 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 was denied access to the members of the Audit Committee or its Chairman. The policy is available on the website of the Company https://bdl-india.in/sites/default/files/2020-01/Whistle%20blower%20Policy%20%26%20Vigil%20Mechanism_0.pdf

- f) All the applicable Accounting Standards are followed except IND-AS-108 relating to Segment reporting keeping in view the nature of business and the sensitive nature of the 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 in this regard.
- g) During the year 2022-23, the Board of Directors has accepted all the recommendations of its committees which were mandatorily required.
- h) There were no items of expenditure debited in the books of account, which are not for the purpose of the business.
- i) The Company has not incurred any expenditure which is personal in nature for the Board of Directors and Top management.
- j) 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	2022-23	2021-22
1	Total Expenditure (other than Materials)	971.70	1006.11
2	Administrative & Office Expenses	15.83	7.09
3	Percentage of (2) on (1)	1.63%	0.70%

k) Presidential Directives and Guidelines:

The Company has been following the Presidential Directives and guidelines issued by the Govt. of India from time to time regarding reservation for SCs, STs and OBCs in letter and spirit. Officials dealing with the subject were provided necessary training to enable them to update their knowledge on the subject and perform the job effectively. BDL has implemented the Presidential Directives issued by the Government of India regarding implementation of Executives Pay revision from 01 January 2017.

- l) Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm network entity of which the statutory auditor is a part during the year are given below:

Amount (₹. in Lakh)

Particulars	2022-23	2021-22
Audit Fees	15.00	10.00
Tax Audit Fees	1.25	1.25
Other Services	5.05	5.25
Reimbursement of Expenses	0.50	0.19
Total	21.80	16.69

*FY 2022-23 fee includes ₹.2.50 lakh pertaining to FY 2021-22

- m) No items of expenditure other than directly related to those directly related to its business or incidental thereto, those spent towards welfare of employees/ex-employees towards fulfilling its corporate social responsibility were debited into books of account.
- n) Unpaid & Unclaimed Dividend details: Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the statement furnishing information of unpaid and unclaimed dividend (interim & final) for previous seven years is available

on the website of the Company viz. <https://bdl-india.in/unclaimed-dividend>. Further, no unclaimed dividend/shares from previous years is due to be transferred to the IEPF as on March 31, 2023. The details of the Unclaimed Dividends as on 31 March 2023 is as below:

Particulars	No. of shareholders	Amount (in ₹.)
Final Dividend 2017-18	920	331053.48
Interim Dividend 2018-19	852	223382.25
Final Dividend 2018-19	842	76537.77
Interim Dividend 2019-20	1327	415956.25
Final Dividend 2019-20	955	125088.80
Interim Dividend 2020-21	886	292569.60
Final Dividend 2020-21	907	30611.10
Interim Dividend 2021-22	735	250357.00
Final Dividend 2021-22	730	39418.00
Total	8154	1784974.25

- o) Details with respect to demat suspense account/unclaimed suspense account -There are no outstanding shares lying in the demat suspense account/unclaimed suspense account as on March 31, 2023.
- p) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified in the Regulations 32(7A) of the Listing Regulations.
- q) Loans and advances in the nature of loans to firms/Companies in which Directors are interested –Nil.
- r) No subsidiaries including material subsidiaries were incorporated during the year under review.

9) DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

No. of complaints at the beginning of the year	Nil
No. of Complaints filed during the financial Year	Nil
No. of Complaints disposed of the during the year	Nil
No. of Complaints pending as on end of the financial year	Nil

10) DETAILS OF NON-COMPLIANCES

During the year, the Company did not comply with the requirement of fifty percent of Independent Directors on the Board from 01 April 2022 to 31 August 2022 and from 02 January 2023 to 23 February 2023. It is informed that being a Government Company, all Directors on the Company's Board are appointed by the Govt. of India and the selection process & appointment, which involves various Ministries and approval by the Appointment of Cabinet Committee (ACC) and it is beyond the control of the Company. All the vacancies are being promptly notified to the Government for filling up at the earliest possible. Further the NSE has imposed fine for five day(s) delay in submission of Related Party Transaction disclosure for the period end 31 March 2022. After due submissions by the Company, the said exchange has reversed the fine.

11) COMPLIANCE WITH NON-MANDATORY PROVISIONS

The status on the compliance with the non-mandatory recommendation in the SEBI (LODR) Regulations, 2015 is as under:

- The Company has the position of Chairman & Managing Director (Executive) and there is no Non-Executive Chairman.
- The financial statements of the Company are disclosed with unmodified audit opinion.
- Process of communicating with shareholders is effective and the procedure has been explained under "Means of Communication".
- The Additional General Manager (Internal Audit) administratively reports to Director (Finance) & CFO and is an invitee to the meetings of audit committee.

12) CODE FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations 2015 (as amended), the Company has put in place a Code of Conduct and Disclosure Procedure to prevent insider trading in the Company's securities and for transparent/streamlined disclosure/dissemination of information to the investors/ public. The connected persons as defined under the Code should obtain permission from the Competent Authority to deal in securities during the trading window beyond the specified limits. Periodical disclosures are also required to be made as provided under the Code to prevent the instance of insider trading. The Code of Conduct and Fair Disclosure Procedure has been posted in the Company's website <https://bdl-india.in/sites/default/files/2022-12/Insider%20Trading%20Policy%20Amended.pdf>. The Policy is framed to ensure that the insiders do not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain.

13) COMPLIANCE

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and DPE Guidelines except Composition of Board of Directors from 01 April 2022 to 31 August 2022 and from 02 January 2023 to 23 February 2023. The Company has also been submitting to the Stock Exchanges and to the Government, quarterly compliance report on Corporate Governance. As required under the Listing Regulations with the Stock Exchanges, the Auditors' Certificate on compliance of conditions of Corporate Governance by the Company is attached to this report.

14) CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of SEBI (LODR) Regulations the Compliance Certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2022-2023 is attached with this report.

15) CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES:

A Code of Conduct and Business Ethics as suggested by DPE in its Guidelines on Corporate Governance for CPSEs 2010 and under regulation 17(5) of SEBI (LODR) Regulations 2015 has been adopted by the Company in respect of its Directors and Senior Level Executives. The Code has also been posted on the Company's https://bdl-india.in/sites/default/files/2020-01/Code%20of%20Conduct_0.pdf. The Directors and the Senior Executives have given declarations affirming the compliance with the code of conduct during the year 2022-23. A declaration to this effect by the Chairman & Managing Director is given below:

Declaration by Chairman & Managing Director:

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 March 2023.

For and on behalf of the Board



P Radhakrishna
Director (Production) &
Chairman & Managing Director (Addl. Charge)
DIN: 08437975

Place : Hyderabad
Date : 25 May 2023



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Bharat Dynamics Limited

Corp Off: Plot No.38-39, TSFC Building,

Financial District, Nanakramguda,

Hyderabad-500032, Telangana.

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **M/s Bharat Dynamics Limited** bearing the CIN L24292TG1970GOI001353 and having its registered office at Kanchanbagh, Hyderabad-500058, Telangana, India, and having its Corporate Office at Plot No.38-39, TSFC Building, Near ICICI Towers, Financial District, Nanakramguda, Hyderabad - 500032, Telangana, India, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications of the Company Records, (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Radha Krishna Potluri	08437975	01/06/2019
2	Srinivasulu Nuka	08744682	01/07/2020
3	Hanumavenkata Suryanarayana Murthy Bandhakavi	09286096	25/08/2021
4	Nandakumar Subburaman	00611401	24/12/2021
5	Pawan Sthapak	03605320	24/12/2021
6	Sunil Chintaman Mone	09223235	24/12/2021
7	Sanghamitra Mishra	09448680	27/12/2021
8	Rajendra Singh Shekhawat	09449860	28/12/2021
9	Anurag Bajpai	08948155	14/09/2022
10	Madhavarao Atmakuri	09808949	02/01/2023
11	Jashwant Lal	10055098	24/02/2023



PUTTAPARTHI JAGANNATHAM & CO.
C O M P A N Y S E C R E T A R I E S

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 25th May 2023

For Puttaparthi Jagannatham & Co.
Company Secretaries

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896E000480619



PUTTAPARTHI JAGANNATHAM & CO.
COMPANY SECRETARIES

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Bharat Dynamics Limited
Corp Off: Plot No.38-39, TSFC Building,
Financial District, Nanakramguda,
Hyderabad-500032, Telangana.

We have examined the relevant records relating to compliance of conditions of Corporate Governance by **M/s Bharat Dynamics Limited** ("the Company"), for the year ended 31st March 2023, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31st March 2023 and Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Public Sector Undertakings for the year ended 31st March 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable except in case of compliance of Regulation 17 with regard to the requirement of Fifty percent of Independent Directors on the Board from 01 April 2022 to 31 August 2022 and 02 January 2023 to 23 February 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 25th May 2023

For Puttapparthi Jagannatham & Co.
Company Secretaries

CS Navajyoth Puttapparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896E000480597


COMPLIANCE CERTIFICATE

Under Regulation 17(8) of SEBI (LODR Regulations)

- A. We have reviewed the Financial results for the quarter and year ended 31 March 2023 and to the best of our knowledge and belief:
- (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - (ii) These Statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design, operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Company's auditors that:
- (i) there are no significant changes in internal control over financial reporting during the period.
 - (ii) there are changes in accounting policy during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) there are no instances of significant fraud which I have become aware and the involvement therein, if any of the Management or an employee having a significant role in the Company's internal control system over financial reporting.



P RADHA KRISHNA
CHAIRMAN AND MANAGING DIRECTOR
(Additional charge) & CHIEF EXECUTIVE
OFFICER



N SRINIVASULU
DIRECTOR (FINANCE) &
CHIEF FINANCIAL OFFICER



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Headquartered in Hyderabad, Bharat Dynamics Limited (BDL), was incorporated on 16 July, 1970 as a Public Sector Undertaking under the Ministry of Defence, Government of India to be the manufacturing base for guided missile systems and allied equipment for the Indian Armed Forces.

Since its inception, BDL has been working in collaboration with DRDO & foreign Original Equipment Manufacturers (OEMs) for manufacture and supply of various missiles and allied equipment to Indian Armed Forces.

The lead taken by the Nation to develop indigenous, sophisticated and contemporary missiles through the Integrated Guided Missile Development Programme (IGMDP), gave BDL an opportunity to be closely involved in the programme, wherein it was identified as the Prime Production Agency. This opened up a plethora of opportunities to assimilate advanced manufacturing and programme management technologies and skills.

Today, BDL has evolved as one among the few industries in the world having state-of-the-art facilities for manufacture and supply of Guided Missiles, Underwater Weapons, Air-borne products and allied defence equipment for the Indian Armed Forces. The Company also offers Product Life Cycle Support and Refurbishment / Life Extension of vintage Missiles.

BDL has graduated from being a missile manufacturer to a Weapon System Integrator and has emerged as a complete solution provider for the Indian Armed Forces.

BDL has three manufacturing units, out of which two are located in Telangana State (Hyderabad and Bhanur) and one Andhra Pradesh (Visakhapatnam). As a part of expansion plan, the Company is in the process of setting up of additional manufacturing facilities at Ibrahimpatnam (near Hyderabad), Amravati in Maharashtra and Jhansi in UP which will be used to manufacture Surface to Air Missiles (including new generation Missiles), VSHORAD rockets

and propellants for various Anti-Tank Guided Missiles (ATGMs) respectively.

BDL has been constantly working towards upgrading its manufacturing technologies and processes to state-of-the-art including industry 4.0, Robotics operated workshops, latest Surface Mounted Devices assembly lines and has always maintained highest quality standards in its products by adopting to best QA practices like AS 9100, etc. The pursuit has resulted in reduction in production cost, benchmarking of productivity norms and modernization of management system and less dependence on imported technology.

The 'ease of doing business' approach adopted by the Government of India has paved the way to create a congenial ecosystem for the company to manufacture products indigenously and offer its products/services to the customers, both, the Indian Armed Forces and the global buyers. During last few years, the Company has forayed into international market by offering its products to friendly foreign countries. The export order book position of the Company stands at ₹2586 Crore as on 1 April 2023.

BDL, with its over five decades of missile and allied defence equipment manufacturing experience, skill-sets developed and state-of-the-art infrastructure, is poised to enter new avenues of manufacturing covering a wide range of weapon systems such as Air-to-Air Missiles, Air-to-Surface Missiles, Air Defence Systems, Underwater Weapons and Mines.

The quest for technological excellence has been the guiding principle of BDL and living up to the sobriquet, 'THE FORCE BEHIND PEACE'.

1

PRINCIPLE 1

Ethics, Transparency & Accountability

2

PRINCIPLE 2

Product LifeCycle Sustainability

3

PRINCIPLE 3

Employee Well Being

4

PRINCIPLE 4

Stakeholder Engagement

5

PRINCIPLE 5

Human Rights

6

PRINCIPLE 6

Environment

7

PRINCIPLE 7

Policy Advocacy

8

PRINCIPLE 8

Inclusive Growthn and Equitable Development

9

PRINCIPLE 9

Customer Value Creation

SECTION A: GENERAL DISCLOSURES

I) Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity: L24292TG1970GOI001353	Name of the Listed Entity: Bharat Dynamics Limited	Year of incorporation: 1970
Registered office address: KANCHANBAGH, HYDERABAD TELANGANA 500058 INDIA	Corporate address: Plot No.38-39, TSFC Building, Near ICICI Towers, Financial District, Nanakramguda HYDERABAD TELANGANA 500032 INDIA	
E-mail: investors@bdl-india.in	Telephone: 040-23456173	Website: https://bdl-india.in
Financial year for which reporting is being done: April 2022-March 2023	Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited	Paid-up Capital: ₹1832812500
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: N Nagaraja, Company Secretary Email: investors@bdl-india.in Contact Number: 040-23456145	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone	

II) Products/services

Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Weapon Systems	Missiles, Underwater weapons and Allied Defence Equipments	96
2	Repairs & Maintenance	Repairs & Overhauls and Job work	4

Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Weapon systems	29271	96

III) Operations

Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	2	5
International	0	0	0

Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Entire Indian Territory through Defence Forces
International (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Around 4% of the total turnover

c. A brief on types of customers:

BDL supplies to both national and international customers catering to Defence. The majority of the Company's supplies are to the Indian Armed forces namely Indian Army, Indian Navy and Indian Air Force

IV) Employees

Details as at the end of Financial Year:

Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	807	704	87.24%	103	12.76%
2.	Other than Permanent (E)	255	212	83.14%	43	16.86%
3.	Total employees (D + E)	1062	916	86.25%	146	13.75%
WORKERS						
4.	Permanent (F)	1742	1556	89.32%	186	10.68%
5.	Other than Permanent (G)	1465	1165	79.52%	300	20.48%
6.	Total workers (F + G)	3207	2721	84.84%	486	15.15%

Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	23	20	86.96%	3	13.04%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	23	20	86.96%	3	13.04%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	75	70	93.33%	5	6.67%
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	75	70	93.33%	5	6.67%

Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33
Key Management Personnel	5	0	0

Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.67	0	1.1	4.86	3.85	4.73	3.89	0.95	3.55
Permanent Workers	5.01	2.11	4.7	3.35	2.55	3.26	4.84	2.46	4.6

V. Holding, Subsidiary and Associate Companies (including joint ventures)

Names of holding/subsidiary/associate companies/joint ventures: NIL

VI) CSR Details

- Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No) : Yes
- Turnover (in ₹) : ₹2,489 crore
- Net worth (in ₹) : ₹3,211 crore

The details of complete CSR activities are reported in the Annual Report-2022-23 as Annexure-I

VII) Transparency and Disclosures Compliances

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

BDL abides by the code of conduct (CoC), which is a comprehensive document for ethical conduct for all internal and external stakeholders of the Company, thus covering 100% of its operations. Code of Conduct has sections with sub-clauses that cover employees, customers, communities and the environment, value chain partners, financial stake holders, governments, and group companies. The CoC extends to Group JVs/Subsidiaries/Suppliers/Contractors. There are defined channels for receiving complaints/grievances from stakeholders and these are addressed with expediency in upholding the ethical standards practiced in the Group.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Centralised Public Grievance Redress and Monitoring System (CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms & Public Grievances	22	1	Nil	23	Nil	Nil
Investors (other than shareholders)	NA	Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	YES https://bdl-india.in/contact-details-investor-grievance-redressal	9	9		33	33	
Employees and workers	YES bdIndia.in/sites/default/files/202001/14%20grievance%20procedure.pdf	2	0		1	0	
Customers	Yes*	23	4		19	7	
Value Chain Partners	Yes**	Nil	Nil		Nil	Nil	
Other (please specify)		18	0		16	0	

* BDL supplies to both national and international customers catering to Defence. The majority of the Company's supplies are to the Indian Armed forces, hence all communication with customers is confidential information, so there is no weblink of the same. The issues were discussed with the customer and appropriate action has been taken

** CVC has appointed Independent External Monitors as an alternative mechanism for dispute resolution between the stakeholders, the contact details of the IEMs are provided in the [https://bdl-india.in/sites/default/files/2021-01/Role%20%26%20functions%20of%20Independent%20External%20Monitors%20\(IEMs\)_0.pdf](https://bdl-india.in/sites/default/files/2021-01/Role%20%26%20functions%20of%20Independent%20External%20Monitors%20(IEMs)_0.pdf), hence there is no separate web-link for the policy

Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

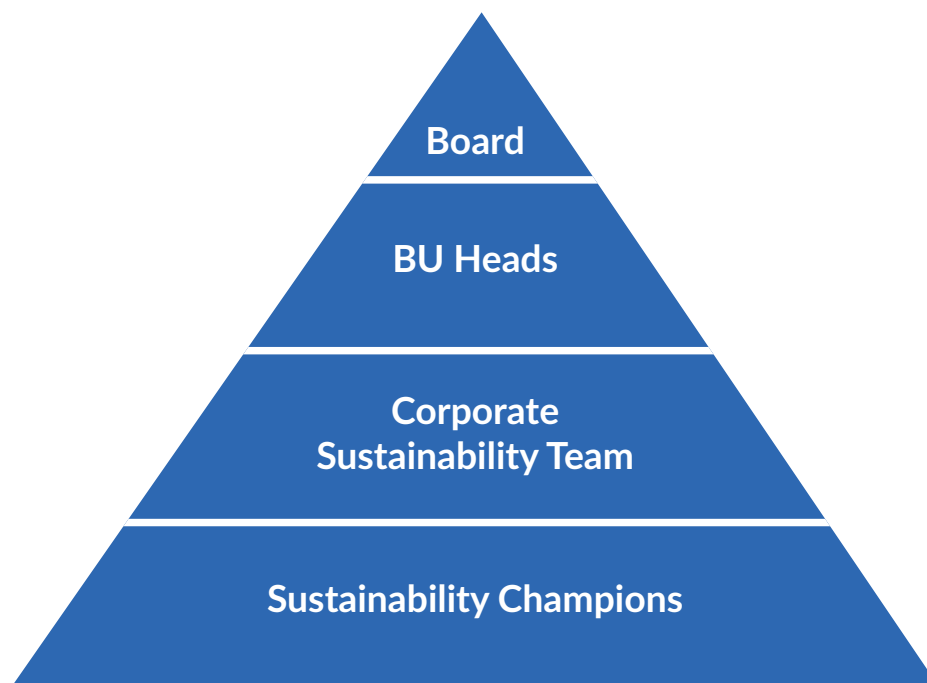
Sl. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Environmental Footprint -Waste management		Inadvertent non-compliance to existing and emerging regulations around recycling can result in statutory fines & penalties and also will lead to reputation damage.	Reduction in waste generation, maximization of recycling and reuse.	Negative

Sl. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Social Responsibility -Alignment with Local Communities		The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value	Fostering local communities, job creation, skill development, supporting local relief efforts where required in times of crisis and paying taxes	Negative
3	Corporate Governance – Board composition		BDL being a CPSE, the appointment of Directors are made by Govt. of India and the Company has no control over filling up of the vacancy within the stipulated time frame specified under the Act/ Rules / Regulations, to comply with the same.		Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

BDL has a well-established Sustainability Governance Structure to benchmark, implement and monitor sustainability aligned decisions and actions. The sustainability performance funnels into the Apex Leadership team and the CSR Committee at Board for guidance. This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.



SUSTANABILITY GOVERNANCE STRUCTURE

Sl. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Policy and management processes											
1	A Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	B Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	C Web Link of the Policies, if available	https://bdl-india.in/sites/default/files/2023-01/2023-02/ESG%20Policy.pdf									
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	BDL divisions are certified to AS 9100D/ISO 9001:2015 (QMS)/ISO 14001:2015 (EMS)/ISO / IEC 17025:2017/ ISO/IEC 27001:2013									
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.					No					
6	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.					NA					
Governance, leadership, and oversight											
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company being a Defence Manufacturing Company, its products are tested at various level with many trials, which has impact on environment. We aim to create a sustainable future through environment conservation activities for the community. All emissions and waste generated are monitored as prescribed by the Pollution Control Boards. The Company is also actively promoting socioeconomic rejuvenation through targeted CSR activities such as healthcare, Skill Development for Employment Enhancement & Self Employment, Education, Sanitation, Drinking Water, Environment Sustainability and Sports Development etc.									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	CMD and Director (Finance)									
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, CMD and Director (Finance) are responsible for decision making on sustainability related issues.									
10	Details of Review of NGRBCs by the Company										
	Performance against above policies and follow up action	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Frequency (Annually/Half-Yearly/Quarterly/Any other-please specify)	As and when required									

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frequency (Annually/Half-Yearly/Quarterly/Any other-please specify)		As and when required								
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.***	No	No	No	No	No	No	No	No	No

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1) Percentage coverage by training and awareness programmes on any of the principles during the financial year:

BDL is guided by the principles of the code of conduct. The Company requires its employees to be aware of the code and conduct themselves in line with the principles outlined therein. There are regular training sessions for new inductees and annual online certification/re-certification on the learning platform which are required to be completed to ensure thorough dissemination of what is considered ethical conduct and the repercussions of non-adherence.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness
Board of Directors	Ongoing process-Multiple programs	During the year, the Board engaged in various updates pertaining to business, regulatory, safety, Cyber Security, BDL code of conduct, integrity, ESG matters etc. These topics provided insights on the said Principles. Further newly joined Independent Directors are provided orientation program conducted by Department of Public Enterprises for capacity building which includes topics like Corporate Governance, Business Ethics and Values etc	100%
Key Managerial Personnel	2	Capacity building, wellness, Integrity, Business Ethics, BDL code of conduct/Cyber Security	100%
Employees & workers other than BoD and KMPs	5	Cyber security (124 Nos trained)	5%
	5	Environment (145 Nos trained)	6%
	1	Governance (2 Nos trained)	0%
	7	Safety (133 Nos trained)	5%
	5	Vigilance, Integrity & Ethics (121 Nos trained)	5%
	2	Wellness (116 Nos trained)	5%
Apart from above, awareness sessions provided to all employees on occasion of Safety day, World Environment Day and Vigilance week			

- 2) Details of fines/penalties/punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies / judicial institutions, in the financial year. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the Listing Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in `)	Brief of the case	Has any appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			NIL		
Compounding Fee					

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions		Brief of the case	Has any appeal been preferred? (Yes/No)
Imprisonment					
Punishment			NIL		

- 3) Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed: Not Applicable

- 4) Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy: Yes. <https://bdl-india.in/sites/default/files/2023-01/2023-02/ACAB%20Policy.pdf>

- 5) Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No Directors/KMPs/employees/workers were involved in bribery/corruption both in FY23 and FY22. On above grounds, no action was taken by any law enforcement agency.

- 6) Details of complaints with regard to conflict of interest:

No complaints were received with regard to conflict of interest against Directors/KMPs in FY22-23 and FY21-22.

- 7) Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:

Not applicable, as there is no fines/penalties/action taken by any law enforcement authority during the financial year

Leadership Indicators

- 1) Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
7	Vendor meets covering 'integrity pledge for citizens' to vendors and emphasized on Multiple Vendor Development to reduce dependency, increase competitiveness and to ensure transparency and accountability	70

- 2) Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company takes an Annual declaration forms from the Board Members on conflict of interest and also Board Members are well informed to stay away in case of any conflict of interest in any matter

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- 1) **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	Financial Year 2022-23	Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	6.11%	1.71%	Nil. BDL products are of use in strategic/national security applications and are developed and certified according to the customer specifications
Capex	4.58%	3.66%	Nil

- 2) **Does the entity have procedures in place for sustainable sourcing? No**
- 3) **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

Missile and rocket equipment for use in strategic or national security applications are the company's principal products. After the products are sold, no one would return to the business. As a result, the corporation is unable to recover the goods. However, BDL has a set procedure in place for the safe end-of-life disposal of the goods utilized in its operations as well as for their reuse and recycling.

- 4) **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility is currently not applicable to BDL activities. However, waste management plan of the Company considers the evolving regulations both from a waste minimization and recycling/reuse perspective. BDL also engages its communities to propagate plastic reuse through its energy and resource conservation programs.

Leadership Indicators

- 1) **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? No**
- 2) **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. Not Applicable**
- 3) **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry): Nil**
- 4) **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the format: Nil**
- 5) **Reclaimed products and their packaging materials (as percentage of products sold) for each product category. Nil**

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators**1) a) Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	704	704	100%	704	100%	0	0	704	100	704	100%
Female	103	103	100%	103	100%	103	100%	0	0	103	100%
Total	807	807	100%	807	100%	103	12.76%	704	87.24%	807	100%
Other than Permanent employees											
Male	212	212	100%	212	100%	-	-	0	0	0	0
Female	43	43	100%	43	100%	43	100%	0	0	0	0
Total	255	255	100%	255	100%	43	100%	0	0	0	0

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1556	1556	100%	1556	100%	0	0	1556	100%	1556	100%
Female	186	186	100%	186	100%	186	100%	0	0	186	100%
Total	1742	1742	100%	1742	100%	186	10.68%	1556	89.32%	1742	100%
Other than Permanent employees											
Male	1165	1076	92.36	1165	100	0	0	0	0	0	0
Female	300	262	87.33	300	100	0	0	0	0	0	0
Total	1465	1338	91.33	1465	100	0	0	0	0	0	0

2) Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY 2022-23			FY 2021-22		
	No. Of employees covered as a % of total employees	No. Of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. Of employees covered as a % of total employees	No. Of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	Nil	Nil	NA	Nil	Nil	NA
Others – please specify						
Leave Encashment	100	100	NA	100	100	NA
Contributory Pension	100	100	NA (Voluntary deduction)	100	100	NA (Voluntary deduction)
Group Insurance Scheme	100	100	Y	100	100	Y

3) Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, BDL complies with the requirements as prescribed under Rights of Persons with Disabilities Act, 2016

4) Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the web link to the policy is <https://bdl-india.in/sites/default/files/2023-01/2023-02/Equal%20Oppurtunity%20Policy.pdf>

5) Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6) Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers/ Other than Permanent Workers	<p>Yes. The procedure has three stages to ensure transparency and involvement of higher officers in case of any difficulty faced by lower level officers to redress the grievances. At the first stage, the employee has to put in his grievance in a specific format to the Sectional Head. The decision will be communicated to the aggrieved employee within 6 days by the Sectional Head.</p> <p>In the second stage, the employee may put in his grievance to the Departmental Head and the Departmental Head will give his decision within 10 days.</p> <p>In the third stage, the employee may prefer a representation to the Secretary of the Grievance Redressal Committee. The Committee after consultation with the Officers concerned and the aggrieved employee give its decision within 15 days.</p>
Permanent Employees/ Other than Permanent Employees	<p>Yes. An aggrieved officer, shall present his grievance in writing giving full details of his grievance to his Departmental Head, who shall meet the concerned officer in the presence of the Officer's immediate superior. After hearing the grievance, the Head of the Department should give his decision within fifteen days of the receipt of the grievance.</p> <p>At second stage, the employee may send a representation to the Secretary or the Grievance Redressal Committee with a copy to Departmental Head, who gave/did not give the decision at the first stage who will give its recommendations to the General Manager/Head of the Division within one month from the date of receipt of the grievance by the secretary of the committee. The decision of the General Manager/Head of the Division which will be conveyed to the aggrieved officer within one month from the date of receipt of the recommendation of the Grievance Committee, will be final.</p> <p>In exceptional cases, the aggrieved officer whose grievance was considered and who is not satisfied with the decision of the General Manager/Head of the Division, will have the option to appeal to the Managing Director/Director concerned. Decision of such appeals will be taken within one month from the date of receipt of appeal and conveyed to the officer. The decision of the Managing Director/Director concerned, as the case may be, will be final and binding on the aggrieved officer.</p>

7) Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	807	807	100%	824	824	100%
Male	704	704	100%	724	724	100%
Female	103	103	100%	100	100	100%
Total Permanent Workers	1742	1742	100%	1838	1838	100%
Male	1556	1556	100%	1647	1647	100%
Female	186	186	100%	191	191	100%

8) Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	704	224	31.82%	14	1.98%	724	11	1.52%	56	7.73%
Female	103	25	24.27%	0	0%	100	1	1%	12	12%
Total	807	249	30.86%	14	1.73%	824	12	1.46%	68	8.25%
Workers										
Male	1556	9	0.58%	0	0%	1647	2	0.12%	0	0%
Female	186	0	0.12%	0	0%	191	0	0%	0	0%
Total	1742	9	0.52%	0	0%	1838	2	0.11%	0	0%

9) Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	704	86	12.22%	724	148	20.44%
Female	103	11	10.68%	100	24	24.00%
Total	807	97	12.02%	824	172	20.87%
Workers						
Male	1556	384	24.68%	1647	290	17.61%
Female	186	48	25.81%	191	32	16.75%
Total	1742	432	24.80%	1838	322	17.52%

All the employees undergo Performance and Career Development Reviews. The Company has a robust IT tool to conduct the same. Discussions are carried out periodically and feedback for development is provided. Performance review of workers are determined on the basis of Productivity Linked Performance.

10) Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, safety is a core value over which no business objective can have a higher priority. BDL Safety Management Framework covers all the business activities and the same are aligned with the BDL Health and Safety Management System as well as ISO 45001:2018 requirements. The coverage is 100% and includes all employees and workers.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BDL Safety Management System comprises standard safety processes for identifying Work related hazards and assess risks.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, the Company has an established Hazard Identification and Risk Assessment (HIRA) process for both routine and non-routine jobs

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes, all the sites have access to non-occupational medical and healthcare services either on-site or nearby. In addition, personnel are being trained to respond appropriately to medical emergencies on-site.

11) Details of safety related incidents:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	0.344 (only casual labours manpower hours considered in FR calculation)
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	1 (Casual)
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	1 (Casual)

12) Describe the measures taken by the entity to ensure a safe and healthy work place:

Hazard identification, Risk Assessment and Management is done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure and Job Safety Analysis (JSA) Procedure.

Hierarchy of controls is followed for application of risk control measures, Control Plans commensurate to risk are deployed before execution of job. No job is executed until risks are brought to acceptable range.

Safety Committees are in place at various levels to review the adequacy of resources for safety and to provide support for safety management system deployment.

Deployment of Safe and Healthy system of work is assured through periodic safety audits and inspections across sites.

13) Number of Complaints on the Working Conditions and Health and Safety made by employees and workers: Not Applicable

14) Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100% (TS Factories Dept/CFEES/EMS [ISO 14001:2015] external Auditor)
Working Conditions	

15) Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

All safety related accidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits.

Leadership Indicators

1) Does the entity extend any life insurance or any compensatory package in the event of death of -

(A) Employees (Y/N): Yes

(B) Workers (Y/N): Yes

2) Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bills of the contractor are cleared after ensuring remittance of statutory dues to the concerned authorities by verifying deposit/remittance challans submitted along with the bills

3) Provide the number of employees / workers having suffered high consequence work related injury/ ill-health/ fatalities who have been are rehabilitated:

	Total no. of affected employees/ workers		Rehabilitated employees/workers placed in employment or family members placed on employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	1	Nil	1

4) Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No): No

5) Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

- ISO 45001 /OHSAS 18001 certification is mandatory for all Value chain partners involved with High-Risk jobs execution with organization
- Ensured 100% Safety Training of Workforce of Service providers by an approved Training Institute
- Ensured periodic safety performance evaluation of Service providers.
- Safety performance linked incentive schemes for service providers are being provided

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1) Describe the processes for identifying key stakeholder groups of the entity.

BDL identifies its stakeholder groups through the Stakeholder Engagement and Materiality Assessment process. The company has robust system for identification of key stakeholders and it is an ongoing process, where the Company interacts with its stakeholders at different levels to understand and address their expectations and collaborates with them for creating shared value.

2) List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others –please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Stakeholders relationship committee	No	Meetings, emails, newspaper advertisement, website, Annual Reports	Annually	To redress the grievances of the investors/ shareholders and to review measures for effective exercise of voting rights by shareholders
Employees	No	E-newsletter	Monthly, weekly, occasionally and fortnightly	Information on Company activities
Customers	No	Email, Letters, Meeting	Monthly	To understand product requirements and also sorting out technical and logistics issues
Vendors/Suppliers	No	Website, Emails, Newspaper Advertisements	Annually and against specific tenders	To increase the vendor base and also address the grievances in tendering process. Tenders are hosted in website for vendors participation
Industry bodies, Regulators	No	Email, letters, Meetings	As and when required	Ensure compliances to all local laws
Safety Committee	No	Emails & Notice Board	As and when required	To address safety issues in the Company from time to time, ensure proper working conditions and to create safety awareness among the employees
Works Committee	No	Emails & Notice Board	As and when required	Matters connected to issue of uniform, overcoats, shoes etc, amenities such as drinking water, crèche, Rest rooms etc
Welfare Committee	No	Emails & Notice Board	As and when required	conducting recreational and cultural activities annually, social and educational awareness programmes, etc. Arrange outdoor and indoor games

Leadership Indicators

1) Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The below board level CSR & SD committee will have regular interactions with the stakeholders on the economic, environmental and social topics as a part of CSR activities of the Company. The same will be apprised to the CSR & SD Committee of the Board and to the Board in their respective meetings.

2) Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

No

3) Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. Not Applicable

PRINCIPLE 5:**Businesses should respect and promote human rights****Essential Indicators****1) Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent						
Other than permanent			NIL			
Total Employees						
Workers						
Permanent						
Other than permanent			NIL			
Total Workers						

2) Details of minimum wages paid to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	807	-	-	807	100%	824	-	-	824	100%
Male	704	-	-	704	100%	724	-	-	724	100%
Female	103	-	-	103	100%	100	-	-	100	100%
Other than permanent	255	-	-	255	100%	166	-	-	166	100%
Male	212	-	-	212	100%	146	-	-	146	100%
Female	43	-	-	43	100%	20	-	-	20	100%
Workers	-	-	-	-	-	-	-	-	-	100%
Permanent	1742	-	-	1742	100%	1838	-	-	1838	100%
Male	1556	-	-	1556	100%	1647	-	-	1647	100%
Female	186	-	-	186	100%	191	-	-	191	-
Other than permanent	1465	1465	100%	-	-	1433	1433	100%	-	-
Male	1165	1165	100%	-	-	1186	1186	100%	-	-
Female	300	300	100%	-	-	247	247	100%	-	-

3) Details of remuneration/salary/wage:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	6469275	0	0
Key Managerial Personnel	1	2657465	0	0
Employees other than BoD and KMP	830	1689481	110	1573974.5
Workers	1811	961125	209	859185

4) Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, Head (HR) of BDL will be addressing these issues

5) Describe the internal mechanisms in place to redress grievances related to human rights issues.

No separate mechanism exists in the Company for redressal of Human Rights Issues. However, there exists Grievance Redressal Procedure for resolving employees' grievances on service related matters. The Human Rights Policy elaborated on the grievance mechanism.

6) Number of Complaints on the Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues made by employees and workers:

Nil

7) Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

It is ensured that no work related adverse consequences are meted out to the Complainant by placing the Complainant & Respondent in different work places, in case both were in the same work place. Moreover, the Complainant is encouraged to report any such incidences to the higher authorities for appropriate action

8) Do human rights requirements form part of your business agreements and contracts?

No

9) Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/Involuntary labour	
Sexual Harassment	NIL
Discrimination at workplace	
Wages	
Others-please specify	

10) Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above:

Not Applicable

Leadership Indicators

1) Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Not Applicable

2) Details of the scope and coverage of any Human rights due-diligence conducted.

Not Applicable

3) Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4) Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	
Forced/Involuntary labour	
Sexual Harassment	NIL
Discrimination at workplace	
Wages	
Others-please specify	

5) Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at above. NIL

PRINCIPLE 6:**Businesses should respect and make efforts to protect and restore the environment****Essential Indicators****1) Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	79631 Giga Joules	77916 Giga Joules
Total fuel consumption (B)	0.00057 Giga Joules	0.00059 Giga Joules
Energy consumption through other sources (C)	31854 Giga Joules	40514 Giga Joules
Total energy consumption (A+B+C)	111485 Giga Joules	118430 Giga Joules
<i>Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)</i>	4.53 Giga Joule/Rupee	4.20 Giga Joule/Rupee
<i>Energy intensity (optional) - the relevant metric may be selected by the entity</i>		

2) Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Divisions	PAT Cycle II Notified Target (Kcal/kwh)	Achieved (Kcal/kwh)	Remedial Action in case target not achieved
Mundra	2,256	2,257	Unit 30 & 50 HP Heaters replacement along with installation of Variable Frequency Drive in Condensate Extraction pump variable was planned and commissioned.
Maithon	2,460	2,445	Better than Notified Target
Trombay (coal, oil and gas)	2,652	2,566	Better than Notified Target
Trombay (Gas)	2,006	2,047	This was not achieved due to lower Plant load factor in view of low APM gas availability. This has been taken up with BEE, however it was not considered for normalization.
Jojobera	2,839	2,836	Better than Notified Target

3) Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	642395	635511.63
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	642395	635511.63
Total volume of water consumption (in kilolitres)	588192	561105.47
<i>Water intensity per rupee of turnover (Water consumed / turnover)</i>	2.39	1.99
<i>Water intensity (optional) - the relevant metric may be selected by the entity</i>		

4) Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, BDL has implemented Zero Liquid Discharge system. Total treated water through effluent treatment plant is again treated in RO. The RO treated water is also fed to DM (Demineralized Water) plant for producing DM Water. DM Water is utilized in Electroplating Shop, CNC machines and flow forming machines in Work Shops of BDL. Total treated water from sewage treatment plant is also utilized for gardening purpose inside the premises.

5) Details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m ³	11.6-19.3	14.2-26.0
SOx	µg/m ³	7.5-17.2	10.6-18.3
Particulate matter (PM)		54.2-73.8	56-69.6
Persistent Organic pollutants (POP)		Nil	Nil
Volatile organic compounds (VOC)		Nil	Nil
Hazardous air pollutants (HAP)		Nil	Nil
Others –please specify	µg/m ³	14.3-30.2	18-31

6) Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Nil	Nil
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Nil	Nil
Total Scope 1 and Scope 2 emissions per rupee of turnover		Nil	Nil
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		Nil	Nil

7) Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, towards sustenance and conservation of resources initially, 100 KW roof top solar photo voltaic plants have been installed over the canteen and D&E Building Roofs. Afterwards, BDL has installed 5 MW solar panels each at Bhanur & Ibrahimpatnam Units to reduce greenhouse gas emissions.

8) Details related to waste management by the entity:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	4.0 T	1.2 T
E-waste (B)	3 T	0.79 T
Bio-medical waste (C)	264.55 Kg	231.48 Kg
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	2.5 T (Thermal Batteries)	8.066 T (Thermal Batteries)
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Waste Coolant Oil: 6.72 KL, Empty Chemical Carboys: 7.44 T, Paint Waste water : 0.315 KL, Paint Sludge: 0.03 T, ETP Sludge: 1.053 T, Mercury Tubelights: 2.367 T	Waste Coolant Oil: 12.58 KL, Waste Oil:4.735 KL, RO Reject : 10 KL, Life expired chemicals & ingredients:3.255 T, ETP Sludge: 1.1 T

Parameter	FY 2022-23	FY 2021-22
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Damaged M.S. barrels: 7.7 T, M.S. Turning & Boring Scrap: 10 T, Aluminium Scrap: 10 T, Condemned Vehicles : 12 nos., Condemned Vibration System and Oven: 6 Nos.	M.S. Turning & Boring Scrap: 29.125 T, DG Sets: 2 Nos., Wooden Scrap: 121.285 T, LP Air Compressor: 7 Nos., Condemned Oven: 3 Nos., Used Scrapped Canteen Item:1 Set Turning Machine: 1 No., Mixed Aluminium and MS Turning, Boring Scrap and Chips: 20 T, Aluminium Scrap: 10 T, Tyres: 266 Nos., Tubes: 194 Nos. Transformers : 2 nos.
Total (A+B + C + D + E + F + G + H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	65.82 KL from RO	181.54 KL from RO
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	65.82 KL	181.54 KL
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations		
Total	Nil	Nil

9) **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Food waste is being disposed by means of animal feeding. The biomedical waste is being disposed through the agency registered with the Pollution Control Board on alternate working days. The lead acid batteries are given to the authorized recyclers/dealers on buy back basis as and when required. Metal scrap is being disposed through M/s MSTC. All hazardous waste and e-waste are disposed through the agency registered by Pollution Control Board. Effluent generated from electroplating processes is treated in effluent treatment plan and later again it is treated in reverse system. RO output is utilized in the form of demineralized water inside the premises. Sewage is treated in sewage treatment plant. the treated water from sewage treatment plant is used for gardening purpose. The hazardous and toxic chemicals are stored securely at identified place and waste toxic chemicals are disposed after accumulation of sufficient quantity. Continuous monitoring of effluent thereby reducing the generation of ETP/ Paint sludge from the electroplating section. Because of automated machines, the solid waste such as metals and non-metals are being reduced from the process. PAC (Coagulants) is being used in final treated effluent resulted into minimizing the hazardous waste i.e. ETP sludge

10) **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NA	NA	NA

11) Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

NIL

12) Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Not Applicable as BDL is 100% compliant.

Leadership Indicators

1) Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	31854 Giga Joules	40514 Giga Joule
Total energy consumed from renewable sources (A+B+C)	31854 Giga Joules	40514 Giga Joule
From non-renewable sources		
Total electricity consumption (D)	79631 Giga Joules	77916 Giga Joules
Total fuel consumption (E)	0.00057 Giga Joules	0.00059 Giga Joules
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	79631 Giga Joules	77916 Giga Joules

2) Details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment	Nil	10 KL
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment	150677 KL	147941 KL
Total water discharged (in kiloliters)	The above water treated and used for gardening purpose and recycled back into system	

3) Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): For each facility / plant located in areas of water stress:

Name of the area – Kanchanbagh, Bhanur and Visakhapatnam Units

Nature of operations – Manufacturing and Supply of Defence Products

Water Stress Classification: NA

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	642395	635511.63
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kiloliters)	642395	635511.63
Total volume of water consumption (in kiloliters)	588192	561105.47
Water intensity per rupee of turnover (Water consumed / turnover)	2.39 KL/Rupee	1.99 KL/Rupee
Water intensity (optional) – the relevant metric may be selected by the entity		

Water discharge by destination and level of treatment (in kiloliters)

Parameter	FY 2022-23	FY 2021-22
(i) Into Surface water	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(ii) Into Groundwater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment	10 KL	Nil
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment	150677 KL	147941 KL
Total water discharged (in kiloliters)	The above water treated and used for gardening purpose and recycled back into system	

4) **Details of total Scope 3 emissions & its intensity:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Nil	Nil
Total Scope 3 emissions per rupee of turnover		Nil	Nil
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Nil	Nil

5) **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Nil

6) **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installed RO System	RO installed at ETP Outlet to utilise the treated water in the system	Water is recycled back to system in the form of water and DM water which is required for CNC machines.
2	Installed Venturi Scrubber	Venturi Scrubber installed to control air emission generated due to electroplating operations.	Controlled air emission

7) **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Bharat Dynamics Limited is having disaster management plan which cover major disasters such as spillage of chemicals, floods, stage hostage situations, earthquake, cyclone, biological, countering cyber attacks. The disasters are emphasizing on objective, prevention and emergency plan. The roles and responsibilities have been assigned in the event of disaster. BDL has also taken into account process hazards such as plant maintenance (corrosion, failure of control equipment, structure collapse, failure of fume extraction, Lightning and its Control Methods, Safety Measures at EP Shop and Explosive building, waste disposal and sabotage), storage and transportation and their control methods. The hazards division are categorised from 1.1 to 1.4 and Fire divisions are also categorised from 1 to 4 including their firefighting actions.

8) **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Nil

9) **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. Not Applicable**

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

Essential Indicators

1) a) Number of affiliations with trade and industry chambers/ associations: Five

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Society of Indian Defence Manufacturers (SIDM)	National
2	Hyderabad Management Association (HMA)	State
3	Society of Defence Technologists (SODET)	National
4	Standing Conference of Public Enterprises (SCOPE)	National
5	Confederation of Indian Industry (CII)	National

2) Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

There is no action taken or underway against the BDL on any issues related to anti-competitive conduct.

Leadership Indicators

Details of public policy positions advocated by the entity: Nil

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development:

Essential Indicators

1) Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

As per applicable laws, SIA is not applicable for any of the projects undertaken by the Company. However, the Company assesses the effectiveness of all projects undertaken voluntarily as a part of BDL way of giving back to society.

2) Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable, since there are no such projects undertaken by the Company

3) Describe the mechanisms to receive and redress grievances of the community.

Complaint can be received through Public Grievance Portal (PG Portal).

4) Percentage of inputs directly sourced from MSMEs / small producers

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	29.82% (worth about ₹487.98 crore, out of its total procurement of ₹1636.61 crore)	29.72% (worth about ₹522.99 crore, out of its total procurement of ₹1759.52 crore)
Sourced directly from within the district and neighbouring districts	33%	60%

Leadership Indicators

1) Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not Applicable

2) Information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Mid-Day Meal	Visakhapatnam, Andhra Pradesh	53.82 Lakhs
2	Smart Class Rooms	Vizianagaram, Andhra Pradesh	120.00 Lakhs
3	Dokra Craft Dev Project	Asifabad, Telangana	14.40 Lakhs
4	Terracotta Draft Dev Project	Asifabad, Telangana	12.00 Lakhs
5	Dual Desks	Bhadradi Kothagudem, Telangana	32.72 Lakhs
6	Distribution of Artificial Limbs	Asifabad, Telangana	12.50 Lakhs

3) a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? Yes

b) What percentage of total procurement (by value) does it constitute?

BDL has policies and guidelines in place for vendor enlistment and ordering to encourage and provide growth opportunities to entrepreneurs among the marginalized /vulnerable groups or communities. The percentage of total procurement (by value) from SC/ST Entrepreneurs and Women Entrepreneurs for the year 2022-23 and 2021-22 is as follows

S.No	Particulars	FY 2022-23	FY 2021-22
1	% Procurement from SC/ST Entrepreneurs	1.16%	0.66%
2	% Procurement from Women Entrepreneurs	1.35%	0.88%

4) Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Nil

5) Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Not applicable

6) Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Mid-Day Meal	5000	Majority beneficiaries are from BPL
2	Smart Class Rooms	9000	Majority beneficiaries are from BPL
3	Dokra Craft Dev Project	160	Majority beneficiaries are from BPL/ST
4	Terracotta Draft Dev Project	80	Majority beneficiaries are from BPL/ST
5	Dual Desks	3000	Majority beneficiaries are from BPL
6	Distribution of Artificial Limbs	200	Majority beneficiaries are from BPL/ST/SC/OBC

PRINCIPLE 9:**Businesses should engage with and provide value to their consumers in a responsible manner:****Essential Indicators****1) Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Defence forces have a well-established, structured and periodic meetings for raising issues. Same is being followed and compiled by the Company. These documents are treated as confidential by Defence forces.

2) Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	The main products of the company are Missiles, Underwater Weapons and allied Defence Equipments for use in strategic/national security applications. Hence, not applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	The main products of the company are Missiles, Underwater Weapons and allied Defence Equipments for use in strategic/national security applications. Further these items cannot be recycled or reused. Hence, not applicable

3) Number of consumer complaints in respect of the Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices, Unfair Trade Practices, other: Nil**4) Details of instances of product recalls on account of safety issues: NIL****5) Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.** Yes, the web-link is <https://bdl-india.in/sites/default/files/2023-07/Cybersecuritypolicy.pdf>**6) Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

BDL's customers being the defence forces, the information is confidential.

Leadership Indicators**1) Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

On BDL official website <https://bdl-india.in/products>

2) Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.:

The main products of the company are Missiles, Underwater Weapons and allied Defence Equipments for use in strategic/ national security applications. Hence not applicable.

3) Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The main products of the company are Missiles, Underwater Weapons and allied Defence Equipments for use in strategic/ national security applications by Armed Forces. The company is having regular interactions with the customers (who are mostly Indian Armed Forces) and hence they will be well informed in case of any disruption/discontinuation of essential services through direct communication.

4) Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable): Not Applicable**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No):**

The main products of the company are Missiles, Underwater Weapons and allied Defence Equipments for use in strategic/ national security applications. Hence not applicable

5) Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact: Not applicable as no data breaches occurred.

b) Percentage of data breaches involving personally identifiable information of customers Not applicable



INDEPENDENT AUDITOR'S REPORT

To the members of **BHARAT DYNAMICS LIMITED**

Report on the Audit of the Standalone Financial Statements

We are issuing this revised audit report which supersedes our earlier report dated 25.05.2023 with an addition to Emphasis of Matter paragraph concurring to the opinion of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013.

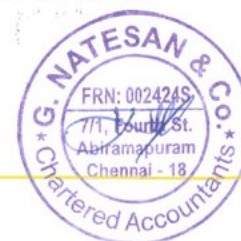
Opinion

We have audited the accompanying standalone Ind AS financial statements of BHARAT DYNAMICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and other explanatory information and a summary of the significant accounting policies and Notes to the standalone Ind AS financial statements (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and Profit and Other Comprehensive Income, changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of this report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other Ethical Responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of the most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Revenue Recognition: Sale and Service Contracts:</p> <p>The principal products of the Company comprise defense equipment where the sale is concluded after inspection by or on behalf of the customer and after acceptance at its facility.</p> <p>Revenue is thus recognised after such inspection and when customer obtains control of the goods. We identified revenue recognition as a key audit matter because</p> <ol style="list-style-type: none"> The Company and its external stakeholders focus on revenue as a key performance indicator. Such focus creates an incentive for revenue to be overstated or recognised before control has been transferred. In a few cases revenue has been recognized but goods are in the possession of the company based on the instructions of the customer. Application of the principle of "bill and hold" required examination. There are performance obligations which do not relate to core activity of the company but form part of the deliverables under Sale Contracts. In such cases time of recognition of performance obligation is a complicated subject. 	<p>Principal Audit procedures performed include:</p> <ol style="list-style-type: none"> We assessed the appropriateness of the revenue recognition policies of the company and whether its adoption is as per the covenants of the applicable accounting standards. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents. We tested the revenue transactions recorded nearer to the financial year end date by verifying the underlying documents to determine whether the revenue had been recognized in the appropriate financial period. We tested the assumptions made by the management in determining full or proportionate revenue recognition in respect of service contracts (job works and repairs & overhauls) by verifying appropriate evidence. Recognition of unbilled revenue were validated with milestone achievements with reference to contract terms. The levy of Liquidated damages were validated with reference to the contracts and effective delivery dates. The "bill and hold" principles adopted by the company were validated with the paper trails available with the company.

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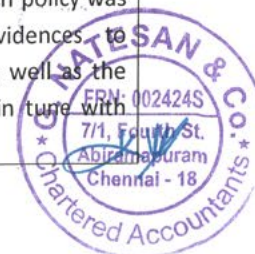




<p>Thus revenue recognition is a Key Audit Matter Refer: Note Nos. 30, 38(11), 38(20) and Item No.3 of Accounting Policy.</p>	<p>9. Satisfaction of performance obligations and recognition of revenue in respect of goods that are not the core product of the company, were examined in context to the overall sale contract.</p> <p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>
<p>Inventories:</p> <p>Audit of Inventories comprise</p> <ol style="list-style-type: none"> Physical verification Confirmation of third party holdings Valuation Redundancies - Recognition and reversal <p>Inventories held by the company are custom made, sensitive and of high value. The holding period is also high in tune with the long time windows taken for order execution.</p> <p>The nature of activity of the company and the order execution timelines are spread over several years. This results in dated inventories but not redundant considering ongoing the production activity.</p> <p>The application of declared policy on redundancy and its appropriateness therefore needs to be checked.</p> <p>The focus on inventories is thus significant in the audit process and a Key Audit Matter.</p> <p>Please refer Note No.10 and Accounting Policy No.7</p>	<p>Principal Audit procedures performed include:</p> <ol style="list-style-type: none"> System and internal controls are evaluated to ensure that there are no recording delinquencies with respect to time of recording, quantity recorded, and item recorded. Applied audit procedures to validate the physical availability of the inventories as supported by physical verification reports of the management teams. Applied principles of roll back and roll over for few inventories to validate the year end holding. Perused third party confirmations and matched with the company's records. Variances if any, are reduced from inventory values. Sample checking of valuation methodology by the system was done through manual validation for the material portion of the inventory. Methodology of loading actual overheads to the inventory values were validated and confirmed to be in tune with costing principles. The policy of recognizing redundancy of materials (Accounting policy no 7.4.) and Management's override of such policy was tested with appropriate evidences to conform that such policies as well as the override are reasonable and in tune with industry conditions.

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	Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.
<p>Recognition-Property, Plant and Equipment and Capital Work in progress</p> <p>a) The process of capitalization of an asset encompasses several stages such as placing of work orders, receipt, inspection, getting site ready, installation, trial runs and decision on date of commercial operations. In some instances procurement in components leading to a whole asset, would lead to different time periods in the process.</p> <p>b) In cases of buildings the process would involve inspection for each stage of completion and approval of running bills from contractors. In some cases the cost of an asset may not be captured correctly in the first instance since inspection and approval of bills may be done after COD.</p> <p>c) The processes in a) & b) above need to be properly translated in books of accounts ensuring correct costs (both direct and indirect costs) are capitalized at the correct date under correct asset classification.</p> <p>d) In cases where the asset purchases/projects are spread over more than one financial year the recognition of Capital WIP with proper costs is essential.</p> <p>The validation of various parameters of capitalization such as timing, cost, useful life, classification and depreciation rate is an area of higher risk of mis-statements. The compliance with Indian accounting standards also poses a significant audit risk.</p> <p>Hence it is considered as a Key Audit Matter, <i>Refer Note Nos. 1 & 5 and Accounting Policy No.11.</i></p>	<p>Principal Audit procedures performed include:</p> <p>Understanding the process of initiating, approving and issue of purchase/work orders</p> <p>Method followed in capturing the relevant direct and indirect costs for capitalization through the accounting software and fixed asset module</p> <p>Procedure for determining date of capitalization and useful life of the project/asset/component with communications/certificates from user departments.</p> <p>Performed detailed testing of project/ asset/ component capitalized during the year</p> <p>Ensured adequate disclosures as per Ind AS</p> <p>The company has capitalized Rs 6,806.35 lakhs of Tangible Assets and Rs 1,223.40 lakhs of Intangible assets during the reporting period.</p> <p>Our audit procedures as detailed above has not revealed any incorrect capitalization or inadequate disclosures</p>



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Emphasis of Matter

We draw attention to Note 38(25) to the standalone financial statements regarding impact on the company's operation due to the ongoing Russia-Ukraine war.

We draw attention to Note: 38 (27) regarding the impact on the financials due to change in Accounting Policy on Customer Financed assets.

We draw attention to Note No 38(7) to the standalone financial statements:

The Company holds inventory valued at Rs 8,350.75 lakhs as at 31.03.2023 that was procured for certain orders. These orders were short closed by the customer. The company holds advance from customer of Rs 36,234.42 lakhs relating to such orders. The inventories are non-moving for more than five years. As per company's accounting policy redundancy provision is to be recognised for inventory which are non-moving for more than five years. No redundancy provision is recognised for these inventories.

The company contends that the customer has impliedly agreed to take over the inventory against the advance which is sufficient to cover the value of inventory. Hence no loss would be incurred by the company on this account and no redundancy provision is therefore considered necessary. There is no explicit term in the sale contracts to set-off the advance to the value of inventory.

Our opinion is not modified in respect of the above matter.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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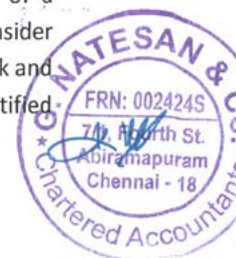


- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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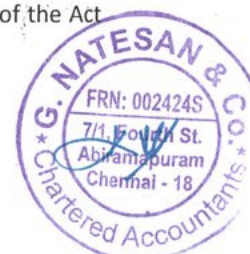
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in **Annexure A**, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under Section 143(3) of the Act, we report that:
 - a) We have sought and 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, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement dealt with this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act and the Rules made thereunder.



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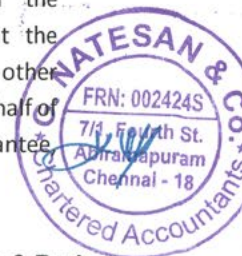
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- e) In terms of Notification no. G.S.R.463(E)dt. 05.06.2015 issued by Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of Director are not applicable to the Company.
- f) With respect to adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**;
- g) With respect to Directions issued by the Comptroller and Auditor General of India under Section 143 (5) we give our report in **Annexure C**;
- h) The provisions of Section 197 are not applicable to this government company (in terms of MCA Notification NO.GSR 463 (E) dated 05th June 2015) as the managerial remuneration is paid as per the appointment letter from the Government of India, and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The company does not have any pending litigations which would impact its financial position, except litigations with respect to taxation matters. The financial impact of such litigations are disclosed in Para 7(c) of Annexure A to this report.
 - ii) The company does not have any long-term contracts requiring a provision for material foreseeable losses.
 - iii) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund
 - iv) The management has represented that, to the best of its knowledge and belief that no funds have been advanced to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v) The management has represented that, to the best of its knowledge and belief that the company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee

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- security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts
- vi) Based on the audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that that has caused us to believe that the representations under sub clause(iv) and (v) contain any material mis-statement.
- vii) a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013
- b. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
- c. As stated in Note No. 38(9) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- viii) The reporting requirement on whether the company has used such accounting software that has a feature of recording audit trail is made applicable from the financial years commencing on or after 1st April 2023 and hence not applicable to the year under report.

Place: Hyderabad

Date: 28.06.2023

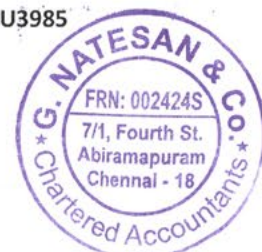
For G.Natesan and Co
Chartered Accountants
FRN 002424S

CA K Murali

Partner

M.No :024842

UDIN : 23024842BGXAJU3985



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ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Bharat Dynamics Limited

- i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of five years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company, except in respect of the following properties

(Values in Rs Lakhs)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held— indicate range, where appropriate	Reason for not being held in name of company*
Land at Ibbrahimpatnam (632 Acres 16.50 Guntas)	7965.16	TSIIC	NO	16-02-2017	In the process of registration.
Land at Kanchanbagh (146 Acres 32 Guntas)	28.42	DMRL	NO	19-10-1972	Pursuing with authorities for incorporation in revenue records
Land at Kanchanbagh (5 Acres 1 Gunta)	0.97	DMRL	NO	19-10-1972	Pursuing with authorities for incorporation in revenue records



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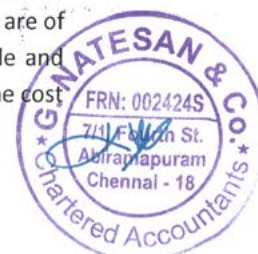


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- (d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- ii) (a) The inventory has been physically verified by the management during the year including inventories that are in the possession of sub-contractors and other third parties. In our opinion the frequency of such verification is reasonable, the coverage and procedure of such verification by the management is appropriate. The company has maintained proper records of inventory. The discrepancies noticed on such physical verification between physical stock and book records have been properly dealt with in the books of accounts.
- (b) According to the information and explanation given to us, the company has availed non-funded working capital limits from Union Bank of India and State Bank of India aggregating to Rs.600 crores and is sanctioned secured overdraft facility of Rs 1,500 lakhs from Union Bank of India. The audited/ Limited Review Financial Statements are submitted to the banks as and when sought for by them. Such statements are in agreement with books of accounts.
- iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Accordingly, the paragraphs 3(iii) (a), (b), (c), (d), (e) and (f) of the order are not applicable to the company
- iv) The company being a Government company, the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security, are not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regard to acceptance of deposits are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has specified maintenance of Cost Records by the Company under Section 148 (1) (d) of the Companies Act, 2013. We have broadly reviewed these records and are of the opinion that prima facie, the prescribed accounts and records are made and maintained. However, we have not carried out any detailed examination of the cost records with a view to determine whether they are accurate or complete.

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- vii) (a) According to the information and explanations given to us and on the basis of examination of books of accounts and records the company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other statutory dues to the appropriate authorities except the following. The demands relating to TDS credit mismatch under Income Tax Act, 1961 outstanding as at the last date of the financial year 2022-23 and provided in table below are due for more than six months from the date they became due.

Name of the Statute	Nature of Dues	Amount in Rs Lakhs	Period to which the amount relate	Due date	Date of Payment
Income Tax Act, 1961	TDS Credit Mismatch	645.86	AY 19-20	NA	Not paid
Income Tax Act, 1961	TDS Credit Mismatch	732.80	AY 21-22	NA	Not Paid

- (b) The following table provides the statutory dues referred to in sub-clause (a) which have not been paid on account of disputes, the amounts involved and the forum where dispute is pending:

(Value in Rs Lakhs)

Sl. No.	Name of the Statute	Nature of Dues	Disputed amounts	Period to which the amounts relate	Forum where dispute is pending
1	Central Sales Tax Act	Central Sales Tax	5,550.83	2011-12	Writ Pending with High Court, Hyderabad
2	Central Sales Tax Act	Central Sales Tax	5,024.27	2012-13	Writ Pending with High Court, Hyderabad
3	Central Sales Tax Act	Central Sales Tax	4,266.81	2013-14	Writ Pending with High Court, Hyderabad
4	Central Sales Tax Act	Central Sales Tax	6,468.12	2014-15	Writ Pending with High Court, Hyderabad
5	Excise Duty Act,	Interest	5,306.33	2015-16 to 2017-18	Appeal pending with CETSTAT, Hyderabad
6	Finance Act, 1994	Service Tax	1,883.80	2015-16 to 2017-18	Appeal pending with CETSTAT, Hyderabad
7	Income Tax Act, 1961	Income Tax	94.36	2018 - 2019	Appeal filed on 29.04.2021 with National Faceless Assessment Centre
TOTAL			28,594.52		

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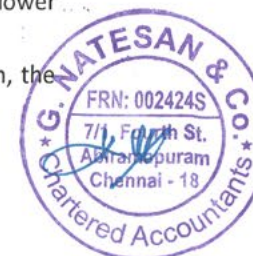


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Note: Against the Disputed amounts in item 1 & 6 the company has paid taxes under protest amounting to Rs 693.85 lakhs and Rs 128.43 lakhs respectively and Rs. 94.36 lakhs in respect of Sl. No. 7 was recovered by the department out of refunds due.

Stay against the demands for items No 1 to 4 granted by the Honourable High Court, Hyderabad.

- viii) In our opinion and according to the explanations given to us, no transactions that are not recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans to banks, or other borrowings or in the payment of interest thereon to any lender.
(b) According to the information and explanations given to us, the company has not been declared as a willful defaulter by any bank or financial institution or other lender.
(c) The company has not received any term loans during the financial year under report.
(d) The funds raised on short term basis have not been utilized for long term purposes;
(e) The company does not have subsidiaries, associates, associate companies or joint ventures;
- x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the order is not applicable to the company.
(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the order is not applicable to the company.
- xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
(b) No report under sub- section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) In our opinion and according to the explanation given to us, no whistle-blower complaints were received by the company during the year
- xii) (a) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

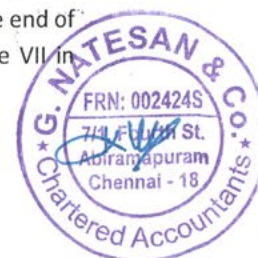


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- Accordingly, paragraph 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations furnished to us, and based on our examination of books and records, we are of the opinion that all transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the standalone financial statements as per applicable Accounting Standards.
- xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
(b) All the reports of the Internal Auditors relating to the financial year 2022-23 and received up to the date of this report, were considered by the Statutory Auditor:
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) (a) The Company is not required to be registered under Section 45-1 A of the Reserve Bank of India Act 1934 (2 of 1934).
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities;
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
(d) The company does not belong to any group.
- xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditor during the year.
- xix) In our opinion, and according to the explanation given to us, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors' and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.
- xx) (a) In our opinion and according to the explanation given to us, the company does not have any unspent CSR amount in respect of other than ongoing projects at the end of the year. Hence no amount is transferred to Fund specified under schedule VII in respect of other than ongoing projects.



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- (b) In our opinion and according to the explanation given to us, the company does not have any unspent CSR amount in respect of ongoing projects at the end of the year. Hence no amount is transferred to Fund specified under schedule VII in respect of ongoing projects.
- xxi) The company does not have subsidiaries, associates or joint ventures and hence the requirement of consolidated financial statements does not arise.

Place: Hyderabad

Date: 28.06.2023

For G.Natesan and Co
Chartered Accountants
FRN 002424S

CA K Murali

Partner

M.No : 024842

UDIN : 23024842BGXAJU3985



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ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2 (g) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Bharat Dynamics Limited

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to Financial Statements of Bharat Dynamics Limited (the Company) as at March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

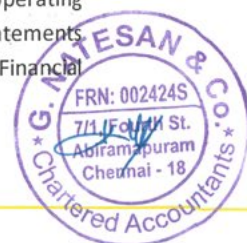
Management's Responsibility:

The Company's Management is responsible for establishing and maintaining Internal Financial Controls with reference to Financial Statements based on the internal financial control over financial reporting criteria established by the Company considering the essential components of control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls with reference to Financial Statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Financial



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Statements, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements:

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Opinion

In our opinion and to the best of our information and explanations given to us, the Company has, in all material respects, adequate Internal Financial Controls with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 28.06.2023

For G.Natesan and Co
Chartered Accountants
FRN 002424S

CA K Murali
Partner
M.No :024842
UDIN : 23024842BGXAJU3985



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ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Bharat Dynamics Limited

Report on the directions under sub-section 5 of Section 143 of the Companies Act, 2013

According to the information and explanations furnished to us and based on audit of the accounts of Bharat Dynamics Limited for the year ended 31.03.2023, we report hereunder on the directions given by the Comptroller and Auditor General of India.

Direction	Report	Impact
Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated	According to the information and explanations furnished to us and based on our examination of books of accounts, we are of the opinion that the company has necessary system in place to process all the accounting transactions through IT System. We have not come across any instance where any accounting transactions were processed outside the IT System during the year	Nil
Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our examination of books of accounts, we are of the opinion that there are no such cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan during the year.	Nil
Whether funds received/receivable for	Based on the examination of the books of accounts and	Nil



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specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	records of the Company, the company has not received any funds from Government Agencies for specific schemes during the financial year 2022-23. In respect of such funds received in preceding years, their accounting is proper and their utilisation is as per terms and conditions of the relevant schemes.	
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Place: Hyderabad

Date: 28.06.2023

For G.Natesan and Co
Chartered Accountants
FRN 002424S

CA K Murali

Partner

M.No :024842

UDIN : 23024842BGXAJU3985



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प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बंगलूर - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/ DATE.25.07.2023

To
Cmde A Madhavarao (Retd),
Chairman and Managing Director,
Bharat Dynamics Limited,
Corporate Office, Plot No.38-39,
TSFC Building, Financial District,
Nanakramguda, Hyderabad – 500 032.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2023.


I forward here with **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2023.

It may please be ensured that the comments are:

- (i) Printed in toto without any editing;
- (ii) Placed next to the statutory auditors' report in the Annual Report of the Company with proper indication in the index; and
- (iii) Placed before the AGM as required under Section 143(6)(b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,


(J.N.Perumal)
Director (Admn)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
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1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

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Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491



स्पीड पोस्ट द्वारा
गोपनीय

नि-1/बी.डी.एल.लेखा2022-23/2023-24/126
सं./No.

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/ DATE. 25 जुलाई 2023

सेवा मे,
कमोडोर ए माधवराव (सेवानिवृत्त),
अध्यक्ष & प्रबंध निदेशक, भारत डायनामिक्स लिमिटेड,
कॉर्पोरेट ऑफिस, प्लॉट सं. 38-39, टीएसएफसी बिल्डिंग,
फाइनेंसियल डिस्ट्रिक्ट, नानक्रमगुडा, हैदराबाद - 500032.

महोदय,

विषय: कम्पनी अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के
नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं 31 मार्च 2023 को समाप्त वर्ष के भारत डायनामिक्स लिमिटेड, हैदराबाद के लेखाओं पर
कंपनी अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं
महालेखापरीक्षक का "शून्य टिप्पणी प्रमाण पत्र" अग्रेषित करता हूँ।

कृपया सुनिश्चित करें कि टिप्पणियाँ .

1. बिना कोई संशोधन किये पूर्ण रूप से छापी जाये।
2. सूचि में उचित संकेत के साथ कंपनी की वार्षिक रिपोर्ट में सांविधिक लेखापरीक्षकों
की रिपोर्ट के आगे रखा जाये।
3. कंपनी अधिनियम 2013 की धारा 143(6)(b) के तहत वार्षिक सामान्य बैठकमें
रखा जाये।

भवदीय,

(जे.एन.पेरुमाल)

निदेशक (प्रशासन)

संलग्न: यथोपरि

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

दू.भा./Phone : 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT DYNAMICS LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2023

The preparation of Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by him vide his Revised Audit Report dated 28 June 2023 which supersedes his earlier Audit Report dated 25 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2023 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditor's report under section 143(6) (b) of the Act.

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


(Rajesh Ranjan)

Principal Director of Audit (Defence - Commercial)

Place: Bengaluru

Date: 25 July 2023

IND AS FINANCIAL STATEMENTS - 31 MARCH 2023

Corporate information

Bharat Dynamics Limited (BDL), a Government of India Enterprise under the Ministry of Defence was established at Hyderabad in the year 1970. It is engaged in the manufacturing of Missiles and allied Defence Equipments. The Company provides majority of its goods and services to the Indian Armed forces and Government of India.

Contents:

Ind AS Financial Statements comprises:

- (a) Balance Sheet
- (b) Statement of Profit and Loss
- (c) Statement of Changes in Equity
- (d) Statement of Cash flows
- (e) Notes, comprising a summary of significant Accounting policies and other explanatory information; and
- (f) Comparative information in respect of the preceding period;

Reporting Entity:

Bharat Dynamics Limited (Government of India Enterprise) is a Listed Company limited by shares, incorporated and domiciled in India.

Registered Office :

Kanchanbagh, Hyderabad - 500058

Corporate Office :

Plot No. 38-39, TSFC Building,
Financial District, Nanakramguda
Hyderabad - -500032

STANDALONE BALANCE SHEET

AS AT 31ST MARCH 2023

(₹ in Lakh)

PARTICULARS	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	64,628.38	70,426.44
(b) Capital Work-in-Progress	2	7,434.66	4,073.18
(c) Investment Property	3	0.97	0.97
(d) Right of use assets	4	5,486.03	5,682.32
(e) Other Intangible Assets	5	10,738.30	11,274.90
(f) Financial Assets			
(i) Investments	6	-	-
(ii) Loans	7	173.86	203.69
(iii) Other Financial Assets	8	10,603.14	4,085.76
(g) Deferred Tax Assets (net)	29A	5,642.02	5,710.71
(h) Other Non-current Assets	9	2,521.52	2,606.53
Total Non - Current Assets		107,228.88	104,064.50
(2) Current Assets			
(a) Inventories	10	182,243.75	165,445.13
(b) Financial Assets			
(i) Trade Receivables	11	18,457.27	30,416.13
(ii) Cash and Cash Equivalents	12	105,288.37	26,504.37
(iii) Bank balances other than (ii) above	13	280,598.00	163,449.00
(iv) Loans	14	202.16	183.74
(v) Other Financial Assets	15	132,411.77	129,162.31
(c) Current tax Assets	29B	11,948.87	2,912.05
(d) Other Current Assets	16	28,864.07	34,250.79
Total Current Assets		760,014.26	552,323.52
Total Assets		867,243.14	656,388.02
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	18,328.12	18,328.12
(b) Other Equity	18	302,821.65	284,727.62
Total Equity		321,149.77	303,055.74
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	374.11	520.75
(ii) Other Financial Liabilities	20	4,557.47	4,106.16
(b) Provisions	21	37.00	4,465.64
(c) Other Non-current Liabilities	22	320,528.18	86,133.95
Total Non-current Liabilities		325,496.76	95,226.50
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	-	-
(ii) Lease Liabilities	24	146.64	131.96
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	25	4,276.06	3,996.37
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	25	42,161.77	51,250.61
(iv) Other Financial Liabilities	26	16,761.58	16,436.59
(b) Other Current Liabilities	27	122,078.82	155,359.65
(c) Provisions	28	35,171.74	30,930.60
(d) Current tax Liabilities, net	29B	-	-
Total Current Liabilities		220,596.61	258,105.78
Total Liabilities		546,093.37	353,332.28
Total Equity and Liabilities		867,243.14	656,388.02

Significant Accounting Policies and accompanying Notes form an integral part of the Financial Statements

As per our report of even date.

For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 0024245



CA K Murali
Partner
(M.No. 024842)
UDIN: 23024842BGXAJK8165

For and on behalf of the Board



N SRINIVASULU
Director (Finance)
DIN: 08744682



P RADHAKRISHNA
Chairman and Managing Director
(Additional Charge)
DIN: 08437975



N NAGARAJA
Company Secretary
(M.No.A19015)

Place: Hyderabad
Date: 25 May 2023

Place: Hyderabad
Date: 25 May 2023

STATEMENT OF PROFIT AND LOSS


FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakh)

PARTICULARS	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
I Revenue from Operations	30	248,939.25	281,740.28
II Other Income	31	15,540.22	11,121.04
III Total Income (I + II)		264,479.47	292,861.32
IV EXPENSES			
Cost of materials consumed	32	121,033.46	126,336.55
Changes in inventories of finished goods and work-in-progress	33	(1,903.72)	(8,435.58)
Employee benefits expense	34	53,246.43	57,066.27
Finance costs	35	453.64	342.43
Depreciation and amortisation expense	36	7,725.79	9,035.47
Other expenses	37	35,743.52	34,166.36
Total expenses (IV)		216,299.12	218,511.50
V Profit/ (Loss) before exceptional items and tax (III-IV)		48,180.35	74,349.82
VI Exceptional Items			
Impairment Loss	38(1)	-	(3,358.57)
VII Profit before tax (V + VI)		48,180.35	70,991.25
VIII Tax expense			
(1) Current tax	29C	12,775.36	21,653.56
(2) Deferred tax	29C	187.50	(654.75)
Total Tax expense		12,962.86	20,998.81
IX Profit/ (Loss) for the year (VII - VIII)		35,217.49	49,992.44
X Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of the defined benefit plans	38(3)	240.20	(1,123.26)
(b) Income tax relating to items that will not be reclassified to profit or loss	29C	(60.45)	282.70
Total other comprehensive income		179.75	(840.56)
XI Total comprehensive income for the year (IX + X)		35,397.24	49,151.88
XII Earnings per equity share			
Basic and diluted EPS (in Rupees)	38(2)	19.22	27.28

Significant Accounting Policies and accompanying Notes form an integral part of the Financial Statements

For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 0024245


CA K Murali
Partner
(M.No. 024842)
UDIN: 23024842BGXAJK8165

Place: Hyderabad
Date: 25 May 2023

For and on behalf of the Board


N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 25 May 2023


P RADHAKRISHNA
Chairman and Managing Director
(Additional Charge)
DIN: 08437975


N NAGARAJA
Company Secretary
(M.No.A19015)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(₹ in Lakh)

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
18328.12	-	18328.12	-	18328.12

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
18328.12	-	18328.12	-	18328.12

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus			Total
	General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	
Balance as at April 1, 2022	2,88,135.54	2,664.68	(6,072.60)	2,84,727.62
Changes in Accounting Policy	-	(532.98)	-	(532.98)
Restated balance as at April 1, 2022	2,88,135.54	2,131.70	(6,072.60)	2,84,194.64
Profit for the year	-	35,217.49	-	35,217.49
Other comprehensive income for the year (net of tax)	-	-	179.75	179.75
Final dividend	-	(1,832.81)	-	(1,832.81)
Transfer from Statement of Profit and Loss	15,000.00	-	-	15,000.00
Transfer to General Reserve	-	(15,000.00)	-	(15,000.00)
Interim Dividend	-	(14,937.42)	-	(14,937.42)
Balance as at March 31, 2023	3,03,135.54	5,578.96	(5,892.85)	3,02,821.65

Particulars	Reserves and Surplus			Total
	General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	
Balance as at April 1, 2021	2,48,135.54	7,243.10	(5,232.04)	2,50,146.60
Profit for the year	-	49,992.44	-	49,992.44
Other comprehensive income for the year (net of tax)	-	-	(840.56)	(840.56)
Final dividend	-	(1,191.33)	-	(1,191.33)
Transfer to Capital Redemption Reserve	-	-	-	-
Transfer from Statement of Profit and Loss	40,000.00	-	-	40,000.00
Transfer to General Reserve	-	(40,000.00)	-	(40,000.00)
Interim Dividend	-	(13,379.53)	-	(13,379.53)
Balance as at March 31, 2022	2,88,135.54	2,664.68	(6,072.60)	2,84,727.62

For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 0024245



CA K Murali
Partner
(M.No. 024842)
UDIN: 23024842BGXAJK8165

Place: Hyderabad
Date: 25 May 2023

For and on behalf of the Board



N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 25 May 2023



P RADHAKRISHNA
Chairman and Managing Director
(Additional Charge)
DIN: 08437975



N NAGARAJA
Company Secretary
(M.No.A19015)


CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	48,180.35	74,349.82
Adjustments for :		
Depreciation and amortisation expense	7,725.79	9,035.47
Finance costs	453.64	342.43
Interest income	(11,176.17)	(6,375.16)
Profit on Sale of Property Plant and Equipment	(10.06)	0.90
Deferred revenue on customer provided Assets	(1,021.06)	(2,654.32)
Provisions for expenses	2,622.19	10,484.95
Liabilities / provisions no longer required written back	(959.93)	(2,365.08)
Fair value adjustment to investment carried at fair value through profit and loss	(130.24)	317.58
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
Operating profit before working capital changes	45,684.51	83,136.59
Changes in working capital:		
Adjustments for (increase) / decrease in operating Assets:		
Trade receivables	11,958.86	1,853.13
Loans	11.41	61.40
Other Financial Assets	(9,586.05)	(6,965.39)
Inventories	(17,951.00)	(26,141.20)
Other Assets	5,332.72	1,568.74
Adjustments for increase / (decrease) in operating Liabilities:		
Trade payables	(8,809.15)	(19,013.13)
Other Financial Liabilities	1,736.23	2,689.95
Other Liabilities	2,07,955.51	36,404.12
Provisions	(1,495.68)	(285.96)
Cash generated from operations	2,34,837.36	73,308.25
Net income tax paid	(21,812.18)	(20,342.35)
Net cash flow before exceptional items	2,13,025.18	52,965.90
Exceptional items	-	-
Net cash from/ (used) in operating activities (A)	2,13,025.18	52,965.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment and Intangible Assets	(10,825.71)	(10,204.42)
Bank Deposits	(1,17,149.00)	(53,045.20)
Proceeds from sale of Property Plant & Equipment and Intangible Assets	19.36	0.45
Interest received	10,852.42	5,947.93
Net cash from/ (used) in investing activities (B)	(1,17,102.93)	(57,301.25)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Finance costs	(314.63)	(203.41)
Repayment of lease liabilities	(131.96)	(118.48)
Dividends paid	(16,691.66)	(14,530.06)
Net cash from/ (used) in financing activities (C)	(17,138.25)	(14,851.95)
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	78,784.00	(19,187.30)
Cash and Cash equivalents at the beginning of the year	26,504.37	45,691.67
Cash and Cash equivalents at the end of the year (Refer Note (i) below)	1,05,288.37	26,504.37
Note (i):		
Cash and Cash equivalents Comprises:		
in current accounts	77,204.89	3,055.17
in deposit accounts	28,076.92	23,448.78
Cash on hand	6.56	0.42
Bank overdraft	-	-
	1,05,288.37	26,504.37

For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 0024245


CA K Murali
Partner
(M.No. 024842)
UDIN: 23024842BGXAJK8165

Place: Hyderabad
Date: 25 May 2023

For and on behalf of the Board


N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 25 May 2023


P RADHAKRISHNA
Chairman and Managing Director
(Additional Charge)
DIN: 08437975


N NAGARAJA
Company Secretary
(M.No.A19015)

ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 Compliance with Ind AS:

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) rules, 2015], as amended from time to time and other relevant provisions of the Act.

1.2 Historical cost convention:

The financial statements are prepared under historical cost basis, except for the following:

certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;

defined benefit plans – plan assets measured at fair value

1.3 Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

2. FOREIGN CURRENCY TRANSLATION

2.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Bharat Dynamics Limited's functional and presentation currency.

2.2 Transactions and Balances

- i) Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit and loss.
- ii) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.
- iii) Liability for deferred payments (and receivable from Indian army and ordnance factory) 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. The differences due to fluctuations in the rate of exchange are charged to revenue.

3. REVENUE RECOGNITION:

A. Revenue from Contract with Customers

(i) Revenue is recognized when (or as) the company satisfies a performance obligation.

(ii) Satisfaction of performance obligation over time

- a. Revenue is recognised overtime where the transfer of control of goods or services take places over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
 - the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
 - the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment including a reasonable profit margin for performance completed to date.
- b. Progress made towards satisfying a performance obligation is assessed based on Input Method on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.
- c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

(iii) Satisfaction of performance obligation at a point in time

- a. In respect of cases where the transfer of control does not take place over time, the company recognises the revenue at a point in time when it satisfies the performance obligations.
- b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:
- the company has transferred physical possession of the asset
 - the customer has legal title to the asset
 - the customer has accepted the asset
 - when the company has a present right to payment for the asset
 - The customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Incoterms of the contracts.

Ex-Works contract – In case of Ex-works contract, revenue is recognised when the specified goods are unconditionally appropriated to the contract after prior Inspection and acceptance, if required.

FOR Contracts – In the case of FOR contracts, revenue is recognised when the goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period.

Bill and hold Sales:

Bill and hold sales is recognised when all the following criteria are met:

- the reason for the bill and hold sales is substantive
- the product is identified separately as belonging to the customer
- the product is currently ready for physical transfer to the customer
- the company does not have the ability to use the product or to direct it to another customer

(iv) Measurement

- a. Revenue is recognized at the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties and net of estimated liquidated damages. Exchange rate variation and any other additional consideration is recognised based on contractual terms of the contract.
- b. The company's obligation to replace or repair faulty goods under the standard warranty terms is recognized as a provision and is not adjusted against transaction price as the customer does not have option to purchase warranty separately.

- c. In case where the contracts involve multiple performance obligations, the company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis.

Bundled Contracts - In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies the recognition criteria to separately identifiable components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on stand-alone selling price.

Multiple Elements - In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on their stand-alone selling price.

- d. If the stand-alone selling price is not available the company estimates the stand alone selling price.

(v) Significant financing component

Advances received towards execution of Defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on a case to case basis.

(vi) Customer financed assets:

The Customer Financed Assets (CFA) are those assets cost of which is funded by the customer, fully or in part. Customer may or may not obtain control over the CFA. The funding by customer is recognised as revenue synchronising it in line with completion of performance obligations in accordance with contractual terms. The expenditure incurred by the company is recognised as per GAAP.

a. Where the company has obtained control over the assets funded by customer:

The assets financed by customer are recognised initially at fair value. The corresponding revenue in respect of a contract is recognised to the extent of executed quantity in proportion to the existing order quantity plus additional quantity, if any, for which orders are anticipated as on the date of receipt of the contract from customer.

b. Where the company has not obtained control over the assets funded by customer:

The expenditure incurred in respect of assets funded by the customer is initially recognised as inventory and revenue is recognised on transfer of control of the asset

B. Other Income:

Recognition of other income is as follows

i) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii) Dividend:

Dividend income is recognized when the Company's right to receive the payment is established.

4. GOVERNMENT GRANTS

- 4.1 Grants from the government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company will comply with all attached conditions.
- 4.2 Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- 4.3 Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

4.4 Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.

5. INCOME TAX

5.1 The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

5.2 Current tax:

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

5.3 Deferred tax:

- i) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor the taxable profit (tax loss). Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.
- ii) Deferred tax assets are recognized for all deductible temporary differences and unused losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax asset is also recognised for the indexation benefit on land available for taxation purpose since it results in a temporary difference.
- iii) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the liability simultaneously.
- iv) Current and deferred tax is recognized in profit or loss, except to the extent that it relates to the items recognized in other comprehensive income or directly equity. In this case, the tax is also recognized in other comprehensive income or directly equity, respectively.

6. LEASES

6.1 Company as a lessee:

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – “Leases” if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with short term lease (term of twelve months or less) and lease in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

6.2 Company as a Lessor:

Lease are classified as finance or operating lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease:

At commencement date, amount equivalent to the “net investment in the lease” is presented as a receivable. The implicit interest rate is used to measure the value of the “net investment in Lease”

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the statement of profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109- Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight line basis or another systematic basis, if required.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

A lease is classified at the inception date as a finance lease or operating lease.

7. INVENTORIES

- 7.1 Inventories are valued at lower of cost and net realizable value. The cost of raw material, components and stores are assigned by using the actual weighted average cost formula and those in transit at cost to date. In the case of stock-in-trade and work-in-progress, cost includes material, labour and related production overheads.
- 7.2 Stationery, uniforms, welfare consumables, medical and canteen stores are charged off to revenue at the time of receipt.
- 7.3 Raw-materials, Components, Construction Materials, Loose Tools and Stores and Spare Parts declared surplus/ unserviceable/ redundant are charged to revenue.
- 7.4 Provision for redundancy is made in respect of closing inventory of Raw materials and Components, Work in progress, Finished Goods, Stores and spare parts, Loose tools and Construction Materials 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.

8. FINANCIAL INSTRUMENTS

8.1 Financial Assets:

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value.

i) Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

- o those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- o those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as:

- (a)(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (a)(ii) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- (a)(iii) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

b) Equity instruments

- (b)(i) The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.
- (b)(ii) Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Time barred dues from the government / government departments / government companies are generally not considered as increase in credit risk of such financial asset.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients

Where the company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Trade receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expect to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

8.2 Financial liabilities and equity instruments issued by the Company

Classification

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

ii) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company. Trade and other payables are presented as current liabilities if payment is due within 12 months after the reporting period otherwise as non-current. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

iv) Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The derivatives that are not designated as hedges are accounted for at fair value through profit and loss and are included in other gains/ (losses).

a) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial Assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract and are measured at fair value through profit and loss. Embedded derivatives closely related to the host contract are not separated.

b) Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- The functional currency of any substantial party to that contract,
- The currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- A currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

8.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

9. CASH AND CASH EQUIVALENTS:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

10. FAIR VALUE MEASUREMENT

10.1 The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

10.2 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

10.3 For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Measurement

- i. Land is capitalised at cost to the Company. Development of land such as levelling, clearing and grading is capitalised along with the cost of building in proportion to the land utilized for construction of buildings and rest of the development expenditure is capitalised 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 cost of land.
- ii. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of items.
- iii. Subsequent costs are included in the asset's carrying amount and recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iv. Where the cost of a part of the asset is significant to the total cost of the asset and useful life of that significant part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and the significant part is depreciated on straight line method over its estimated useful life.

11.2 Depreciation method, estimated useful life and residual value:

- i. Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.
- ii. The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act; 2013.
- iii. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

11.3 Disposal

Gains and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

12. INTANGIBLE ASSETS:

12.1 Licences

Separately acquired licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

12.2 Computer software

- a) The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits-, is recognised as an Intangible Asset in the books of accounts when the same is ready for use. Intangible Assets that are not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development.
- b) Cost associated with maintaining of software programs are recognized as an expense as incurred.
- c) Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:
 - o It is technically feasible to complete the software so that it will be available for use
 - o Management intends to complete the software and use or sell it
 - o There is an ability to use or sell the software
 - o It can be demonstrated how the software will generate probable future economic benefits
 - o Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
 - o The expenditure attributable to the software during its development can be reliably measured.

- d) Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.
- e) Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

12.3 Research and development

Research expenditure and development expenditure that do not meet the criteria in 12.2(c) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

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.

12.4 Amortization methods and periods

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Licences	Useful Life/Production
Computer software	3 years

13. INVESTMENT PROPERTY:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

14. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS:

- 14.1 Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.
- 14.2 An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.
- 14.3 Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.
- 14.4 Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.
- 14.5 A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

15. IMPAIRMENT OF ASSETS:

- 15.1 Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

15.2 The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

16. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

- 16.1 Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.
- 16.2 Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
- 16.3 Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.
- 16.4 Warranty: Warranty on goods sold, wherever applicable, commences once the sale is complete and accordingly provision for such warranty is made. The period, terms and conditions of warranty as per the relevant contract are taken into consideration while determining the provision for such sales.
- 16.5 Provision for Onerous Contract: A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

17. EMPLOYEE BENEFITS

17.1 Short-term obligations

Liabilities for wages and salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

17.2 Other long term employee benefit obligations

The liability for vacation leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

17.3 Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as Gratuity and contribution towards Provident Fund under the PF Act; and
- (b) Defined contribution plans namely Retired Employee Medical Scheme (REMI)/Post Superannuation Medical Benefit (PSMB), Death Relief Fund (DRF), Employee State Insurance Scheme (ESI) and Pension Scheme(s).

a) Defined benefit plans

The liability or assets recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

b) Defined contribution plans

The Company pays contributions to trusts established as per local regulations and also to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company's contribution paid/ payable to Company approved Retired Employee Medical Scheme (REMI)/Post superannuation Medical Benefit(PSMB), Death Relief Fund (DRF), Employee State Insurance Scheme (ESI) and Pension Scheme are charged to revenue.

17.4 Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefit are measured based on the number of employees expected to accept the offer. Termination Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

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

18. CONTRIBUTED EQUITY

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

19. DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

20. EARNINGS PER SHARE

20.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

20.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Note 1 to 38 and Accounting Policies attached form part of accounts.

For G Natesan & Co.,

Chartered Accountants
Firm's Registration No. 002424S



CA K Murali

Partner
(M.No. 024842)
UDIN: 23024842BGXAJK8165

Place: Hyderabad
Date: 25 May 2023

For and on behalf of the Board



N SRINIVASULU

Director (Finance)
DIN: 087444682

Place: Hyderabad
Date: 25 May 2023



P RADHAKRISHNA

Chairman and Managing Director
(Additional Charge)
DIN: 08437975



N NAGARAJA

Company Secretary
(M.No.A19015)

Notes forming part of the Financial Statements

Note 1: Property, Plant and Equipment

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Freehold Land	8,800.66	-	-	8,800.66	-	-	-	-	-	8,800.66
Buildings	32,081.74	1,154.45	(2,105.18)	31,131.01	7,050.93	1,055.75	(491.36)	-	7,615.32	23,515.69
Fencing and Compound Walls	1,408.15	8.60	-	1,416.75	1,215.00	61.12	-	-	1,276.12	140.63
Roads and Drains	1,690.40	-	-	1,690.40	1,067.93	126.81	-	-	1,194.74	495.66
Water Supply Installations	188.50	-	-	188.50	44.18	8.43	-	-	52.61	135.89
Plant, Machinery and Equipment	54,726.39	4,409.62	(9,208.43)	49,927.58	21,438.81	3,350.55	(4,090.66)	-	20,698.70	29,228.88
Furniture and Equipment	4,926.53	607.94	(67.68)	5,466.79	3,482.94	641.36	(32.70)	-	4,091.60	1,375.19
Transport Vehicles	748.29	149.83	(133.23)	764.89	505.99	70.77	(115.02)	-	461.74	303.15
Special Tools & Equipment	5,416.84	475.91	(55.45)	5,837.30	4,755.28	454.71	(5.32)	-	5,204.67	632.63
Total	1,09,987.50	6,806.35	(11,569.97)	1,05,223.88	39,561.06	5,769.50	(4,735.06)	-	40,595.50	64,628.38

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2021	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2022	Accumulated depreciation/ amortisation as at April 1, 2021	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2022	As at March 31, 2022
Freehold Land	8,800.66	-	-	8,800.66	-	-	-	-	-	8,800.66
Buildings	32,080.67	39.19	(38.12)	32,081.74	5,747.65	1,303.28	-	-	7,050.93	25,030.81
Fencing and Compound Walls	1,311.54	96.61	-	1,408.15	1,158.14	56.86	-	-	1,215.00	193.15
Roads and Drains	1,678.83	11.57	-	1,690.40	766.70	160.49	-	140.74	1,067.93	622.47
Water Supply Installations	187.84	0.66	-	188.50	35.55	8.63	-	-	44.18	144.32
Plant, Machinery and Equipment	52,258.54	2,501.59	(33.74)	54,726.39	17,644.27	3,808.03	(13.49)	-	21,438.81	33,287.58
Furniture and Equipment	4,577.13	375.28	(25.88)	4,926.53	2,868.75	624.22	(10.03)	-	3,482.94	1,443.59
Transport Vehicles	685.01	63.28	-	748.29	435.61	70.38	-	-	505.99	242.30
Special Tools & Equipment	5,373.47	43.37	-	5,416.84	4,023.91	731.37	-	-	4,755.28	661.56
Total	1,06,953.69	3,131.55	(97.74)	1,09,987.50	32,680.58	6,763.26	(23.52)	140.74	39,561.06	70,426.44

Notes:

Freehold Land:

- (a) Freehold Land includes
 - (i) 2 Acres and 08 Guntas (March 31,2022: 2 Acres and 08 Guntas) of land at Kanchanbagh, Hyderabad given on permissive possession to a Government of India Organisation and is in their possession.
 - (ii) 146 Acres 32 Guntas (March 31,2022: 146 Acres 32 Guntas) of land at Kanchanbagh, Hyderabad received free of cost from State Government, is valued at ₹ 28.42 Lakh (as at March 31,2022: ₹ 28.42 Lakh), title to this land is yet to be received.
- (b) In respect of land admeasuring 82 Acres 31 Guntas (as at March 31,2022: 82 Acres 31 Guntas) at Karmanghat, Hyderabad acquired by state government for the company for which an amount of ₹ 21.66 Lakh (as at March 31 2022: ₹ 21.66 Lakh) paid by the company is capitalised.

(₹ in Lakh)

- (c) Free hold land of 632 Acres 16.50 Guntas (as at March 31,2022: 632 Acres 16.50 Guntas) at Ibrahimpatnam, Rangareddy District is taken possession on agreement of sale by paying ₹ 6136.90 Lakh (as at March 31,2022: ₹ 6136.90 lakh) based on tentative fixation of price is capitalised. Gross Carrying Value is ₹ 7965.16 Lakh (as at March 31, 2022 ₹ 7965.16 Lakh) including the environmental fee and development charges incurred.

Buildings :

- (a) Buildings include ₹ 111.01 Lakh as at March 31, 2023 (March 31, 2022 : ₹ 111.01 Lakh) being the value of buildings constructed on land not belonging to the Company.
- (i) The Estimated useful life of various categories of assets (As per schedule II to the companies Act, 2013) is described as follows:

Asset	Useful life
Buildings	30 / 60
Fencing and Compound walls	5
Roads and Drains	10
Water supply installations	30
Plant, Machinery and Equipment	10/ 12/ 15
Furniture and Equipment	3 / 5 / 10
Transport vehicles	8 / 10

- (ii) For method and accounting of depreciation, refer the accounting policy 11: Property, Plant and Equipment.
- (iii) Impairment is tested as per the accounting policy 15. Refer Note no. 38(1) for Impairment Loss
- (iv) Refer Note 38(7) for details relating to short closed projects.
- (v) Refer Note 38(21)A for Title deeds of immovable property not held in the name of the company
- (vi) The Property, Plant and Equipment includes assets funded by the customer against which deferred revenue is recognised as the company has control over these assets.

PARTICULARS	As at 31.03.2023			As at 31.03.2022		
	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount
Customer Financed Assets	2,369.40	523.44	1,845.95	1,759.01	436.99	1,322.01

- (vii) The Property, Plant and Equipment does not include assets funded by the customer for use in their contracts but held by the company.

PARTICULARS	As at 31.03.2023
Opening balance	10,725.87
Additions	2,231.84
Deletions	-
Closing balance	12,957.70

The opening balance of ₹ 10725.87 Lakhs was previously included in Property, Plant and Equipment at carrying amount of ₹ 5,455.28 Lakhs as at March 31, 2022. These were derecognised due to change in accounting policy on customer financed assets. Also refer note 38(27) for Impact due to change in Accounting policy on Customer financed assets.

Note 2: Capital Work-in-Progress

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Civil	4,972.84	2,625.56
Plant & Machinery	2,426.87	1,050.44
Others	34.95	397.18
Total	7,434.66	4,073.18

Notes:

- (i) Refer note 38(6) for capital commitments
- (ii) Refer note 38(21)E: Ageing and completion of capital work-in-progress

Note 3: Investment Property

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Land (held for rentals)	0.97	-	-	0.97	-	-	-	-	-	0.97

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2021	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2022	Accumulated depreciation/ amortisation as at April 1, 2021	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2022	As at March 31, 2022
Land (held for rentals)	0.97	-	-	0.97	-	-	-	-	-	0.97

(i) Amounts recognised in Profit or Loss for Investment Properties

Particulars	March 31, 2023	March 31, 2022
Rental income	-	-
Profit from Investment Properties before depreciation	-	-
Depreciation	-	-
Profit from Investment Properties	-	-

(ii) Contractual obligations

The Company has no contractual obligations to sell, construct or develop investment property or for its repairs, maintenance or enhancements.

(iii) Leasing arrangements

Land admeasuring 5 acres and 1 gunta at Kanchanbagh is leased to Indian Navy under long-term operating leases with rentals payable yearly. The lease rentals for such property is ₹ 1 per annum per acre. Leasing arrangements are the same for year ended March 31, 2023 and March 31, 2022.

(iv) Fair value

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
Investment properties	2967.16	2967.16

Significant judgement:

As the land given to Indian Navy is within the premises of the company and it would not be possible for the company to give the land to a third party, the Registration department value of the land is considered to be the fair value of the land. The fair value arrived is ₹ 0.122 lakh (₹ 0.122 lakh ast 31st March 2022) per square yard as per the Registration department.

- (v) Impairment is tested as per the accounting policy 15. The company has assessed that there are no indicators of impairment.
- (vi) Refer Note 38(21)A for Title deeds of immovable property not held in the name of the company
- (vii) Refer Note 38(21)B with regard to disclosure relating to valuation by registered valuer as defined under rule 2 of Companies (Registered Valuers & Valuation) Rules, 2017

Note 4: Right of use assets

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Leasehold Land	8,599.75	-	-	8,599.75	3,498.23	56.92	-	-	3,555.15	5,044.60
Leasehold Building	998.91	-	-	998.91	418.11	139.37	-	-	557.48	441.43
Total	9,598.66	-	-	9,598.66	3,916.34	196.29	-	-	4,112.63	5,486.03

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2021	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2022	Accumulated depreciation/ amortisation as at April 1, 2021	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2022	As at March 31, 2022
Leasehold Land	3,477.17	5,122.58	-	8,599.75	222.30	58.10	-	3,217.83	3,498.23	5,101.52
Leasehold Building	998.91	-	-	998.91	278.74	139.37	-	-	418.11	580.80
Total	4,476.08	5,122.58	-	9,598.66	501.04	197.47	-	-	3,916.34	5,682.32

Leasehold Land :

- (a) Land measuring 3 acres 25 guntas (March 31, 2022: 3 acres 25 guntas) at Visakhapatnam was taken on lease from Government of India at a rental of ₹ 1.00 per acre per annum.
- (b) Leasehold land measuring 553 Acres 34 Guntas (as at March 31, 2022: 553 Acres 34 Guntas) at Amravati for which a premium of ₹ 3922.37 lakh was paid is taken on lease on 07/02/2014 with certain conditions attached to it. One of the main condition is, if the factory building and works are not completed within 60 months from the date of allotment, unless the time is extended, the lease agreement may be cancelled and the lessor may take possession of the leasehold land together with all the erections, if any, on the said land, without paying any compensation to the company. At present the period of investment has been extended upto 05.04.2019. The project for which the land has been taken on lease is under finalisation with Ministry of Defence (MoD), the Company is pursuing for further extension of period of investment. Pending receipt of extension of time period, the company has provided for impairment amounting to ₹ 3217.83 lakh during 2021-22.

(₹ in Lakh)

(₹ in Lakh)

- (c) Leasehold land measuring 183 hectares in Defence Industrial Corridor at Jhansi District is taken on lease from UPEIDA for which an amount of ₹ 5071.84 lakh was paid and capitalized along with registration charges. The lease term is 30 years with two renewals of 30 years each aggregating to 90 years for an annual lease rent of ₹ 1.00 per annum. Stamp Duty amounting to ₹ 253.59 lakh is exempted to be paid subject to the condition that construction is to be commenced by 7th November 2022. Award of contract relating to infrastructure facility is under approval as on 31.03.2023.

Leasehold Building :

Corporate office building measuring 53,284 sq ft is taken on lease from APSFC from 01.06.2016 for a period of 10 years. Company recognised the building under right of use assets (RoU) asset at a value of ₹ 998.91 lakhs, a corresponding lease liability of ₹ 972.01 lakhs and a provision for an amount of ₹ 26.90 lakhs towards asset retirement obligation on 01.04.2019 as per Ind AS 116. Lease liability is recognised at the present value of lease payment discounted at the incremental borrowing rate of 8%.

Refer Note 38(1): Impairment Loss

(vi) Refer Note 38(21)A for Title deeds of immovable property not held in the name of the company

Note 5: Intangible Assets

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the Year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Development Expenditure	3,324.10	-	-	3,324.10	3,324.10	-	(0.00)	-	3,324.10	0.00
Computer Software	2,282.63	3.47	-	2,286.10	2,164.24	52.35	-	-	2,216.59	69.51
License Fee	19,914.69	1,219.93	-	21,134.62	8,758.18	1,707.65	-	-	10,465.83	10,668.79
Total	25,521.42	1,223.40	-	26,744.82	14,246.52	1,760.00	(0.00)	-	16,006.52	10,738.30

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2021	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2022	Accumulated depreciation/ amortisation as at April 1, 2021	Depreciation/ amortisation for the Year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2022	As at March 31, 2022
Development Expenditure	3,324.10	-	-	3,324.10	3,232.73	91.37	-	-	3,324.10	-
Computer Software	2,182.78	99.85	-	2,282.63	2,085.82	78.42	-	-	2,164.24	118.39
License Fee	19,914.69	-	-	19,914.69	6,853.23	1,904.95	-	-	8,758.18	11,156.51
Total	25,421.57	99.85	-	25,521.42	12,171.78	2,074.74	-	-	14,246.52	11,274.90

Note: The intangible assets include assets funded by the customer against which deferred revenue is recognised as the company has control over these assets.

(₹ in Lakh)

PARTICULARS	As at 31.03.2023			As at 31.03.2022		
	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount
Customer Financed Assets	4,367.59	4,359.41	8.18	4,367.59	3,683.08	684.51

Significant judgement

The company estimates the useful life of the software to be 3 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 3 years, depending on technical innovations.

(₹ in Lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
6 Non-current Investments		
Investment carried at fair value through profit and loss (Unquoted)		-
(i) 9,21,920 (as at March 31,2022 9,21,920) (including 3,85,920 Bonus Shares) fully paid-up Equity shares (Unquoted) of ₹ 10/- each of A.P.Gas Power Corporation Limited		-

- Refer note 38(15): Fair value measurement.

Significant Judgement:

Investments in AP Gas Power Corporation Limited have been designated as fair value through profit and loss. Fair value is considered based on Net worth of investee as the shares are unquoted and the company does not have a significant influence in the investee. However, during 2021-22, APGPCL received an adverse arbitration award, the implementation of which is likely to erode the networth of APGPCL. Accordingly Fair value of the investment is considered as 'Nil'.

7 Non current Loans		
Loans to Employees		
- Secured, considered good	-	-
- Unsecured, considered good	173.86	203.69
	173.86	203.69

Refer note 38(15): Fair value measurement.

(₹ in Lakh)

8 Other Non-current Financial Assets		
Claims/Refunds receivable	6,171.55	93.00
Deferred Debts	4,431.59	3,992.76
	10,603.14	4,085.76

Refer note 38(15): Fair value measurement.

Significant Judgement:**Deferred Debts:**

Deferred debts are receivables from the Indian Army and Ordnance factory. The receivable is denominated in Indian Rupees (INR) and receivable in equal instalments over 45 years commencing from 01.04.1992. As per the agreement, the receivable is adjusted on the basis of rates of Special Drawing Rights (SDR), issued by the International Monetary Fund (IMF). As such the receivable does not satisfy the Solely Payment of Principal and Interest (SPPI) criteria as set out in Ind AS 109. Hence, the receivable is measured at fair value through profit and loss. Deferred debt is discounted at 8% to arrive at the fair value on initial recognition and the difference between the fair value and the total deferred debt is considered as deferred expense. Subsequently this is carried at fair value through profit and loss.

(₹ in Lakh)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
9	Other Non-current Assets		
	Capital advances	714.30	660.30
	Deferred expense*	1,807.22	1,946.23
		2,521.52	2,606.53

* Refer the significant judgement on Deferred Debts in Note No. 8

(₹ in Lakh)

10	INVENTORIES *		
	Raw Materials and Components	1,34,210.93	1,19,032.58
	Less: Provision	(6,105.60)	(5,541.28)
	GIT of Raw Materials and Components	269.09	274.02
		1,28,374.42	1,13,765.32
	Work-in-progress#	51,078.76	46,766.10
	Less: Provision	(1,119.98)	(462.71)
		49,958.78	46,303.39
	Finished Goods	495.86	2,904.80
	Less: Provision	(150.19)	(49.54)
	GIT of Finished Goods	314.49	288.94
		660.16	3,144.20
	Stores and Spare Parts	2,867.94	2,023.41
	Less:Provision	(279.25)	(246.61)
	GIT of Stores and Spare Parts	-	20.09
		2,588.69	1,796.89
	Loose Tools	1,006.25	994.16
	Less:Provision	(344.75)	(559.03)
	GIT of Loose Tools	-	-
		661.50	435.13
	Construction Materials	-	-
	Stores & Equipment - Welfare	312.63	310.79
	Less: Amortisation	(312.63)	(310.79)
		-	-
	Miscellaneous Stores	0.20	0.20
		1,82,243.75	1,65,445.13

Includes Inventory with Customers 9.20 9.20

* Include Material issued to Sub-contractors/Others 11,695.58 16,361.62

- Out of ₹ 11,695.58 lakh (as at March 31,2022 ₹ 16,361.62 lakh), material lying with sub contractors ₹ 9,426.66 Lakh (as at March 31,2022 ₹ 4,196.94 Lakh) were confirmed / physically verified by the vendors. Differences on confirmation / physical verification of material lying with subcontractors of ₹ 55.57 (₹ 497.98 Lakh as at March 31,2022) is shown as claims receivable and reduced from inventories.

- Valuation of Inventories has been made as per Company's Accounting Policy No. 7.

- Refer note 38(7): Details of short closed projects,38(12) Charges registered.

- Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets

(₹ in Lakh)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
11	Trade Receivables		
	Secured	-	-
	Unsecured, considered good	18,457.27	30,416.13
	Doubtful	-	-
	Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
		18,457.27	30,416.13

Refer Note: 38(15): Fair value measurement; 38(12) Charges registered.

Refer Note: 38(20)(F): Movement of Trade Receivables

Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets

Ageing schedule for Trade Receivables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	12,707.15	2,264.65	2,941.91	348.88	194.68	18,457.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						
(iii) Undisputed Trade Receivables - credit impaired						
(iv) Disputed Trade Receivables - considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
Total Trade Receivables	12,707.15	2,264.65	2,941.91	348.88	194.68	18,457.27

Ageing schedule for Trade Receivables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	26,306.78	1,052.86	2,246.39	501.66	308.44	30,416.13
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						
(iii) Undisputed Trade Receivables - credit impaired						
(iv) Disputed Trade Receivables - considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
Total Trade Receivables	26,306.78	1,052.86	2,246.39	501.66	308.44	30,416.13

(₹ in Lakh)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
12	Cash and Cash Equivalents		
	Balances with Banks		
	- in current accounts	77,204.89	3,055.17
	- in deposit accounts (Up to 3 months)	28,076.92	23,448.78
	Cash on hand*	6.56	0.42
	Remittances in transit	-	-
		1,05,288.37	26,504.37
	There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.		
	* Cash on hand includes cash held with imprest holders		
	Refer note 38(15): Fair value measurement.		
13	Other Bank balances		
	Bank deposits other than margin money (Maturity period more than 3 months but less than 12 months)	2,80,598.00	1,63,449.00
		2,80,598.00	1,63,449.00
	- The company has been sanctioned an overdraft facility of ₹ 1,500.00 lakhs against which the company had pledged deposits worth ₹ 1,800.00 lakhs as security. Overdraft utilized and outstanding is Nil as at March 31, 2023 (Nil as at March 31, 2022).		
	- There are no bank deposits with maturity beyond 12 months.		
	Reconciliation of Cash and Bank balances:		
	Cash and Cash Equivalents (as per the above)	1,05,288.37	26,504.37
	Bank Balance (as per the above)	2,80,598.00	1,63,449.00
	Total Cash and Bank balances	3,85,886.37	1,89,953.37
14	Loans to Employees		
	- Secured, considered good	-	-
	- Unsecured, considered good	202.16	183.74
	Total Current Loans	202.16	183.74
	Also refer note 38(15): Fair value measurement.		

(₹ in Lakh)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
15	Other Current Financial Assets		
	Claims/Refunds receivable@	3,360.78	7,384.87
	Less: Provision for doubtful claims (Refer Note below)	(21.47)	(21.47)
	Deferred Debts*	394.74	347.85
	Unbilled Receivables#	1,26,165.35	1,19,119.48
	Interest accrued on Deposits	2,499.47	2,317.85
	Interest accrued - Others	12.62	13.45
	Other Assets held for sale	0.28	0.28
	Total Other Current Financial Assets	1,32,411.77	1,29,162.31

Refer note 38(15): Fair value measurement.

#Refer note 38(20)(C): Movement of Contract Assets and Contract Liabilities

* Refer the significant judgement on Deferred Debts in Note No. 8

@ Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets

Note:

(i) In the case of a supplier, the company initiated legal action for recovery of advance amount of ₹ 17.14 Lakh together with interest etc., as the Contract was not executed. Though District Court issued a decree for an amount of ₹ 48.10 lakh together with interest etc., in favour of the company, the decretal amount has not been recognised as claims receivable/ income since the supplier was granted stay of operation of the decree by Hon'ble High Court and the matter is sub-judice as on date.

(ii) In the case of another supplier, the Company has initiated legal action for recovery of advance amount of ₹ 4.33 Lakhs with interest, being amount paid towards material purchases, which were subsequently rejected and taken back by the supplier but failed to supply the correct material. The case was decreed in favour of M/S BDL(ex-parte) and has to be executed.

16	Other Current Assets		
	Advances other than capital advances:		
	Advances to vendors		
	- Secured, considered good	413.40	389.95
	- Unsecured, considered good	24,167.39	29,427.63
	- Unsecured, considered doubtful	-	1.71
	Less: Provision for doubtful advances	-	(1.71)
	Prepaid expenses	309.77	369.60
	Deposits@	3,547.69	3,817.79
	Deferred Expense*	139.02	139.02
	Earmarked balances with banks for unpaid dividend	179.62	101.05
	CSR Expenditure available for setoff #	107.18	5.75
	Total Current Assets	28,864.07	34,250.79

Refer note 38(7): Details of short closed projects.

* Refer the significant judgement on Deferred Debts in Note No. 8

Refer note 38(23) for Movement in CSR provision

@ Includes Central Sales tax of ₹ 693.85 lakh and service tax of ₹ 128.43 lakh pre-deposited for filing of appeal.

(₹ in Lakh)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
17	Equity Share Capital:		
	Authorised		
	20,00,00,000 Equity Shares of ₹ 10/- each	20,000.00	20,000.00
	Issued, Subscribed and paid up		
	18,32,81,250 Equity Shares of ₹ 10/- each fully paid	18,328.12	18,328.12
		18,328.12	18,328.12

Notes:

Equity shares have a par value of ₹ 10 (2016-17 and before: ₹ 1000). They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

(A) Reconciliation of the number of Shares outstanding:

(₹ in Lakh)

Particulars	Number of Shares	Amount
Balance as at March 31, 2021	18,32,81,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2022	18,32,81,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2023	18,32,81,250	18,328.12

(B) Details of shares held by each shareholder holding more than 5% shares

S. No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
	Fully paid equity shares				
1	Government of India	13,73,25,527	74.93%	13,73,25,527	74.93%
2	HDFC Trustee Company Limited	1,28,83,927	7.03%	1,41,89,604	7.74%
3	Life Insurance Corporation of India	29,43,258	1.61%	1,14,55,734	6.25%

(C) Details of the buyback for the last 5 years immediately preceding the Current year

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Number of shares bought back (nos.)						3,05,46,875
Face value of each share bought back (in Rupees)						10.00
Total Face value of shares bought back						3,054.69
Total Premium paid on shares bought back						41,998.90
Consideration paid towards buy back						45,053.59
Share capital reduction						3,054.69
Share premium utilised						-
General reserve utilised						45,053.59
Amount transferred to Capital redemption reserve						3,054.69
The face value of equity shares of ₹ 1000/- each was split into face value of ₹ 10/- each and accordingly no. of equity shares increased by 100 times with effect from 8th May 2017 .						
- In accordance with Sec 68,69 and 70 of the Companies Act, 2013, the company initiated and completed buy back of shares from Government of India during the year 2017-18						

(₹ in Lakh)

D) Details of the Bonus shares issued for the last 5 years immediately preceding the current year .

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
No. of Bonus Shares issued (nos.)	-	-	-	-	-	9,16,40,625
Value of Bonus Shares issued (₹ in lakh)	-	-	-	-	-	9,164.06

(E) Details of shareholding of Promoters

Shares held by promoters		As at March 31, 2023		% change during 2022-23	As at March 31, 2022		% change during 2021-22
S No	Promoter name	No. of Shares	% of total shares		No. of Shares	% of total shares	
Fully paid equity shares							
1	Government of India	13,73,25,527	74.93%	-	13,73,25,527	74.93%	-

PARTICULARS		As at March 31, 2023	As at March 31, 2022
18	Other Equity		
	General Reserve	3,03,135.54	2,88,135.54
	Retained Earnings	5,578.96	2,664.68
	Other Comprehensive Income - Remeasurement of the defined benefit plans	(5,892.85)	(6,072.60)
	Balance at end of year	3,02,821.65	2,84,727.62
	A. General Reserve		
	Balance at beginning of year	2,88,135.54	2,48,135.54
	Transfer to Capital Redemption Reserve	-	-
	Buyback Premium Written off	-	-
	Transfer from Statement of Profit and Loss	15,000.00	40,000.00
	Bonus shares issued	-	-
	Balance at end of year	3,03,135.54	2,88,135.54
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
	B. Retained Earnings		
	Balance at beginning of year	2,664.68	7,243.10
	Profit for the year	35,217.49	49,992.44
	Final dividend	(1,832.81)	(1,191.33)
	Interim Dividend	(14,937.42)	(13,379.53)
	Adjustment due to change in Accounting Policy*	(532.98)	-
	Transfer to General Reserve	(15,000.00)	(40,000.00)
	Balance at end of year	5,578.96	2,664.68

(₹ in Lakh)

PARTICULARS		As at March 31, 2023	As at March 31, 2022
C. Other Comprehensive Income - Remeasurement of the defined benefit plans			
	Balance at beginning of year	(6,072.60)	(5,232.04)
	Other comprehensive income (net of tax)	179.75	(840.56)
	Balance at end of year	(5,892.85)	(6,072.60)
*Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets			
19	Non- Current Lease Liabilities		
	Lease Liabilities	374.11	520.75
		374.11	520.75
20	Other Non - Current Financial Liabilities		
	Deferred Credit	1,612.53	1,674.19
	Embedded derivative liability (Deferred liability)	2,944.94	2,431.97
		4,557.47	4,106.16
Also refer note 38(15): Fair value measurement.			
Significant judgements:			
1) Deferred credit: Deferred credit represents the principal credit portion (at the base rate) of the 45 years (commencing from 01.04.1992) deferred credit provided by the Russian government. The deferred credit is a financial liability, therefore shall be recognised at fair value. The fair value is ascertained by discounting the future cash outflows at the rate of 8%. The company considers 8% to be the cost of capital.			
2) Embedded derivative: The increase in liability due to movement in SDR rates is assessed to be an embedded derivative. The embedded derivative is accounted at the fair value on each reporting date through Profit and loss. The fair value is considered to be the adjusted rupee value of the SDR unit as on the reporting date according to the agreement.			
21	Non-current Provisions		
	Asset Retirement Obligation	37.00	34.16
	Employee benefits		
	Accrued Leave	-	-
	Gratuity	-	-
	Provident Fund	-	4,431.48
		37.00	4,465.64
- Refer note 38(3) : Employee Benefit Obligations			
22	Other Non - Current Liabilities		
	Advances from Customers-\$		
	Ministry of Defence (MoD)	2,70,624.95	63,462.98
	Others	45,275.25	9,857.22
	Deferred Income*	1,858.55	2,001.51
	Deferred Revenue #	2,769.43	10,812.24
		3,20,528.18	86,133.95

* Refer the significant judgement on Deferred Credit in note No.20

Includes grant for solar plant - Refer note 38 (19). Also refer note 38(27): Impact due to change in Accounting policy on Customer financed assets

\$ Refer note 38(20)(C) : Movement of Contract Assets and Liabilities

Also Refer Accounting Policy no.3 A (vi) and 4.4

(₹ in Lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
23 Borrowings		
(a) Loans repayable on demand		
(i) From Banks		
- Secured bank overdraft	-	-
- Unsecured	-	-
	-	-
The company has been sanctioned an overdraft facility of ₹ 1,500.00 lakhs against which the company had pledged deposits worth ₹ 1,800.00 lakhs as security.		
24 Current Lease Liabilities		
Current maturities of Lease Liabilities	146.64	131.96
	146.64	131.96
25 Trade Payables		
Trade Payables - Current:		
Dues to micro enterprises and small enterprises	4,276.06	3,996.37
Dues to creditors other than micro, small and medium enterprises	42,161.77	51,250.61
	46,437.83	55,246.98

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
- Principal	4,276.06	3,958.95
- Interest	-	37.42
(ii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
(iii) The amount of interest due and payable for the year	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	37.42
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
- Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.		

(₹ in Lakh)

Ageing schedule for Trade Payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,454.90	1,813.00	640.79	367.37	4,276.06
(ii) Others	24,756.79	6,341.25	3,658.08	7,405.65	42,161.77
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total Trade Payables	26,211.69	8,154.25	4,298.87	7,773.02	46,437.83

Ageing schedule for Trade Payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2,841.77	653.11	125.71	375.78	3,996.37
(ii) Others	34,175.60	4,726.65	7,195.96	5,152.40	51,250.61
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total Trade Payables	37,017.37	5,379.76	7,321.67	5,528.18	55,246.98

PARTICULARS	As at March 31, 2023	As at March 31, 2022
26 Other Current Financial Liabilities		
Current maturities of Deferred credit*	405.95	357.73
Deposits	1,274.48	1,413.42
Creditors for expenses	7,716.12	6,828.34
Employee benefits payable	6,835.04	6,388.29
Capital works	255.87	1,146.22
Others	274.12	302.59
	16,761.58	16,436.59

Also refer note 38(15): Fair value measurement.

* Refer the significant judgement on Deferred Credit in note No.20

27 Other Current Liabilities		
Advances from Customers:#		
- Ministry of Defence (MoD)	86,957.45	82,761.24
- Others	22,812.78	60,115.76
Deferred Income*	142.97	142.97
Deferred Revenue@	828.89	1,456.66
Statutory remittances	11,336.73	10,883.02
	1,22,078.82	1,55,359.65

Refer note 38(7): Details of short closed projects.

@ Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets

Refer note 38(20)(C): Movement of Contract Assets and Liabilities

* Refer the significant judgement on deferred credit in note No. 20

(₹ in Lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
28 Current Provisions		
Employee benefits		
- Gratuity	521.37	-
- Accrued leave	917.23	-
- Provident Fund	2,306.97	967.97
Warranty	11,230.05	10,061.84
Onerous contract	785.03	785.03
Future charges	1,870.84	1,870.84
Others	17,540.25	17,244.92
	35,171.74	30,930.60

Movement in provisions				
Provisions	Warranty	Onerous Contract	Future Charges	Others
Balance as at March 31, 2022	10,061.84	785.03	1,870.84	17,244.92
Additional provisions recognised	2,958.15	-	-	396.38
Utilisation during the year	(96.63)	-	-	-
Reversals during the year	(1,693.31)	-	-	(101.05)
Balance as at March 31, 2023	11,230.05	785.03	1,870.84	17,540.25

Warranties:

Warranty estimates are established using historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 2 years from the date of supply.

Onerous contract:

Provision for onerous contract represents the loss assessed by the company on its executory sale contracts. Such loss will be provided as and when the assessment is made, by the company during the course of execution / at the inception of such contracts. The provision is reviewed periodically.

Future charges:

Provision for future charges represents the estimated liability on account of revised ancillary/ packing material accepted to be delivered in lieu of ancillary/ packing material originally stipulated in the contract terms for the sales effected earlier and value of spares sent to forward location on user request for serviceability to avoid breakdown in emergency situations.

(₹ in Lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
29 Income Taxes		
29A Deferred Tax Balance		
Deferred Tax Assets	11,082.07	10,747.46
Deferred Tax Liabilities	5,440.05	5,036.75
Total	5,642.02	5,710.71
Breakup of Deferred Tax balances		
Deferred Tax Assets		
Freehold Land	-	-
Lease Liability	131.06	164.27
Provisions	10,427.73	10,270.49
Fair value adjustment to Deferred credit	492.47	312.70
Other Current Financial Liabilities	30.81	
Sub-Total	11,082.07	10747.46
Deferred Tax Liabilities		
Property plant and Equipment	3,474.09	3,108.28
Right of use assets	111.09	146.17
Intangible Assets	1,376.00	1,478.23
Fair value of investments		
- Equity Shares in unlisted Company	-	-
- Mutual Funds	-	-
Fair value adjustment to Deferred debts	478.87	304.07
Others	-	-
Sub-Total	5,440.05	5,036.75
Net Deferred Tax Asset/(Liability)	5,642.02	5,710.71

**Reconciliation of Deferred Tax Balances:
For 2022-23**

Particulars	Opening Balance	Recognised in Opening Reserves	Recognised in statement of Profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Assets pertaining to :					
Freehold Land	-				-
Lease Liability	164.27		(33.21)		131.06
Provisions	10,270.49		217.69	(60.45)	10,427.73
Fair value adjustment to Deferred credit	312.70		179.77		492.47
Other Current Financial Liabilities	-		30.81		30.81
Sub total	10,747.46	-	395.06	(60.45)	11,082.07

(₹ in Lakh)

**Reconciliation of Deferred Tax Balances:
For 2022-23**

Particulars	Opening Balance	Recognised in Opening Reserves	Recognised in statement of Profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Liabilities pertaining to :					
Property plant and Equipment	3,108.28	(179.26)	545.07		3,474.09
Right of use asset	146.17		(35.08)		111.09
Intangible Assets	1,478.23		(102.23)		1,376.00
Fair value of investments					
- Equity Shares in unlisted Company	-				-
- Mutual Funds	-				-
Fair value of Deferred Debt	304.07		174.80		478.87
Others	-				-
Sub total	5,036.75	(179.26)	582.56	-	5,440.05
Total	5,710.71	179.26	(187.50)	(60.45)	5,642.02

**Reconciliation of Deferred Tax Balances:
For 2021-22**

Particulars	Opening Balance	Recognised in Opening Reserves	Recognised in statement of Profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Assets pertaining to :					
Freehold Land	1,914.72		(1,914.72)		-
Lease Liability	194.09		(29.82)		164.27
Provisions	7,964.48		2,023.31	282.70	10,270.49
Fair value adjustment to Deferred credit	313.82		(1.12)		312.70
Sub total	10,387.11		77.65	282.70	10,747.46
Deferred Tax Liabilities pertaining to :					
Property plant and Equipment	3,537.56		(429.28)	-	3,108.28
Right of use asset	181.25		(35.08)	-	146.17
Intangible Assets	1,522.12		(43.89)	-	1,478.23
Fair value of investments					
- Equity Shares in unlisted Company	67.77		(67.77)		-
- Mutual Funds	-		-		-
Fair value adjustment to Deferred debts	305.16		(1.09)	-	304.07
Others	-		-	-	-
Sub total	5,613.86		(577.11)	-	5,036.75
Total	4,773.25		654.76	282.70	5,710.71

(₹ in Lakh)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
29B Current Tax Assets and Liabilities		
Current Tax Assets	11,948.87	2,912.05
Total Current Tax Assets	11,948.87	2,912.05
Current Tax Liabilities	-	-
Total Current Tax Liabilities	-	-
PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
29C Tax Expense		
i) Recognised in the Statement of Profit and Loss		
Current Tax		
In respect of the current year	12,236.66	21,498.84
In respect of prior years	538.70	154.72
Total	12,775.36	21,653.56
Deferred Tax		
In respect of the current year	187.50	(654.75)
Total	187.50	(654.75)
ii) Recognised in Other comprehensive income		
Tax Expense		
In respect of the current year	(60.45)	282.70
Total	(60.45)	282.70
Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets		
The Income Tax expense for the year can be reconciled to the accounting profit as follows		
Profit before tax from continuing operations	48,180.35	70,991.25
Tax expense of amounts which are not deductible (taxable) in calculating taxable income		
Income tax expense calculated at 25.168% (FY 2021-22 : 25.168%)	12,126.03	17,867.08
Donations made during the year	0.25	0.22
Amount towards CSR activities	306.52	294.42
Interest due to MSME's	0.28	-
Impairment Loss	142.77	845.28
Others	(339.19)	2,000.20
Interest payable u/s 234A, 234B, 234C	-	491.65
Tax expense of amounts on which deduction is available in calculating taxable income		
Donations u/s 80G made during the year	-	-
Impact of deferred tax	247.95	(937.46)
Adjustment for current tax of previous years		
Adjustments recognised in the current year in relation to the earlier years	538.70	154.72
Income tax relating to items that will not be reclassified to profit/loss	(60.45)	282.70
Income tax expense recognised in profit or loss	12,962.86	20,998.81
Income tax recognised in Other comprehensive income	(60.45)	282.70
Income tax recognised in Other comprehensive income	(60.45)	282.70

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
30 Revenue from Operations		
Sale of products		
Finished Goods	2,20,115.67	2,29,809.12
Spares	16,104.75	18,015.01
Miscellaneous	2,233.48	2,244.27
LD refunded / (levied) by Customers #	(3,073.90)	9,598.53
	2,35,380.00	2,59,666.93
Sale of services*		
Repairs and Overhauls	3,788.23	3,407.14
Training	-	-
Job Works	7,703.28	8,328.17
Miscellaneous	22.24	-
LD refunded / (levied) by Customers	9.12	(176.05)
	11,522.87	11,559.26
Other operating revenue		
Construction Contracts	-	-
Sale of Scrap	79.47	73.18
Deferred revenue on customer provided assets @	1,021.06	2,654.32
Solar Power	874.01	772.60
Provisions no longer required, written back	-	1,474.64
Other Claims	61.84	5,754.19
LD refunded / (levied) by Customers	-	(214.84)
	2,036.38	10,514.09
Total	2,48,939.25	2,81,740.28

- Refer note 38(4): Construction Contracts

- Refer note 38(11): Retention Sales

- Refer note 38(20): Disclosures under Ind AS 115

- LD means Liquidated Damages

@ Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets

Refer note 38(20)(C): Movement of Contract Assets and Liabilities

Include LD levied on sale of products ₹ 6,081.34 Lakh (₹ 3,723.71 Lakh during the year 2021-22) adjusted against LD refunded / reversed ₹ 3,007.44 Lakh (₹ 13,322.24 Lakh during the year 2021-22).

***Significant judgement:**

Revenue:

- The company recognizes revenue on the basis of percentage of completion method where the customer simultaneously receives the benefit.

- The percentage of completion is determined as proportion of cost incurred for the work performed up to the reporting date to the total estimated cost.

- An expected loss is recognized immediately when it is probable that the total cost will exceed the total revenue.

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
31 Other Income		
Interest income on financial assets carried at amortised cost		
Bank deposits	9,758.26	5,153.01
Others	1,417.91	1,222.15
	11,176.17	6,375.16
Other non-operating income		
Liabilities no longer required, written back	959.93	890.44
Liquidated Damages recovered from suppliers	4,306.21	4,077.57
Miscellaneous income (net)	435.18	373.39
	5,701.32	5,341.40
Other gains and losses		
Net foreign exchange gain / (Loss)	(1,477.57)	(277.04)
Fair value gain/(loss) on financial assets measured at Fair value through profit and loss	130.24	(317.58)
Gain on disposal of property, plant and equipment	10.06	(0.90)
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
	(1,337.27)	(595.52)
Total	15,540.22	11,121.04
32 Cost of Materials consumed		
Cost of materials consumed	1,20,608.69	1,25,961.82
Direct expenses	424.77	374.73
	1,21,033.46	1,26,336.55
Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets		
33 Changes in Inventories of Finished Goods and Work-in-progress		
Opening Stock:		
Finished goods	2,904.80	645.87
Work-in-progress	46,766.10	40,589.45
	49,670.90	41,235.32
Closing Stock:		
Finished goods	495.86	2,904.80
Work-in-progress	51,078.76	46,766.10
	51,574.62	49,670.90
Net (Increase) / Decrease	(1,903.72)	(8,435.58)
Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets		

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
34 Employee Benefits Expense		
Salaries and wages, including bonus	43,967.78	45,763.89
Contribution to provident and other funds	7,325.31	8,660.68
Staff welfare expenses	1,953.34	2,641.70
Total	53,246.43	57,066.27
Refer note 38(3): Employee Benefit obligations and 38(8): Related party transactions		
35 Finance Costs		
Interest expense	314.62	203.41
Other finance costs	139.02	139.02
Total	453.64	342.43
36 Depreciation and Amortisation expense		
Depreciation of property, plant and equipment	5,769.50	6,763.26
Amortisation of right of use asset	196.29	197.47
Amortisation of intangible assets	1,760.00	2,074.74
Total	7,725.79	9,035.47
Refer note 38(27): Impact due to change in Accounting policy on Customer financed assets		
37 Other Expenses		
Shop Supplies	466.22	482.11
Power and Fuel	2,051.50	2,084.29
Water Charges	397.10	451.98
Travelling #	1,569.23	1,348.13
Repairs:		
Buildings	1,274.89	1,422.50
Plant, Machinery and Equipment	1,533.60	1,122.26
Furniture and Equipment	132.72	144.06
Vehicles	18.88	17.49
Others	31.99	26.99
Vehicle Expenses - Petrol and Diesel	66.06	71.47
Loose Tools and Equipment	84.57	100.35
Insurance	553.76	689.88
Rates and Taxes	167.48	207.91
Postage, Telegrams, Telex and Telephones	135.05	125.85
Printing and Stationery	63.63	62.87
Publicity	1,008.39	191.57
Advertisement	133.38	91.41
Bank Charges	101.52	132.49
Legal Expenses	14.88	2.90
Donations	1.00	0.89
Write off - Others	-	-
Auditors' Remuneration: (refer note (i) below)	21.80	16.69

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Security Arrangements	5,246.11	4,618.02
Computer Software and Development	2.63	8.32
Entertainment	36.21	1.25
Courtesy	-	-
Sitting Fee paid to Directors	15.80	5.75
Sitting Fee paid to Independent External Monitors	6.00	3.50
CSR & Sustainable Development Expenditure	1,217.89	1,169.80
Provision for Replacement, Warranty and Batch Rejections	1,264.84	2,789.03
Provision for Redundancy	1,152.38	397.07
Provision for Onerous Contract	-	-
Provision Others	204.97	7,298.85
Miscellaneous Operating Expenses:		
Testing of Materials	3,219.15	3,282.60
Proof Firing Expenses	12.25	20.82
Manpower Hiring Charges	1,020.68	1,141.73
Material Handling Charges	979.63	1,014.80
Hiring of Vehicles	921.30	781.25
D and D Expenses	7,364.11	424.76
Others	3,251.92	2,414.72
Total	35,743.52	34,166.36
# Includes Directors' Travelling Expenses	151.28	67.53
Notes:		
i) Auditors' Remuneration comprises Fee:		
Particulars		
For Statutory Audit *	15.00	10.00
For Tax Audit	1.25	1.25
For other services	5.05	5.25
For reimbursement of expenses	0.50	0.19
Total Auditors' remuneration	21.80	16.69
* 2022-23 fee Include ₹ 2.50 Lakh pertaining to FY 2021-22		
ii) Refer note 28: Current Provisions		
iii) Refer note 38(5): Expenditure relating to Research and Development.		
iv) Refer note 38(8): Related party transactions		

(₹ in Lakh)

Note 38: General Notes:**Statement of Compliances:**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) [as notified under the section 133 of Companies Act, 2013 (the "Act") read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

38(1) Impairment Loss - Exceptional Items

The Company tests for impairment at least annually and more frequently when there is an indication of impairment. An impairment loss is recognized if the recoverable amount is lower than the carrying value.

The company has acquired 553 Acres 34 Guntas at Amravati on lease basis for one of its projects. One of the main condition is, if the factory building and works are not completed within 60 months from the date of allotment, unless the time is extended, the lease agreement may be cancelled and the lessor may take possession of the leasehold land together with all the erections, if any, on the said land, without paying any compensation to the company. The period of extension last extended was upto 5th April, 2019. As the project for which the lease was obtained has not been confirmed by Ministry of Defence (MoD), the company could not commence / complete the activities envisaged in the lease agreement leading to non compliance of the agreement. In the meantime, the company received a notice seeking reply as to why the action provided in the lease agreement should not be taken. Explaining the force majeure condition the company represented to the state government for condonation of delay and extension of time. Pending receipt of extension of time period, the company has provided for impairment amounting to ₹ 3358.57 lakh during 2021-22 in respect of the leasehold land and the infrastructure created therein as detailed below.

There is no impairment loss / reversal during the year 2022-23. Impairment Loss recognised during the year 2021-22 is as below:

PARTICULARS	Property, Plant and Equipment (Note - 1)	Right of use assets (Note - 4)	Total
Gross Carrying Amount as at March 31, 2022	1,090.02	3,477.17	4,567.19
Accumulated Depreciation / Amortisation as at March 31, 2022 (Before Impairment Loss)	949.29	259.34	1,208.63
Net Carrying Amount as at March 31, 2022 (Before Impairment Loss)	140.73	3,217.83	3,358.56
Recoverable Amount*	-	-	-
Impairment Loss	140.73	3,217.83	3,358.56

* Recoverable amount is calculated as higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is nil as the assets are leased assets. In view of uncertainties in generation of cashflows, value in use is considered as Nil.

38(2) Earnings per share**(i) For continuing operations:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax	35,217.49	49,992.44
Basic:		
Number of shares outstanding at the end of the year	18,32,81,250	18,32,81,250
Weighted average number of equity shares	18,32,81,250	18,32,81,250
Earnings per share (INR)	19.22	27.28
Diluted:		
Effect of potential equity shares on employee stock options outstanding	-	-
Weighted average number of equity shares outstanding	18,32,81,250	18,32,81,250
Earnings per share (INR)	19.22	27.28
Note: EPS is calculated based on profits excluding the other comprehensive income.		
(ii) For discontinuing operations:		
There are no discontinuing operations.		
(iii) For continuing and discontinuing operations:		
Refer to the table (i)		

38(3) Employment Benefit obligations**(i) Post-employment obligations- Gratuity**

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day's salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to a separate trust. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity**Changes in the Present value of Obligation**

Particulars	March 31, 2023	March 31, 2022
Present value of Obligation at the beginning of the year	22,212.50	22,860.30
Current service cost	548.33	549.23
Interest expense or cost	1,489.23	1,453.41
Remeasurements		
(Gain)/loss from change in demographic assumptions	181.98	76.59
(Gain)/loss from change in financial assumptions	(293.66)	(407.33)
Experience (gains)/loss	221.69	80.15
Benefit paid	(2,592.76)	(2,399.85)
Present value of Obligation at the end of the year	21,767.31	22,212.50

Changes in the Fair value of Plan Assets

Fair value of Plan Assets at the beginning of the year	22,591.12	23,324.09
Interest income	1,516.18	1,484.53
Employer contributions	-	-
Benefit payments	(2,592.76)	(2,399.85)
Remeasurements - Return on Assets (Excluding Interest Income)	187.18	182.35
Fair value of Plan Assets at the end of the year	21,701.72	22,591.12

Expenses recognised during the period

In the Statement of Profit and Loss	521.38	518.11
In Other Comprehensive Income	(77.17)	(432.94)
Total	444.21	85.17

The net liability disclosed above relates to funded and unfunded plans are as follows:

Present value of funded obligations	21,767.31	22,212.50
Fair value of plan assets	21,701.72	22,591.12
Deficit of funded plans	65.59	(378.62)

The significant actuarial assumptions were as follows:

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.46%	7.12%
Salary escalation	6.00%	6.00%
Attrition rate	5.52%	4.18%

Sensitivity analysis

Defined Benefit Obligation	21,767.31	22,212.50
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	20,954.47	21,283.58
Decrease: -1%	22,658.51	23,235.75
Salary Growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	22,201.15	22,711.45
Decrease: -1%	21,320.06	21,699.76
Attrition rate: (% change compared to base due to sensitivity)		
Increase : +1%	21,891.44	22,341.68
Decrease: -1%	21,633.34	22,073.42

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plans assets are as follows:

Central government security	5,332.82	5,551.37
State government security	9,216.42	9,594.13
NCD/ Bonds	4,830.45	5,028.41
Equity	1,397.45	1,454.72
Fixed deposit	73.42	76.43
CBLO	621.58	647.05
Loans	3.06	3.19
Other approved security	226.52	235.80
	21,701.72	22,591.10

Defined benefit liability and employer contributions

The Gratuity Trust has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

(₹ in Lakh)

The expected cash flows over the next years is as follows:

Particulars	Less than a year	Between 2-3 years	Between 4-5 years	Total
31-Mar-23				
Defined benefit obligation - Gratuity	4,306.81	7,704.14	5,603.76	17,614.71

Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(ii) Provident Fund

Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. This is a defined benefit plan and the Company has got the same actuarially valued.

Company has provided an amount of Nil (₹ 845.10 lakhs during 2021-22) towards interest shortfall of the provident fund trust for the current year which has been recognised in Statement of Profit and Loss.

In view of the uncertainties regarding recoverability of certain instruments made by the PF Trust, during the year 2021-22 the company has provided ₹1556.20 lakhs being change due to remeasurement of defined benefit plans which was recognised in other comprehensive income. During the year 2022-23, an amount of ₹ 163.03 lakhs has been reversed due to realisation of higher amounts than the provision made earlier.

Actuarial Assumptions	March 31, 2023	March 31, 2022
	(Funded)	(Funded)
Discount rate	7.46%	7.12%
Rate of escalation in salary	6.00%	6.00%
Interest Rate Guarantee on Provident Fund	*	8.10%
Interest Rate declared by BDL PF Trust	*	8.10%

* Yet to be notified

(₹ in Lakh)

(iii) Compensated absences

The leave obligations cover the company's liability for earned leave.

The company maintains a funded plan for the purpose of compensated absences. The company recognises the obligations net of planned assets as per the actuarial valuation. A summary of employee benefit obligation and planned assets is presented below:

Particulars	March 31, 2023	March 31, 2022
The Actuarial Liability of Accumulated absences of the employees of the Company	14004.97	13343.39
Less: Plan assets	13087.74	13561.92
Net obligation / (Asset)	917.23	(218.53)
Significant assumptions:		
Discounting Rate	7.46% P.A.	7.12% P.A.
Salary escalation Rate	6.00%	6.00%
Retirement Age	60 YEARS	60 YEARS

(iv) Post Retirement Medical Scheme

a) Contributions made to Post Superannuation Medical Benefits for the Employees retired before 01 Jan 2007- PSMB-I	839.40	1,523.82
b) Contributions made to Post Superannuation Medical Benefits for the Executives retired after 01 Jan 2007- PSMB-II	342.11	328.39
c) Contributions made to Post Superannuation Medical Benefits for the Non-Executives retired after 01 Jan 2007-PSMB-III	460.46	448.30

38(4) Construction contracts:

Following disclosures are made relating to Revenue Recognition of Construction Contracts.

Methods of recognising contract revenue:

Percentage of completion method is used to determine the contract revenue recognised in the period.

Method used to determine stage of completion of contract:

Proportion of contract costs incurred for work performed to the estimated total cost of contracts is used to determine the stage of completion.

Contract Revenue recognised during the year	-	(72.58)
Aggregate amount of cost incurred	-	42,266.41
Profit Recognised	-	3,273.51
Amount of retention money due	-	-
Amount of advance received and outstanding	-	-

- Construction contracts concluded during 2021-22.

(₹ in Lakh)

38(5) Expenditure relating to Research and Development:

Expenditure relating to Research and Development including product improvement financed by the Company during the year charged to natural heads of account :

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
Being in the nature of Revenue expenditure	12517.50	4706.90
Being in the nature of Capital expenditure (Assets Capitalised)	2685.37	107.71

38(6) Contingent Liabilities & Contractual Commitments:

(₹ in Lakh)

Contingent Liabilities Not Provided for:	March 31, 2023	March 31, 2022
Outstanding Letters of Credit and Guarantees:		
(i) Letters of Credit	239.81	696.23
(ii) Guarantees and Counter Guarantees	9,643.19	9,689.54
Total	9,883.00	10,385.77
Claims / Demands against the Company not acknowledged as Debt:		
(i) PSUs	-	-
(ii) Sales Tax	21,310.03	21,310.03
(iii) Service Tax	1,883.80	4,239.31
(iv) Income Tax	1,737.48	95.64
(v) Excise Duty	5,306.33	5,306.33
(vi) Others	1,353.32	1,172.29
Total	31,590.96	32,123.60
Contractual Commitments:		
(A) Estimated amount of contracts remaining to be executed on Capital Account and not provided for, is		
(i) Property, Plant & Equipment	4,200.02	4,642.48
(ii) Investment Property	-	-
(iii) Intangible Assets	-	-
(B) Contractual Commitment towards LD for the deliverables due at the end of the year will be accounted as and when corresponding revenue is recognised.	15,060.96	3,118.06
Total	19,260.98	7,760.54

38(7) Details of short closed projects:

Out of the advances of ₹ 36234.42 Lakh (as at March 31,2022 ₹ 36234.42 Lakh) received from the customers, in respect of five contracts/ indents and one LOI which are short closed, the Company has made payments to suppliers for procurement of Special Tools and Equipment and Inventory. Against these payments, Special Tools and Equipment (Note 1) include an amount of ₹ 114.05 Lakh (as at March 31,2022 ₹114.05 Lakh), Current Assets (Note 10-16) comprises an amount of ₹ 11041.65 Lakh (as at March 31,2022 ₹ 11041.65Lakh) in Advances to vendors and ₹ 8350.75 Lakh (as at March 31,2022 ₹ 9446.00 Lakh) in Inventories, total amounting to ₹ 19506.45 Lakh (as at March 31,2022 ₹ 20601.70 Lakh). As these assets had been acquired/expenditure had been incurred by the company based on firm orders/ LOI 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. Further, in respect of these short closed Indents/contracts/LOI, the company approached the customers for compensation of ₹ 1908.11 lakh (as at March 31,2022 ₹ 1908.11 lakh) being the net amount of expenditure after adjustment of the available advance. Hence, for want of finalisation of the amount from the Government/ Customers, no claim/ impact on profit has been accounted in the books.

38(8) Related party transactions**Name of Key managerial personnel**

Shri Cmde Siddharth Mishra (Retd), CMD (Upto 31 March 2023)	Shri P Radhakrishna, Director (Production) & Addl. Charge CMD (w.e.f 01 April 2023)
Shri N P Diwakar, Director (Technical) (Upto 31 August 2022)	Shri N Srinivasulu, Director (Finance)
Shri Cmde A Madhavarao, Director (Technical) (w.e.f 02 January 2023)	Shri Sunil Chintaman Mone, Independent Director (w.e.f 24 December 2021)
Shri Nandakumar Subburaman, Independent Director (w.e.f 24 December 2021)	Prof. (Dr.) Sanghamitra Mishra, Independent Director (w.e.f 27 December 2021)
Shri Rajendra Singh Shekhawat, Independent Director (w.e.f 28 December 2021)	Dr. Pawan Sthapak, Independent Director (w.e.f 24 December 2021)
Shri Jashwant Lal, Independent Director (w.e.f 24 February 2023)	Shri N Nagaraja, Company Secretary

(₹ in Lakh)

Key management personnel compensation	March 31, 2023	March 31, 2022
Short - term employee benefits	226.02	248.47
Post - employment benefits	46.97	39.94
Long - term employee benefits	-	-
Sitting fee to Independent Directors	15.80	5.75
Total compensation	288.79	294.16

38(9) Capital Management**a) Risk management:**

The Company has equity capital and other reserves attributable to shareholders as only source of capital and the company doesn't have borrowings or debts.

b) Dividends

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
(i) Interim dividend for the year ended March 31, 2023 of ₹ 8.15 (March 31, 2022 of ₹ 7.30) per fully paid equity share	14,937.42	13,379.53
(ii) Dividends not recognised at the end of reporting period:	2,199.38	1,832.81
As at the year end March 31, 2023 the directors have recommended the payment of a final dividend of ₹ 1.20 per fully paid equity share (March 31, 2022: ₹ 1.00). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

Events occurring after the reporting period:

Refer above note for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

38(10) Confirmation of Balances:

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.

(₹ in Lakh)

38(11) Retention Sales:

The value of the retention sales (i.e., goods retained with the company at the customers' request and at their risk) included in gross turnover during the year is ₹ 90,485.78 lakh (₹ 90,187.51 lakh during the year 2021-22). Out of which ₹ 57,547.95 lakh (₹ 59,653.86 lakh during 2021-22) pertains to contracts on FOR-Destination basis. The contract provides for retention of goods in certain circumstances mentioned therein. In respect of ₹ 32,937.83 lakh, though the contracts are on FOR-destination basis, the customer has allowed the company to recognise a sale and hold the material.

38(12) Charges registered:

Company has registered floating charge with State Bank of India and Union Bank of India to the extent of ₹ 60,000.00 lakh (as at March 31, 2022 ₹ 41,010.00 lakh) on current assets.

38(13) Operating Cycle:

As per the requirement of Schedule III to the Companies Act, 2013, the operating cycle has been determined at the product level as applicable.

38(14) Contingent Assets:

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
Contingent Assets	-	-

38(15) Fair Value Measurement

Particulars	Fair value hierarchy Level	Notes	As at March 31, 2023			As at March 31, 2022		
			Cost	Amortised Cost	FVTPL	Cost	Amortised Cost	FVTPL
A. Financial Assets								
a) Measured at amortised cost								
i) Cash and cash equivalents	3	12	105,288.37	105,288.37	-	26,504.37	26,504.37	-
ii) Other bank balances	3	13	280,598.00	280,598.00	-	163,449.00	163,449.00	-
iii) Loans	3	7, 14	376.02	376.02	-	387.43	387.43	-
iv) Other financial assets	3	8, 15	138,188.58	138,188.58	-	128,907.46	128,907.46	-
iv) Trade receivables	3	11	18,457.27	18,457.27	-	30,416.13	30,416.13	-
Sub - total			542,908.24	542,908.24	-	349,664.39	349,664.39	-
b) Mandatorily measured at fair value through profit or loss								
i) Investment in equity instruments in other companies	3	6	53.60	-	-	53.60	-	-
ii) Deferred receivable	3	8, 15	2662.70	-	4,826.33	2,852.90	-	4,340.61
Sub - total			2,716.30	-	4,826.33	2,906.50	-	4,340.61
Total Financial Assets			545,624.54	542,908.24	4,826.33	352,570.89	349,664.39	4,340.61
B. Financial Liabilities								
a) Measured at amortised cost								
i) Lease liabilities	3	19, 24	520.75	520.75	-	652.71	652.71	-
ii) Trade payables	3	25	46,437.83	46,437.83	-	55,246.98	55,246.98	-
iii) Other financial liabilities	3	20, 26	17,968.16	17,968.16	-	17,753.05	17,753.05	-
Sub - total			64,926.74	64,926.74	-	73,652.74	73,652.74	-

(₹ in Lakh)

Particulars	Fair value hierarchy Level	Notes	As at March 31, 2023			As at March 31, 2022		
			Cost	Amortised Cost	FVTPL	Cost	Amortised Cost	FVTPL
b) Mandatorily measured at fair value through profit or loss								
i) Embedded Derivative financial liability	3	20,26	-	-	3,350.89	-	-	2,789.70
Sub - total			-	-	3,350.89	-	-	2,789.70
Total Financial Liabilities			64,926.74	64,926.74	3,350.89	73,652.74	73,652.74	2,789.70

Fair Value Hierarchy

The following table presents the fair value hierarchy of assets and liabilities:

Particulars	Level	March 31, 2023	March 31, 2022
Financial Assets:			
a) Measured at fair value through profit or loss			
i) Investment in equity instruments in other companies	3	-	-
ii) Deferred receivable	3	4,826.33	4,340.61
Financial liabilities:			
a) Measured at fair value through profit or loss			
i) Embedded Derivative financial liability	3	3,350.89	2,789.70

Fair value hierarchy:

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- The fair value of unquoted equity instrument are determined with respect to the net worth of the company.
- During the year 2021-22, APGPCL i.e., the company in which BDL had invested in equity, received an adverse arbitration award. The implementation of which is likely to erode the networth of APGPCL. Accordingly Fair value of the investment is considered as 'Nil'.
- The fair value of 45 years deferred credit and receivables is determined using foreign exchange rates as per the contract.

(₹ in Lakh)

The resulting fair value estimates are included in level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2023:

Particulars	Unlisted equity shares	Deferred receivable	Embedded derivative liability
As at 31 March 2022	-	4,340.61	2,789.70
Gain/loss recognised in profit and loss	-	880.46	771.53
Current maturity of Financial Instrument		(394.74)	(210.34)
As at 31 March 2023	-	4,826.33	3,350.89

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31 2023	March 31, 2022		
Unquoted equity shares	-	-	Fair value of the company	A 1% increase in the fair value of the company would increase the non current investment by Nil with a corresponding impact on profit and loss; a decrease in the fair value of the company would decrease the non current investment by Nil with a corresponding impact on profit and loss.
Deferred receivable	4,826.33	4,340.61	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 53.46 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 53.46 lakh with a corresponding impact on profit and loss.
Embedded derivative liability	3,350.89	2,789.70	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 54.98 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 54.98 lakh with a corresponding impact on profit and loss.

38(16) Financial Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. The analysis of each risk is as follows:

A) Credit risk

Credit risk arises from cash and cash equivalents, instruments carried at amortised cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

A. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

B. Credit risk on claims/refunds receivables, trade receivables and unbilled revenues are evaluated as follows:

(₹ in Lakh)

(i) Year ended March 31, 2023:

(a) Expected credit loss for financial assets where general model is applied

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition	Claims/ refunds receivable	9532.33	0.23%	(21.47)	9,510.86
- Loss allowance measured at 12 month expected credit losses	Loans	376.02	-	-	376.02

(b) Expected credit loss for trade receivables and unbilled receivable under simplified approach

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	138872.50	5750.12	144622.62
Expected credit loss rate	0%	0%	0%
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables	138872.50	5750.12	144622.62

(ii) Year ended March 31, 2022:

(a) Expected credit loss for financial assets where general model is applied

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition	Claims/ refunds receivable	7477.87	0.29%	(21.47)	7,456.40
- Loss allowance measured at 12 month expected credit losses	Loans	387.43	-	-	387.43

(b) Expected credit loss for trade receivables and unbilled receivable under simplified approach

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	145426.27	4109.34	149535.61
Expected credit loss rate	0%	0%	0%
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables	145426.27	4109.34	149535.61

(iii) Reconciliation of loss allowance:

(₹ in Lakh)

Particulars	Trade receivables and unbilled revenue	Claims/refunds receivable
Loss allowance as at March 31, 2022	-	(21.47)
Add/less	-	-
Loss allowance as at March 31, 2023	-	(21.47)

(₹ in Lakh)

(iv) Significant estimates and judgements:

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	March 31, 2023	March 31, 2022
Expiring within one year (bank overdraft and other facilities)	1500.00	1500.00

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at March 31, 2023	Less than 12 months	Between 1 and 2 years	Between 2 year and 5 years	Above 5 years	Total
Non-derivative					
Lease liabilities	146.64	162.61	211.50	-	520.75
Deferred Credit towards 45 years Component	195.60	181.10	466.73	769.10	1612.53
Deposits	1,274.48	-	-	-	1274.48
Creditors for expenses	7,716.12	-	-	-	7716.12
Employee benefits payable	6,835.04	-	-	-	6835.04
Capital works	255.87	-	-	-	255.87
Others	274.12	-	-	-	274.12
Derivative					
Embedded derivative liability (Deferred liability)	405.95	210.36	631.08	2103.50	3350.89

Contractual maturities of financial liabilities as at March 31, 2022	Less than 12 months	Between 1 and 2 years	Between 2 year and 5 years	Above 5 years	Total
Non-derivative					
Lease liabilities	131.96	146.64	374.11	-	652.71
Deferred Credit towards 45 years Component	195.60	181.10	466.73	830.76	1,674.19
Deposits	1,413.42	-	-	-	1,413.42
Creditors for expenses	6,828.34	-	-	-	6,828.34
Employee benefits payable	6,388.29	-	-	-	6,388.29
Capital works	1,146.22	-	-	-	1,146.22
Others	302.59	-	-	-	302.59
Derivative					
Embedded derivative liability (Deferred liability)	357.73	162.14	486.42	1,783.41	2,789.70

(₹ in Lakh)

C) Market risk**(i) Foreign currency risk**

The company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro, GBP, CHF and SEK. Foreign exchange risk arises from future commercial transactions and recognised liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The company is eligible for exchange rate variation upon settlement of foreign exchange liabilities for most of the sales contracts. Hence, the company is protected against the foreign currency risk.

(₹ in Lakh)

Particulars	March 31, 2023				
	USD	EURO	GBP	CHF	SEK
Foreign currency liabilities					
- Payables	50.75	10.80	-	-	-
Foreign currency assets					
- Receivables	74.81	-	-	-	-
Net Exposure	(24.06)	10.80	-	-	-

Particulars	March 31, 2022				
	USD	EURO	GBP	CHF	SEK
Foreign currency liabilities					
- Payables	88.91	12.56	-	-	-
Foreign currency assets					
- Receivables	73.33	-	-	-	-
Net Exposure	15.58	12.56	-	-	-

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

(₹ in Lakh)

Particulars	Impact on Profit	
	March 31, 2023	March 31, 2022
Sensitivity		
INR/USD – Increase by 1%	(19.39)	12.79
INR/USD – Decrease by 1%	19.39	(12.79)
INR/EURO – Increase by 1%	9.74	10.70
INR/EURO – Decrease by 1%	(9.74)	(10.70)
INR/GBP – Increase by 1%	-	-
INR/GBP – Decrease by 1%	-	-
INR/CHF – Increase by 1%	-	-
INR/CHF – Decrease by 1%	-	-
INR/SEK – Increase by 1%	-	-
INR/SEK – Decrease by 1%	-	-

(₹ in Lakh)

38(17) Segment information:

As the Company is engaged in defence production, exemption was granted from applicability of Accounting standard on Segment reporting under Sec 129 of Companies Act 2013 vide Notification dated 23rd February 2018 of Ministry of Corporate Affairs.

38(18) Foreign Exchange Exposure:

Pursuant to the announcement of ICAI requiring the disclosure of "Foreign Exchange Exposure", the major currency-wise exposure as on 31 March 2023 (As at 31 March, 2022 are shown in brackets) given below.

(₹ in Lakh)

Currency	Payables		Receivables		Contingent Liability	
	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent
USD	50.75	4185.72	74.81	6,125.06	68.71	5649.73
	(88.91)	(6,808.83)	(73.33)	(5,529.77)	(91.82)	(6,930.72)
EURO	10.80	973.64	-	-	-	-
	(12.56)	(1,069.97)	-	-	(0.99)	(83.96)
GBP	-	-	-	-	-	-
	-	-	-	-	-	-
CHF	-	-	-	-	-	-
	-	-	-	-	-	-
SEK	-	-	-	-	-	-
	-	-	-	-	-	-
Total (₹)		5159.36		6125.06		5649.73
		(7,878.80)		(5,529.77)		(7,014.68)

38(19) Grant for Solar Plant:

The Company has implemented two Solar Plants of 5 MW each under Jawahar Lal Nehru National Solar Mission (JNNSM) scheme. Viability Gap Fund (VGF) is accounted based on project cost as per the contracts. An amount of ₹ 1545.89 Lakhs is accounted as VGF and disclosed under Deferred Revenue (Note No. 22) in the books of the Company. Deferred Revenue @4% p.a amounting ₹ 61.83 Lakhs is recognized as from Solar Plant.

38(20) Disclosures under Ind AS 115: Revenue from contracts with customers**A Satisfaction of performance obligation**

- In majority of the contract performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining control of the asset. Performance obligation in respect of contract involving supply, Installation and commissioning of complex system is recognised "over a period of time"
- Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract on acceptance by the customer.
- Company's Contract normally do not contain significant financial component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.
- Variable consideration primarily consist of amount receivable/reimbursable against foreign exchange variation clause and liquidated damages. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract. The amount is recognised as revenue based on contractual terms.
- The company's turnover mainly includes supply of missiles and allied defence equipments.
- Warranties provided are primarily in the nature of performance warranty.

(₹ in Lakh)

- vii. The company normally uses the input method to recognise revenue in respect of contracts in which performance obligation are satisfied over a period of time. For arriving at the quantum of revenue to be recognised the percentage of completion method is adopted where in the percentage of actual cost incurred to total estimated cost is applied to the contract price for arriving at the quantum of revenue to be recognised. The company's contract (other than AMC) in respect of which revenue is recognised over a period of time typically involves multiple activities of different nature like construction of building, supply and installation of equipments etc. Due to this it is not possible to quantify in physical terms the quantum of work done (i.e., output) reliably. Where as, under input method, the cost incurred in respect of these varied activities can be captured and compared to the total estimated cost to be incurred (which can be estimated reliably), for arriving at the percentage of completion. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.
- viii. For revenue recognition in respect of performance obligation satisfied at a "point in time" the following criteria is used for determining whether customer has obtained "Control on asset"
- Terms of delivery as per the contract
 - Customer has legal title to the asset
 - The entity has transferred physical possession of the asset
 - Customer has accepted the asset
 - Entity has the present right to payment for the asset
- ix. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligations is based on relative standalone selling price which is arrived at based on the latest contract available for similar item sold.

B Break up of revenue recognised against contracts with customers

(₹ in Lakh)

Particulars	Govt of India	Exports (including Channel Partner)	Others	Total
For the year ended March 31, 2023				
Sale of Products	156,545.20	9,718.87	69,115.93	235,380.00
Sale of Services	7,014.48	22.24	4,486.15	11,522.87
Total	163,559.68	9,741.11	73,602.08	246,902.87
For the year ended March 31, 2022				
Sale of Products	179,206.97	298.37	80,161.59	259,666.93
Sale of Services	5,139.18	-	6,420.08	11,559.26
Total	184,346.15	298.37	86,581.67	271,226.19

(₹ in Lakh)

C Movement of Contract Assets and Contract Liabilities

Particulars	Contract Assets		Contract Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening Balance (A)	119,119.48	115,251.21	215,396.45	188,107.60
Additions				
Against Sales recognised during the year	77,040.77	103,272.80		
Receipt of advance from Customer during the year			361,562.74	178,679.34
Change in transaction price recognised during the year				0.07
Others (if any)	3,034.65	7,612.29	438.23	
Total - (B)	80,075.42	110,885.09	362,000.97	178,679.41
Deductions				
Contract liability adjusted against- Revenue recognised during the year out of Opening balance			80,822.90	68,645.73
Contract liability adjusted against- Revenue recognised during the year out of Current year balance			71,571.63	81,904.10
Conversion of Contract Asset to Trade receivable	73,029.55	107,016.82		
Impairment of Contract Asset if any*				
Write back of Contract Liability if any				
Change in transaction price recognised during the year				
Others (if any)			3.93	840.73
Total - (C)	73,029.55	107,016.82	152,398.46	151,390.56
Grand Total (Closing Balance) D = (A+B-C)	126,165.35	119,119.48	424,998.96	215,396.45

* Impairment is tested as per the accounting policy 15. The company has assessed that there are no indicators of impairment.

Advance received from customer are classified as contract liability and Progressively adjusted on completion of performance obligation .Balance amount receivable after adjusting advance is classified as Trade Receivable.

Amount withheld by customer in respect to completed Performance obligation due to linking of payment with completion of other Performance obligations in the contract is classified as Contract Asset .

D Value of remaining Performance Obligations

Unrecognised revenue from contracts with customer which are partially satisfied or unsatisfied

Particulars	Total Amount	Within a Year	1 - 2 Years	2 - 3 Years	More than 3 Years
Unexecuted order value as on 31.03.2023*	2,005,400.00	326,000.00	353,500.00	406,200.00	919,700.00

* The amount is subject to LD of ₹ 15060.96 lakh

(₹ in Lakh)

E Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Statement of P&L Account		
Sale of Products	235,380.00	259,666.93
Sale of Services	11,522.87	11,559.26
Total (a)	246,902.87	271,226.19
Add/ Less adjustment to contract price		
FE variation claim	(8.88)	-
Incentives, performance bonus received	-	-
Discount, rebate offered	-	-
Price concession offered	-	-
LD levied by customers	6,098.06	3,899.77
LD refunded by customers	(3,033.29)	(13,322.24)
Others if any	-	-
Total adjustment (b)	3,055.89	(9,422.47)
Contract price (a + b)	249,958.76	261,803.72

F Movement of Trade Receivable for 2022-23

Particulars	Sale of Products	Sale of Services	Total
Opening Balance Net Debtors (A)	24,949.06	5,467.07	30,416.13
Additions			
Against Sales recognised during the year	235,840.14	5,860.61	241,700.75
Conversion of Contract Asset to Trade receivable	67,231.27	5,798.28	73,029.55
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	23.50	62.61	86.11
Total - (B)	303,094.91	11,721.50	314,816.41
Deductions			
Collection made during the years	162,818.49	11,562.25	174,380.74
Advance adjusted during the year out of revenue recognised	150,891.31	1,503.22	152,394.53
Impairment of Debtors (Provisions)*	-	-	-
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	-	-	-
Total -(C)	313,709.80	13,065.47	326,775.27
Grand Total (Closing Balance) D = (A+B-C)	14,334.17	4,123.10	18,457.27

(₹ in Lakh)

Movement of Trade Receivable for 2021-22

Particulars	Sale of Products	Sale of Services	Total
Opening Balance Net Debtors (A)	24,834.90	7,434.37	32,269.27
Additions			
Against Sales recognised during the year	213,059.27	9,176.14	222,235.41
Conversion of Contract Asset to Trade receivable	102,766.47	4,250.35	107,016.82
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	47.06	23.42	70.48
Total - (B)	315,872.80	13,449.91	329,322.71
Deductions			
Collection made during the years	166,461.20	13,347.32	179,808.52
Advance adjusted during the year out of revenue recognised	148,549.84	1,999.99	150,549.83
Impairment of Debtors (Provisions)*	-	-	-
Change in transaction price recognised during/previous year	-	69.90	69.90
Others (if any)	747.60	-	747.60
Total -(C)	315,758.64	15,417.21	331,175.85
Grand Total (Closing Balance) D = (A+B-C)	24,949.06	5,467.07	30,416.13

* Impairment is tested as per the accounting policy 15. The company has assessed that there are no indicators of impairment.

G Payment Terms from the customer comprises of advances and stage payments which differs from contract to contract.

38(21) Additional Regulatory Information:**A Title deeds of Immovable Properties not held in name of the Company**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	Land at Ibbrahimpatnam (632 Acres 16.50 Guntas)	7,965.16	TSIIC	No	2/16/2017	In the process of registration.
Freehold Land	Land at Kanchanbagh (146 Acres 32 Guntas)	28.42	DMRL	No	10/19/1972	Pursuing with authorities for incorporation in revenue records
Investment Property	Land at Kanchanbagh (5 Acres 1 Gunta)	0.97				
Right of use assets	Land at Visakhapatnam (3 Acres 25 Guntas)	-	BDL	No	3/2/2011	Lease deed is executed but yet to be registered.

(₹ in Lakh)

- B** The fair value of investment property is not based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. However, the same is being calculated as per the records of Registration Department of State Government.
- C** Company has not revalued any of its Property, Plant and Equipment or Intangible Assets during the current reporting period.
- D** Company has not granted any Loans or Advances in the nature of loans to any of its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

E Capital Work-in-Progress (CWIP)

(₹ in Lakh)

(a) CWIP Aging Schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March, 2023					
(i) Projects in progress	5,280.75	1,483.93	482.89	187.09	7,434.66
(ii) Projects temporarily suspended					
Total	5,280.75	1,483.93	482.89	187.09	7,434.66
As at 31 March, 2022					
(i) Projects in progress	2760.67	547.32	657.60	107.59	4,073.18
(ii) Projects temporarily suspended					
Total	2,760.67	547.32	657.60	107.59	4,073.18

(b) CWIP Completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at 31 March 2023	4,054.44	493.22	1.47	-
As at 31 March 2022	3,457.25	-	-	-

* In view of the sensitive nature of the projects and also on account of exemption granted on segmental reporting, project wise details are not disclosed

F Key Financial Ratios:

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% Variance	Reason for Variance
(a) Current Ratio (in times)	Total Current Assets	Total Current Liabilities	3.45	2.14	61.2%	Increased due to higher bank balances on account of advances against new orders received during the year
(b) Debt-Equity Ratio						-
(c) Debt Service Coverage Ratio						-

(₹ in Lakh)

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% Variance	Reason for Variance
(d) Return on Equity Ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	11.28%	17.49%	-36%	Due to lower turnover on account of supply chain disruptions and change in product mix.
(e) Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	1.43	1.85	-23%	-
(f) Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	10.19	8.99	13%	-
(g) Trade payables turnover ratio (in times)	Purchases	Average Trade Payables	2.70	2.22	22%	-
(h) Net capital turnover ratio (in times)	Revenue from operations	Working Capital	0.46	0.96	-52%	Reduced due to reduction in turnover and increase in working capital mainly on account of higher bank balances.
(i) Net profit ratio (in %)	Net Profit after taxes	Revenue from Operations	14%	18%	-21%	-
(j) Return on Capital employed (in %)	EBIT i.e., Profit before tax and finance costs	Capital Employed i.e., Networth + Deferred Tax Liability (net)	15.41%	23.99%	-36%	Due to lower turnover on account of supply chain disruptions and change in product mix.
(k) Return on investment (in %)	Return to investor	Time weighted Investment	81.87%	67.76%	21%	-

- G** There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- H** Company has no borrowings from banks or financial institutions on the basis of security of current assets. Company is not declared wilful defaulter by any bank or financial Institution or other lender.
- I** Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- J** Company has no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 38(22)** There are no transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(₹ in Lakh)

38(23) Corporate Social Responsibility (CSR):

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	(i) Gross amount required to be spent by the company during the year	1,217.89		1,169.80
(ii) Amount of expenditure incurred during the year on				
- Construction / acquisition of any asset:	153.24		328.20	
- On purpose other than above	1,166.08		1,484.41	
(iii) Shortfall at the end of the year out of the amount required to be spent during the year	Nil		Nil	
(iv) Total of previous years shortfall amounts	Nil		Nil	
(v) Reason for shortfall	Not Applicable		Not Applicable	
(vi) Nature of CSR activities undertaken by the Company	Education, Healthcare, Skill Development		Education, Healthcare, Skill Development	
(vii) Details of related party transactions	Nil		Nil	
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Unspent / (Surplus) Balance as at March 31, 2022	Additional provisions recognised	Utilisation during the year	Unspent / (Surplus) Balance as at March 31, 2023
	(5.75)	1217.89	1,319.32	(107.18)

38(24) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

38(25) Impact of Russia-Ukraine war:

Due to the ongoing Russia-Ukraine war there are delays in receipt of certain electronic components and critical explosive materials from OEMs which have impacted the performance during the year and company is exploring alternatives to mitigate the impact.

38(26) Code on Social Security, 2020:

The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Official Gazette of Government Of India. However, the date on which the Code will come into effect has not been notified. The Company will evaluate the impact and will give appropriate impact in the financial statements in the period in which, the Code becomes effective.

38(27) Impact due to change in Accounting policy on Customer financed assets:

Hitherto the company has been recognising the revenue in respect of customer financed assets in proportion to the depreciation. In view of the recent opinion of Expert Advisory Committee of ICAI on accounting treatment of assets funded by customer, the company revised its accounting policy on customer financed assets. As per the opinion / revised policy, the revenue in respect of funds received from the customer for the assets procured by the company should be recognised as or when the control over the assets is transferred to the customer in line with the requirements of Ind AS 115. In respect of assets funded by the customer but the company obtains control over such assets are treated as non-cash consideration and revenue is recognised in proportion to the existing order quantity plus additional quantity, if any, for which orders are anticipated on the date of receipt of the contract from customer. Existing contracts were reviewed and necessary changes were made. Impact of change in accounting policy is tabulated below:

(₹ in Lakh)


Balance Sheet (extract) as at 31 March 2023	Note No.	March 31 2023 without adoption of new policy	Increase/ (Decrease)	March 31 2023 as reported
Assets				
Property, Plant and Equipment	1	70,888.47	(6,260.09)	64,628.38
Deferred tax assets	29A	5,968.00	(325.98)	5,642.02
Inventory	10	182,217.99	25.76	182,243.75
Trade Receivables	11	16,225.44	2,231.84	18,457.27
Other Current Financial Assets	15	134,671.18	(2,259.41)	132,411.77
Total Assets		409,971.08	(6,587.89)	403,383.19
Liabilities				
Other Non Current Liabilities	22	327,670.33	(7,142.15)	320,528.18
Other Current Liabilities	27	121,781.55	297.27	122,078.82
Total Liabilities		449,451.88	(6,844.88)	442,607.00
Net assets		(39,480.80)	256.99	(39,223.81)
Equity				
Other Equity	18	302,564.66	256.99	302,821.65
Total Equity		302,564.66	256.99	302,821.65

Statement of Profit and Loss (extract) for the year ended 31 March 2023	Note No.	March 31 2023 without adoption of new policy	Increase/ (Decrease)	March 31 2023 as reported
INCOME				
Revenue from Operations	30	247,450.22	1,489.03	248,939.25
Expenses				
Cost of materials consumed	32	120,083.63	949.83	121,033.46
Changes in inventories of finished goods and work-in-progress	33	(1,877.96)	(25.76)	(1,903.72)
Depreciation and amortisation expense	36	8,456.04	(730.25)	7,725.79
Total Expenses		126,661.71	193.82	126,855.53
Profit before tax		46,885.14	1,295.21	48,180.35
Deferred Tax	29C	(138.48)	325.98	187.50
Profit/ (Loss) for the year		34,248.26	969.23	35,217.49

38(28) Previous year figures have been regrouped or rearranged wherever necessary. Negative figures are indicated in parenthesis. Significant Accounting Policies and accompanying Notes form an integral part of the Financial Statements

As per our report of even date,

For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 0024245


CA K Murali
Partner
(M.No. 024842)
UDIN: 23024842BGXAJK8165


Place: Hyderabad
Date: 25 May 2023

For and on behalf of the Board


N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 25 May 2023


P RADHAKRISHNA
Chairman and Managing Director
(Additional Charge)
DIN: 08437975


N NAGARAJA
Company Secretary
(M.No.A19015)



Kanchanbagh Unit



Bhanur Unit



Visakhapatnam Unit



भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED

(A Govt. of India Enterprise, Ministry of Defence)

CIN No.: L24292TG1970GOI001353

Corporate Office: Plot No. 38-39, TSFC Building,

Near ICICI Towers, Financial District, Gachibowli, Hyderabad - 500032. Telangana, India.

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